

INDIAN PRACTICAL BANKING

*A short treatise on the day to day working of
modern Indian Joint Stock Banks*

BY

O. S. KRISHNAMOORTHY

Author of "Letters on Reserve Bank"

FOREWORD

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Second Impression

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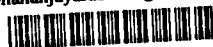
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To

S. N. POCHKHANAWALA, ESQ.,

Managing Director,

THE CENTRAL BANK OF INDIA LTD.,

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BY THE SAME AUTHOR

Letters on Reserve Bank—(out of print)

Select opinions from:

The Right Honourable Sir Hilton Young, P. C., D. S. O., D. S. C., M. P., Chairman, the Royal Commission on Indian Currency and Finance (1925).

Sir Hilton Young is obliged to O.S. Krishnamoorthy for his interesting pamphlet, which appears to him to contain much sound reasoning. Sir Hilton Young is assured that its perusal will be of advantage to all students of the subject.

The Hon. Sir Basil P. Blackett, K. C. I. E., K. C. B., Ex-Finance Member, Government of India. (Now) Director, Bank of England.

".....I have no doubt the circulation of the Pamphlet will be useful in the interest of India.".....

(2) Such articles are most valuable in guiding opinion a right.

Sir R. N. Mukherjee, K. C. S. I., K. C. V. O., Member, The Royal Commission on Indian Currency and Finance (1925) Governor, Imperial Bank.

".....Thanks, I have read it with interest and agree with many of the views expressed therein."

Sir J. C. Coyajee, Kt., Member, The Royal Commission on Indian currency and Finance (1925).

".....The treatment is lucid and interesting as far as it goes."

Sir Byramjee Jeejeebhoy, Kt., Director, The Central Bank of India.

".....You have handled the subject very ably and those of our public men who take a keen interest on this burning question of the day might do well to go over this brochure for further enlightenment on the subject. It will enable them to weigh the pros and cons of the question from different angles of vision."

H. G. Cocke, Esq., M. L. A., Partner, A. F. Ferguson & Co., Auditors, and Ex-President of the Bombay Chamber of Commerce.

".....I can only say that I agree with you that a Share-holders' Bank is likely to be most satisfactory in the long run and the most practicable to work."

FOREWORD

Mr. Krishnamoorthy's book on Banking in India appears at a very opportune time. The problem of banking is one of the most urgent of our needs and an enquiry is now under consideration. We import a large amount of the precious metals dug up in one part of the World only to be hidden away in another either in the form of jewellery or as bullion. This renders sterile a large amount of wealth which I have estimated in the Economic Journal to be £550 millions or a sum approximately equal to the total amount of gold reserves held by the Government and the Federal Reserve Banks in the United States. The essentials preliminary to the use of the country's wealth for productive purposes are mass education, political security, communications, and an acceptable system of deposit banking. These are indeed all Governmental problems and a vigorous use of the power of Government is required to bring about the economic advance which is so necessary. Sir George Schuster in his first Budget speech recently said that the question calls for action rather than words. I fully recognize the difficulties, and that Government cannot expect to get the small men all over India to invest their savings except as a result of a steady course of education and the provision of better facilities. This is a matter on which I hope our Banking Enquiry will throw light.

What then are the facts? In the twelve months ended December 1928 the total new capital raised in London amounted to £369 millions, the amount raised for domestic employment being 63 per cent. of the total and for overseas 37 per cent. Only £7 millions were borrowed by the Government of India early in the year, large sums being borrowed by the Governments of Australia and New Zealand. Other countries such as Kenya, Tanganyika, Southern Rhodesia, Newfoundland, Fiji and foreign Governments like Greece,

Bulgaria, and the South American Republic claimed a considerable part. India, therefore, has at the present time to compete with many countries in the London money market. It is in every way desirable that she should depend more and more on rupee capital. The issues of capital to-day in India, according to statistics published monthly by the League of Nations, are on the average of the last five years only about one-eleventh of those in Japan with a population of 83 millions as against 320 millions in India and an area one-seventh of that of India. We require more and more capital to improve production (which is mediæval in many of its branches), to develop communications, and to educate ourselves to store up capital. We have to see that the function of a surplus of income over expenditure is devoted to making the future happier. Our own capital will then grow and we may be able to move ahead, somewhat as Japan has been doing lately, with less dependence on foreign assistance.

The Indian Banking structure at the present time is a decentralised system. Under such a system there is always the greater probability of crises occurring than under a centralised system. The history of bank failures since 1913 shows clearly the disastrous effect of such crises. A general breakdown of credit can be avoided under a system in which banking reserves are centralised in a central bank endowed with the right of note issue. At present banks in India cannot turn easily the maximum of their assets into cash. Stringency breeds distrust and distrust leads to the clinging to cash with the result that a crisis becomes inevitable. Joint Stock banking proceeds safely under the shelter of a true central bank. Organisation of credit is essential.

The aim of the author is to promote the knowledge of banking. The practical banker may not find much that is new to him but the student of banking may find benefit from a perusal of these pages. It has been well said that there is but one school in which the practice of banking can properly be learned, and that school is a bank. In research in Economics we have a large field before us. It is not so important

to us as economists to know more about the history of Indian banking as it is that we should know more about the actual operations of banks, indigenous and joint stock and the actual uses of credit in different parts of the country. The careful study of the records of a particular bank over a period of years or of a particular shroff would establish a foundation for an important contribution to Economics. I mean not that the materials should be first-hand materials but that they should be new kinds of materials. Otherwise we get another history of banking of the familiar or standardised sort. In recent years the Government of India have begun to follow the example of Western countries and to use economists for their economic advisory work. There are broadly speaking two types of advisers. One type is the general practitioner type who diagnoses the disease, prescribes the medicines and undertakes the care of the patient until he has recovered. The second type is the consultant type which merely diagnoses the difficulties, prescribes remedies and then goes away, leaving the full responsibility of treatment to government or perhaps suggesting the appointment of advisers of the general practitioner type to help to carry out the treatment recommended. Indian Banking, however, will depend in the future than in the past rather on young men trained in banking and it is to this class that Mr. Krishnamoorthy's book is likely to appeal.

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ERRATA

Page	Line		
1	22	and this is	... omit <i>and</i>
3	25	Their were immense	... read <i>There</i> were
7	30	much discouraging	... " <i>very</i> discouraging
15	17	in no case a good customer is turned out	... " in no case <i>is</i> a good customer turned out
16	12	account can be	... omit <i>can</i>
19	28	name of the party	... read <i>names</i> of the parties
19	30	signature of the party who takes	... " signature of the persons who take
20	18	When firms or	... omit <i>firms</i> or
21	14	specimen of cheque	... " <i>of</i>
22	30	whomsoever	... read <i>whosoever</i>
24	13	Patel and Shaw Ltd.	... omit <i>Ltd.</i>
26	9	collecting should	... read collecting <i>banker</i> should
27	5	cashed the crossing	... " cashed <i>over the counter,</i> the crossing
30	11	annas is	... " <i>annas</i> are
39	10	to 5th June 1929	... " <i>4th June 1929</i>
41	1	but the depositor is paid.	... " but the depositor <i>if he desires his deposit in the middle of the period he is paid</i>
48	12	trade for	... " <i>trade</i> or
49	18	they trade	... " <i>they are</i> trade
52	34	hundi may send	... " hundi <i>must</i> send
77	20	loan has been	... " loan <i>had</i> been
83	11	suspence	... " <i>suspense</i>
89	19	sells heavy bear	... " sells <i>a heavy</i> bear
89	25	there are less	... " there <i>is</i> less
95	4	calenders	... " <i>calendars</i>
108	last line	cancell	... " <i>cancel</i>
109	8	called the Council	... omit <i>the</i>
113	28	General Ledger is	... read General Ledger <i>are</i>
115	21	collection on	... " collection <i>of</i>
117	8	is debited	... " all charges <i>are</i> debited
118	last line	Provident Balances	... " Provident <i>fund</i> Balances
120	5	Bad Doubtful Debts	... " Bad <i>and</i> Doubtful Debts
123	9	Act require	... " Act <i>requires</i>
123	29	Government took	... " Government <i>paid</i>

CHAPTER I

INTRODUCTION

Progress of Banking

Sir Basil Blackett in one of his famous speeches at Delhi in 1925 has said "for a century and more India has been accustomed to rely mainly on external capital both for her Government Capital expenditure and for the development of her Industrial resources. To some it may seem fantastic, in view of this historic habit, to talk of India's not only supplying the whole of her own Capital requirements but also becoming a lender of capital for the development of other countries. Yet, I firmly believe, given the necessary development of banking and credit facilities and goodwill and readiness to profit by the counsel and assistance of European businessmen, the time is not very far distant when India will be doing both these things. India would seem by nature to be destined to be a creditor country, if only her people will it so."

No doubt Sir Basil Blackett had prophesied a good financial future for our country if what he said is put in practice. Fortunately Bombay—the Lombard Street of India—can boast of an active co-operation in business between the English and Indian Industrial magnates, and this is wanting in other parts of the country. In a general way we are what Scotland was 150 years ago. Scotland came out of darkness through the efforts of her own people and she is now commanding a world-wide influence through her organised branch banking system. The expansion of banking system is purely due to the necessity and Scotland invented a special cash-credit system which

was carried out very willingly by her people. In our country, if the example of Scotland is followed by establishing a Central Bank for the whole of India to control the Currency and Credit policy of the country, to issue notes as and when necessary, to grant facilities to Agriculture, Commerce and Industry through Joint Stock Banks, Co-operative and other Agricultural and Mortgage Banks by discounting their bills or granting open credits, we may be sure to realise what Sir Basil Blackett has said in his Delhi speech. The special cash credit system which had made Scotland so great has been very well explained in Macleod's Elements of Banking, which runs as under :—

“ We have now to describe a species of credit invented in Scotland to which the marvellous progress and prosperity of that country is mainly due. The Bank of Scotland began to issue £1-notes about the beginning of the last century. In 1727 another bank was founded named the Royal Bank. In the very contracted sphere of Scottish commerce at that time, there were not sufficient commercial bills to exhaust the credit of the banks. They had, as it were, a superfluity of credit on hand and the Royal Bank devised a new means of getting it into circulation.

“ It agreed, on receiving sufficient guarantees, to open or create credits, in favour of respectable and trustworthy persons. A cash credit is therefore simply a drawing account, created in favour of a customer, upon which he may operate, in precisely the same manner as on a drawing account, the only difference being, that instead of receiving interest upon the daily balance to his credit, as it is very commonly the custom in Scotland, he pays interest on the daily balance at his debit. It is thus an inverse drawing account.

"All these advances are made exclusively in the banks' own notes, and they are not made on the basis of any previous transaction. Cash credits are applicable to a totally-different class of transactions from those which give rise to bills of exchange, and we will now explain their nature more fully.

"Almost every young man commencing business in Scotland does it by means of a cash credit. A young solicitor for instance, in England must have a very considerable amount of ready money to begin business with any case to himself, as he is expected to make disbursements before he can get in payments from his clients. But in Scotland this is done by means of cash credit which is guaranteed by his friends

"These credits are granted to all classes of society, to the poor as freely as to the rich. Everything depends upon character. Young men in the humblest walks of life inspire their friends with confidence in their steadiness and judgment, and they become sureties for them on a cash credit. This is exactly the same thing as money to them, and they then have the means placed within their reach of rising to any extent to which their abilities and industry permit them. It was in this manner that the prodigious progress was made in Agriculture in Scotland. Their were immense quantities of reclaimable land and abundance of unemployed people, but no capital or no money to set their industry in motion. Seeing this state of matters the banks opened branches in numerous parts of the country and sent down boxes of £1-notes and granted cash credits to the farmers. These notes were universally received as readily as coin. The farmers made their purchases and paid wages with them, and immense tracts of barren land were changed into fertile corn fields. Now these

£1-notes were not a substitute for any specie; they did not supercede or displace any previously-existing money; they were a pure addition to the existing money. They were, in fact, exactly equivalent to the creation of so much gold.

"Commerce and agriculture therefore received their prodigious stimulus from these cash credits. But they were of equal use in a public point of view. Almost all the great public works of every description were created by means of these cash credits. One witness stated that the Forth and Clyde Canal was executed by means of a cash credit of £40,000 granted by the Royal Bank. And in exactly a similar way, whenever any other great public works are to be done such as roads, bridges, canals, railways, docks, etc., the invariable course is to obtain a large cash credit at one of the banks. All these marvellous results which have raised Scotland from the lowest state of barbarism up to her present proud position in the space of 150 years are the children of pure credit.....

....." And it was equally undeniable that the two great causes of her rapid rise in civilisation and wealth have been her systems of—education and banking. Her system of banking has been of infinitely greater service to her than mines of gold and silver. Mines of the precious metals would probably have demoralised her people. But her banking system has tended immensely to call forth every manly virtue. In the character of her own people, in their steadiness, their integrity, their honor, Scotland has found wealth infinitely more beneficial to her than the mines of Mexico and Peru.

"Now we observe that these Cash credits which

have produced such marvellous results are not based upon any previous operations, nor upon the transfer of commodities already in existence. They are created for the express purpose of creating or forming future products, which would either have no existence at all but for them or at all events, they would have deferred for a long period, until solid money would have been obtained to produce them. Thus we have an enormous of exchangeable property (the £1-notes) created by the mere will of the bank and its customers which produces all the effects of solid gold and silver; and when it has done its work it vanishes again into nothing, at the will of the same person who called it into existence.

"Hence we see that the mere will of man has created vast masses of wealth out of nothing, and then decreed them into nothing, which, having served their purpose, after a time were

' Melted into air, into thin air '

"But their solid results have by no means faded like the baseless fabrics of a vision, leaving not a rack behind. On the contrary, their solid results have been far-famed agriculture; the manufactures of Glasgow and Paisley; the unrivalled steamships of Clyde; the great public works of all sorts—Canals, Railways, Roads and Bridges; and poor young men converted into princely merchants."

While recognising the advantages we have gained through the introduction of modern banking in our country, it cannot be emphasized that branch banking has expanded to a sufficient extent as to create any sort of real banking habit in us. We are partly to be blamed for this as most of us consider that it is against our tradition to have a banking account and make use

of the advantages of a banking service even in places where they are available.

The savings we are able to make are often locked up in lands and buildings and other unproductive investments. Many of us do not care to understand modern banking and the functions of a banker. Some of the Indian Merchants up-country who are having a large yearly turnover in their business often hesitate to have a banking account as they do not want to worry themselves by entrusting their funds to a banker or to wait till cheques paid into their accounts are realised. This can, in other words, be interpreted that they do not trust the man who gives them the cheques or the banker with whom such cheques are deposited for realisation. But the banking habit in foreign countries has grown enormously in the last few years making the leading banks there to open new branches every day wherever they are required.

Cheque Habit. The immediate reason for it is that the people in foreign countries desire to make payments more and more by cheques and the habit of using cheques is thus growing rapidly. The use of cheques means having a banking account. Banks to-day lay themselves out to encourage small depositors. A considerable portion of the increase is due to house-keeping and other accounts. The housewife to-day has a banking account of her own. She pays her bills by cheques and receives her dues by cheques. Banks, in addition to above, act as Agents in buying and selling goods to their clients. They bring in from far-off places their clients' requirements and dispose off easily at a profitable rate their clients' surplus stock. Foreign banks further finance merchants during the time of trade depression by advancing money on the chief exportable produce less certain percentage of

the market value thereby restricting sales at a miserable price; and when the market improves, the chief exportable produce is sold off easily and the temporary loan advanced by banks is wiped out from the sale proceeds.

One of the effects of the War has been to broaden the investing class. The amount of War Loan in the hands of public in the foreign countries has turned more and more people into Investors. An investor who receives dividends finds it convenient to have a banker to cash such dividends for him without the least trouble on his part. He does not mind paying a small commission to his banker for his trouble. When a person has acquired investing habit, he invariably makes use of his banker for all his purchases and sales of securities. All these advantages have made people in those countries to realise that it is worth while having a banking account.

Where India stands. From a perusal of the data shown below we can make a comparative study of Capital and Reserve, etc., per head of population in the following countries.

	Capital and Reserve in Lakhs of Rs.	No. of Banking Offices.	Av'ge Capital per head.
U. S. A.	136,760	30,000	947
U. K.	23,400	9,500	721
Australia	7,670	3,400	819
Canada	3,250	2,500	572
India	2,470	500	13

The figures shown against our country are much discouraging when compared with those of other countries. We may say, in other words, that the banking habit, thrift and economy are wanting in us to a very great degree. America and England learnt the benefit of thrift and they are enjoying its fruits. It is the banking habit that has made America and

England thrifty and it is the bankers who have infused into the people of those countries the banking habit.

The best way of creating the banking habit in our country is by educating the public on banking lines. The establishment of an All-India Institute of Bankers which has been started mainly through the initiative of our Ex-Finance Member of the Government of India, Sir Basil Blackett, and some of the Indian friends, is a welcome sign in the way of acquiring more knowledge. This institution, like the English Institute of Bankers, will not only afford sound banking educational facilities for the Indian Students, who are desirous of having banking as their profession but also will serve as a centre for the diffusion of banking knowledge.

Publicity needed. Our bankers should afford all facilities to small investors as well as depositors. They should arrange banking lectures throughout the country and explain to the public the ways and means adopted by other nations to improve their Capital and Reserve in Banks. Our bankers should also issue periodical bulletins on matters of general importance pertaining to banking affairs. The only form of publicity available in our country is the routine advertisement of banks showing Paid-up Capital, Reserve Fund and Reserve Liability against Shareholders. The bankers, in addition to above, should publish a statement of Assets and Liabilities at least once in a month so as to afford opportunity to the depositors as well as the investing public to make the following observations.

(a) The percentage of Cash in hand, Cash with Bankers, and Investment in Government Securities to the Total Assets.

(b) The percentage of Cash in hand, Cash with bankers and Investments in Government securities to the Demand Liabilities.

(c) The percentage of Capital and Reserve to the total Liabilities.

(d) The percentage of excess of Assets over the total Liabilities.

Secret Reserve. There may be some objections to having a secret Reserve because the rate of dividend that may be declared in the usual way will be reduced and the shares of the bank might be subjected to manipulation by persons knowing the existence of the secret reserve, but there are comparatively greater advantages to having a secret reserve, namely that the bank may show a better position than the published accounts and in the event of trade depression the rate of dividend may be stabilised by drawing from the secret reserve. Further, it may be useful to meet out unforeseen contingencies. It is always safer to create a confident feeling in the public mind by having a non-secret reserve in order to encourage depositors and others who have regular dealings with the bank.

CHAPTER II

BANKS IN INDIA, THEIR CLASSES AND HOW THEY OPERATE

Before we begin to study the day-to-day working of our banks, we shall examine those bodies that are operating the Credit and Currency policy of our country.

The Government of India and the India Office between them maintain the rate of exchange and pass remittances, between London and India, not merely to meet their own charges but also for the expansion and contraction of our currency.

The Imperial Bank of India controls the discount rate and credit issue of India. The Imperial Bank of India are the bankers to the Government of India. They are the custodian of the public funds and the Government cash balances; besides they are doing ordinary business like other joint-stock banks. But they are not allowed to do Exchange business (Foreign) as per their constitution. The Government of India maintains a continuous policy of reliance towards the Imperial Bank and the Imperial Bank holds a unique position in the banking history of our country, having many branches.

1. *Exchange Banks.* As the Imperial Bank's activities are confined to financing the internal trade of our country, the work of financing the Export and Import Trade falls to the lot of the Exchange banks. The exchange banks finance not only the over-seas trade but also secure funds in India by taking deposits both Current and Fixed. The rates that are quoted by the Exchange banks are higher than those of the

Imperial Bank. Their deposits to-day show a larger figure than the Indian joint stock banks. Most of the Exchange banks have their branches in India at all the important sea-port towns but the recent merger of the P. & O. Bank, Allahabad Bank is a real inducement to the P & O Bank to increase its up-country business. The P & O Bank through its London Office would afford the Allahabad Bank enormous credit enabling the latter to quote competitive rates for Loans and Advances, thus competing in a way with the Imperial Bank and other Joint Stock Banks.

2. *Indian Joint Stock Banks.* These banks are doing ordinary banking business and most of them are situated at the important sea-port towns in our country like the Exchange Banks. They facilitate movement of crops during the busy season, they grant loans and advances to traders, they take deposits from the public and other corporate bodies, and also undertake a small percentage of Exchange business. The only Indian Joint Stock Bank with a large capital and reserve at present is the Central Bank of India. The other Indian Banks of importance doing ordinary banking business are, Bank of India, Ltd., Bombay, Indian Bank, Ltd., Madras, Bank of Mysore, Punjab National Bank, Ltd., etc. Indian Banks offer a slightly higher rate of interest to Current and Fixed deposits than the Imperial Bank. The Imperial Bank does not offer any interest on Current accounts and the percentage of interest granted by them on Fixed deposits is considerably less than the rates quoted by the Exchange banks or the Indian Joint Stock Banks.

3. *Co-operative Banks.* Co-operative Banks are primarily intended to help agriculturists but the Central co-operative banks that are situated at the

Presidency towns are doing regular banking business besides accommodating other district co-operative societies.

4. *Post Office Savings Banks.* This is purely a Government monopoly. The Government affords facilities to small depositors to open savings bank accounts wherever there is a post office. On account of the greater security afforded by the Government, the public do not mind the low percentage of interest they obtain on their deposits.

5. *Chetties, Marwaries and Shroffs.* These are our indigenous bankers doing banking business from time immemorial. They take long term deposits and allow loans for long terms. The system of using cheques for withdrawals has not yet been introduced in most of the concerns. They act as middlemen between the banks and the public, they range from a small village capitalist to a wealthy family partnership concern.

Functions of a banker. In the foregoing pages, we have discussed the banking conditions in our country. Let us now consider the functions of a banker and the services he is offering to the public. A banker is a dealer in money and credit and the place in which he carries on his business is called a bank. The main function of a banker is to receive money on deposit. He utilises the same in discounting bills and granting loans. The deposits are of two kinds—Current and Fixed. Current deposits are payable on demand by cheques and Fixed Deposits can only be paid on the fixed date of maturity. A banker pays interest in the above two cases but the interest varies according to the nature of the deposits. During the busy season a banker pays on Current Accounts half per cent. more interest

than during the dull season. Interest on fixed deposits varies according to the amount and the period generally 1 or 2 per cent. more is paid during the busy season. Discounting of bills and granting of loans will be dealt with at a subsequent stage.

CHAPTER III

CLASSES OF ACCOUNTS AND HOW THEY ARE OPERATED

We have discussed in the previous pages the classes of banks and functions of a banker we shall deal presently with the classes of accounts that are kept in banks in India and how they are operated so that a layman can understand the day-to-day working of a modern bank.

Account opening form

Bombay, ...19 ..

Number.

The MANAGER,

THE A.B.C. BANK, LIMITED,

BOMBAY.

SIR,

Being desirous of opening a current deposit account with the A.B.C. Bank, Limited, I/we beg to hand you a remittance as per memo at foot.

I/We agree to be bound by the Bank's Rules. I/We have to request you to supply me/us with a cheque book.

Special }
instructions. }

Yours faithfully,

Title of the A/c.....

Business or }

Profession }

Address.....

To be used in the case of firms and limited liability companies.

Names of Partners, Directors, Agents, &c. Specimen Signature.

Introduced by—

Memo of amount sent—

Current Accounts. Whenever a new customer wishes to open an account he is requested to get an introduction from some persons known to the bank or from a customer who has already got an account with the bank. The customer introducing the client is asked to sign at the foot of the account opening form in the space provided for his signature. As soon as a customer is introduced and the introduction is found satisfactory his specimen signature is taken immediately on the specimen signature card. If a

Specimen of Signature Card

Name _____

" _____

Address _____

new customer is unable to obtain immediately introduction he is asked to give references of some well-known persons, but in no case a good customer is turned out for want of immediate introduction. The completed account opening forms are numbered and the relative numbers are given to the Ledger Accounts. The Ledger Accounts as well as the account-opening forms are examined and initialled by an officer of the bank.

Partnership Accounts. In the case of partnership accounts all the partners are asked to fill in the account-opening form both their names and that of the firm. The names of the individual partners are recorded at the left hand side towards the top of the Ledger Folio and if there are any special instructions it is also noted in the Ledger accounts.

In a partnership concern all partners are entitled to sign cheques as per specimen signature supplied by them. But if it is intended that cheques should be signed by some of the partners only, a declaration to this

effect is made to the banks at the time of opening the account. A banker is not expected to know the terms of partnership, but a joint declaration to the effect that they are carrying on the business under a particular name and style and that they are responsible jointly, and severally for the debts as well as the Assets of the firm will save much worry to a banker at a time when any complications arise. Supposing a partner has got an account in his own name with the bank, credits relating to the firm's account are not entered in his account or any overdraft of the personal account can be wiped out from the credits due to the firm. The death of a partner will not affect the partnership account but when the partnership is dissolved the banker closes the old account and opens a new account in the names of the surviving partners as per their written declaration.

Joint Accounts. If two or more persons who are not partners open an account with a bank in their joint names, on the death of one of the persons, the balance standing to the credit of the joint account belongs to the survivor or survivors unless otherwise stipulated. They are asked to fill in a special joint account-opening form and state therein the names of persons who will be allowed to operate on the account.

Joint Stock Co.'s accounts. In the case of joint stock companies' accounts a banker insists upon the production of the certificate of registration, the memorandum of articles of association, the resolution of the Board of Directors authorising the company to open a current account with the bank and the resolution of the Board of Directors authorising the director or directors and or the manager to operate the account.

When a new company wishes to open an account

with a bank, the company may naturally like to mention the names of their bankers in the Prospectus of the Company. This, the banker accedes to, in cases of first-class companies without hesitation. The mere fact that the bankers' name appears in the Prospectus of Company might lead ignorant people to believe that the bank is interested or concerned in the inception or in the development of such companies.

When a banker is requested to become bankers of a Manufacturing concern, he satisfies himself as to whether proposed business has any reasonable prospects of success and as such an advance copy of the prospectus is obtained and an attempt is made to tone down the over-rosy prospects advanced in respect of dividends.

Agents' Accounts. Whenever firms open branches, they generally send their representatives as managers or secretaries to manage their affairs in those centres. A power of attorney is granted to them by the parent firm, authorising them to act on their behalf. The power of attorney may be limited or a general one. It is an authority to the manager to deal on behalf of the firm. The banker notes the points relating to the Agents' powers in the Power of Attorney Register, *i.e.*, the Agents' powers to draw and endorse bills, to borrow and lend money on behalf of the firm, etc. The Power of Attorney is cancelled on the death or of the bankruptcy of the principal.

Accounts in the names of Municipalities, Taluq boards, District Boards, Notified Area Committees and Schools and Collegès can be opened in the names of those bodies and a resolution authorising the Commissioner or the Secretary of those bodies should be obtained before an account is opened.

Paying-in-Slip Books. When a banker has accepted

to open an account for a customer, he supplies three paying-in-slip books one for notes and coins, a second for cheques and bills on Local Banks and the third one for cheques drawn payable at the up-country stations. Paying-in-slip books relating to cash payments are printed on white paper and for cheques on coloured papers. This is done for the convenience of the customers as well as for proper posting in the books of accounts of the bank.

The A.B.C. Bank, Ltd.		<i>L. Folio</i>	FOR CASH ONLY		The A.B.C. Bank, Ltd.	
Madras.....192 .	THE HUNLEY PRESS, MADRAS	Notes of—				Madras,.....192 .
PAID to the Credit of		Rs. 10,000 ea.				PAID to the Credit of
.....		" 1,000 "				
.....		" 500 "				
.....		" 100 "				
.....		" 50 "				
.....		" 10 "				
.....		" 5 "				
the sum of Rupees		Total...				the sum of Rupees.....
.....		Silver ...				
.....	Copper...					
.....	Total ...				By	
By.....	Entered.....	Received.....	Cashier.....			
Acct.....			Accountant.....			

Customers paying cash fill up the paying-in-slips according to the order, *i.e.*, from the largest denomination of notes to the smallest. They also fill up the counterfoils and present them to the cash department. The cashier, after examining the notes and coins as per the amounts mentioned in the pay slips, signs the pay slips as well as the counterfoils, which are passed on to the officer for his countersignature. When cheques on local banks are paid in by the customer, he writes the particulars of the cheques at the back of the pay slip and brings forward the total to the front side. These slips also together with the cheques are presented to the cash department. They are examined by the cheque-

receiving shroff and after verification, the slips are passed on to the officer for his countersignature. Slips relating to cheques are posted in the ledger accounts only when cheques are realized. If cheques are presented late after the clearing hours, the slips are marked as "Too late for clearing." This is done to prevent posting such credits on that day's accounts. These slips together with their relative cheques are kept in the cash department till the next day's clearing. When cheques presented through clearing are returned unpaid, they are forwarded to the customers with the remarks of the paying banker.

As soon as the banker finds that cash or proceeds of cheques on local Banks or cheques sent up-country for realisation is credited to the customers' account he issues a cheque book.

Issue of cheque books. When cheque Books are issued at the time of opening an account, it requires no cheque-requisition form to be signed by the constituents but for subsequent issues the constituents are asked to forward to the bank the printed cheque-requisition forms duly filled up and signed. The cheque-requisition forms are attached towards the end of the cheque books just before two or three leaves. Cheque books are never issued when there are sufficient number of cheques in the old books. When cheque books are issued, they are entered in the Cheque book issued register showing therein the name of the party, the numbers of the cheque books and the officer's initials and the signature of party who takes their delivery.

There was a case, some time back, in one of the local banks in Bombay where the bank had to face a loss on forged cheques due to a cheque book having been issued against forged signature on the cheque-

requisition form. The excuse made at the time of asking for the cheque book was that the old book had been lost and accepting that statement as true, the banker issued a new cheque book although the supposed lost one was known to contain a number of unused cheques. The whole statement was untrue and was merely an excuse for the forger to get possession of a new cheque book.

In cases where firms or constituents apply for cheque books, either by post or through a messenger, the banker after verifying the signature, issues a cheque book according to the requirements of customers, and immediately posts them the cheque book under registered cover, advising them at the same time the issue of cheque book, giving its numbers. The advice contains a request for immediate attention as to the receipt of the cheque book.

When firms or constituents call personally, their signatures are taken on the cheque-issued register, before the cheque books are handed over to them. Loose cheques are issued to constituents whenever they require for their immediate use. Numbers relating to the loose cheques are also recorded in the ledger accounts. The signed requisition forms that are received by the bank are kept in the files in the strong room, after the signature of the constituents duly cancelled.

CHAPTER IV
DRAWING, PRESENTATIONS AND PAYMENT
OF CHEQUES.

Forms of Cheques. Banks have different forms of cheques. They vary in colour and crest according to the choice of banks. But the general form does not differ very much.

By 001221

2nd July 1928.

A B C Bank, Ltd.,
Bombay

Pay M....Daldas...or...order.....the sum
of Rupees Five Hundred only.

Rs. 500

HIRALAL MOTILAL.

In the above specimen of cheque H. Motilal is the drawer; A B C Bank, Ltd. is the drawee; M. Daldas is the payee. When Daldas places his signature on the back of the cheque, he is termed the endorser. All order cheques must be endorsed by the payee, whereas bearer cheques need not be. But bankers nowadays insist on the signature of the person who presents the cheque for cashing. Cheques are payable either to order or to bearer; but if neither word *i. e.* order or bearer is crossed out after the payee's name then the cheque is one payable to order. When cheques are drawn payable to rent, goods wages or other similar fictitious names, they are payable to bearer.

A payee or the drawer may alter a bearer cheque to order; but the drawer alone can alter order cheques to bearer by affixing his signature close to the alteration.

Presentation of Cheques. When cheques are presented either through clearing or at the counter, a banker makes the following observation *Drawer's signature*. This is the first item that a banker is particularly concerned to verify. When a drawer signs a cheque in vernacular it is generally attested before a responsible officer of the bank and when cheques are signed in English, it should be in accordance with the specimen supplied to the bank at the time of opening the Current Account. Any slight alteration in the drawer's signature will cause the cheque to be returned with a remark "Drawer's signature differs." If the drawer keeps his cheque book carelessly and allows the forger to have an opportunity to rob his cheque book and if a cheque is drawn without the least difference, from that of the drawer's signature to baffle even the hand-writing experts, the banker is protected by law. If proved otherwise, the banker will have to make good the loss sustained by the drawer on the forged cheque.

Number. At the time of issuing a cheque book, numbers contained therein are entered at the left-hand top corner of the ledger folio in red ink as "By 001221-45." The first and last numbers of the cheque book are entered. When cheques are presented numbers are verified with the numbers of the cheque book appearing on the ledger folio.

Date. When a cheque is undated, the banker asks the payee or whomsoever presents the cheque, to enter the probable date of issue of the cheque. When a cheque is post-dated, the banker returns such a cheque with a remark "Cheque post dated." When a cheque is ante-dated the banker examines whether it is drawn within the statutory period, *i.e.*

six months prior to the date of presentation. When the date is altered the alteration should be attested by the drawer.

Endorsement. The next item that a banker will examine is endorsements. An order cheque becomes payable to bearer by merely affixing the name of the payee in blank at the back of the cheque.

Turning to the example referred to above, it is necessary for M. Daldas to endorse the cheque in blank to make it payable to bearer. When it is endorsed, the cheque may pass on from one hand to another by mere delivery. If M. Daldas signs simply his name at the back of the cheque, it is called "Endorsement in blank" as blank endorsement is a simple signature without any order.

This endorsement can be converted into a special endorsement. We shall assume that the cheque above referred to has come in possession of J. Dawood for value. J. Dawood wants to give to P. Tejpal and get his endorsement thereon. He can write above the blank endorsement of M. Daldas as "Pay P. Tejpal or order." Now P. Tejpal should endorse the cheque before obtaining payment. Sometimes cheques are endorsed pay J. Suleman only." M. Daldas. In this cheque further negotiation is barred. J. Suleman cannot pass on the cheque by mere delivery to any body. He can only cash the cheque from the drawee bank.

If a cheque is payable to two or more persons-X, Y, Z, who are not partners, X, Y, Z, should sign their names in full in the order in which the cheque is drawn. But if a dividend warrant is payable to X, Y, Z, the paying banker can pay the dividend on the strength of the signature of any one of the

payees. Endorsements in pencil are not accepted as the pencil marks will disappear after some time.

Cheque payable to "Dr. A. B. Fernandez" should be endorsed A. B. Fernandes (L. M. & S.). A cheque payable to "Miss Tarabai" should be endorsed as "A. Tarabai" (Miss) "where cheque is payable to "A. Pandoo or order" who is an illiterate he should put his thumb impression in the presence of a J.P. or a magistrate, who should attest such thumb impression. Cheques payable to a company or corporation should be endorsed as "For Bombay Traders, Ltd. B. Pestonji Manager" or "P. P. Patel and Shaw, Ltd. J. Ramanlal" or, "For & On behalf of Empire Traders, Ltd., J. Thompson, Manager." When cheques and dividend warrants are sent to a banker without endorsement, the banker can cash them on behalf of their constituents by signing at the back of the instrument as "Payees a/c credited" for A. B. C. Bank, Ltd. Sd. A. Macpherson, accountant.

Amount of cheque. When cheques are drawn both the figures and words should agree, and if they are carelessly drawn differing from each other, the banker returns the cheque with a remark "words and figures differ." The latest introduction of punching cheques. "Under. . . . rupees" does not give room for a forger to meddle with the cheque in respect of amounts.

Any alteration in the amount of the cheque should be attested by the drawer.

If a cheque is torn whilst in the hands of a banker, the banker can get payment by certifying that the mutilation has occurred in his office. If it is torn by any other person other than the banker mutilation is to be certified by the drawer of the cheque.

Stamp Duty on cheques has been abolished with effect from 1st July 1927.

Stopping Payment of Cheques. The drawer of a cheque is the only person who can stop payment of a cheque. He should give full particulars of the cheque, viz., the number, the payee, the amount and other particulars so as to give a clear idea to the banker to take immediate steps to stop payment.

As soon as a banker receives a notice of stop payment he enters in the "Stop Payment Register" and prepares at the same time a note for the attention of the Ledger Keeper. This note is generally pasted in the account of the drawer as a ready reference. A constituent who stops payment of cheques constantly cannot be considered a good party unless there is sufficient reason to justify his action. He will one day or other bring the bank into trouble if a "Stop payment cheque" is paid inadvertently.

When a cheque is lost, the payee can get a duplicate cheque upon indemnifying the drawer. He (payee) should inform all parties concerned in the cheque to take immediate action in stopping its payment and he should ask the drawer to advise the bank to that effect.

Crossing the cheques. The crossing of a cheque means drawing two parallel transverse lines with or without the words "& Co." "Not negotiable" "under . . . rupees," "account payee only," Crossings are of two kinds. General and Special. A cheque bearing no special crossing can be sent to any banker for collection. The effect of crossing a cheque is that it cannot be cashed across the counter. When a cheque crossed

1. General		
a		
b	& Co.,	
Under Rupees Fifty		
c	& Co.,	
d	& Co.,	
Not negotiable		
e	a/c payee only	

A. B. C. BANK LTD.,	
A. B. C. BANK LTD.,	a/c payee
Not Negotiable	
A. B. C. BANK LTD.,	

A cheque, unless crossed not negotiable, is a negotiable instrument and consequently good title can be secured even through a robber. The effect of writing "a/c payee" is that the collecting should place the proceeds to the payee's account and not to the account of a third party.

In the general crossing, if a name of a particular

banker is mentioned, it is called special crossing, and cheques bearing a special crossing should be cashed by the banker in whose name it is crossed. When a crossed cheque is required to be cashed the crossing should be cancelled by the drawer and he should write across the cheque the words "pay cash" adding his signature thereto. Bankers cross all cheques when they are received through post as well cheques presented at the counter for clearing. Supposing such cheques are returned unpaid by the paying banker, the collecting banker returns them duly cancelling the crossings under the signature of an officer of the Bank.

Payment of cheques. As soon as a banker is satisfied that the cheque is drawn in order, and the drawer has sufficient funds and that the payment of cheque is not stopped, and that the drawer is solvent, he issues instructions to post such cheques presented through clearing and in case of cheques presented at the counter for cash, a brass token is given to the payee. The payee is to keep the token till the cheque reaches the cash department. Meanwhile the cheque is posted in the ledger and then entered in a small kutcha book. It is sent to the officer of the department and his authority is taken on the cheque to make payment thereon. This kutcha book together with the cheque is sent to the cash department. The cashier calls the payee and verifies the token number and pays the amount of the cheque taking back the token from the payee. Towards the evening every day a tally of all tokens is taken out and if anything is found missing, it is supposed that a particular cheque or draft or pay order bearing missing token number is not cashed or that the token is lost or mislaid.

CHAPTER V

LEDGER ACCOUNTS, PASS BOOKS AND SAVINGS BANK ACCOUNT

Ledger accounts contain all debits and credits *i.e.*, amounts paid in by the constituents and the amount withdrawn by cheques. Stamp Duty on cheques has been abolished and there will be no charge made on this account at the time of issuing a cheque book.

LEDGER A/C. C/D.

Name and Address.

Cheque Book No.

A/C. Opening Form No.

Date.	Particulars.	Folio Nos.	Dr.	Cr.	Balance.	Days.	Product.

Ledger accounts are checked every day before the commencement of the day's work by a responsible officer of the bank who initials in front of the closing balance of the previous day. This is done to avoid any alteration of the balance. Some banks have the system of writing out the closing balance of the previous day, in red ink right across the particulars column of the account. If an account is to be carried forward from one page to another the totals of the debits and credits summations, the closing balance, whether debit or credit, instructions if any, the numbers of the last cheque book the customer is using, the interest products,

debit or credit, are carried forward to the new folio. These are checked and initialled by an officer.

Interest is allowed in almost all the banks on daily balances, say from Rs. 300 or 500 minimum to the maximum amount of a lakh of rupees at $2\frac{1}{2}$ from January to June and at 2 per cent. from July to December. On sums exceeding a lakh of rupees interest is allowed by special arrangement with the management. No interest is allowed which does not amount to Rs. 3 or Rs. 5 for the half year.

R. S. SABAPATHY & SONS,

xy 00039/54.

25, Nagdavi Street.

Account to be operated by A. N. Mohanlal.

19.....		Dr.	Cr.	Balance.	Days.	Product.
Dec. 31	By balance ...	...	900-0-0	900-0-0	8	7,200
19.....						
Jan. 8	To cash ...	200-0-0	...	700-0-0	32	22,400
Feb. 9	By cash ...	...	800-0-0	1500-0-0	34	51,000
Mar. 15	To Jamal ...	100-0-0	...	1400-0-0	24	33,600
Apl. 8	To Abdula ...	50-0-0	...	1350-0-0	37	49,900
May 15	By cash ...	...	300-0-0	1650-0-0	45	74,290
June 29	By cash ...	...	150-0-0	1800-0-0	1	1,800
June 30	By interest ...	...	16-7-0	1816-7-0	181	240,190
	To balance ...	1816-7-0				
		2166-7-0	2166-7-0			
June 30	By balance ...	...	...	1816-6-0		
	Interest at $2\frac{1}{2}$ % p.a....			16-7-0		

The above is an account showing credit balance.

Calculation of interest on credit balances. The procedure adopted in working out interest on debit or credit balances is same. Here is an example where interest on credit balances has been worked out. Example: R. S. Sabapathy & Sons., 25, Nagdevi St., Bombay.

In calculating the number of days, in instances like the above the date from which the number of days is being reckoned is excluded, whilst the day to which the calculation is being made is included. We find that from 31st December to 8th January there are eight days which the Ledger-Keeper places in the days column opened for that purpose. He then multiplies the number of days by the amount when the product will be $900 \times 8 = 7200$. This figure is extended to the products column. Sums over eight annas is taken as a rupee and sums less than eight annas is left out while working out interest. The balance on the 8th January becomes 700 and the same balance remained up to 9th February. Therefore interest due to the above clients will be on 700 from 8th January to 9th February, i.e., 32 days. Multiplying the number of days by the amount the product will be $700 \times 32 = 22400$, which will be extended similar to the above to the products column. The total decimals thus arrived at for the half-year on the above account is 2,40,190 for 181 days provided the year is not a leap year. The rate of interest payable for the half year is at $2\frac{1}{2}$ per cent. In order to find out the actual amount of interest payable to the party, the Ledger-Keeper turns the interest calculator to the page headed $2\frac{1}{2}\%$ and finds out the actual interest which is Rs. 16-7-0. This amount is credited to R.S. Sabapathy & Sons for that half-year.

Pass Books. Pass books contain an exact copy of the ledger accounts. They are issued to the constituents for the purpose of checking. Pass books contain amounts paid in and withdrawn by the constituents. All the entries that are found in the pass books are binding on the banker. Every half-

year, letters of confirmation of the balances are sent along to the constituents. Only a small percentage of these are returned to the Bank perhaps signed at random without due verification. The balances confirmed do not stand in the law courts as they (law courts) do not place any reliance on such confirmations, if a fraud is, detected by the constituents at a subsequent stage.

To obviate that it is always safer to concentrate on getting all pass books sent to the constituents regularly so that any slight mistakes that may be found can be remedied immediately.

Form of Pass book.

R. S. SABAPATHY & SONS,

25, Nagadevi Street.

In account with A. B. C. Bank, Ltd..

19.....			Dr.	Cr.	Balance.
Dec. 31	By balance	...	...	900-0-0	900-0-0
19.....					
Jan. 8	To cash	...	200-0-0	...	700-0-0
Feb. 9	By cash	...	...	800-0-0	1500-0-0
March 15	To Jamal	...	100-0-0	...	1400-0-0
April 8	To Abdulla	...	50-0-0	...	1350-0-0
May 15	By cash	...	...	300-0-0	1650-0-0
June 29	By cash	...	...	150-0-0	1800-0-0
June 30	By interest	...	...	16-7-0	1816-7-0
	To balance	...	1816-7-0		
			2160-0-6	2166-7-0	
June 30	By balance	...	...	...	1816-7-0

A reconciliation of the accounts can be made by the constituents themselves by taking into consideration all the debits and credits that have been

accounted for in the pass books. Adding to the cash balance of the constituent, the cheques drawn by him but not paid out by the banker and deducting the credits due to his account not cleared and credited by the Banker. The result will be the actual cash balance as per his cash book.

Some constituents often commit a serious mistake while drawing cheques. They take into account the very day all cheques that are sent to the Bank for realization, whether they are cheques drawn on local banks or up-country branches. They do not wait to know whether all of them have been realized and credited to their accounts. The mere fact that a banker has put in his signature on the counterfoils of the cheque paying in slips cannot be taken as actual credit unless such cheques are realized and credited. In case of up-country cheques, sufficient time should be allowed to get the amounts credited to the accounts, but care should be taken to verify that no considerable delay occurs.

Pay Order. (Pay slips) Whenever local payments are to be made by banks, say for instance, cost of stationery, rent for the premises, electric charges and other sundry expenses, a pay order is issued crediting pay slip issued account kept in the current account ledger and debiting the general charges account. When the pay order is presented, it is paid to the debit of pay slip issued account. A register called pay slip issued register, is maintained wherein the date of issue, the name of the party to whom the pay slip is issued, the amount of the pay slip particulars of the expense and the date of payment is recorded.

PAY SLIP ISSUED REGISTER.

Date.	In whose favour.	Amount.			Particulars.	Initials.	When Paid.	Initials.	Remarks.
		Rs.	A.	P.					

Balancing of Current a/c Ledgers. This is done once in a week in almost all the banks and the balances are recorded in the Trial balance book. These balances are checked by a responsible officer of the bank. The total summary of all the credit balances of ledgers will agree with the balance appearing on the Liabilities' side of the Balance Sheet under the heading "Current a/c," and the total debit balance with the amount appearing on the Assets' side of the Balance Sheet under the heading "Overdrafts."

Savings Bank Accounts. The procedure in opening a savings bank account is very simple. A person can open an account by signing the bank's declaration stating that he has read the rules of the savings bank account, signing at the same time a specimen-signature card giving his signature. He can open an account in his own name or himself and his friend, payable to any one of them or survivor or himself as a guardian on behalf of a minor. A savings bank account can be opened from Re. 1 to a maximum amount of Rs. 10,000. The depositor is required to produce his pass book at the time of depositing as well as for withdrawals.

debits and credits in the pass book are initialed by an officer of the bank, Special deposit-paying-in-slips are used for lodgments;

withdrawals are made also by special debit slips. Generally a higher rate of interest is allowed to the Savings Bank Depositors, say from 4 to 4½ per cent. but the withdrawals are restricted to once a week. Some banks allow interest on daily balances, just as they do for Current Accounts, others allow on minimum monthly balances at credit between the close of the sixth day and end of each calendar month. Interest on savings bank accounts is applied at the end of each half-year just as current accounts. No overdraft is allowed on Savings Bank Accounts. Savings Bank ledgers are balanced once in a week like current account ledgers.

Home Savings Safe Account. Like the Italian banks who took special interest in the savings of the poor countrymen by giving them special terms and also issuing money-boxes in order that smaller sums might be collected, the Central Bank of India has issued small safes to their constituents so that their savings can be collected and the money thus saved wisely in these days will bring happiness to them and their families during the time of urgent necessity. The following are the rules that are now in force at that institution.

1. *Rules and Regulations* as implied by the Title, the Bank will supply a "HOME SAVINGS SAFE" to an applicant desirous of opening an account. Depositors are required to deposit with the Bank a sum of Rs. 3 per Safe which will be refunded on the Safe being returned on the account being closed.

2. The idea of furnishing the Depositor with a "Safe" which is capable of holding about Rs. 100, is to let him accumulate therein his "Savings" from time to time and bring it, when half or whole full,

to the Bank, to have the accumulations credited to his account.

3. Accounts may be opened—

- (a) by a person on his own behalf;
- (b) by more than one person, payable to any of them or survivors;
- (c) by a Guardian on behalf of a Minor;
- (d) by one person for another person with the stipulation that the deposit can duly be withdrawn by the latter on his or her majority or marriage or some other specified time.

4. Accounts may be opened with a minimum of Rs. 5, and the same to be maintained to keep the account running.

5. Interest will be allowed at the of $3\frac{1}{2}$ per cent. per annum on daily balances between the close of the 6th, and the last business day of each calendar month, up to Rs. 5,000, and will be credited every six months on or about the 30th June and 31st December.

6. Savings Bank Fixed Deposit Receipt could be issued for Rs. 100 multiples of Rs. 100 for 12 months at $4\frac{1}{2}$ per cent. per annum either by transfer from Savings Bank or with new moneys.

7. Advances will be made against such Fixed Deposit Receipts at $1\frac{1}{2}$ per cent. over the deposit rate per annum, in case the Depositor requires a loan against such deposits till maturity or for an earlier period.

8. The "Safe" may be brought to the Bank any day, but not more than twice a month, unless it is quite full and incapable of holding any further amount.

9. Special Forms will be provided by the Bank

for withdrawals to be duly signed by the Depositor. Such withdrawals shall be made only twice a week, and shall not be for sums less than Rs. 5 and shall not exceed Rs. 1,000 at a time.

All withdrawals over Rs. 1,000 are subject to 10 days' notice.

10. The Depositor will be provided with a Pass Book, which should be presented at the Bank at the time of every withdrawal or deposit, and such a deposit or withdrawal will be duly entered in the Pass Book, which will be immediately handed over. The Depositors should see that all entries in the Pass Book are duly entered and signed for by a Bank's Official.

11. Depositors are required to sign all the withdrawal receipts as per their specimen signatures supplied to the Bank.

12. No charge will be made for the Pass Book at first supplied to a Depositor, or for any book issued to him in continuation of the original book, which will be retained by the Bank. But if a Pass Book be lost or spoiled (except under circumstances over which the Depositor has no control), the Depositor will have to pay 8 (eight) annas for a fresh book starting with the balance made up of the principal and interest last applied.

13. It is not necessary for the Depositor to call at the Bank personally at the time of depositing or withdrawing moneys. This could be done through an Agent or Messenger.

14. In case of loss of the Safe supplied to the Depositor, the Depositor will be required to pay Rs. 3 more to cover up the cost of the same.

15. The Bank reserves to itself the right to alter or to add to these rules, at any time. Also the

Bank can close any account which it thinks unsatisfactory by giving one week's notice.

Cash Department. Cash receipts and payments are recorded in a specially prepared book for that purpose. Separate books are kept for all cash receipts and cash payments. Amounts received in Rs. 1,000-notes are recorded with their respective numbers. Cash is never received by any other member of the Bank except the Cash Department staff. Cash is checked every day by a responsible officer of the bank and the analysis of cash is recorded in the cash summary book. While checking cash every day, the banker assures himself that no other party is in reach of any bundles of notes, counted by him and he takes care not to be distracted while checking cash. He also takes fresh tally of the counted bundles before they are locked up the strong room. There is another book in the Cash Department for recording all the cheques received for clearing on the local banks.

Cheques drawn on up-country branches will be dealt with at a subsequent stage. Whenever cheques are received late after the clearing hours *i.e.* week days 1-30 P. M. Saturdays 12 o'clock (noon) credit slips are kept back by the cash department, in order to avoid posting of such slips to the constituent's accounts on that day. The slips are marked "Too late for clearing." The slips and the relative cheques are taken into next day's account.

CHAPTER VI

FIXED DEPOSITS

Bankers advertise in local papers calling for deposits from the public for one year, two years, and three years at varying rates of interest.

There are many people who do not like to risk their savings in speculative ventures but prefer to lodge their money in banks having a strong cash reserve. On ascertaining the rates of interest from the local banks, they deposit where they get the most favourable rates of interest. Bankers offer rate for fixed deposits according to the supply and demand of money during the season. They pay even from six to seven per cent. when money is dear in the market. As soon as the rate is settled with a Bank, either through a broker or by personal arrangement, the depositor calls at the bank to deposit his money.

A credit slip for the amount of deposit arranged is prepared and the depositor is requested to pay the money to the Cash Department. The credit slip in respect of the amount paid by the depositor comes back to the Fixed Deposit Department duly signed by the Cashier acknowledging the receipt of the money. The Officer takes a specimen signature of the depositor if he has not already got an account with the Bank. Then a deposit receipt is prepared.

Some constituents having current accounts with banks, instruct their Bankers to transfer a portion of their credit balance to a fixed deposit account. No doubt the rate of interest is previously arranged.

Form of Deposit Receipt*Not transferable.*

Bank of Commerce, Ltd.,
Bombay.

No. B.T. 6323

Due date.....

Date.....

Received from Mr. Jal M. Barucha the sum of Rupees Fifty thousand only. . . to be placed on deposit for one year from 5th June 1928 to 5th June 1929, both days inclusive, bearing interest at 5 per cent. per annum.

For & on behalf of BANK OF COMMERCE, LTD.

.....Accountant

.....Manager.

Rs. 50,000./—

The above transaction is recorded in the Deposit Register as well as Deposit Ledger.

FIXED DEPOSIT REGISTER.

Date.	Name of the patty.	Amount.			From.	To.	Interest.			When paid.	Initials.	Remarks.
		Rs.	A.	P.			%	Rs.	A.	P.		

Deposit Diary. In this book deposits are entered according to their due dates.

Interest on fixed deposits are payable at the end of every half-year just as Current and Savings Bank

accounts, but if the deposit falls due in the middle of the half-year, it is paid in full including the interest accrued thereon. Interest is either paid in cash or credited to the Current Account of the Depositor if he has one. When a depositor wishes to renew a deposit for a further period, he arranges previously with the Bank about the terms and sends the receipt duly signed by him as per signature supplied to the Bank.

Deposit receipts are marked "Not transferable" but advances are made by some of the Banks. These advances are more or less a disguised form of demand liability which, in addition to being called at any moment, have further the disadvantage of costing the Bank an enhanced rate of interest over and above the rate of interest they pay on current accounts. In normal times deposits can be paid back before the due date if a client should desire back his money. But the interest earned during that period when the money was with the Bank is not paid.

Nidhis or Fund Offices. There is in Southern India a class of Deposit Banking. They are called Nidhis or Fund Offices. Their main functions are to attract deposits on easy terms and grant loans on jewels and property. A depositor is to pay only Re. 1 per month per share to become a shareholder and if he pays for seven years, he gets in return Rs. 100 for Rs. 84 paid by him. The yield in this case works out on an average at 5 per cent. per annum (compound interest). Supposing the same man wants a loan, he can get at any time 75 per cent. of the paid-up amount. The rate of interest charged on advance is only $6\frac{1}{4}$ per cent. Withdrawals of the deposit can be made at the end of the 5th year, but

the depositor is paid the amount he has deposited in full, plus interest at $3\frac{1}{2}$ per cent. for the period the money was with the Bank. This class of banking business has gained greater confidence with the middle-class people in that part of the country. Deposits are pouring in every day from far off distant lands like Penang, Malacca, Singapore, etc.

CHAPTER VII

BANKER'S CLEARING HOUSE

We have discussed up till now the various kinds of deposit account and how they are operated and we shall now deal with the Banker's Clearing House without which our discussion on the Practical Banking in India will be incomplete.

We know very well that the habit of using cheques is very much wanting in our country, yet, the number of payments that are now made by means of cheques in larger commercial cities where there are too many banks having much turnover, renders it obvious that some simple system must be in operation in order to cope successfully with the volume of transactions represented by cheques.

The system of collecting money for cheques from the individual banks through messengers was found by experience to be difficult and complicated. The establishment of a clearing house where representatives of all banks meet every day in order to settle their claims which each bank has against the other, was found to be of greatest assistance to all concerned, as all transactions are carried out with greatest economy of time, labour and greater security to the members of the clearing house.

How clearing is done. In our country every one of the bigger banks has got an account with the Imperial Bank of India—Banker's Bank—and there is also another account at the Imperial Bank called the Clearing House Account.

If a particular bank owes on a certain day to the Clearing House, it draws a cheque payable to the

Imperial Bank a/c Clearing House, and if that Bank is to receive, the amount due will be credited from the Clearing House Account to that particular Bank's account. In almost all centres where there are a number of Banks, including the Imperial Bank of India, we can consider for all our practical purposes that there will be a clearing house, having two clearings in a day, say first clearing at 12-30 O'clock and the second clearing that is by 3-0 O'clock.

On Saturday there is only one clearing, that is by 12-30 O'clock.

We shall consider that in a particular centre, say Bombay, Calcutta, Madras, Karachi, Rangoon, Cawnpore, there are A, B, C, D, E, F, G and H Banks. At the appointed time of the Clearing House all the representatives of the above respective banks assemble at the Clearing House, and before arriving there, every member (bank) prepares a list of cheques, drafts and pay slips on other members which is distributed at the Clearing House.

Mode of payment. The cheques, drafts and other documents bear a Clearing House stamp with the name of the Bank sending such cheques and other documents together with the date and hours of the clearance through which they pass. As soon as the distribution is over the representative of every bank strikes out a balance, which may be against him or in his favour with a particular bank. Then a final balance is taken. This balance may be in his favour or against him, the bank which has to pay sends a cheque to the Imperial Bank favouring the Clearing House Account before two O'clock p. m. for the first clearing and before 4-30 p. m. for the second clearing. If a bank is to receive

from a particular clearing, the amount is credited by the Imperial Bank to that Bank's account.

It may be possible that some of the documents presented by the members of the Clearing House might be dishonoured for want of proper endorsement or other reason preventing the paying banker from honouring such cheques, drafts or other documents. The bank on whom the cheques, drafts and other documents are drawn payable and which has already paid for them through the Clearing House returns them to other members, by whom they were presented. The dishonoured documents for the first clearance are to be returned by 2-30 p. m. and for the second clearance by 5 p. m. every day.

Cheques or other documents presented at a Bank through the clearing or at the counter are returned with any of the following reasons :—

1. Effects not yet cleared, please present again.
2. Not arranged for.
3. ———Payee's endorsement required.
4. ———Payee's endorsement irregular.
5. Refer to Drawer.
6. Drawer's Signature differs.
7. Endorsement requires Bank's guarantee.
8. Alteration requires full signature.
9. Cheque is post dated.
10. Cheque is out of date.
11. Amount in words and figures differs.
12. Crossed Cheque must be presented through a Bank.
13. No advice.
14. Payment stopped by the Drawer.
15. Discharge irregular.

A. B. C. BANK, LTD., }
 Madras,
 Dated,.....19 . }

Acct.

The members who return the dishonoured documents get back vouchers signed by the other members who receive the dishonoured documents. In the vouchers there will be stated the amounts of the returned document together with reason for returning them. These vouchers are payable by the next clearing. The bank receiving the vouchers may insist on cash payment but this is seldom done by the members. One of the greatest advantages of a Clearing House is that no money actually passes between the members but an adjustment of the differences is made by means of cheques.

The following are the aggregate weekly totals of the Clearing House Returns up to 1st December 1928.

	(In Lakhs of Rupees)
Calcutta	10,02,92
Bombay	47,4,55
Madras	57,14
Karachi	26,84
Colombo	1,39,34
Rangoon	1,08,93
Lahore	6,98
Cawnpore	7,03
	18,23,73

CHAPTER VIII

BANKERS' ADVANCES—I

Reports and Opinions. Before we begin to study bankers' advances. We shall examine how reports and opinions are furnished in foreign countries, say for instance, America, where Banking progress is in an advanced state. In America, for gathering report of parties, banks keep special staff, who go round every day to business localities, and gather as far as possible, accurate reports. These reports are classified and arranged and are recorded in loose leaf ledgers allotted to each kind of trade or profession. The reports of parties, who have retired from business or dead, are removed from the ledgers.

In our country, if reports are gathered with the aid of special staff appointed solely for the purpose of collecting reports, and if reports are brought up to date it will be quite useful to improve much of our credit business. The system now in vogue is that the reports are gathered, as and when necessary through bill collectors when they go out for collection of bills. The reports are recorded in a promiscuous way with no proper classification and there is a great diversity of procedure adopted in registering and filing reports in our banks.

Whenever merchants require reports of parties, they apply to their bankers the following is a copy of favourable report.

A. B. C. Bank, Ltd.,

Bombay,

29-8-28.

Private and Confidential.

The Manager, .

A. B. C. Bank, Ltd.,

Madras.

Dear Sir,

In reply to your letter of the 26th inst., we have to inform you that Messrs. B. A. & Co., Ltd., (only short titles are mentioned) is a firm having strong directorate. They are doing good business in cotton with an annual turnover of 50 lakhs. They are reported to worth 10 lakhs.

This information is provided with no responsibility on the part of the bank or any of its employees.

Yours faithfully,

P. P. A. B. C. BANK, LTD.,

(Sd.)

When a bank supplies an unfavourable report, it may run as under B. A. & Co., Ltd.

Most of the directors are not known in the market. The firm is reported to do very little business.

To have smooth working of banks hard and fast rules are laid down in the matter of Bankers' advances. Yet in actual practice bankers are forced to deviate from such rules. It may be argued that it requires no competent head while advancing on gilt-edged and other first-class securities but a banker who knows the local conditions well, the position and standing of

the borrowers, can alone successfully carry on his work with ease. Such a banker takes care while advancing money during the time of trade depression and when depreciated securities are offered to him to secure Loans. It may happen that some of the advances made during the year turn out to be a bad debt but a proper caution would bring back his money at least in part payments towards the liquidation of the loan.

Among the classes of borrowers, bankers take care while advancing to private individual, who do not follow any trade for profession nor do they lack in exercising sufficient care, while advancing money to commercial firms or corporate bodies. They ascertain beforehand the constitution of the partnership and the powers of the corporate bodies to borrow money from the bank. Among the classes of advances, discounting bills and granting of loans and overdrafts are the chief business of a banker.

Discounting of Hundis We have stated previously that our internal trade and commerce are being financed by the Imperial Bank of India and the Indian Joint Stock Banks either directly or through middle men. These middle men are Shroffs and Chetties who are doing private banking business *i.e.*, taking deposits from the public and granting of loans or discounting of hundis. Shroffs can be found in every part of India, be it a village or a town or a city. Chetties are confining their financial activities in Madras, Southern India, Burmah and Strait Settlements.

Both Shroffs and Chetties range from a village capitalist to a wealthy partnership concern and the slow expansion of branch banking in India primarily due to the fact that these private bankers have completely

captured the local business and as such they are in close touch with every village trader as well as a city merchant. Persons having no direct dealings with a bank approach these Shroffs and Chetties whenever they require funds either for their business or for their private use. The Shroffs upon satisfying the positions of parties give them the necessary accommodation by discounting their hundis but Chetties do not discount hundis; they advance money on promissory notes taking title deeds as collateral security and at times complete mortgage of property. The rates charged by these Shroffs and Chetties are generally 5% to 10% higher than the rates charged by the banks. For deposits they offer attractive rates and thus divert the deposits funds from the market.

Shroff's Hundis. Most of the Shroffs are in the bank's approved list. Hundis presented by them for discounting, one cannot say, whether they trade hundis *i.e.* hundis drawn against commercial assets which are of self-liquidating nature or accommodation hundis *i.e.* hundis drawn accepted or endorsed to enable one or more parties in the hundi to raise funds for their private use.

In discounting hundis endorsed by Shroffs of old standing there is less risk for a banker, as the Shroffs are different from the makers of the hundis. On the due dates when hundis are not met by the drawers or acceptors; the endorser or his agent at the place of payment on receipt of a message from the collecting bank, regarding the non-payment of the hundis, pays immediately taking back the hundis duly receipted by the Bank to take further action on the drawers or the acceptors. There are only a few instances where hundis are not met by Shroffs, as endorsers.

Hundis by Private Persons or Traders. But in the

case of hundis presented by some of the private persons or traders directly for discounting, the drawers are endorser's own men (clerks or other servants). On the due date it becomes the endorser's responsibility to arrange finance to meet out the hundis which are in most cases, done by renewals. All the year round their limits are fully availed of and there is absolutely less chance for a banker to know whether such merchants can stand without their help for sometime.

Form of a Hundi.

Due date 19-8-1927.

Rs. 1,000.

Madras, 20—6—1928.

Fifty-seven days after date, we promise to pay Messrs. Hemraj-Dayaldas or order the sum of rupees One Thousand only for value received.

Sd. D. Rajaram & Co.

The above hundi is drawn at Madras by D. Rajaram & Co., who are the drawers. They present the hundi to H. Dayaldas, the endorsers who are having their Head Office at Bombay. As per previous arrangement, the endorsers pay the hundi less their discount to D. Rajaram & Co. The endorsers in order to meet their further business may like to re-discount the hundi with a local bank. Though they may have a special limit for discounting, they would prefer to send it to Bombay on account of the lower discount rates prevailing in that city. The Banks there while discounting such bills have, as their only security, the Shroff's endorsement.

Revision of limits. Local bills discount limits are revised every year according to the recommendations

of the Limit Committee and a subsequent sanction of the Board of Directors of the Bank. Every half-year branches send a list of the sanctioned limits to be revised and re-confirmed by the Head Office. While submitting this list, fresh reports together with any information, which will be of use to the Head Office while scrutinizing the limits of parties, are also furnished.

Whenever hundis are presented for discounting, either by Shroffs or by private merchants, banks first examine the limits of endorsers whether their limits can allow fresh bills to be discounted. They then examine the hundis proper whether they are drawn on properly stamped hundi papers, whether they are dated properly, whether words and figures mentioned in the Hundis agree, whether endorsers have properly endorsed the hundis as per specimen signature provided to the bank.

Date of the Hundi. A hundi is not valid if the date is not mentioned therein. A holder can insert what he believes to be the true date on which the hundi is drawn. A hundi can be dated on a holiday or a Sunday.

Amount of the Hundi. Hundis are drawn without differing in words and figures, and any alterations therein should be signed by the makers.

Stamp Duty.

The following are the Stamp Duty of Hundis :—

Hundis drawn up to Rs.	200 ...	0 3 0
Do. do. "	400 ...	0 6 0
Do. do. "	600 ...	0 9 0
Do. do. "	800 ...	0 12 0
Do. do. "	1,000 ...	0 15 0
Do. do. "	1,200 ...	1 2 0
Do. do. "	1,600 ...	1 8 0

Hundis drawn up to Rs.	2,500	...	2	4	0
Do. do. "	5,000	...	4	8	0
Do. do. "	7,500	...	6	12	0
Do. do. "	10,000	...	9	0	0
Do. do. "	15,000	...	13	8	0
Do. do. "	20,000	...	18	0	0
Do. do. "	25,000	...	22	8	0
Do. do. "	30,000	...	27	0	0

Every addition of Rs. 10,000, or part thereof in excess of Rs. 30,000, Rs. 9.

Endorsements. Hundis are discounted to persons who have current accounts with the banks or accounts are opened at the time of granting this facility. Specimen signatures of persons who are authorised to endorse hundis and who are allowed to operate on the accounts are taken at the time when accounts are opened. The endorsements on hundis are generally done in blank by the endorsers and the banks with whom hundis are discounted convert the blank endorsements into special ones by affixing over the blank endorsements as "Pay A B C Bank or order."

Acceptance.

Due date.....

Bombay, 8th July 28.

Rs. 1,000

(57) Fifty-seven days after date, pay Mohandas Motilal or order, the sum of Rupees one thousand only, for value received.

Y. A. Akolawalla & Co.,
Bombay.

(Sd.) Hoosainbhoy
Laljee & Co.

The above hundi is drawn by Hoosainbhoy Laljee & Co., the drawers and Y. A. Akolawalla & Co., are the acceptors, Mohandas Motilal are the endorsers. A Banker after discounting the hundi may send it for acceptance, if it has not already been accepted.

The acceptors while accepting the hundi write across the hundi the word "accepted" then place their full signature mentioning the date of acceptance.

Accepted

(Sd.) Y. A. Akolawalla & Co.,

15th July 28.

A banker after satisfying that hundis presented to him for discount are in order, issues instruction to the department to pass the necessary entries in the books of accounts. When the hundis are received by the department due dates relating to each of the hundis are marked at the right hand top corner in red ink.

Due dates. When bills are not payable on demand three days of grace are allowed and the due dates fall on the last of the days of grace. When a hundi is dated say 20th June 1927, and it is drawn payable 57 days after date the hundi falls due on the 19th August 27, which date includes 3 days of grace. If a hundi is drawn 57 days after date, "Karah" means no days of grace, the hundi is due on the 16th August 27. If the due dates fall on a Sunday or a Holiday the hundis are payable on the previous working day. Bankers do not discount hundis which are long dated i.e., over 90 days.

As soon as the due dates are marked, the Hundis are entered in the Local bills discounted Register and are numbered consecutively; Statements in duplicate are prepared showing the numbers of the hundis, the total amount of the hundis discounted, the rates of discount charged, the total amount of discount deducted, the amount debited to Local Bills Discounted a/c and the amount credited to parties' accounts. The originals are kept in the office

and the duplicates are forwarded to the constituents. Hundis are further posted in the endorsers' ledger and drawer's ledger. Finally entries are made in the Bills Diary according to the due dates.

When hundis are payable other than the centre in which they are discounted, they are forwarded by registered post to the branches or agenices for collection.

On receipt of the hundis the branches will enter them in the Bills received for collection Register and if they are to be accepted, they are sent out immediately for acceptance. If a bill is not accepted an advice of non-acceptance is passed on to the branch not later than a day after receipt of the hundis. All dishonoured hundis are noted within 24 hours either for non-acceptance or for non-payment to retain recourse on the drawers unless there are written instructions to the contrary.

The drawers or the acceptors are advised one week before the due dates of the hundis. On the due date hundis that are discounted by the branch, as well as the hundis received for collection are taken out from the safe, credit slips for each of the hundis are prepared, in the former case, crediting L.B.D. account and in the latter case crediting the Branch their account. Hundis are then entered in the collection register and they are duly receipted at the back by the officer, thus :—

“ Received payment ”

For Bank of Commerce, Ltd.,

(Sd).....

Accountant

The daily collection register together with the receipted hundis and slips are sent to the cash

department for the acknowledgment of the Cashier. It is supposed that all the hundis will be paid that day during banking hours at the counter. Towards the evening the hundis that are paid are marked off from the collection register, the unpaid hundis and the slips relating to paid hundis, are sent to the department. The credit slips are posted in the Local Bills discounted register, Endorser's Ledger and Drawer's Ledger. Payment advices of Hundis to Branches are sent by wire or by letter, according to the standing instruction received from the Branches. The unpaid hundis are noted for non-payment. An entry is made crediting Local Bills Discounted a/c for the amount of the hundis dishonoured and debiting Local Bills Dishonoured and Past due a/c. The hundis that are paid during the day, are handed over to the parties at the counter and if payments are received from up-country stations, the discharged hundis are sent by post.

Payments of Hundis under rebate. When hundis are paid before due dates banks allow a refund of the portion of the discount, which is called rebate. The rebate is calculated by taking the number of days from the date on which the hundis are paid to the due dates. The rebate is taken at the bank rate ruling at the time of payment.

Rebates on Hundis discounted. At the end of each half-year, Banks prepare a list showing the discount received but not earned in full on the Hundis maturing at various dates after the half-year. An entry is passed debiting the discount a/c for the amount of discount to be earned and crediting the Rebate on bills discounted a/c (appearing on the liabilities side of the balance sheet).

Some banks at the time of discounting hundis, pass two separate credit entries for the discount received, one crediting discount a/c and the other to rebate on bills discounted a/c *i. e.*, for discounts to be earned. The amount standing to the credit of latter account appears on the liability side of the balance sheet. This entry is reversed on the re-opening of the books. The amount of rebate arrived at in the above two methods are one and the same but the latter method will save much time and labour at the end of the half-year.

I. O. U. A written acknowledgment of a debt so called because it commences with those letters which custom has substituted for the words "I owe you" because they have the same sound. It ordinarily runs thus:

To Mr. Daulatram Joharmull, I. O. U Five
Hundred rupees. Ramanlal Mohanlal

15th Jan. 1928.

If in the above form, it requires no stamp, being neither receipt, agreement nor Promissory Note. It is not a negotiable instrument.

CHAPTER IX

BANKERS' ADVANCES—2.

Loans and Overdrafts. We shall take into consideration that bankers advance money in most cases on securities. The securities available at one centre are not the same that can be got at another. In Bombay bankers get first-class mill shares, Government Loans, export Bills and other marketable securities for their advances. In Calcutta, Jute shares are available in plenty besides Government Loans, Export Bill and other marketable securities. In Madras, bankers get hardly any industrial shares and there are very few purchasers of Government Loans, the only form of security available in plenty for bankers' advances is the title deeds of immovable property. In Northern and Central India, bankers advance money on produce. So we see that bankers do not get the same class of security for their advances in all the centres to abide by certain rules laid down, for their advances.

When a person applies for an overdraft, he is granted the facility as soon as the Banker is satisfied that party can be accommodated. There are only very few instances where Banks grant clean overdrafts and these are granted to persons of respectable means. In most of the cases, the customer who asks for a facility is requested to deposit securities either in Government paper, shares or exportable produce. While granting advances of the above nature bankers take care to get the letter of hypothecation signed by the constituents. The letter of hypothecation taken specifically should state that the securities

or the goods pledged to the Bank are the property of the debtor and the debtor has full right to pledge them to the banker to secure an advance. The securities that are pledged to the Bank are shown at the foot of the letter of pledge. The letter of pledge states the rate of interest to be charged and along with other particulars gives full right to the banker to sell the security in the event of the customer's failure to pay the overdrafts when called upon by the bank.

Cash Credit is an undertaking on the part of a bank permitting a customer to overdraw his account up to a specified limit. It is usual for the customer either to deposit securities partially or fully to cover the overdraft, or to enter into a bond with 2 or more sureties, the latter guaranteeing to satisfy the claims of the bank in the event of insolvency of the customer. Cash credits are granted against cotton, jute, rice and other exportable produce. The goods against which cash credits are granted, are left in the bank's possession in their godowns and deliveries are made against payments. Every day, a list of goods pledged showing the market value is prepared, all receipts are included in the list, and deliveries are deducted. The total amount of advance never exceeds the limit granted to the party.

Reports of parties applying for advances. When branches ask the H.O's sanction for an advance to be granted by them, they furnish a statement of account of the party's financial position together with reports which are not over three months old obtained from other sources. They also furnish a fresh report giving the recent status of parties as non-compliance leads to considerable delay in dealing with such matters.

Advances on shares. Bankers allow 60 to 75% of the market value against shares. Bankers do not encourage advances on partly paid-up shares as there are contingent liabilities on the bank for making good the calls in order to keep the securities intact. They do not advance money on shares of newly-formed companies until the same attain the dividend earning basis. There is another difficulty in advancing money on shares of certain companies whose articles of association do not allow transfer of shares to the names of third person. Before any advances are made on such shares bankers ascertain whether any restrictions exist with regard to transfer of those shares.

Bankers to ensure safety in respect of advances on shares, insist on transferring them to the Bank's nominee as it is possible that shares held with a blank transfer deed can be easily transferred by a person in whose name the shares stand in the books of the company, by fraudulently effecting the transfer.

Advances Against Shares in which the directors of the bank are interested, are not encouraged by bankers as far as possible. As it is against the interests of the bank to have considerable amount of advances outstanding, against shares of such concerns. Accommodation preferably an overdraft or cash credit is given to such companies.

Lien is a right in one person to retain that which is in possession belonging to another, until certain demands of the person in possession are satisfied. Particular liens are those where persons claim to retain a thing for some charge or claim growing out of or connected with the identical thing, where a dyer has a lien on the goods delivered to him to dye,

or where a banker has a lien upon the securities pledged for the payment of a specific debt. General liens are those where things are retained in respect of dealings with a person such as where a hotel-keeper retains a baggage of a guest until the payment of the bill, or where a banker retains the securities in respect of a general balance of his customers' account. A letter of lien is sometimes given by a debtor to a banker as security for an advance upon the goods in the hands of a third party. The letter should empower the banker to sell in the event of non-payment of the debt.

Banker's Lien on their own shares. When a firm or an individual who are the shareholders of the bank are indebted to it, and when their securities pledged, to secure the loan are insufficient and when there are no chances of recovering the deficiency, a stop is placed on such shares of the bank held in the name of those parties. Branches refer to the head office whenever insufficient securities are lodged by their clients to secure overdrafts or loans, in order to ascertain, whether any of the bank's shares are in the names of those parties so that a stop may be placed on those shares.

Advances Against Government Paper. Banks allow 80-90 per cent. of the market value against Government paper. While granting advances of this nature, the parties are asked to sign at the back of the security in the space provided for endorsement. In the case of bearer bonds, the title passes on by mere delivery. In the case of other bonds delivered to the bank to be held as security for advances, they are forwarded to the Public Debt Office for renewal in the bank's name. This is done to safeguard the bank's interests as there can be no doubt

regarding the title thereto. The above procedure is adopted where securities bear number of endorsements and where protection to the security is considered more than the individual.

The securities that are pledged to a bank to secure an overdraft are entered in the Lodgment Register, Register of classification of securities and in the Market Valuation Book against the name of the parties. Then the securities are neatly folded and a small docket giving short details of the security is attached to it in front cover. They are kept in the safe, in the order of dates of lodgment. A dividend warrant register is also maintained to record the dividends collected on behalf of the constituents. When securities are withdrawn either at the time of closing of the accounts or at the time of replacement of the securities they are entered in the Withdrawal Register and the constituent who takes the delivery of the securities is asked to sign in the column kept for the purpose.

Confirmation of Securities held by Banks. Banks invariably send to their constituents every half-year lists of securities held by them requesting at the same time to verify that the securities mentioned in the list are in order. A list is also sent to persons who have deposited security to be held in safe custody and their confirmation also is obtained.

Advances on Promissory Notes. The advance of money by a banker or any other person upon the security of a Promissory note is simply a loan transaction. A promissory note is nothing but an unconditional promise in writing made by one or more persons to another signed by maker or makers promising to pay on demand a certain sum

of money mentioned in the pro-note. The stamp duty on pro-notes now in force is as under :—

From Re. 1 to 250 1 anna
 Over Rs. 250 to 1,000 2 annas
 Over „ 1,000 4 annas

Form of a Joint Promissory Note

Bombay, ... 192
 Rs.

On demand we jointly and severally promise to pay the A B C Bank, Ltd. or order the sum of Rupees together with interest on such sum from this date at the rate of per cent. per annum for value received.

(Sd)

Form of an Individual Promissory Note

Bombay, ... 192
 Rs.

On demand I promise to pay the A B C Bank, Ltd., or order the sum of Rupees together with interest on such sum from this date at the rate of per cent. for value received.

(Sd)

Demand Loans, Fixed Loans to Chetties and others.
 Loans are granted to Chetties and others on the security of Promissory Notes, signed by two parties, who undertake to pay jointly and severally. Borrowers are classified according to their position and standing. We shall assume that there are four classes of borrowers, A. B. C. & D. who are in the bank's approved list and are estimated to worth say, Rs. 25 lakhs, Rs. 15 lakhs, Rs. 10 lakhs and Rs. 5 lakhs respectively. Banks would naturally grant a

limit of Rs. 8, 5, 3, and 1 lakh, and advance money against signature of A & B, A & C, A & D, B & C, B & D and C & D. C and D combination is considered rather weak and as such Banks do not advance more than, say, Rs. 10,000 at a time and in the case A & B or A & C or A & D the amount of advance will be say, Rs. 50,000 and in the case of B & C or B & D the amount of advance will be say, Rs. 25,000.

Loans on joint signatures. Demand Loans are payable either on demand or three days or a week's notice on either side. Loans payable after 2 or 3 months are taken as Fixed Loans. In fixed Loans, the time for repayment is supposed to be fixed in writing, yet Demand promissory notes are taken and the time for repayment is arranged mutually. The period arranged is marked in pencil at the left hand top corner of the pro-notes. The due dates of the Loans are entered in the Diary as per agreed period. The Loans are repayable on this basis and they are never recalled in the middle of the period unless something wrong happens to the makers. The rates of interest chargeable on these loans are mentioned in the promissory notes.

Loans to other Banks. Whenever, Call Loans are granted to Banks, the usual Promissory Notes of the Bank are being replaced by the Deposit Receipts of other Banks. The Bank taking the loan, will credit their Deposit at call and Short Notice a/c and the Bank giving the Loan will debit their Loans at call and Short Notice a/c.

As soon as loans are granted, the promissory notes are entered in the Loans Lodgment Book, and Fixed Loan Register, or Demand Loan Register. The promissory notes are numbered consecutively, the amount of the loans are debited to Fixed or

**FIXED AND DEMAND LOAN REGISTER
INTEREST AT**

Date.	Name of the party.	Security.	Dr.	Cr.	Balance.	Days.

Demand Loan account and credited to the parties' accounts as per their instructions. Both, fixed loans and demand loans, the amount of loans granted is entered in the loan ledger and a record is made in the loan diary in the order of the due dates of the loan. When fixed loans are repaid they are marked off from the loan register, loan ledger and from the loan diary. The same procedure is adopted in the case of demand loans.

The discharged promissory notes are entered in the withdrawal register and are delivered to the constituents taking their signature thereon.

Classes of Securities. As stated above, bankers do not get the same kind of security in one centre as the other. Advances against buildings are granted sparingly and in instances where liquid and other desirable business is expected to come to the Bank. Bankers do not encourage lock-up business: i.e. advances against villages and zemindaries. Though it is considered that advances on immovable properties are not desirable, yet bankers are forced to take up title deeds of property as collateral where the ordinary security deposited to secure loans had declined in value and where no other securities are available.

Advances secured by Mortgage of property. The proper registration of mortgages with the Registrar

is of greatest importance and before any advance is made, all instruments of mortgage must be registered.

Whenever a Limited Company issues a mortgage or charge in favour of a Bank, or debentures are issued to the bank, the banker sees that the provisions of sections 109, 110 and 111 of the Indian Companies Act, 1913, are duly complied with.

The Bank insists on the production of a certificate under section 114 of the Act to show that the requirements of the above section have been complied with.

Whenever there is a mortgage or charge being either—

- (a) a mortgage or charge for the purpose of securing any issue of debentures ; or
- (b) a mortgage or charge on uncalled share capital of the Company ; or
- (c) a mortgage or charge on any immovable property or any interest therein ; or
- (d) a mortgage or charge on any book debts of the company ; or
- (e) a floating charge on the undertaking or property of the Company,

the prescribed particulars of the mortgage or charge together with the instrument, if any, by which the mortgage or charge is created or copy thereof, must be filed with the Registrar of Joint Stock Companies within 21 days after the date of its creation.

A deposit of Title Deeds by way of Equitable Mortgage even without an instrument evidencing the charge, falls under the head "C" of section 109 of Indian Companies Act, 1913 and requires registration by the Registrar.

A deposit of Stock or Shares or Delivery orders does not fall under any of the clauses specified in Section 109 of the Act and does not require registration.

Under section 112 of the Act, the Registrar is required to keep a Register of all Mortgages and Charges created by the Companies and must enter therein short particulars of :—

- (a) the date of the creation of the charge,
- (b) the amount secured by it,
- (c) the property mortgaged or charged,
- (d) the name of the mortgagees or persons entitled to the charge.

After making such entries the Registrar is required to return the Instrument of Charge, if any, to the person who filed the particulars.

Under Notification No. 1271—23—C of the 24th March 1914 the Government of India have framed rules under the Indian Companies Act, and the schedule thereto prescribes the form of particulars of mortgage or charge to be filed with the Registrar. The first column of this form is headed 'Date of the instrument creating or evidencing the Mortgage or Charge and description thereof.' If there is no written instrument the column should be filled up giving the date of the creation of the mortgage or charge and stating the nature of the transaction and that there is no written instrument relating to it.

Advance against undertakings to mortgage property. Bankers do not advance money against a promise or undertaking to execute a mortgage until proper legal formalities have been attended to and the mortgage bond properly executed and registered or an equitable mortgage completed in proper form.

Advance against Merchandise. Experience teaches us that there is considerable risk in advancing on merchandise however, may be the quality of the goods and an acute demand for it. In cases where such advances are allowed too great a length

of time for liquidation, bankers do not get even a portion of their advances owing to the failure of parties, on account of the dumping of the goods in the market and the consequent fall in their values. Bankers take care to advance on merchandise where there are chances of the stock to be cleared within a reasonable time, say, 3 or 6 months at the most. Branches are often asked to render full particulars regarding Loans against merchandise stating therein the date of arrival of the goods, the date of invoice, the amount advanced, the duration for which the loan is granted, whether the loan is operative otherwise, the current market value of the goods as compared with the advance, etc. When loans on merchandise are granted, a general letter of pledge is signed by the party mentioning at the foot of the pledge the particulars of marks and numbers of

Rate.

Limit.

LOANS ON MERCHANDISE

Date	Name of the party.	Particulars of Security.	Date.	Dr.	Date.	Cr.	Days.	Balance.

packages, etc. This transaction is entered in the Loans on Merchandise Register. When part of the merchandise is cleared against payment, the amount is entered in the Loan Register and the particulars of the delivery are marked in the Godown Register. When the loan is finally closed the full amount due on the loan is collected, the letter of pledge is returned to the party duly cancelled. Bankers take special care to see that the goods are

insured fully against any possible loss so long as they are in their custody.

Advances against Oil. Advances against oil in storage always give trouble as evaporation and leakage have to be contended with. Business of this nature upon a large margin is calculated to give trouble even though the goods are insured against any loss.

Advances against Skins and Hides. These do not form a good security for bankers to advance money as the prices of these securities are subject to violent fluctuations.

Advances to Contractors. This is the most risky business from the bankers' point of view. Contractors produce evidence to show that they have obtained important and lucrative contracts apart from the nebulous character of the security offered, which, in such cases, is usually an undertaking to pay to the bank the sums received under the contract. There are cases where forged contracts had been produced with a view to deceive the bank to get money in a fraudulent manner.

Advances to Dentists. Advances against the good-will of their practice and a lien on their dental instruments will not form a good security. This class of business is never undertaken as the securities or good-will will fetch no value if anything untoward happens. Nor it is advisable to advance money to lawyers who may be supposed to have a good practice, or against their books.

Advances against Typewriters. It had happened sometime back that one of the up-country bankers advanced money on typewriters. The person who took the advance against such security became insolvent after sometime. Though the bank had

in their godowns the typewriters subsequently it was found out that the person who took the advance was only a selling agent and had no right to pledge the goods. The bank had to suffer the loss on account of their hasty action.

Advances against Motor Cars. They are considered doubtful at any time, even though the cars remain in the bankers' garage. It might be that the cars would have been purchased on an instalment system of payment and the party would have executed bills to the selling agent. In such cases it will be very difficult for the bankers to find out whether the whole amount of the cars has been paid and the party has got full rights of possession. In some cases the cars get out of date and there will be very few buyers to buy an out-of-date model in the event of the party's failure to pay the advance back.

Advances against Life Insurance Policies. Though this kind of security is not a first-class one for a banker to advance money, yet if the applicant is a deserving one having a long connection with the bank, an advance is granted generally. The amount of advance granted against this kind of security never exceeds the surrender value of the policy. The bankers insist on the assignment of the policy in their favour before granting an advance.

Advances against F. D. Receipt. Advances granted against bank's own F. D. R. is nothing more than a disguised form of demand liability, which in addition to their being called upon at any time, has further the disadvantage of costing the bank an enhanced rate of interest over and above the rate payable on the current accounts.

Application of interest. Interest on overdrafts

is applied at the end of each half-year as per the rates arranged at the time of granting the overdrafts. The rates of interest vary according to rise and fall in the bank rate. Let us take for granted that the rate arranged on a particular account is, say, 1% over bank rate minimum 6%. Supposing the bank rate goes to 5%, the customer will be charged according to the minimum percentage and if the rate goes to 8%, the customer will be charged 9%. Some of the customers, in order to avoid such fluctuations arising from high and low rates prefer, paying a fixed percentage throughout the period they have the accommodation, from the Bank.

ABDULABHOY LALJEE,

15, Bunder Rd., Karachi.

00075/99

Limit Rs. 4,500

1% over bank rate min. 6%.

19.....		Dr.	Cr.	Balance.	Days.	Product.
		Rs. A.P.	Rs. A.P.	Rs. A.P.		
Dec. 31	To Balance ...	900-0-0	...	900-0-0	8	7,200
19.....						
Jan. 8	To cash. ...	...	200-0-0	700-0-0	32	22,400
Feb. 9	To Dalai ...	800-0-0	...	1,500-0-0	34	51,000
Mar. 15	By cash ...	...	100-0-0	1,400-0-0	24	33,600
Apl. 8	By cash ...	...	50-0-0	1,350-0-0	37	49,950
May 15	To Dubash ...	300-0-0	...	1,650-0-0	45	74,250
Jun. 29	To cash ...	150-0-0	...	1,800-0-0	1	1,800
Jun. 30	To interest ...	41-12-6	...	1,841-12-6	...	...
	By balance ...		1 841-12-0		181	

Rs. 2,191-12-6 2,191-12-6

Jun. 30 To Balance ... Rs. 1,841-12-6

80,600 @ 6% 13-4-6

83,500 @ 7% 16-0-0

76,090 @ 6% 12-8-0

Rs. 41-12-6

Working of interest on overdrafts and loans.

The procedure that is being adopted in working out interest on overdrafts is similar to the working on credit balances. Turning to the example above referred to, we see that the limit of the party is Rs. 4,500, and the rate of interest to be charged is 1% over bank rate minimum 6%. As these are special instructions they are always written in red ink. We find that the decimal products are extended to the outer column and the totals of the products are taken in 3 stages. The interest is to be charged on the account according to the rise and fall in the bank rate and the bank rate changed on 9th Feb. to 5%, 8th April to 6%, and on the 29th June to 5%. So the customer has been charged for the first stage *i. e.*, 80,600 @ 6%, for the 2nd stage *i. e.*, 83,530 @ 7% and for the third stage *i. e.*, 76,090 @ 6%. By turning to the pages, in the Interest calculator we find for the first item the interest at 6% is Rs. 13-4-6 for the 2nd item the interest at 7% is Rs. 16-0-0 for the item at 6% the interest is Rs. 12-8-0. The bank will charge the customer Rs. 41-12-6 for the half-year. In the case of fixed loans a statement showing the total decimal products for each account is prepared and the interest is arrived at the rate arranged for each account.

The extension of decimals on the Demand Loans, Loans on merchandise and Cash credits are similar to application of interest on overdrafts, but if an interest clause appears in the account the customer is debited with interest as per the rate arranged, on one-third or one-half of the total limit of advance whether they are availed or not. If the customer has drawn more than interest clause limit, he is charged in the usual way.

At the end of each half-year a statement of interest on Fixed Loans is prepared and the total amount of

INTEREST RECEIVED ACCOUNT.

[illegible]

interest is credited to interest received account and debited to adjustment account which is reversed on the re-opening of the books, but in the case of Demand Loans the amount of interest on each loan is debited to Demand Loan and credited to interest received account. There is a system in some of the banks to debit the amount of interest on each fixed loan to the Fixed Loan account instead of Adjustment account. The amount of interest thus debited is collected on the first week of the next half-year.

Salt advances. Salt credit business is done by some of the banks at Madras. Salt credits are allowed by the Government to approved banks and merchants against deposit of Government securities. Supposing a bank applies for a credit limit of Rs. 5 lakhs, the bank is asked to deposit with the Imperial Bank of India to the value of Rs. 5,10,000, the extra amount 'of Rs. 10,000 is to cover the market fluctuation. Upon the production of a receipt from the Imperial Bank for the security lodged, the Collector of Customs opens an account in the name of the bank. When the bank makes application for the salt orders, the Collector of Customs issues orders as per request of the bank. These orders are repayable at the end of the second

month, but the merchants who require such orders at the various depots approach the bank having cash credit facility with the Government, and apply for orders against payment of cash less their discount, which is generally $1\frac{1}{2}$ to 3 annas per cent. Money is received up to 2 p. m. during the office days. An application is made to the Collector of Customs requesting him to issue salt orders on various centres as required by the merchants. Supposing on a single day orders to the extent of Rs. 2 lakhs and further orders to the extent of Rs. 3 lakhs on the following day, have been used there will be no credit left for the bank to get more orders. They will have to pay cash cancelling some of the orders which have already been issued or deposit securities to the extent of the orders required. This kind of business has given good chances to some of the banks to utilise the money received from the merchants for 2 to 3 months free of interest, besides earning interest on their securities pledged with the Imperial Bank. The average yield in this kind of business works out at a good percentage.

The Collector of Salt Revenue has now issued orders that applicants for the purchase and removal of salt will be permitted to pay the duty and cost price for salt into the Imperial Bank of India, Madras, and to file the Bank receipts for the amount with the application in form M II. When making these payments into the Bank the merchants should send a memo slip to the Bank specifying the amount intended for duty and the amount for cost price, so that the Bank can show the two amounts separately in the receipts given by it. The application for the purchase and removal of salt would be complied with on production by the merchants of receipt issued by the

Secretary and Treasurer, the Imperial Bank of India, Madras, only.

Advances in other Markets by Bank's Branches on their own a/c. Where one branch of the bank lends money to another with a view to the latter making advance in its own market on account of the former, the method of passing entries is to debit the receiving branch through loans to branches. For instance, if the Head office were to remit Rs. 5 lakhs to one of its branches say at Madras, to be invested by the latter branch in Chetty loans on account of the Head office, the Head office would debit Madras through loans to branches and Madras will credit Loans from branches and debit demand or fixed loans a/c with the amount actually received. As it is unlikely that Madras would succeed in arranging all the loans to mature on a single day, the Head office would require to apply proportionate repayments against the original loan. During the half-year the actual loans made, do not appear in the bank's account twice owing to their being included in the Fixed or Demand Loan lists of both the branches. In order to obviate this, the branch in whose market the investment has been made will reverse the entries in their books over the closing period and pass the entries back after the closing. This is done by crediting the Demand or Fixed Loan a/c and debiting Loans from Head office and Branches a/c provided that the original entries had been properly passed by crediting Loans from Head office and branches and debiting Demand or Fixed Loan accounts. The branch which provided the funds for investment should, of course, make no alteration in its entries.

Garnishee. A debtor who has received notice not to pay money which he owes to a third party who is

indebted to the party giving the notice. A garnishee order may be obtained by a judgment creditor against a garnishee attaching any debts due to a judgment debtor.

CHAPTER X

INVESTMENTS

Banks invest a portion of their surplus funds in Government of India Loans and Treasury Bills. Treasury Bills are issued by Government and are repayable after 3, 6, or 12 months. The Controller of Currency, Calcutta issues notification inviting tenders. The tenders are received by him as well as by the Deputy-Controller of Currency Bombay, the Accountants-General at Madras and Rangoon, the Currency Officers at Cawnpore, Lahore and Karachi. The lowest tenders are accepted. Treasury bills are issued from and paid at the local Head offices of the Imperial Bank of India, Bombay, Calcutta and Madras and at the branches at Cawnpore, Rangoon, Lahore and Karachi.

When treasury bills are issued every week during the busy season they are not very much liked by the bankers as they divert the deposits available from the public and creates a temporary shortage in the money market. The Government of India is the greatest borrower in the Indian money market. Money borrowed by the Government is utilised for conversion of loans, repayment of treasury bills and or for Capital expenditure. The amount of funds available from the public and the banks, though very limited yet when the Government enters the field as borrowers and float loans at tempting rates of interest, investors prefer to invest their funds in Government loans rather than in Industrial shares. The Government loans are primarily meant for safe

investments. A bona-fide investor will never care for the market fluctuation, which varies according to the supply and demand of money. There are at times rapid rise in the market value when sufficient provision is made by the Government for the redemption of the loans out of the revenue, instead of by fresh borrowing and other similar means to create confidence, and at times a fall in the market value when speculators gamble on the confidence of the public.

New Loan floated in 1928.

$4\frac{1}{2}\%$	1,955-60	} Rs. 350,360,000.
$4\frac{1}{2}\%$	1,934	

In spite of the bearish attitude in certain quarters towards the new loan their subscription has been very cordial. The success achieved is largely due to the efforts of the managing Governors of the Imperial Bank of India who have been constantly warm in their support and that support has counteracted the antipathy of those who opposed the Government proposal. After the term of the loan has been announced, concerted attempts were made in Bombay and Calcutta to stultify them by offering at a discount. The attempts were left unnoticed by the public as well as by the banks and in consequence, the bear movement has been effectively checkmated. Since the loan has been wholly subscribed by genuine investors rather than by speculators, the market in general is gratified to observe the complete success of the loan.

Loans under Instalment System. Whenever new loans are floated, banks afford facilities to small and middle-class investors to create more or less a investing habit in them. They advance 80 % of the amount of the loans applied for, to the approved constituents, who undertake to pay the balance at the time of

making the application. The amount advanced by the bank is to be paid in monthly instalments of not less than 5% of the total amount advanced by the bank. If a borrower has applied for Rs. 10,000 worth of bonds, 4½% Loan 1934, he will require an initial payment of Rs. 1,950 and regular monthly payments of Rs 487-8-0 for 16 months. The rate of interest charged on the above instalment system is only the rate of the loan. The borrowers are at liberty to pay the instalments more rapidly and take possession of securities.

Subscription to Loans. In the ordinary way when Government borrows money in the market, they issue notification setting forth the details of the loan *i. e.*, the rate of issue, the rate of interest, whether the loans are repayable at par or at a premium, the date of issue, the date of closing and mode of payment.

Form of Payment. (a) Payments may be made in cash or by cheque accompanied by applications. (b) By tender of loans repayable during that year or by treasury bills (at the notified rate).

Form of Application. I or We———here-with tender (a)———per cent. loan of the nominal value of Rs———(b) cash or cheque Rs.——— and request that———per cent. loan———be issued to me or to us———in the form of promissory notes or Stock certificates, interest payable at———

Signature———

Name and Address———

Where to Apply. Applications for the Government loan are to be made to the Imperial Bank of India at any local Head office or its branches or at the offices of the Controller of Currency

Calcutta, or at the Accountants-General, Madras and Rangoon or at any Government treasury.

Forms of Loans. There are three main forms of rupee loans (1) Stock certificate, (2) Bearer bonds (3) Promissory notes.

Stock Certificates. Stock certificates are registered at the Public Debt Office. The ownership of the certificates does not pass by endorsement, but by actual registration in the books of the Public Debt Office. A wrongful holder cannot make use of it nor will there be any loss if destroyed by fire. Fresh stock can be obtained by reporting to the Public Debt Office, explaining the circumstances under which it was lost. Another advantage of holding a stock is that the stock certificate need not be produced at the time of collecting half-yearly interest.

Bearer Bonds. The mere possession of the bonds constitutes ownership of such bonds. It can be transferred from one hand to another without any formalities just as currency notes. When the bonds fall due for payment they can be cashed like G. C. notes. Holders of bearer bonds produce coupons attached thereto on the due date and collect interest at the P. D. O. or at the place where the interest is made payable.

Promissory Notes. Promissory notes are transferable by endorsements only. Endorsements should be made in the cage provided for at the back of the paper. They are to be produced when collecting interest.

The existing rupee loans in the hands of the public and the banks are of two kinds. 1. Non-Terminable loans which are payable at the option of the Government, 2. Terminable loans are those

payable on a certain fixed date or at intervals from a certain fixed date to another fixed date.

Conversion from one form of loan to another. A *Stock certificate* can be converted into a bearer bond or a promissory note by tendering it either at the P.D.O. in whose books the stocks stand, or at any treasury at which the interest is made payable. A *bearer bond* can be converted into a Stock Certificate or a Promissory Note by surrendering it to the P.D.O., Bombay, Calcutta or Madras or at the Treasury where it is registered for payment of coupons. No endorsement is required on the bonds but the outstanding interest coupons are to be left intact. *Promissory notes* can be converted into Stock Certificates by surrendering them at the P.D.O., Bombay, Calcutta or Madras or at the Treasury at which the note has been enfaced for payment of interest. It is endorsed as "Pay to the Governor-General of India in Council" before tendering. This endorsement is necessary when tendering loans for conversion while applying for new loans.

Promissory notes can be converted into Bearer bonds by tendering them at the P.D.O., Bombay, Calcutta or Madras or where they have been enfaced for payment of interest, with the following endorsement.

Received in lieu hereof and of notes Nos. _____
in the loan of _____ of the value of _____
Rs _____ a bearer bond (s) of Rs _____
each amounting to Rs _____ with interest
payable at _____

Signature of the holder _____

Fees for conversion. Except in the case of Stock Certificates, a fee of four annas per cent. is charged

on the converted securities not exceeding Rs. 400 and over Rs. 400 Re. 1 per security. Fees are payable at the time of application for conversion.

Endorsements. If a note is endorsed by the holder and if the endorsement is in English, it must be regular. If the endorsement is in vernacular, it must be literally translated and attested. Joint holders should endorse the note in their individual capacity. If one of them dies, the right to dispose of the note lapses to the survivor or survivors, and their right will only be recognized on the production of satisfactory proof of death.

Endorsement by Banks. Banks hold securities in their registered names, and such securities are transferable by the endorsement of the manager or other power-of-attorney holders.

In the case of corporate bodies, rules governing their constitution are generally referred to in order to ascertain whether the person endorsing the note has power to transfer.

Renewal of Securities. In the case of stock certificates, the ownership of the stocks passes to another when a new certificate is issued in the name of the transferee, and there is no question of renewal. In the case of bearer bonds, renewal is only allowed when all the coupons attached to the bonds are exhausted, and application should be made to the P.D.O. or to the place where the coupons are made payable. In the case of promissory notes renewal is done, when there are no vacant spaces on the back of the note for endorsement or when the space for noting interest is exhausted or when the note bears cross endorsements, or irregular endorsements, or when the note

is torn or defaced, or when the note has been enfaced three times for payment of interest.

A note tendered for renewal must be receipted at the back as under :—

Received, in lieu hereof a renewed note,
payable to (name of the holder) with interest
payable at . . .

Signature of the holder.

If a note tendered for renewal is required for more than one note, the note is receipted on the reverse as under :—

Received in lieu hereof, two (or more) notes, for
Rs. . . respectively payable to . . .
with interest payable at . . .

Signature of the holder.

If more than one note tendered for renewal is to be consolidated into one, in lieu of the old notes, the latter is to be receipted as under :—

Received in lieu hereof a new note payable to
. . . for Rs. by consolidation
with note or notes. . . . (Nos. and
amounts of the notes desired to be consolidated with, specifying the loan) with interest
payable at. . . .

Signature of the holder.

Renewal Fees. A fee of four annas per cent. is charged if the renewed note does not exceed Rs. 400 and Re. 1 if the new note exceeds that sum.

Banks' Investments: How they are recorded.

When banks buy in the open market Government securities, the amount paid includes the total amount of purchase money and the interest earned up to the date of purchase. The total cost price is debited to Investment a/c and the interest to the Interest paid on Investment a/c.

When a bank subscribes for a New Loan, say, for Rs. 3 lakhs a cheque is sent for the full amount at the issued rate, together with an application form duly filled in. This amount is paid to the debit of Suspense a/c or Sundry Debtors a/c and when the bonds are received together with "an anticipated interest slip," the actual amount of the loan at the purchase price is debited to the investment a/c, the balance of amount being the anticipated interest is credited to interest received on Investments a/c as soon as it is realized. The anticipated interest is calculated from the date of payment to the first date from which the half-yearly interest is calculated to run on the loan.

Investment in Treasury Bills. Treasury bills are always issued at a discount. When Banks buy Treasury Bills the Investment a/c is debited at the rate accepted and when Treasury bills are realised, the difference between the amount paid and the amount realised is credited to Interest received on Investments a/c and the Investment a/c is credited with the amount paid *i.e.*, the amount paid at the time of purchase.

Interest on Government securities is paid half-yearly and the interest is calculated on 360 days' basis in a year.

Investments in Shares. Banks do not invest their surplus funds in shares of public companies, actually buying them in the open market. When a banker

thinks that there will be good prospects if shares of certain companies with a strong directorate are underwritten by him, he chooses to do so. In such cases the actual amount paid, i.e., the application and allotment money is debited to "Investments a/c "(Shares)" and the amount of underwriting commission when received is credited to commission a/c.

A coastal city bank will like to increase its business in the interior centres. It may not be possible for it to open branches in places where there is a likelihood of earning some profit, but if it is considered safe to buy certain interests of a bank which is already successfully working in those parts, it may do so, eventually, to amalgamate that institution with its own. Then the banker places the proposition before the shareholders and if it is carried out by a majority an agreement is made with the other bank to that effect. The bank which has purchased the shares pays the cost of same by debiting it to Investment a/c.

Bonds purchased by banks are classified and arranged according to the year of the issue of the loans. They are then entered in the Investment Register.

INVESTMENT REGISTER

4½ % Loan 1934 Interest payable 15th September and 15th March

[illegible]

showing the face value, the rate of purchase, the total amount paid in respect of each purchase. Bonds are entered in the classification register with

CLASSIFICATION REGISTER.

Date.	Particulars.	Nos.	Face Value.	Half-yearly interest or dividend payable.		When collected.	Initials.	Remarks.
				on	on			

their respective numbers and the period of payment of interest for each loan. When bonds are sold, the sale proceeds are credited to Investment a/c and the interest to the Interest Received on Investment a/c. Due dates relating to payment of interest in respect of each loan are recorded in the Investment Diary. One week before the due date the relative bonds are taken out from the safe and are sent to the P.D.O. for noting of interest. A receipt is granted by the P.D.O. for the total amount of securities received by them from the bank. A week after, this receipt is returned duly discharged by the bank to the P.D.O. who, in turn, returns the securities together with Interest Warrants pertaining to the notes tendered by the bank. Banks collect interest on securities deposited either for securing overdrafts or left with them for safe custody by their constituents. Interest warrants when received are generally endorsed by the banks at the back of the warrant as "Payee's a/c credited" in respect of warrants belonging to the constituents and in respect of their own warrants, they are discharged as "Received payment."

When Treasury Bills are purchased, they are entered in the Investment as well as Classification Register. The entries made are not mixed up

with other kinds of Government securities but separate folios are allotted to them in the Classification as well as Investment Register. In the Investment Register, the face value of the bill, and the amount paid thereon are entered. In the classification register, the number, the face value and the due dates are entered. The Treasury Bills are entered in the Diary according to the due dates.

The procedure adopted in recording the bank's investment in shares is similar to the above, the numbers of the shares, the amount paid up is entered in the Investment Register, the face value and the amount paid up is recorded in the classification Register.

Branches are asked to furnish every month a summary of their Investment a/c showing the average rate at which all their securities stand in their books together with a statement of securities bought and sold during the month quoting the rate at which the business has been put through in the books of the bank.

Every half-year the book value of the Investment a/c of the Head Office as well as the branches is brought down at or below the market value, this figure is taken in the Balance Sheet at the end of each half-year.

At the end of each half-year a statement showing the amount of interest accrued up to the date of closing, is prepared for each kind of security the total amount of interest arrived at is credited to Interest received on Investment a/c and debited to Adjustment a/c. These entries are reversed on the re-opening of the books.

Sale and Purchase of Securities. Banks do not advise their constituents to invest their funds in a

particular class of security, whenever they seek their advice. They merely inform them by sending a list of latest quotation of securities and wait for their instructions. Sale and purchase of securities on behalf of the constituents are done by the Investment Department of the bank as this department is in close touch with the Stock Exchange. Whenever a customer wishes to sell or buy Government securities or shares of public companies he instructs his banker to execute his order. The banker, upon the receipt of such instructions, places the order with his broker, who is generally a member of the Stock Exchange. The broker or his authorised clerk goes every day to the Stock Exchange where stand men (brokers) who are dealing in that particular class of securities and asks them to give their quotations without telling whether he is a buyer or seller. If the bank has given their price and if the price quoted by the other is high in the case of sales and low in the case of purchases, the bank's broker closes the deal at the best price. The contracts are prepared and are verified immediately. Copies are exchanged between the buying and selling brokers and a copy is sent to the bank.

All orders to buy shares or securities are accompanied by a full amount of the purchase money or part thereof. This amount is credited to "constituents' share purchase account" and when the relative scrips or securities are received the broker is paid to the debit of share purchase account. Bankers charge only a small commission for this kind of business.

Investment Trusts. The formation of Investment Trusts in our country will induce the middle-class

people to invest their funds in safe and profitable securities and the Trusts will serve as a medium to mobilise the idle funds of the country. In England and America these Trusts afford unequalled opportunity to the middle-class investors to obtain safe investments at good profits with no tangible loss. The funds of the Trusts are invested in first-class securities and they are managed economically.

CONSTITUENTS' SHARE PURCHASE AND SALE A/c.

Date.	Particulars.	Dr.	Cr.	Balance.	Remarks.

Share Bazaar Clearing House. Just as Bankers have a Clearing House at the Imperial Bank for clearing Bills and Cheques, Bombay Stock Exchange has got under their control a clearing house for settling all transactions between the members of the Stock Exchange. The Clearing House does not hold itself responsible as to the regularity or the genuineness of the documents but facilitate delivery of shares and other securities between the members. The Banks who are in the approved list are allowed to deliver and take shares and other securities to pay and to receive on behalf of brokers. There are special forms to be used by the members in connection with the above transactions. All forward transactions are done under the authority of the Stock Exchange and the delivery of the securities and settlement of accounts are done by all the members through the Clearing House.

Bulls and Bears. Stock Exchange like other

professions has its own peculiar language connected with the technicalities of its own dealings. A Bull is a holder of shares who expects them to rise in price. To be a bull of a share is to hold or control certain number of shares bought at a figure on the assumption that those shares will go to a higher figure. A Bear is the reverse. A Bear expects shares to drop in price. Let us take a fictitious example, say Bombay Traders Ltd., and let us consider that the shares of the Bombay Traders Ltd., stand to-day at Rs. 500 per share. The Bear thinks that in a week's time the price will drop to Rs. 450. He sells 100 shares which he has not got. He is only to deliver the shares he sold on the settlement day. At the end of the week as expected, the shares dropped by Rs. 50 per share. Bear buys 100 shares at Rs. 450 to cover his sale thereby makes a profit of Rs. 50 per share. Suppose a man sells heavy bear of certain shares thinking the price will drop. After he has sold this bear, the shares go up. Then the bulls are at work, prices advance, everybody is buying because the prices are going up. Bear trying to cover his sale finds himself unable to buy sufficient shares at a reasonable price as there are less stock of shares available in the market. He loses for he must cover his sale even at his personal risk. The effect of buying in a rising market makes the shares to go up, thus bringing the position of the bears worse.

CHAPTER XI

REMITTANCES—1

Inland remittances. During these days of quicker transport facilities, it is possible to save the carrying money in making payments at distant places. We have, as it were, for our domestic remittances, the use of postal money orders which serves in the place of Bank drafts for smaller remittances, and T. M. Os in place of T. T. payments. The use of money orders have become so popular that most of us do not worry to go to Banks and make use of the services afforded to us by them even in places where they are available.

Banks and Financial Houses make use of the Government Treasuries whenever they find it cheaper to transmit funds from one place to another. In ordinary circumstances, Banks remit money through other banks; they sell and buy T. Ts. and D. Ds. *i.e.*, Telegraphic Transfers and Demand Drafts. Transactions of this nature are arranged through brokers who are paid brokerage on sales. The rates of exchange vary according to the season and the place of remittance. Branches remit half-yearly profits to Head Office by buying T. Ts. The effect of the above transactions are that no funds pass from one place to another.

T. T. REGISTER

Date.	Payee's Name & Address.	Amount.			Ex. Rate.	Amount.			Initials.	When paid.	Name of the applicant.
		Rs.	A.	P.		Rs.	A.	P.			

Banks T.T. and D.D. Departments. Banks besides remitting their own funds offer services to the public, they remit funds by T. T. and D. D. on behalf of their constituents and the public. Suppose a Bombay firm has got a branch at Calcutta, and the Calcutta Branch requires funds to finance their business during the busy season, and if funds are required urgently at Calcutta, the Bombay firm will prefer to send money to Calcutta by T. T. through their Bank. The Bombay firm will approach their Bankers, and ascertain the rate on Calcutta, and if the rate is favourable, they fill up the T. T. application form, giving the name and address of the payee and present the same to the department. The department prepares the necessary credit slips, directs the customer to pay the amounts to the cash department. The slips are brought back to the department and the transaction is entered in the T. T. register. A telegram is despatched to the Calcutta Branch of the Bank to pay the amount to the party mentioned in the telegram. There will be always a check cipher added to the telegram to obviate fraud at the other end. A memo showing the amount of the T. T. and the charges incurred is given to the party. A schedule is sent to the branch mentioning therein the name of the party, address and the amount

of the T.T. On receipt of the telegram the branch at Calcutta issues T. T. payment forms in duplicate to the payee, which is cashed in the usual way. In the case of T.T. payments the original and the duplicate T.T. payment forms are received duly signed by the party. The branch making payments retain the original T.T. payment forms and the duplicates are forwarded to the branch on whose behalf the payments are made. Suppose a merchant wants to remit funds by D.D. which is less expensive, he also fills up the draft application form,

DEMAND DRAFT REGISTER

Date.	Payee's name & address.	Amount.			Ex. Rate.	Ex. Amount.			Initials.	When paid.	Name of the applicant.
		Rs.	A.	P.		Rs.	A.	P.			

giving the payee's name and address and present the application to the draft department. Relative credit slips are prepared and the money is paid in the cash department. Then the slips are brought back and entered in the draft register and the draft as soon as it is prepared, is sent to the manager for his signature. When the draft is ready it is delivered to the party together with a memo showing the amount of the draft and the commission charged by the Bank. Towards the evening a schedule showing the numbers of the drafts, the names of payees and the amounts, is prepared and it is despatched to the branch or agency where the drafts are drawn payable. The branch on receipt of the schedule credit Bills Payable a/c and

debits the branch from whom the schedule is received. When drafts are presented for payment the paying branch verifies the particulars mentioned in the draft with the schedule received and makes payment thereof to the debit of Bills Payable a/c. If payment is demanded before the receipt of the schedule, it is made in exceptional cases to the parties well known to the bank. When payments are made by the Head Office on account of a branch, the branch account is debited and when payments are received, the branch account is credited.

Outward Bills. All cheques and bills presented to bankers are not purchased by them. Most of them are sent out for collection to the places where they are drawn payable and the constituents are credited only on the receipt of credit advices from the branches or agencies. When bills and cheques are drawn payable in up-country stations received by a banker for collection, they are entered in the "Bills for collection Register" and numbered consecutively. A schedule is prepared showing the amount of the bill and the name of the party from whom it was received and it is despatched to the station concerned for favour of collection. A book entry is passed debiting bills for collection a/c or outward bills for collection a/c (for all the bills received) and bills received for collection a/c is credited, and on realisation these entries are reversed.

Reimbursement of Debts by cheques and bills.
Cheques (I. B. P. a/c). Suppose a cheque on a Madras Bank is received by a Bombay merchant in payment of debt due by a Madras merchant, the Bombay merchant will naturally go to his banker and request him to credit the proceeds of the cheque immediately. This is in other words called the Banks purchasing

such cheques. The banker upon satisfying himself regarding the position of his client, purchases the same and credits his account less bank's exchange and debits "Inland Bills Purchased a/c." The bill is entered in the I.B.P. Register. Then the banker forwards the cheque to his Madras branch for collection attaching the same to a schedule showing therein the particulars of the cheque and if there be any special instruction, it is added to the schedule in the remarks column. When the relative payments are received by the Madras branch, the Bombay Office account will be credited under advice. On receipt of the credit advice from the Madras branch, the Bombay office will debit the Madras Branch and credit Inland Bills purchased a/c.

Bills (I.B. P. a/c). When Inland bills are purchased say for instance, a Calcutta merchant sells rice to a Madras firm, he draws a bill for the amount of the goods supplied plus his charges thereon and presents the same together with R/R to his banker. The bill may be drawn at sight or payable after sometime. The banker upon satisfying himself as to the position and standing of his client, purchases the same and credits the constituent's account less bank's exchange debiting Inland Bills purchased account. The bill purchased, is entered in the Inland Bills purchased Register and it is forwarded to the Madras branch for collection. The Madras branch on receipt of the bill presents the same to the merchant on whom the bill is drawn payable, who pays or accepts the bill according to the terms mentioned therein. When the bill is not paid on presentation in the case of sight bills or if it is not paid on the due date in the case of usance bills, the banker recovers the amount advanced plus interest (from the date of purchase of

the bill) from the party from whom it was purchased. Bankers take care not to purchase bills drawn against sundry goods, unless the drawers are firms of first-class standing. Bills drawn against calenders, fireworks, second-hand clothing are difficult to realize in the time of trade depression and these are never purchased by the bankers.

Whenever merchants go on business tour round India, they do not carry money from one place to another. They merely inform their bankers that they require funds, say at Calcutta, Bombay, Madras and Delhi and other places. Bankers generally help businessmen by granting facilities of this nature, without any margin if their turnover on the current accounts warrants such help. They advise their branches or agencies at the above-mentioned places to honour cheques presented by the merchants up to a specified limit. Specimen signatures of the merchants are taken and are despatched to the branches in advance. When merchants call at the branches to cash cheques drawn under Letter of Credit, the cheques are examined and the amounts are paid to the debit of the branch opening the facility. When cheques are marked "under Letter of credit" they prevent returning such cheques with a remark as "No account with us." Sometimes cheques are marked as "payable at par." This is mentioned on the cheques drawn under letter of credit to make payments thereon at par by any of the abovenamed branches irrespective of the distance.

Remittances by half notes. When currency notes over the value of Rs. 500 payable at different centres are received by a bank in payment of bills due by their clients, the banker accepts the same

and charges the customer the usual exchange rate payable for those centres. During the course of the day, such notes are collected and are entered in the Inland Purchased Register. The first halves are attached to a schedule showing therein the numbers and the amount of the notes. These are despatched by registered post to the branches or agencies and on receipt of an advice acknowledging the first halves (by wire if the amounts are large), the second halves are despatched. Both the halves are then pasted together at the other end, the branches remitting such notes are credited under advice.

Customers to ensure safety, remit funds in G. C. Notes by halves. As soon as the first halves are received the banker advises his client by wire, and on receipt of the second halves the client's account is credited with the full amount. The currency notes received in halves are recorded in the Remittance Book in the order of their receipt and till the receipt of the second halves the first halves are kept in the custody of the cashier, and his signature is taken in the Remittance Book.

Note. When bills are received for collection some banks debit a nominal account called Bills for collection a/c (B. C. a/c). Others debit Outward bills for collection a/c (O. B. C. a/c). When bills are purchased some banks debit Bills purchased a/c (B. P. a/c). Others debit Inland bills purchased a/c (I. B. P. a/c). When out-station Hundis are discounted some banks debit Inland bills purchased a/c and others debit Inland bills discounted a/c.

CHAPTER XII

REMITTANCES—2

Foreign Remittances. The principle involved in making payments between India and other Foreign countries is exactly the same as that followed in settling payments between different places in India.

We have stated above that the Imperial Bank of India and other Indian Joint Stock Banks are financing internal trade of the country. The work of financing our foreign trade has fallen to the lot of the foreign banks. During these recent years Indian Joint Stock Banks are doing a small percentage of foreign exchange business which is in no way comparable to the volume of business passing through the foreign exchange Banks.

Outward Bills. Foreign bills are drawn in sets of two or three. They are identical in terms except that the first set would run as follows: pay against this First of Exchange (the second and third of the same tenor and date being unpaid), the second would run; pay against the Second of Exchange (the first and third of the same tenor and date being unpaid); the third would run pay against the third of Exchange (the first and second of the same tenor and date being unpaid).

The object in having bills in sets, is to avoid loss through miscarriage, and whichever reaches first the place of payment, will be presented to the acceptor for this acceptance.

The first set is sent by first mail, and the rest by subsequent mails. The First only is duly stamped.

Form of a sterling Bill

Exchange for £ 1,000.

Bombay 20th June 1928.

At 90 days after sight, pay this First of Exchange (the second and third of the same tenor and date unpaid) to our order the sum of one thousand pounds for value received.

For Bombay Exporters Ltd.,
(Sd.) A. L. Shaw.

The Manchester Cotton Traders,
Manchester.

The Bombay Exporters, who are the drawers, present the above bill to their bank. The Banker verifies whether the bill is drawn properly, and the first set duly stamped, whether the amount in words and figures mentioned in the bill agree, whether the Bill of Lading accompanying the bill in order, whether the insurance policy cover the full risk in the event of any loss to the goods through fire or otherwise. Whether the endorsements on the Bill and other accompanying documents are in order. After satisfying himself about these conditions, the banker proceeds to pay the party according to the rate of exchange, debiting "Sterling Bills of Exchange purchased a/c." The Bills are entered in the Sterling Bills of Exchange purchased register with all the particulars, and if there be any special instructions it is entered in the remarks column. Bills are numbered consecutively. A schedule is prepared by the bank for all the bills received during the week, the schedule together with the bills and other documents are despatched by

first mail to the London office of the Bank. The London Office, on receipt of the Bills from India enters in their books and send them out for acceptance. When the firm which has bought the goods from India has signed across the bill as "accepted" sd....., the bill is said to be accepted. The London Office may wait till the due date, or re-discount the bills according to the instructions received from India.

STAMP DUTY

Sterling Amt.			Stamp Duty.	Sterling Amt.			Stamp Duty.
£	s.	d.	Rs. a. p.	£	s.	d.	Rs. a. p.
15	0	0	0 3 0	1125	0	0	13 8 0
30	0	0	0 6 0	1500	0	0	18 0 0
45	0	0	0 9 0	1875	0	0	22 8 0
60	0	0	0 12 0	2250	0	0	27 0 0
75	0	0	0 15 0	3000	0	0	36 0 0
90	0	0	1 2 0	3750	0	0	45 0 0
120	0	0	1 8 0	4500	0	0	54 0 0
187	10	0	2 4 0	5250	0	0	63 0 0
375	0	0	4 8 0	6000	0	0	72 0 0
562	10	0	6 12 0	6750	0	0	81 0 0
750	0	0	9 0 0	7500	0	0	90 0 0

Most of our bills on London are drawn in sterling, and only in specific cases they are drawn in rupee currency. The amount of stamp duty is determined by converting the value of the foreign currency mentioned in the bill into rupee equivalent.

The stamp duty on foreign bills is the same as that of our inland bills.

Sterling bills for collection. Bills or Cheques drawn in sterling presented to the banker, are sent out for collection to Banks in England. The parties presenting them are not credited immediately but only when credit advices are received from London. The bills are entered in the sterling bills for collection

register and a book entry is passed debiting Sterling Bills for collection a/c and crediting sterling bills received for collection a/c. This entry is reversed when realization advices are received from London. Banks do not take any responsibility in this respect except collecting the amount.

Usance is the customary period allowed between different countries for drawing Bills of Exchange. At sight is a term sometimes used on a Bill of Exchange when they are payable on demand. The chief difference between a B/E and P/N are as follows:—A bill has three original parties, Drawer, Drawee and the Payee and a note only two—Maker and Payee.

Documentary bills. When shipping documents in respect of export and import of goods are attached to bills, such bills are termed as “documentary bills.” Documentary bills are used to an enormous extent in connection with our export and import trade. Let us take an example. If a firm in Manchester called Manchester Cotton Traders, Ltd., desires to have a shipment of cotton from Bombay, it will place an order with a firm in England having a Branch or Agency in Bombay, called Bombay Exporters, Ltd., the branch in England will advise by wire their Bombay Office giving full particulars of the goods to be shipped to Manchester. On receipt of an indent from London, the Bombay Exporters, Ltd., Bombay, will make the necessary arrangement for the shipment of cotton to Manchester. When the shipping company in Bombay is satisfied that the goods are on board in good order and condition, they sign and hand over to the Bombay Exporters, Ltd., a full set of Bills of Lading containing one and the same particulars of the goods shipped.

As regards freight, it is paid in advance, and Banks avoid as far as possible to negotiate Bills of Lading bearing the clause "freight payable abroad" as they will have to suffer the loss in the event of the parties failure to pay the bills. Then the goods are insured for the full amount and the insurance policies in duplicate or triplicate are granted by the Insurance Company. The Bombay Exporters, Ltd., will prepare invoices in triplicate, a statement of the Dock charges, freight, insurance, stamp duty, sundry charges, and their commission. All these are included in the amount for which the bill is drawn. Suppose, there is an arrangement to draw the bill at 90 days' sight, in respect of each shipment, the bill will be drawn accordingly. The Bombay Exporters, Ltd., will now proceed to have the bill discounted as stated above at the beginning of this chapter.

Letter of Credit is a communication addressed by bankers to their correspondents either at home or abroad requesting him to advance the bearer a specific or an unlimited sum of money and debit the amount paid to their accounts.

Circular Notes are convenient for travellers and are obtained from a banker on payment. They are addressed by the issuing banker to his correspondents at a distance requesting them to pay a sum named, to the person named whose signature is to be found in a separate letter of indication. The circular notes are already filled up with their amounts and signed by the issuing banker.

Confirmed credits. Let us assume that an Indian Carpet Merchant has sold a consignment of Indian carpet to a London Merchant. The Indian merchant may desire that a Banker's confirmed credit to be opened in order to make sure that his bill will

be met on its arrival in England and that there will be no loss owing to the party's failure to meet the bill. If the English buyer, agreeable to this arrangement will approach his banker to telegraph to their Indian branch to open confirmed credit for £. . . favouring the Indian Exporter, and to pay against the delivery of documents in respect of the shipment. The Indian branch of the Bank with whom the credit is opened advises the party in whose favour the credit is opened. When the shipment is complete and the necessary documents are ready, the Indian Merchant prepares a bill for the amount of the consignment and presents the same to the banker. The banker on receipt of the bills (in duplicate) with shipping documents attached thereto, verifies the same whether they are in order according to the terms of the letter of credit and pays the party. The first set is sent to England by that week's mail and the rest by the 2nd week's mail.

Similar to the credits opened in favour of Indian Merchants in India, Indian Merchants open confirmed credits favouring foreign merchants. While opening such credits they approach their bankers and request them to open credits abroad favouring foreign merchants and fill in the letter of credit form showing therein the amount for which the credit is to be opened, and also the special advices, specifying the exact nature of the goods, route to be followed and line or lines of steamers to convey the goods is also mentioned. The nature of the security that has been deposited is also stated in the form. The Indian banks advise their Home branch or correspondents to negotiate bills as per terms and conditions arranged. Most of the bills on Indian merchants are drawn under confirmed letter of credit. We shall

call these bills as Advance Bills because moneys are advanced in London to the shippers on the terms and conditions of the letter of credits. We receive only a small percentage of D/A bills (delivery against acceptance) without opening credits abroad.

The clauses that appear in most of the bills drawn on the Indian merchants regarding the re-imbursements of funds are such, making the Indian merchants responsible for all the expenses till the money reaches London. The clauses that are commonly in use in connection with bills on India, are the following:—

1. Payable at the collecting bankers' selling rate for sight drafts on London plus interest . . . per cent. per annum, from the date of the bill until approximate date of the arrival of the proceeds in London.

2. Payable at the collecting bankers' selling rate for sight drafts on London, plus all banking charges, stamp and interest at . . . per cent. per annum from the date of the bill to the approximate date of arrival of proceeds in London.

Inward Bills. Most of the bills on the Indian merchants, whether they are drawn by the American, English or French merchants, are drawn in sterling. If a firm in Bombay called Abdullabhai Lalljee and Co., Iron Merchants, 12 Nagdevi street, Bombay, imports iron bars and rails from England, the English merchant called the English Machinery Export Co., as soon as the goods are placed on board in good order and condition obtains Bills of Lading from the Shipping Company and insurance policy from the Insurance Company. The English merchant prepares bills in sets of two for the full amount of the goods including all charges. Bills in

sets are presented to his banker. The English banker may purchase the bill or send it merely for collection and in either case he forwards the first set to Bombay by the first mail and by the next mail the duplicate ones. The Bombay branch of the English bank will present the bill to the drawee namely, Abdullabhai Lalljee & Co., for acceptance as soon as the bill is received from England. Before the bill is sent out for acceptance, it is duly stamped and entered in the acceptance book. Then, the acceptance book and the bill is sent to the cashier who sends a member of his staff (bill collector) for getting the bill accepted. The documents are delivered to the party if the bill is a D/A one, otherwise, the collecting bank will have to get the bill accepted and wait till the due date to have payment on the same and deliver the documents thereafter. In the case of D/P (Delivery against Payment) Bills documents can be delivered before the due date, when relative payments are received before the due date.

The accepted bills are advised to the remitting branches or correspondents ; in addition to the advice of due dates, the actual dates of acceptance are also advised. In cases where bills are not accepted, advice of non-acceptances is passed on to the branch not later than two days after the receipt of the bills. Demand Bills and cheques as soon as they are realized, say, on the date of presentation, the payments are advised to the remitting branch. A book entry for the total amount of the bills received by every week's mail is passed, debiting foreign bills received for collection and crediting bills received for collection. This entry is reversed in the order of realization of bills.

Sterling bills on India. Whenever an extension is wanted for Bills not paid at maturity, it has been

decided sometime back by the Exchange Bank Association that if bills are extended, they should be noted whether the drawer agrees to the extension or not, and they must on no consideration be re-accepted. As such a procedure creates an entirely new document which would require to be drawn up separately on stamped paper.

Bills retired under rebate. Whenever bills are retired before the due date, that is, either at the time of acceptance or some time after that, a rebate is allowed at the bank rate. When bills are retired under rebate, the rebate is calculated by taking the number of days from the date of payment to the date of maturity, which includes three days of grace. The nett proceeds of the bills are remitted either by D.D. or T.T. as per drawer's instructions.

Case in Need. The drawer of a bill being unable to know for certain whether the drawee will accept or having accepted, will pay, may insert the name of the person to whom the holder may if he pleases, resort in the case of non-acceptance or non-payment. This person is called a "referee in case of need." In other words "a case in need" is a statement occasionally put upon a bill of exchange by the drawer, naming a person who will guarantee its payment and to whom the holder may have recourse in case of dishonour. The following is the usual form appearing in a Bill of Exchange as :—

"In case of need apply to Gibbon & Co., Armenian Street, Madras."

We have discussed only bills sent out of India and bills received in India and the procedure adopted in dealing with such bills from the date they are drawn

to the date of realization and of the remittances of proceeds on such bills.

There is a considerable amount of money remitted to and from England by T.T. and D.D. by banks on their own account as well as for their constituents.

The following are the Indian course of Exchange ruling on 13th July '28 :—

B. C. rate T.T.	1-5 27-32
B. C. rate D.D.	1-5 7-8
London:—Bank's Selling T.T.	1-5 7-8 cash
Bank's selling D.D.	1-5 29-32
Bank's selling T.T.	1-5 7-8 July, Aug.
Bank's selling T.T.	1-5 29-32 Sep.
Bank's buying T.T.	1-5 29-32
Bank's buying D.D.	1-5 15-16
Bank's buying 3mos	1-6 5-32 July.
Bank's Buying 3 Mos.	1/6 3/16 Aug. Sep.
New York :—B. C. T. T.	277
Bank's Selling T. T.	276½
Bank's Selling T. T.	275½
Bank's Buying 3 Mos.	269½
Paris:—Bank's Selling D. D.	922
Bank's Buying D. D.	934
Bank's Buying 3 Mos.	950
Japan :—Bank's Selling T. T.	127½
Bank's Buying 60 days	124½
Hongkong :—Bank's Selling D. D.	131¾
Shanghi:—Bank's Selling D. D.	180½
Singapore:—Bank's Selling D. D.	155¾
Java:—Bank's Selling D. D.	90 3/8

Most of the exchange transactions whether T.T. or D.D. or bills are arranged through brokers, who are paid brokerage on sales. In the brokers contract there will be shown the amount, the rate, the name of the party with whom the contract has been made and the particulars of delivery. Some brokers have contract

forms printed in different inks. Purchases in red and Sales in black. This is done to distinguish at first sight whether it is a sale or purchase contract. Contracts when received are arranged and entered in the sale and purchase contract books. Then they are numbered and filed in the order of the due dates of contracts.

The sterling transactions are entered in the contract diary according to the due dates of delivery. There is another book called Gold Account Book wherein all sales and purchases in sterling are entered. The balance of this book will show over bought or over sold position, or square position in the sterling transactions.

T. T. or D. D. Purchases. Supposing on a particular day a Bombay bank has to pay for T. T. purchase, it fills in the application form and forwards the same to other bank who have sold the T. T. A cheque is sent for the 'rupee equivalent of the T. T. purchase together with the cost of telegram. At the time of drawing cheques a debit entry is passed debiting London (our) account and on receipt of the remittance the London Office will credit Bombay (their) account. Then the relative contracts are cancelled from the diary as well as in the contract book. For D. D. transactions the procedure is similar to the above yet in finding the actual London position the amount remitted by D. D. will be taken into consideration only after 21 days have elapsed.

T. T. or D. D. Sales. In the case of sale transactions a banker receives cheques for the amount of the Sterling sales as per terms of the contracts T. T. or D. D. The application will show the name of the party to whom the money is to be remitted. The bank who have sold the T. T. or D. D. will verify from

their contract and pass the necessary entries crediting London (our) account. When the payments are made at the other end, the Bombay Office (their) account will be debited. Then, the contracts are cancelled and the note made in the diary is also marked off.

We have discussed above the procedure the banks adopt while dealing with Sterling T. T. and D. D transactions on their own a/c. The procedure that is being adopted when the Banks' constituents approach their bankers to remit money or to receive, is same as adopted by the banks on their a/c. The constituents ascertain the rate and if it is favourable they instruct their bankers to remit by T.T. or D.D. whichever they think convenient. A customer is also asked to fill up the application form showing therein the name of the payee and his address together with the amount to be remitted. Then the customer is debited with the rupee equivalent of the sterling amount as per rates arranged together with the charges under advice.

In the case of T. T. payments, the constituents are sent T.T. remittance form in duplicate which is cashed in the usual way like cheques. Sometimes remittances from England are received in rupee currency when there is favourable exchange at the other end.

Banks having their branches in London send a statement of weekly purchases and sales of all the forward sterling transactions to enable the London branch of the bank to arrange finance to meet out payments and invest excess receipts in a profitable way.

Council and Reverse Council Bills. We have seen that Indian traders draw bills for the goods exported to England, America or elsewhere and foreign merchants draw bills for the goods sent to India. Both Exports and Imports do not cancell

each other. In normal times the Exports from India generally exceed the Imports and an adjustment of the value of the nett exports is effected by remittances through the Secretary of State for India who sells bills in London to meet out the home charges, etc. These bills are purchased by banks in London having branches in India, and they are called the Council Bills which are paid in rupee currency at the Government Treasuries in Bombay, Madras and Calcutta.

Supposing the balance of trade is against India, the nett value of the Imports are to be paid in London by Sterling. The Government of India sell Sterling Drafts on London which are called Reverse Council Bills. The Secretary of State meets such bills in Sterling from the Funds lying at his disposal.

Sterling Exchange position. Every half-year sterling transactions are summarised in the exchange adjustment sheet, taking into consideration the London balance, funds in transit, bills in transit less rebate drafts in transit, and all forward purchase and sale contracts. The nett result, whether profit or loss is taken to the profit and loss account.

Noting a Bill. When a bill (Inland and Foreign) is dishonoured either for non-acceptance or non-payment, it is sent out to the Notary Public who makes a second formal presentation to the drawee or acceptor at his place of his business. If the acceptance or payment is refused, the Notary Public records its non-acceptance or non-payment by writing upon a slip which is generally attached to the bill. The bill together with the slip is sent to the bank. The object of noting a bill is only to have an official record of the refusal.

CHAPTER XIII

ACCOUNTS

Cash Book General Ledger and Returns

Inspection of Books. The Head Office and the Branches carry on periodical surprise checking of Ledgers and other books. These are balanced by the officers themselves. The ledger-keepers and other clerks are not permitted to take part in the process of balancing. While balancing current a/c ledgers, each ledger balances are compared with the balances in the current a/c Ledger balance book "Check Ledger." This book is maintained by one of the responsible officers of the bank. (Ref. P. 33 Para 1.)

Departmental Instruction Book. In almost all the banks a small book is kept in every department for recording instructions as to how the business relating to that particular department is to be conducted together with a special memorandum added thereto from time to time. Whenever Officers are transferred, this book would form the basis of instruction governing that department.

MAIN CASH BOOK (RECEIPTS)

Date.	Particulars.	Folio.	Cash.	Clearing.	Transfer.	Total.
			Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.

112

63

Off
com.
credi
dema
and
the su
account
book,
to cash
such a
totalled

ig and off book are debited. The balance
nk Acco the credit balance of the current
book's, but in the General Ledger
luctant of overdraft figures are
the Assets side and a corres-
to the balance and the total
the Liabilities side of the

usually adjust them
naturally will agree as
General Ledger.
branches keep separate
GENERAL LEDGER
Dr. Liability.
ough other ac-
count and the
ed on the r
to as counts,
lf-y ded and
ts cash book

SUPP.		BOOK (RECEIPTS)					
Date.	Particulars.	Cash.		Clearing.		Transfer.	
		Rs.	A. P.	Rs.	A. P.	Rs.	A. P.
	Total ...						

SUPPLEMENTARY CASH BOOK (PAYMENTS)						
Date.	Particulars.	Folio.	Cash.	Clearing.	Transfer.	
	Total ...					

CHAPTER X. The amount of cash
ing from the totals of the
ACCOUNTsh book, the totals of the

Inspection of Books. All debits and credits auto-Branches carry on per se. The office transfers Ledgers and other books there is a credit for each cor-the officers themselves.

responsible officer	Assets.		
	Rs.	A.	P.
Department			
Small			
in			

Cash a/c in the General Ledger. There is an account in the general ledger called the "Cash a/c." This account is debited with all the cash receipts received during the day and credited with all cash the payments made during the day. The balance of this account shows the actual cash in hand.

Current a/c in the General Ledger. The daily total receipts of Cash Clearing and Transfers of the Supplementary cash book (posted in the main cash book) are credited to this account and the total payments of the

Supplementary Cash book are debited. The balance of this account shows the credit balance of the current account less overdrafts, but in the General Ledger trial balance, the amount of overdraft figures are shown separately on the Assets side and a corresponding amount is added to the balance and the total thus arrived at is shown on the Liabilities side of the trial balance.

Clearing a/c in the General Ledger. In this account a record of the daily clearing entries, debits and credits (of the first and second clearing) are made. This account will show a nil balance daily.

Adjustment a/c. At the end of each half-year this account is debited or credited when such debits and credits cannot be passed through other accounts. This is only a nominal account and the entries contained therein are reversed on the re-opening of the books. Banks in order to ascertain the actual profits earned during the half-year pass adjustment entries for interest on accounts such as Fixed loans, Fixed Deposits, Investments, etc., and prepare statements of interest on the above accounts up to last date of the half-year closing. The amounts thus arrived at are credited or debited to adjustment account.

General Ledger balances. General Ledger balances are prepared once in a week and in some banks daily. The postings in the General Ledger is supposed to be correct when the debit side totals (Liabilities) agree with the credit side totals (Assets). The Head Office and the branches during the half-year prepare Trial Balances 3 times. 1. Before adjusting. 2. After adjusting. 3. After closing. Branches forward these balance sheets to the Head

Office for the preparation of final Balance Sheet and P. & L. a/c.

Profit and Loss account. In the middle of the half-year items relating to the P & L a/c are not directly passed to the debit or credit of the Profit and Loss account but are debited or credited to the accounts named after the source. Only at the end of the half-year debit and credit profit and loss items are transferred to the Profit and Loss account. The following are some of the credit items of the P. & L. a/c appearing in the General Ledger.

1. Interest on Overdrafts. The amount of interest earned during the half-year and the amount debited to the parties' a/c at the end of the half-year is credited to interest received a/c.

2. Interest on Fixed Loans, Demand Loans and Loans on Merchandise.

The amount of interest earned during the half-year is credited to interest received a/c; the amount of interest accrued till close of the half-year is passed through adjustment slips crediting interest received a/c and debiting adjustment a/c. Some banks debit the amount of accrued interest to the loan a/cs, and credit interest received a/c. The amount of interest thus debited is collected immediately after the re-opening of books.

3. Interest on Investments. The actual amount of interest earned during the half-year is credited to Interest Received on Investments a/c. At the close of the half-year a statement of the interest accrued due up to the last date of the half-yearly closing is prepared and the amount is credited to Interest Received on Investment a/c and debited to

Adjustment a/c. This entry is reversed on the re-opening of books.

If at the closing of the half-year the book value of Bank's investments is more than the market value, the difference between the market value and the book value is never taken as profit. The difference is passed only to the credit of Profit on Investment a/c when the actual securities are sold in the market.

4. Discounts on Local bills and Inland bills. These are the amounts earned during the half-year less rebate on bills discounted.

5. Exchange. This includes the amounts earned in Local exchange business including the amount earned on Foreign exchange business. The exchange profit on outstanding Foreign exchange business at the close of the half-year is credited to Exchange a/c and debited to Adjustment a/c. This entry is also reversed soon after the half-yearly closing.

6. Commission. The total amount of commission earned on collection on bills and cheques during half-year is shown in this a/c.

7. Rent receivable. The total amount of rent earned during the half-year is credited to this a/c in the usual way but the rent outstanding at the close of the half-year is credited to "Rent receivable a/c" and debited to "Adjustment a/c." These entries are reversed on the re-opening of the books.

Some of the Debit items in the P & L a/c.

1. Interest on Current Account is credited to Constituents' account at the close of the half-year. and debited to Interest paid a/c.

INTEREST PAID ACCOUNT

Date.	Particulars.	Current a/c.		Savings bank a/c.		Fixed deposit.		On Loans from branches.	
		Rs.	A. P.	Rs.	A. P.	Rs.	A. P.	Rs.	A. P.

2. Interest on Savings Bank accounts is treated similar to the above.

3. Interest on Fixed Deposits. The amount of interest actually due during the course of the half-year on deposits is paid to the debit of interest paid account and credited to the parties a/c or cash is paid and the amount of interest on outstanding deposits at the close of the half-year is debited to interest paid account and credited to adjustment account. These entries are reversed on the re-opening of the books.

4. Depreciation on Investments. When the book value of the Bank's securities is considerably higher than the market value, the difference between the book value and the market value is actually debited to the "Depreciation on Investments a/c." This is done at the close of the half-year in order to show the securities held by the bank is at the market value.

5. Depreciation on buildings—The directors set aside every year a certain percentage out of the profits of the bank thus writing down the cost of the building to nil. The value of the buildings eventually forms part of the bank's secret reserve.

6. Charges a/c—(a) Staff salary, (b) Banks' provident fund contribution, (c) Directors' fees, (d) Postage and Telegrams (e) Advertisements and Stationery, (f)

Electricity, (g) Insurance (h) Premium paid by the bank on the Fidelity Guarantee Bond (i) Rent paid, etc.

Insurance. Insurance is effected on all Bank's property and against the goods, the bank had advanced money. Banks also insure goods pledged to them against loss due to riots and civil commotion, etc., all charges incurred on this account is debited to the party.

Fidelity Guarantee Insurance. To prevent loss in the event of any fraud committed by any of the employee of the Bank, bankers insure collectively such risks. The premium on the fidelity guarantee insurance is calculated on the basis of the actual number of employees at the Branches and the Head Office. In the event of any fraud being committed, the Insurance Company is given early notice and after proper investigation of the fraud, the bank's claim is settled.

Returns. Branches are asked to furnish the following returns to the Head Office in addition to the usual half-yearly returns.

Weekly Returns. 1. A statement of all new overdrafts and loans granted during the week, 2. Branch accounts inward and outward. 3. Bills purchased during the week. 4. General Ledger Balances.

Fortnightly Returns. 1. A statement of clean advances. 2. A statement of cash in hand and cash with bankers. 3. A statement of Exchange business (purchases and sales).

Monthly Returns. 1. A statement of overdrafts, loans and other advances. 2. Past due bills, (Foreign and Inland). 3. Bills purchased (Inland, and foreign).

Quarterly Returns. 1. A complete statement of all advances. 2. Bills purchased and discounted. 3.

General Ledger Balances. 4. Pro forma Profit and Loss Account.

Half-yearly Returns. Head Office as well as branches prepare returns for the half-year and when the returns from the branches are received the branches figures of the Profit and Loss account and Balance Sheet are incorporated with the Head Office figures, a final Balance sheet and Profit and Loss account is then prepared. The Branches forward half-yearly general ledger balances with supporting statements

Assets side

1. A statement of Cash Credit advances.
2. " of Demand Loans.
3. " of Fixed Loans.
4. . . . " { of Bills discounted.
 (a) Endorsers balances
 (b) Drawers balances
5. " of Bills purchased.
6. " of Loans on Merchandise.
7. " of Overdrafts.
- 7.(a) " of Sundry debtors.
8. " of Sterling bills purchased.
9. " of Investments.
10. " of Office furniture.
11. " of Stamps.
12. " of Landed property
13. " of Cash in hand.
14. " of Cash with Bankers.

Liabilities Side

1. A statement of Capital paid up. (H. O.)
2. " of Reserve fund. (")
3. " of Current account Balances.
4. " of Savings bank balances.
- 4.(a) " of Sundry creditors.
5. " of Fixed deposit balances.
6. " of Provident Balances. (H. O.)

Liabilities Side—Concluded.

7. A statement of Bills discounted.
8. " of Rebate on Bills discounted
9. " of Unclaimed dividends (H. O.)
10. " of Reserve for contingencies.
11. " of Profit and Loss account.

Half-yearly Report. The branches report every half-year the state of their profit and loss account comparing the same with the previous balance period. This para includes a short statement showing where the main profit has been earned. A short para giving a resume of what has happened in Exchange during the period under review. The following information is also provided by the branches. 1. Current account. Balance contracted and the total number of new accounts opened and the total number of accounts outstanding. 2. Savings Bank account, same as Current accounts. 3. Fixed deposits. A short resume showing deposits for 3 months, 6 months, 1 year and 1 year and over. Balances contrasted with the previous half years. 4. Capital. The amount of capital allotted to the branch and any change in the same is recorded. 5. Investment account. Balances contrasted and a short para stating what it consists of and advising at the same time the average rate at which the securities stand in the books of the bank. 6. Overdrafts. These accounts are classified and the remarks 'Good' 'Temporary' are added in the remarks column. 7. Fixed Loans, Demand Loans and Advances on Bills. The totals are contrasted and a short para stating what these advances consist of the rates of interest and whether they are fully secured or not. 8. Loans to branches. This para contains particulars of money lent to branches and also a general idea of

what the branch has done towards assisting other branches with funds during the period under review. 9. Local bills discounted and Inland bills or Outward bills Purchased. The totals as well as the rates obtained are given. 10. Bad Doubtful Debts. This para will cover Bad and Doubtful Debts incurred during the half-year, also any collection received on account of old outstandings. 11. Charges account. This para will contain the totals, showing any increases or decreases under the more important items.

CHAPTER XIV

BALANCE SHEET

For the half-yearly closing, Head Office generally issues instructions to all the Branches regarding the submission of the Half-Yearly accounts in time. The net result of the half-year of each Branch is sent to the Head Office by wire to enable them to prepare their reports. When figures are received from the Branches, they are amalgamated with the Head Office figures and a nett result of the working of the whole concern is published in the press for the information of the public, which runs generally as under :

The profit of the Bank of Commerce, Ltd. (assumed name) for the year ended 31st December 19.....including the balance brought forward from the previous year—Rs. 2,45,500 amounts to Rs. 18,99,900. Provision made for income-tax and super-tax for the year, Rs. 1,50,000. An ad-interim dividend was paid for the year ended 30th June 19.....at 10% per annum which absorbed Rs. 5,00,000. The Directors now propose:—

To pay a final dividend for the year ended 31st December 19.....at the rate of 10% per annum on the Paid-up Capital of Rs. 100 lacs free from income-tax which will absorb Rs. 5,00,000. To place to Bank's Property account Rs. 1,00,000. To place to Bank's Reserve Fund Rs. 3,00,000. Bonus to staff Rs. 45,000. To carry forward to the next account Rs. 3,04,900.

As soon as the half-yearly accounts are audited by bank's auditors, the profit and loss account and the balance sheet is signed by them, a date is fixed by the directors of the bank for the General Body

Meeting, and a notice to that effect is issued in the press as under :

Notice is hereby given that the Annual Ordinary General Body meeting of the shareholders of the Bank of Commerce, Ltd. (assumed name) will be held at the registered office of the Bank, Hornby Road, Bombay, on Friday 17th February 19 . at 3 P.M. (S.T.) to transact the following business :—

- (1) to receive and adopt the report of the directors and the audited accounts for the year ending 31—12—19.....
- (2) to declare a dividend.
- (3) to elect directors in place of those retiring by rotation (they are eligible for re-election and offer themselves accordingly).
- (4) to appoint auditors for the ensuing year and fix their remuneration.
- (5) to transact any other business that may be brought forward by the Chairman.

By the order of the Board

Bombay 20th Jan. 19 . Sd.

N.B.—The Transfer books of the Bank will be closed from Monday 6th February to Saturday 18th February 19 . . . both days inclusive.

Printed Reports, Audited Balance Sheet and Profit and loss account are sent to all the Shareholders. Some banks publish the full report of the directors. Profit and Loss Account and Balance Sheet in the News Papers for the information of the public.

At the appointed day of the General Body Meeting, the Chairman refers to the important changes in the Bank's position and surveys generally the trade conditions of the country, particularly in

Textile, Cotton Jute, and other exportable commodities and then moves the adoption of the report and audited accounts. In all concerns where a conservative policy is adopted the reports are generally carried out without any division.

Form of the Balance Sheet. The High Court of Bombay sometime back held that the prescribed form of balance sheet Form F in the third schedule of the Indian Companies Act require that bad and doubtful debts should be specifically shown in the balance sheet even though provision might have been made for them. This decision ran counter to the practice prevailing in our country and in England, which is to show on the assets side good debts only if provision for the bad and doubtful had been made to the satisfaction of the Bank's Auditors. A petition signed by some of the Indian Joint Stock Banks notably, the Central Bank of India, the Bank of India, and the Allahabad Bank was sent to the Government pointing out that the preparation of the Balance Sheet in the way suggested by the High Court of Bombay would lead to misapprehension and great handicap in smooth working of a bank and they prayed for the modification of the form of balance sheet to be published. Though the Imperial Bank of India is not governed by the Indian Companies Act, yet, it supported the petition in a separate letter addressed to the Government.

The Government took prompt attention to the matter and lost no time in issuing a modification amending the form so as to bring it into conformity with the existing practice.

THE BANK OF COMMERCE Ltd.,

Cr.

Balance Sheet as on 31st December 19 .

LIABILITIES		Rs.	A. P.	Rs.	A. P.	ASSETS		Rs.	A. P.	Rs.	A. P.
Authorised Capital	...	2,00,00,000	0 0			Cash Credits and Demand Loans...				3,52,61,500	0 0
Issued Capital	...	20,00,000	0 0			Fixed Loans	...			3,70,99,000	0 0
Subscribed Capital	...	2,00,00,000	0 0			Bills discounted and Bills purchased	...			47,90,800	0 0
Paid-up Capital	...			1,00,00,000	0 0					7,71,51,300	0 0
Reserve Fund	...			80,00,000	0 0	Office Furniture and Fittings	...			85,000	0 0
Provident Fund	...			7,06,700	0 0	Stamps	...			400	0 0
Fixed Deposits	...			6,00,05,000	0 0	Landed property at cost	...			11,82,600	0 0
Current accounts	...			3,60,09,600	0 0	Investments—					
Savings Bank Deposits	...			70,55,100	0 0	Government securities	...	2,28,48,600	0 0		
Rebates on Bills discounted	...			20,500	0 0	Improvement Trust, Port Trust and Municipal Bonds	...	60,03,800	0 0		
Unclaimed dividends	...			67,500	0 0	Joint Stock Comys. Shares	...	1,237,600	0 0	3,00,90,000	0 0
Branch adjustments	...			3,92,800	0 0	Cash in hand	...	54,91,400	0 0		
Profit and loss account						" at Bankers	...	95,06,400	0 0	1,49,97,800	0 0
Balance as per Balance Sheet on 31st December 19—	...	2,45,500	0 0								
Profit for the year	...	16,54,400	0 0								
		18,99,900	0 0								
Less provision for income tax and supertax	...	1,50,000	0 0								
		17,49,900	0 0								
Less Interim Dividend paid at 10% per annum for the year ended 30th June 19—	...	5,00,000	0 0	12,49,900	0 0						
Total Rs.	...	12,35,07,100	0 0							12,35,07,100	0 0

* Particulars required by Act VII of 1913.

1. Debts considered good and in respect of which the Bank is fully secured Rs. 5,95,09,800.
2. Debts considered good secured by the personal liability of the debtors Rs. 1,75,46,400.
3. Debts considered good for which the bank holds no security other than the debtors personal security Rs. 95,300.
4. Debts considered doubtful—Nil.
5. Debts considered bad—Nil.
6. Debts due by Directors—Nil.
7. Debts due by an officer of the bank other than a Director—Nil.

We shall discuss the above Balance Sheet from the point of view of the customer that is to say, the public having interest in the services offered to them by the Banks.

In the early chapters, we have discussed the functions of a Bank, that is, taking money on deposit from the public (to repay them on demand or at fixed date) and investing such sums received, in granting loans and discounting of bills. We shall deal presently with the ways and means which a Banker adopts to create confidence in the minds of the public.

He takes care to pay immediately whenever money deposited by the public is demanded. He carefully invests the funds keeping always excess of assets over his liabilities.

Liabilities Side

Capital. Authorised capital is the amount stated in the Bank's memorandum and Articles of Association for which the Bank has paid to the Government the prescribed registration fee. The issued capital is the amount issued to the public and the subscribed capital is the amount subscribed for by the public, and the paid-up capital is the amount paid up by the public. It may be either full or part of the subscribed capital. In the above balance sheet the directors of the Bank have called up only half of the subscribed capital that is Rs. 50 per share on two lakhs of shares, which is equal to one crore of rupees. The balance, the directors have reserved for any future contingency.

Reserve Fund. 80 lakhs. The directors set aside every year a portion out of the profits of the bank since its commencement. This is in other words

called the undivided profits of the Bank which is being utilised in the Bank's business as an additional working capital.

Provident Fund. Rs 7,06,700. This is the amount contributed by the staff of the bank, plus the Bank's contribution. Some banks deduct 8.1-3% and others 6¼% from the monthly salary of the staff to which is added the Bank's contribution of a like amount. The balance standing to the credit of the account is invested outside the business preferably in Government Securities.

<i>Fixed Deposits.</i>	Rs. 6,00,05,000
<i>Current Account Deposits</i>	3,60,09,600
<i>Saving Deposits</i>	70,55,100
<i>Rebate on Bills Discounted</i>	20,500

In the earlier chapters we have discussed sufficiently the above four items.

Unclaimed Dividends. Rs. 67,500. At the end of every half-year dividend warrants are prepared according to the rates of dividend declared. These are posted to the last registered address of the shareholders. The amount of Rs. 67,500 shows that the dividend warrants not cashed till the last day of the half-yearly closing.

Branch Adjustments. Rs. 3,92,800. This item is not a real liability but are entries not responded at the closing the half-yearly accounts. This is reversed on the re-opening of the books.

Profit and Loss Account. Rs. 12,49,900 represents the balance of assets over liabilities. When a bank has been doing good business, the total assets increase during the year in relation to liabilities. If in a year no dividends were declared, that money would be invested in the business increasing thereby

the assets of the bank during that year. When dividends are declared and paid during the year the amount that can be invested, is drawn from the Bank. In our balance sheet shown above, the amount of profit brought forward from the last year is Rs. 2,45,500 and the amount of actual profit earned during the year is Rs. 16,54,400 thus making a total of Rs. 18,99,900. Out of this sum Rs. 1,50,000 being the provision made for income-tax and supertax and Rs. 5,00,000 being the interim dividend paid at 10 per cent. per annum for the half-year ending 30th June, 19... has to be deducted, thus showing the actual profit in hand Rs. 12,49,900.

Assets Side.

Coming to the assets side, we have cash credit and demand loans to the extent of Rs. 3,52,61,500, Fixed Loan, 3,70,99,000 and the local bills discounted and purchased Rs. 47,90,800 thus making a total of Rs. 7,71,51,300. These advances are made with great care and caution and with the full consent of the Board of Directors. We have discussed these sufficiently in our early chapters.

Office Furniture and Fittings. Rs. 85,000 represents the actual value of the furniture at the Head Office and the Branches less depreciation.

Stamps. Rs. 400. This item represents the total value of stamps on the unused letter of pledge, letter of guarantee, power-of-attorney and foreign bills stamp.

Landed property at cost. Rs. 11, 82,600. The above sum represents the purchase price of the buildings by H.O. and Branches, less depreciation. The amount of depreciation is appropriated every year from the profits.

Investments, at or below market value.

Rs. 3,00,90,000.

The Bank has invested their surplus cash

(a) in Government Securities to the extent of

Rs. 2,28,48,600.

(b) in Improvement Trust, Port Trust and

Municipal bonds Rs. 60,03,800

(c) in shares of public companies which might have been underwritten to them 12,37,600.

Cash in hand Rs. 54,91,400.

Cash with Bankers. Rs. 95,06,400.

The above two items represent the actual cash in hand and cash with bankers on the last day of the closing of the half-year, at the Head Office and Branches. This forms part of the cash reserve and the investments forms the other part.

Percentage of cash and securities held against demand liabilities. Banks which adopt a cautious policy will never over trade and keep their cash position out of all relations to the demand liabilities which might be made on them. Such banks will when they anticipate signs of dear money or stringency in the money market take every step to put themselves in a strong position maintaining at least twenty-five per cent. of the cash reserve (cash in hand and with bankers and investment in Government Securities) to the demand liabilities.

The strength of a bank to meet its liabilities can be gauged from its balance sheet. On examining ours, we can see very well that the total assets of the bank come over to Rs. 12,35,00,000 out of this sum about Rs. 4,37,00,000 constitutes cash reserve (we have not taken the amount invested in shares of joint stock companies). This cash reserve consists of cash in hand, cash with bankers and investments in

Government Securities and Improvement Bonds and Port Trust and Municipal Bonds. These bonds can be sold easily when occasion arises, *i.e.*, when there is a sudden rush for payment. The percentage of cash reserve to the total assets is 35.46 which is a satisfactory percentage.

It will be an extra advantage if the proportion of the reserve to the demand deposits, that is current account and savings bank is maintained at at least half of the deposits and the actual cash in hand at at least one-fifth of the deposits. Referring to the balance sheet shown above, the proportion of the reserve to the deposits is nearly equal and the proportion of cash in hand is nearly one-fourth to the demand liabilities.

The other points of interest in a balance sheet is the proportion of paid-up capital and reserve fund taken together relatively to the total liabilities that is, demand and fixed.

The proportion of the total resources to the demand and fixed liabilities.

	Rs.
Turning to the balance sheet we can find that the Bank owe to the depositors and others (unclaimed dividends)	10,31,37,200
Banker's resources are—	
Cash in hand and with bankers ...	1,49,97,800
Investments in Government Securities. Improvement Trust, Port. Trust and Municipal Bonds	2,28,48,600
Shares	60,03,800
Buildings	12,37,600
Furniture and fittings	11,82,600
Advances	85,000
	7,71,51,300
Total Rs.	12,35,06,700

Result—

Total Resources	...	...	12,35,06,700
Less Liability	...	...	10,31,37,200
	Balance Rs.		2,03,69,500
Add reserve liability against share-			
holders 2 lakhs of shares at			
Rs. 50	...	...	1,00,00,000
Total Surplus Rs.			3,03,69,500

The surplus shown here affords to the depositors sufficient security of capital and reserve about 3 crores.

Statutory Statements.

Under section 136 of the Indian Companies Act, every Banking Company, shall before it commences business, and also on the first Monday in February and the first Monday in August in every year during which it carries on business, make a statement in the form marked G in the Third Schedule.

Form G.

The share capital of the company is Rs.....
divided into.....share of.....each.

The number of shares issued is.....Calls to
the amount of Rs.....has been received.

The liabilities of the company on the thirty-first
day of December (or thirtieth of June) were:—

Debts owing to sundry persons by the Company.

Under Decree, Rs.

On mortgages or bonds, Rs.

On notes, bills or hundis, Rs.

Other contracts, Rs.

On estimated liabilities, Rs.

The assets of the Company on that day were :—

Government Securities (stating them), Rs.

Bills of Exchange, hundis and Promissory notes, Rs.

Cash at Bankers, Rs.

Other securities, Rs.

A copy of the above statement is displayed and, until the display of the next following statement, kept displayed in a conspicuous place in the registered office of the Company, and in every branch office.

CHAPTER XV

IMPERIAL BANK OF INDIA

The movement to establish a central bank for India has had a long and chequered history. The advantages of a widely extended state bank have appealed to all thinkers for the past 100 years, but the practical difficulty has always arisen standing in the way of its realisation. So far back as 1836 a proposal was made for establishing a bank for the whole of India ; but it never got beyond the stage of a somewhat vague prospects. In 1859 and 1867, and at frequent intervals thereafter, proposals for establishing a separate bank for India were put forward. All those were turned down. The Royal Commission of 1913-14 did not commit themselves for establishing a new and widely-extended state bank. It was the Act of 1920 that secured the amalgamation of the three Presidency Banks into one, semi-central Institution called the Imperial Bank of India.

According to the constitution of the Imperial Bank, they act as bankers to the Government of India and are the custodians of the Public Funds and the Government Cash Balances, besides this, the bank is doing the business of an ordinary banker, *i. e.* taking deposits and granting of loans and overdrafts. The schedule of the Imperial Bank of India Act, Part I defines the business which the bank is authorised to carry on and Part II defines the business which the bank is not authorised to carry.

The nature of the business which the Imperial Bank of India is doing can be seen from the statement of affairs of the Bank shown below.

*Statement of the position of the Imperial Bank of
India as of 17th August, 1928*

<i>Liabilities.</i>		<i>Assets.</i>	
	In thousands of Rupees.		In thousands of Rupees.
Subscribed capital	11,25,00	Govt. Securities	24,79,65
Capital paid up	5,62,50	Other authorised secu-	
Reserve	5,17,50	rities under the act	2,28,93
Public Deposits	16,92,98	Loans	11,52,51
Other Deposits	69,10,75	Cash Credits	29,46,49
Loans against securities per contra		Inland bills discounted and purchased	3,71,07
Loans from the Govt. of India under sec. 20 of the Paper Currency Act against Inland Bills discounted and purchased per contra	...	Foreign bills discounted and purchased	47,49
Contingent Liabilities	...	Dead Stock	2,82,32
Sundries	54,78	Liability of the consti- tuents for contingent liability per contra	...
		Sundries	33,93
		Balances with other Banks	20,01
			75,62,40
		Cash	21,76,11
	97,38,51		97,38,51
The above balance includes Deposits in London	...	£ 1,072,800.	
Advances in London	...	£ 981,300.	
Cash & balances at other Banks in London	...	£ 149,300.	
Percentage 25.13			
Bank Rate 5 per cent.			

Liabilities.

The authorised capital of the Imperial Bank of India is fixed at Rs. 11,25,00,000, of which Rs. 5,62,50,000 represent paid-up capital. *The Reserve* means Reserve fund Rs. 5,17,50,000 represent the portion set aside every year out of the profits of the bank. *Public Deposits* Rs. 16,92,98,000 represent the amount of deposits of the Central and Local Governments and also of the Secretary of

States balances through London Office. *Other Deposits* Rs. 69,10,75,000 represent current account balances and fixed deposits of the Railways, Municipalities, District and Taluk Boards, Public Companies and the Public in general inclusive of public deposit in London. *Loans against Securities per contra nil*. This represents sums which the Bank may borrow against some of its Government securities. Loans from the Government of India under sec.20 of the Paper Currency Act against Inland bills discounted and purchased, per contra Nil. This item represents sums which the Bank may borrow from the Government to meet the requirements of trade. The Currency Act has been amended enabling the Imperial Bank to borrow money on Inland Bills to the extent of 12 crores of Rupees when the Bank rate is not below 6%. Not more than 4 crores when the rate is below 7%, a further 4 crores when the rate is 7 per cent, and finally 4 crores when the rate is 8 per cent. The Act has been further amended recently, enabling the Bank to borrow money to the extent of 4 crores when the rate is 6 per cent, and the remaining 8 crores when the rate is 7 per cent, and without any limit when the rate goes beyond 7%. *Contingent Liability*—Nil. As per constitution of the Imperial Bank, the Bank can accept Bills of Exchange. Supposing the Bank has accepted Bills of Exchange on behalf of its constituents of old standing it has promised the drawer to pay them in the expectation that it will recover the amount from the customers on whom they are drawn. Bills so accepted are no doubt a liability as the Bank has agreed to pay. They are also an asset as the customer on whose behalf the Bills were accepted, is expected to refund the amount to

the Bank. On the Asset side of the statement under the item liability of constituents for contingent liabilities per contra. "An exact amount appearing on the liabilities side will also appear. Customers' bills accepted by the Bank represent therefore what is termed as contingent liability which the Bank has to pay only when something unforeseen happens.

Sundries ; Rs. 54, 78,000 represent miscellaneous liabilities—including balance of profit and Loss account, Staff Provident Account and Pension Fund Account.

Turning to the Asset side we have :—

Government Securities ; Rs. 24, 79,65,000 represent investments made by the Bank in Government Loans.

Other Authorised Securities: Under The Act : Rs. 2,28,93,000. represent the Banks investments in Municipal, Port Trust and other authorised loans under the Act.

Loans Rs. 11, 52, 51,000

Cash Credit Rs. 29,46,49,000

Inland Bills purchased and discounted Rs. 3,71,07,000.

The largest item is Cash Credit. The next two items in order of their importance, are Loans and Indian Bills. Owing to the restriction placed on the business of the bank, the bank cannot grant any advances for a period longer than six months. The above advances include, advances made in London.

Foreign bills discounted and purchased. Rs 47,49,000. The small percentage of Foreign Bills is due to the restriction placed on this kind of business by the Imperial Bank of India Act The bank is not permitted

to deal directly in Foreign Exchange business, it may transact in London on behalf of the Government and public bodies.

Dead Stock. Rs. 2,82,32,000 represent bank's premises at the Head Office and the Branches, furniture and other Assets at or below market value.

Liabilities of the constituents for the contingent liability per contra. This item has already been explained while discussing the item "Contingent Liability," on the liability side.

Sundries. Rs. 33,93,000 represent other miscellaneous assets of the bank, such as Stamp, etc.

Balances with other banks. Rs. 20,01,000 represent the balances of the Current Accounts opened with other banks to facilitate collection of bills and payment of cheques. It is also a part of Cash balance with Banks in London.

Cash in hand. Rs. 21,76,11,000 represent actual cash in hand at the Head office as well as its branches on the date.

Percentage. 25.13 is the percentage which the Cash ($21\frac{3}{4}$ crores) bears to the outside liabilities namely, Deposits and Sundries (Public deposits Rs. 16,92,98,000, Other deposits, Rs. 69,10,75,000, and Sundries 54,78,000. Total Rs. 86,58,51,000) is an important item to be noted.

Bank Rate is the Imperial Bank of India rate of interest on Demand Loans on Government paper. Bank rate is the index of the money market. When the bank rate is high, we call that there is dear money in the market and when the rate is low, we call that there is plenty of money available. The bank rate in our country is rather whimsical and it violently fluctuates from 4 to 9 per cent within

a couple of months. We have no sure method of increasing and contracting the volume of currency which ought to be automatic to ease the demand made during the busy seasons. To ease permanently the seasonal stringency in our money market, to maintain happy relations between the Paper Currency and Banking and to bring these under the control of a single body, a Bill was framed and was placed before the Assembly but was thrown out. One of the lessons to be derived from the recent rise in the Imperial Bank of India rate to 8 per cent. (14-2-29) brings in the real necessity to have a Central Bank for India. The Government of India's action in forcing the hands of the Imperial Bank to raise the rate is resented by all the manufacturing and still more the commercial community (who trade on borrowed capital) all over the country. The rise in the bank rate has undoubtedly hampered the business. The Government, in the absence of a Central Bank are functioning these, which a Central Bank as an independent body with more hold on the money market of the Country, would do greater service.

The discussion conducted on 16th February 1929 under the Presidency of Sir George Schuster to carry out a General Banking Inquiry is no doubt a welcome sign. Let us hope that a body fully representing the commercial, agricultural and industrial interests of the country will be on the board, and a Central Bank suitable to our needs will be established early.

PAPERS RELATING TO
THE
BRITISH INDIAN SEA CUSTOMS DUTIES
AND
INDIAN STATES.

(Including Relevent Documents)

BY

SARDAR M. V. KIBE M.A., RAO BAHADUR.

WITH A FOREWORD

BY

SIR MANUBHAI N. MEHTA KT. C. S. I., M.A.

Prime Minister, Bikaner State.

1929.

Published by

SHRI NATH PRESS LTD., INDORE CITY.

X7295.20R2-2 .N3

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PUBLISHER'S NOTE.

Indore has taken an interest in the subject matter of this brochure since the eighties of the last century. In that decade Mr. K. S. Date (afterwards a Judge of the Indore State High Court), yet happily living amongst us, addressed the Manchester Chamber of Commerce on behalf of the Merchants of Indore, pointing out the injustice suffered by them on account of their geographical and political position. He subsequently ventilated the grievance in the Times of India, Bombay.

As far back as 1915, Sardar M. V. Kibe, writing about the finances of the Indian States in the "Hindustan Review" of Allahabad, referred to this subject. It attracted the favourable attention of Sir M. Visveswarayya of Mysore. Encouraged by it, Sardar Kibe, went more thoroughly into the subject. We have collected here his contributions to the Indian Economic Association and to the other papers and have published them together with relevant important documents throwing light on the subject.

Sardar Kibe desires us to state his deep obligations to Sir Manubhai Mehta, to which we wish to add our own, for writing the Foreword, which has highly enhanced the value of this publication.

We are indebted to Sardar Kibe for allowing us to publish his papers which are so valuable, especially, to those who are interested in the Problems of the Indian States.

Shree Nath Press Ltd., }
Indore City. }

R. N. Kulkarni,
Managing Director:

FOREWORD.

The publication of this little *brochure* on the subject of British Indian Sea Customs Duties and their incidence on Indian States is very opportune. The subject has engaged the acute attention of the Indian Princes and the Indian States' Administrators for the last ten years; and it is gratifying to observe that it is now appaoaching its fruition. The Indian States Committee have investigated the claim of the Indian States to a share of the Indian Sea Customs Duties and have admitted the justice of their demand. The subject is being again referred to a committee of financial experts, and Sardar Rao Bahadur Kibe has rendered great service by bringing this subject before the public so as to focus the attention of all concerned on the relevant issues involved.

2. Customs Duties have been known to be a popular form of taxation from ancient times. They are mentioned in books of Indian Polity and are familiar to all readers of ancient Dharma Shastras as Sulka. They are mentioned as recognised forms of taxation in Niti Shastras which prescribe canons of taxation, which can well stand comparison even with the canons laid down by Adam Smith. Ancient Hindu Jurists advised the Rulers not to burden their subjects with any unbearable load of taxation "Over-milching is to weaken the calf and consequently harms the milcher himself", "Milch the cow, but do not spoil the udders." have been the sage maxims of ancient law-givers; and

their wisdom stands unquestioned even to this day. Sulka is mentioned by Chanakya in his Niti Shastra and was not unknown to Abul Fazal when he wrote his Ain-i-Akbari.

3. Taxes on consumption have been known from ancient times to assume various forms. As obtained directly from the consumer they are—

- (1) Direct taxes on commodities;
- (2) On the other hand they may be charged within the country from the manufacturers or dealers, who are expected to shift the burden on to consumers;
- (3) They may be realised by States monopoly of the industry or sale, as in the case of Salt Duty, Opium and other Excise; and lastly
- (4) They may be collected at the frontier on entrance and exit when they are termed Customs Duties.

4 Almost from the time Commerce originated in the financial history of States we can discern traces of Customs dues and note their gradual development into an important source of State Income. As opposed to Internal duties or Octroi, Customs duties are generally levied at the frontiers of a State either as Import or as Export duties. They are a conspicuous part of every national Budget, and in some countries they are regarded as the only convenient mode of

levying taxes on consumption. In England they form 25 per cent of the total revenues. In Germany they are 47 per cent. In the United States of America they come to 50 per cent of the total receipts. In India they are 38 per cent of the total revenues.

5. The [most primitive form of this kind of taxation was "transit duty", imposed on goods passing through a district. Where a merchant had to pass through a succession of different States under varying jurisdictions, each Ruler or "Seigneur" asserted his right to charge duties on goods in passage, basing his claim on the services he rendered by keeping the roads, bridges and waterways in a fit condition and by protecting the trader against violence on the journey. With the revival and expansion of commerce, the earliest attention was claimed by the question of abolishing these vexatious dues that only handicapped the free passage of merchandise through intermixed territories and interlaved jurisdiction.

6. In 1865 the British Government succeeded in virtue of their influence as Paramount Power in prevailing upon the Indian States to abolish these transit duties in the interests of free interchange of commerce. And though the Indian States have now since many years discontinued their levy of transit Customs duties on the frontier, the British Government still continue to levy such duties in the shape of Sea Customs duties; for if we critically scrutinize the nature of such Sea Customs or Import duties levied on consignments imported from abroad

by tradesmen in Indian States and which can be consigned under bond and without breaking bulk at the port of entry or in British India direct to the Indian States, they will verily be found to be none other than the old Transit duties, which the States were prevailed upon to abolish in the sixties of the last century.

7. The problem of international taxation is remarkable as much for its complexities as for the human ingenuity with which its entanglements are unwound and straightened up in a spirit of political justice and compromise. The conception of a country or even a group of countries as isolated or self-contained integrally entire units, is far from according with the actual conditions that prevail in any modern society. Owing to the development of trade and international relations the residents of one country have varied economic ties and fiscal bonds with another country. Many of them draw part of their income from abroad and are interested in foreign industrial and commercial undertakings. Switzerland is a land-locked strip of hinterland which has to depend upon the seaports of either Italy, Germany or France for many of its commodities imported from foreign countries. The problem of international taxation or distribution of taxation levied at a German port on consignments of merchandise imported for Switzerland between the two countries has not been deemed insoluble and what the Indian States have been pressing for acceptance is some sort of arrangement or compromise by which Import duty levied by the

British Government on articles imported from abroad for consumption in their own territories may be distributed on some equitable basis.

8. It may, however, be argued that the above contentions do not apply. Indian States have no International status. They are not independent States with full and entire sovereignty. It should, however, be admitted at the same time that Indian States are no part of British India; and though they have no International status in the full sense of the term implying external foreign relations and competence to wage war, or contract peace, they fully enjoy internal autonomy and even the partial sovereignty they are acknowledged to possess includes the right to levy taxes and Customs duties on their frontiers. Their relations with the British Government are governed by Treaty Stipulations and by no Treaty have they ever surrendered their title to levy Customs duty on goods passing through their own territories or have submitted to the incidence of taxation entailed by the levy of Sea Customs duties by the British Government at the British Port which their trade has to pass through unavoidably during its transit to its destination. The result of the present claim of the Government of India has only led to a system of double taxation on the subjects of Indian States—one set of Sea Customs duty at the British Port of Entry and another set of land Customs duty on its own frontier. This double taxation has been pressing heavily on the poor States subjects and is either reducing their standard of life and general comfort or

unduly draining their capacity to bear additional taxation necessitated by the administrative exigencies of their own States and Governments. They ask for relief from this double burden.

9. Devices adopted in other countries where partly analogous conditions prevail may afford us the necessary guidance in finding out a solution. States and Governments do not always retain complete isolation as self-contained integral units. Principles of distribution of taxation between the several component parts of a *common realm* have been worked out before. England, Scotland and Ireland once composed the United Kingdom of Great British and Ireland and fiscal arrangements had been incorporated in the Acts of Union by which the fiscal interests of Ireland were adequately safeguarded. Even now after the separation of Ireland as a Free State, arrangements have been made for protecting the Customs revenues of Ulster in the Northern State of Ireland. Austria and Hungary were once component parts of one Empire; and the German Zollverein was Customs Union which safeguarded the fiscal interests of the States of Saxony, Bavaria, Wurtemberg and Baden combined under the hegemony of Prussia, constituting the Great German Empire. The Federation of the United States of America must contain elements of such distribution of Customs taxation between the Central Federal Government and the component States that would serve as useful guide in the fiscal re-adjustment now sought between the Government of India and the Indian States under a new Federation, as is contemplated.

10. Publicists in British India cite the analogy of their own Central and Provincial Governments as a possible guide in the solution of this question. The several Provinces in British India are all under a Central Government, which has got special sources of Revenue earmarked for the maintenance of the administration at the top. This Revenue is also supplemented by contributions from the several Provinces for the maintenance of common services and joint expenditure. The Indian States, it is argued, ought to contribute to the Central Government for the maintenance of the Army and the defence of the Empire, in which common object the States are as much interested as the British Indian Provinces. The analogy in the first place is fallacious, as the Indian States are not in the same sense as the Provinces under any Central Government or the Government of India.

11. The other argument that the contributions indirectly levied from the subjects of Indian States in the form of Customs and Excise, Salt and Opium revenues are all intended to meet the purposes of general defence and the maintenance of common services is equally defective. It entirely ignores the several direct contributions the Indian States have already made or are making either in the form of cessions of territory or cash subsidies for the expenses of the Indian Army. Most of the States with which Subsidiary Treaties had been negotiated in the beginning of the last century, like Hyderabad, Baroda, Gwalior, Indore and Mysore, have already made

large contributions in the form of cessions of very valuable territories, or generous cash subsidies or Tribute. Baroda has ceded territories which, a century ago, were supposed to yield a revenue of Rs. 25,00,000, but which at the present day bring in a revenue of not less than one crore at the lowest computation. Mysore still pays every year a cash subsidy of about thirty lakhs. Other States maintain large Military Forces, as State Forces, for the defence of the Empire and are thus contributing to the general Military expenses of the Indian Empire. If revenues indirectly collected from the subjects of Indian States in the form of Customs and Excise duties and other financial burdens are to be regarded as appropriations for common services and general expenses, the direct payments by the States-revenues of ceded territories and cash subsidies-should all be brought into the account and given credit in the general re-adjustment of financial liabilities and distribution of taxation.

12. This demand of the Indian States for an equitable share of the revenues derived by the Government of India from Customs duties had not been insistent so far as the amount so raised was till recently comparatively insignificant. The policy of the Government of India had been one of Free Trade and in 1884 the Sea Customs duties on Imports had been altogether abolished. It was only in 1910 that the necessity was felt of enhancing these duties for the purpose of deriving greater revenue to relieve financial embarrassment. With

the outbreak of the Great War in 1914 the need for larger revenues was emphasised; but it was only after the adoption of the policy of Protection by the Central Legislature, as a result of the fiscal autonomy conceded to this country in consequence of the Reforms of 1919, that the Customs Revenues leapt up at a rate which is keenly felt by the subjects of Indian States who are subjected to this increasing burden without deriving any commensurate benefit in return.

13. The following periodical returns of Customs revenues of the Government of India are instructive and fully bear out the above contention.

<i>Year.</i>	<i>Amount of Sea Customs Revenue of British India.</i>
1871.	Rs. 2,57,59,000.
1884.	Sea Customs abolished.
1891.	Rs. 1,70,12,880.
1914.	Rs. 9,52,08,010.
1918.	Rs. 18,18,09,614.
1921.	Rs. 31,89,85,157.
1925.	Rs. 45,75,31,517.
1926.	Rs. 48,73,37,000.

out of a total revenue of Rs. 1,29,97,48,000 the Customs revenues thus constitute no less than 38 per cent. On the total population of the country, 31,80,00,000, this gives an incidence of Rs. 1-9-0 per head. The total population of the Indian States is no less than 7,10,00,000 and their contribution could not, therefore, be less than Rs. 11,00,00,000. The

Indian States assert their legitimate claim to a refund of this contribution, which they are making to the Indian Exchequer without getting any direct return.

14. It may be conceded that the Indian States are under certain obligations to the Indian Empire, political as well as financial, and are in consequence bound to make contributions for certain common burdens and general administrative expenses. Thus even in the case of Sweden and Norway, two mutually independent States, certain common services notably the diplomatic and consular services, are being maintained out of joint contributions. Even between the United Kingdom of Great Britain and India elaborate financial adjustments have been always felt as necessary in order to meet the expenses of certain joint services. These adjustments really cause no end of trouble and controversy as to what services are assumed to be really joint and what party to the agreement derives the largest benefit out of these arrangements or is most capable of bearing the burden of these joint commitments.

15. A Customs Union between the Indian States and the Government of India on the lines of the old German Zollverein would be one really effective machinery to secure an equitable distribution of this indirect taxation. Certain other arrangements no doubt are possible, as in the case of the Kashmere State, under which goods consigned to one State could without breaking bulk be transported in bond to that State without charging the Sea Customs duties.

The Kashmere State by an opportune surrender of its privilege of levying transit duties on trade bound for Central Asia and passing through its territories secured this most favoured nation-treatment of exemption of its subjects from the British Customs duties; but there are obvious difficulties in the way of negotiating such commercial Treaties with the majority of the States situated in the hinterland. In the case of the Maritime States also it is possible to arrive at some arrangement like that with Travancore, under which consignments, intended for Travancore, though landed at British Ports were they have to pay the usual British Sea Customs duty get a rebate on the production of a certificate from the State Port Authorities that the consignment in question has been imported into and delivered in the State without breaking bulk. The States of Baroda, Cutch, Nawanagar, Porbander and Junagadh have fairly large Seaboards and arrangements for such rebates on basis of reciprocity could easily be made with these States as in the case of Travancore and Cochin. At present these Kathiawar States and Baroda are arbitrarily and unjustly treated. They are denied the right of developing their own ports and natural harbours simply because their competition is likely to injure the trade with British Indian Ports of Bombay and Karachi. No other justification it has been found possible to urge against Baroda except that the development of the natural harbour at Dwarka, which is capable of berthing ocean going steamers, is likely seriously to affect the interests of the trade at Bombay. The Indian States have an equally strong inherent

right to develop their own internal and natural resources; their claim is even stronger in view of their limited resources and the closure to them of other sources of revenue, such as Post, Telegraph, Currency, Coinage and Exchange. This iniquity perpetrated by the Government of India calls for immediate redress.

16. The majority of Indian States situated in the hinterland, however, require other arrangements to safeguard their fiscal interests. A Customs Union in their case can very profitably serve as a harbinger of a political union and even of a more complete federation in course of time. The benefits of a particular taxation must follow its incidence, that is the first law of Economics; and with this guiding principle details of distribution of taxation and its proceeds can be settled on the basis either of "benefits received" or "capacity to contribute". The Customs revenues could be distributed on the basis of population or better still of consumption. The statistics of total imports and exports would give a surer indication of the extent to which the people of the States contribute to this revenue than their mere numbers. The trade returns of the States would also show the comparative ability of the various members constituting the Federation to bear this burden. A margin may have to be kept in order to cover the potential increase in the Customs revenues each State may be raising at present, if the amount of compensation or rebate is to be fixed as a perpetual settlement. It would, however, be more equitable to settle such shares only for fixed period liable to revision at the end, say of every decade; so

that potential increases or decreases in trade could be equitably provided for. These details and the mode of divisions could be easily elaborated by a Committee of experts appointed for the purpose. It is not possible here to attempt any more elaboration beyond merely suggesting the basis of apportionment. Justice, however, demands that this grievance of the States should be removed at a very early date. These claims of the Indian States were urged before the Fiscal Commission appointed by the Government of India in 1922, but were ruled out as not falling within its terms of reference. A joint Committee of some Government of India officials and some selected Ministers named by the Chamber of Princes deliberated on this intricate question; but no results have yet been achieved.

17. Sir Harcourt Butler has seen the justice of the Indian States' claim to a partial extent, and though his recommendations do not secure all the legitimate interests of the States, they at least open the door for further investigation and are, therefore, cordially welcomed by the subjects of the Indian States.

18. The Indian States Committee hold that Sea Customs duties are not transit duties and that every country has the right to impose customs duties at its frontier. It is, however, conveniently forgotten that when such frontier duties levied by each Indian State were asked to be abolished in the latter half of the last century they were impugned as Transit duties in the interests of trade and free circulation on

merchandise, the Indian States were asked to abolish these transit duties. According to Bastable, the earliest form of this kind of taxation by the levy of Customs duties was the Transit duty. It was objected to as crude and obnoxious when levied by the Indian States. It is defended when it is levied at the seaports even though the goods are bound for an inland destination. It is not levied on goods imported through these maritime ports by States like Afghanistan and Nepal which are recognised as independent States. Even in the case of Kashmere, in return for free transit of British goods through Kashmere on their way to Leh and Central Asia, consignments in bulk when bound for Kashmere are exempted from the levy altogether at the seaports.

19. The Committee have, however, acknowledged the justice of the States' demand for a share of these Customs receipts; "the States have a strong claim to some relief." They have "a real and substantial grievance, which calls for remedy". This recommendation, however, is coupled with a sort of counter claim. "If the States are admitted to a share of the Customs revenue of British India, British India may legitimately claim that the States should bear their full share of imperial burdens, on the well-established principle that those who share receipts should also share expenditure".

20. In putting forward this hackneyed and threadbare claim the Committee have forgotten how it is inconsistent with their own admission. Discussing the need for conjoint action and possible justifica-

tion for intervention the Committee in para 48 have remarked that "the Paramount Power is responsible for the defence of both British India and the Indian States". "But, whether or not a State makes a contribution to the cost of defence the Paramount Power is under a duty to protect the States. It follows from this duty of protection, first that the British Government is bound to do everything really necessary for the common defence and the defence of the States; secondly, that the States should co-operate by permitting everything to be done that the British Government determines to be necessary for the efficient discharge of that duty". The protection promised to the States was gratuitous and was so vouchsafed in consideration for the surrender by the States of part of their own sovereignty in the matter of foreign relations.

21. As regards the obligation of the States to contribute to imperial burdens our case put forward before the Butler Committee may be summarised in the following words—

"In the case of defence from external attack the States have undoubtedly an interest at stake. But it does not follow that an obligation attaches to them to contribute. They are, speaking generally, debarred by the Paramountcy agreement from any relations with outside Powers; they are without voice in the foreign policy by which external wars may be caused or averted; they cannot control the military expenditure of the Government of Great Britain or of British India. On what legal or consti-

tutional ground then can they justly be charged with the costs of War, which they "have done nothing to bring about or of an Establishment which they are unable to criticise."

Taxation pre-supposes representation and the Indian States should have some voice in the moulding of Foreign policy if they have to share the burdens of foreign wars.

22. The Committee have, however, in view other items of Imperial burdens, besides the contributions supposed to be due from the States for military Defence; and they recommend (para 85) that "an expert body should be appointed to enquire into (1) the reasonable claims of the State or group of States to a share in the Customs revenue; and (2) the adequacy of their contributions to Imperial burdens." As the burdens are taken in their widest sense and not limited only to the cost of protection or of defence, it is claimed that the question of participation in profits should also not be confined to Customs revenue; but to all receipts which are directly or indirectly paid by the subjects of Indian States. We had already prepared such a rough Balance-sheet and had invited the Committee to examine the debits acknowledged and the credits claimed by the Indian States. The Committee recommend that on such an expert body the Princes should of course be represented and they foreshadow that just as a Financial Settlement between the Imperial (Central) and Provincial Governments in British India would be undertaken by the Indian Statutory Commission, a

similar Financial Settlement should be arranged on like lines between the Imperial Government and the Indian State or group of States. Mr. Layton, the Financial adviser to Sir John Simon, has, there is reason to believe, already undertaken this task and I would earnestly recommend to the Princes to have a thoroughly strong representation on Mr. Layton's Committee. A body of experts like Professor K. T. Shah of Bombay, Sir Jehangir Koyaji of Calcutta, Mr. Bhargava of United Provinces or Professor Wadia of the Wilson College, Mr. Mannu Subedar or Mr. Vakil of Bombay can be drawn upon as competent and loyal advisers for the States representatives to select from. The success achieved requires to be vigorously perused and followed up, in order that the results may be permanently beneficial to the States.

23. Sardar Rao Bahadur Kibe has won the gratitude of the Country and especially of the Indian States, their Rulers, Administrators and subjects for having presented his views on this important question at this opportune moment.

BIKANER:

The 16th August 1929.

Manubhai.

British Indian Sea Customs Duties and Indian States.

One of the chief sources from which the Government of India can hope to derive an increased amount of revenue to meet the growing expenditure caused by the war debt and requirements of civilization, would be the sea customs duty. It is easy to collect and being an indirect tax is not felt.

Under the influence of the free trade doctrines, the sea customs duty, until a few years ago, was levied for revenue purposes only. Even under the stress of the expenditure caused by the war, the object has been adhered to. Although there was an all round enhancement and the levy of the duty on many hitherto free articles, yet, except perhaps in the case of the cotton cloth to only a slight extent, it had no taint of protection. It is only lately that apparently a protectionist policy has been adopted in the case of raw hides. It is, however, more in the interests of the British Empire than of India. But it shows the direction in which the wind is blowing. It is almost certain that this source will be increasingly utilized for the purpose of revenue as well as for protectionist purposes.

Apart from them there is one more reason why this source must be looked to for supporting the increased expenditure of the nation. In all industrially advanced countries, the land revenue

bears a progressively less ratio to the revenue from other sources. At present it brings in about one-third of the income to the exchequer and although it is likely to be increased, due to high prices and general prosperity, yet as India progresses industrially its income from other sources will be more increased.

But while British India would be perfectly justified in looking to these sources for meeting its increased wants, yet it should not, and cannot legitimately desire to profit at the cost of others. Such would be the case if it fails, as it has hitherto failed, to take account of the inland Indian States.

By reasons of its geographical, no less than political position, the British Government holds a predominant position in India. But its relations with numerous Indian States are regulated by means of treaties or other solemn engagements. Freedom from British taxation is their predominant feature. In that respect they stand on an equality with European States, like, for instance, Switzerland.

This fact, however, is ignored in the case of the sea Customs duties. As at present enforced they operate as transit duties. Recognizing the deleterious effect of transit duties on trade, the Government of India abolished all other transit duties, the last of them disappearing in 1870. But it was not until 1887 that it succeeded in inducing the last of the Indian States to do away with them.

While abolishing them some of the states did so unconditionally, while others reserved their right to levy them, in case they wished to revive them. It is unthinkable that they could ever do so, in view of the development of the means of communication in the country, but is not the British Government morally bound not to levy any duties in the nature of transit duties?.

The trade of the inland Indian States is with the ports. Goods, which are there in the market, have already paid the sea customs duty and they come to the territories of the Indian States burdened with it. Even if their subjects were to arrange for the import or export of goods directly from, or to foreign countries, the customs authorities at the ports, as at present guided, will levy the duty on the arrival of goods there.

The result is that even if the subjects of the states arranged for direct imports or exports, they can not escape the sea customs duty. The Governments of states are also handicapped by the fear of burdening their subjects too much, as their own duties impose an additional burden, they cannot derive the fullest advantage from their state duties. So neither can these be utilized for revenue purposes and assuredly not for protective objects. Even as it is, the subjects of the states which at all levy a customs duty are doubly taxed. The Indian States, however, on their part, to respect the undertaking of not levying transit duties, grant drawbacks on goods even breaking bulk in their territories.

This situation had arisen in America and Europe, but has been impartially solved. Goods intended for Canada going through the port of New York, when not breaking bulk there and passing in bond, are allowed to pass duty free. The same is the arrangement in the case of Switzerland. In the case of Servia, as it existed before the Balkan War, a strip of land was allowed for its goods at the port of Salonica and they were then carried by rail to Servia.

In India too the British Government has not been unmindful of the claims of some Indian States at least. When the Government of India abolished the last of the transit duties in 1870, it entered into special negotiations with the State of Cashmere not to charge customs duty on goods passing through it. Probably a similar arrangement existed with Afghanistan for goods intended for that country. In the case of the maritime State of Travancore, the Government of India placed no customs barrier on its frontier on the former's undertaking to enforce the latter's tariff at its ports. Recently the same arrangement has been entered into with the maritime States of Kathiawar and Gujarath. It is believed that if the State of Mysore builds its own railway to Bhatkal or Manglore, it will be allowed the same facilities. In fact the principle adopted in the case of the Indian Maritime States has been followed in the case of inland states in the matter of the cloth excise duties. The cloth produced in Mills

located in such states is allowed to come freely to British India if it has paid the same duty to the state.

Justice demands that the Indian States should get the same relief as regards sea customs. Different methods can be suggested under this head. One method would be to allow the goods coming from other countries by sea to be consigned to a place in a State in bond, without breaking bulk at the port of entry. Special seals would be placed on the parcels, or on the whole railway trucks by the Customs officials at the Port, and the railway authorities would be required to deliver the consignment with seals unbroken beyond the British territory. Another method would be to allow the State to have the right to acquire at each port a strip of land at the Docks on which it could erect its own warehouses and customs stations. The state customs duties would be levied here, and goods would be consigned from here to the state under the seal of the state customs. This method has the advantage that consignments from abroad could be broken and sub-divided at the port town itself, the British duty being paid only on the part not entered into or retained in the state warehouse. A third method would be for the British Indian Government to collect at British ports customs rates on all goods consigned direct from abroad to a place within a state, and conversely an export duty on goods consigned from the state to

a foreign country, and to credit and pay over to the account of the state the exact amount of such collections. The fourth method would be to allow the collection of customs to continue as at present, but for the British Government to pay over to the state a share of the whole customs revenue. Finally the method already prevalent in India in the case of re-exports by sea and by certain specified land routes may be adopted. (This method resembles (1) in certain points). If the re-exports be by sea the British Government allows a draw-back of seven-eighth of the import duty*. Re-exports by land are allowed a drawback only if the goods † in bond reach Jammu or Cashmere, Muzaffarabad and Alibag ‡ as also on these transmitted under customs seal by the Hoshiarpur route through British India and the territories of His Highness the Maharaja of Cashmere and Jammu. In the case of a state, in compliance with sub-section 5 of para 223 of the Calcutta Customs House-Manual or any similar code, the customs authorities may send the duplicate of the invoice direct to the Agent to the Governor-General in Central India, for instance.

This last method seems to be the most appropriate for adoption in the case of Indore, for example, since it is already in force in India for which the

* See S. 42 of the Sea Customs Act. 1878

† See Calcutta Customs House-Manual standing orders page 85 para 223.

‡ Ibid, page 86, para 224. This place was once the capital of a state and a port.

Customs House at the ports of entry are in the possession of adequate laws. It has moreover this feature to recommend it that it would secure the distribution of the customs revenue not according to the number of population nearly or the income of a state but according to the volume of trade which may be taken as a reliable index of the economic development of a state.

When the British Indian duties were small and the subjects of Indian States had not become cognizant of the drawbacks on purchases at the ports only, the question did not attract much attention. Now the British Indian duties bid fair to be greatly enhanced and extended. The wants of the Governments of the Indian States, which cannot remain aloof from the progress in thought and material prosperity in the surrounding territories, are increasing and they must have expanding finances to meet them. Such a fruitful source of revenue as the customs duty cannot long be cut off from them.

Once the principle of how to meet the legitimate demands of the Indian States is settled few other questions of detail will require solution. But they would be matters of detail. If India is to progress and prosper it must do so as a whole. One part of it cannot prosper at the cost of another. The question requires solution at the hands of politicians as well as Economists. †

† Reprinted from the Proceedings of the third Annual Conference of the Indian Economic Association. 1919-20.

Customs Facilities for Indian States both maritime & inland.

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The announcement recently made that the Council of the League of Nations has made proposals for the Customs facilities to be given to States, which have come into existence since the Great War, recalls to mind that a similar question exists in India. Before the Great War there was in Europe only one land-locked State of any importance, viz: Switzerland. Since the War several such States have come into existence, e. g Czechoslovakia, and some Soviet republics. Others, like Poland and Bulgaria, have a direct outlet through a corridor like strip of territory. But as regards the former, facilities for their trade have to be afforded at the ports in foreign territories. The evidence given by Professor H. S. Jevons of the Allahabad University before the Fiscal Commission has fully dealt with them. The removal of the Viramgaon Customs line and the consequent growth of the ports in Kathiawar excepting those belonging to Baroda and Bhavanagar, which had a prior existence, but which too have prospered, has added to the perplexing complexities of the question.

In India the question has an added importance on account of the numeronsness of the States affected, and the interesting and long history of the case. In this country the income from the Sea Customs bears no proportion to the revenue from land customs, which nearly extends to a crore of rupees, while the former are expected to bring to the exchequer of

the Government of India no less than 43 crores of rupees. As a matter of fact, it is a growing revenue ; it having become three times of what it was in 1916. A year or two ago, it brought in a rupee per head of the entire population of India, excluding maritime and a few other Indian States and settlements of the foreign nations, and including the rest of the states. Therefore nearly $\frac{1}{4}$ amount of this revenue was derived from the subjects of the Indian States, which are not under the administrative control of the British Government,

The incidence of the Sea Customs revenue per capita pointed out in the preceding paragraph is borne out by the experience of maritime States which have, during recent years, been allowed to levy their own dues at their ports. For example, Bhavanagar, which has a population of about three lacs derived 3 lacs from the Sea Customs and a lac from land Customs in 1921. The recent activity of the Kathiawar ports and the increased revenue from Sea Customs derived there puts in greater relief the loss in revenue sustained by the inland states, for want of facilities to them, than even a comparison with the revenues of British India.

Not only this, but the sense of injustice done to them by a denial of their rights and the double taxation inevitably levied on their subjects calls for the application of an immediate remedy by consultation and reciprocal concessions. If the whole question is tackled, the difficulties experienced with regard to the Kathiawar ports will also be removed.

In a paper on British Indian Sea Customs Duties and Indian States read before the Third Conference of the Indian Economic Association held at Madras on 3rd January, 1920, I suggested no less than five methods by means of any of which redress could be granted in this matter to a more or less extent. My first method was that the goods consigned to places in Indian States on bond should be allowed to go free. My second method was to allow the Indian States to establish Customs Stations at ports in British India, where States may realise their taxes. The third method or rather a variant of the two previous ones was that the British Indian authorities may act as agents for the states in this matter. The fourth method was to give a proportionate share of the Customs revenue to the States. How to fix this proportion was a matter of detail. The fifth method was for the British Indian Customs authorities to grant rebates, as in the case of re-exports. I preferred any of the first three of these methods on the analogy of the inland European States. Professor Jevons, in a paper on the same subject read at the next Session of the Conference of the Economic Association held at Allahabad on the 29th December 1920, accepted the fourth of the methods suggested by me and proceeded to devise the basis of the apportionment of the Customs revenue between the Government of India and Indian States. He first discussed the population basis. He deprecated it on the ground "The backward States would receive revenue not earned by their commerce or by the consumption of foreign goods by their people and

the advanced states would have less than their dues." The memorandum presented to the Fiscal Commission on behalf of 32 Indian States, however, preferred the population basis to any others. For income derived from Customs at all ports in India (whether British or Indian States) should be pooled together and distributed among both the units in some ratio, say $\frac{3}{4}$ to $\frac{1}{4}$ and the latter divided among the Indian States by some methods that might appeal to the majority of them. States having ports will keep income from local taxation etc. and will thus derive the fullest advantage from their geographical position.

Professor Jevons, in the paper referred to in the preceding paragraph, raised the question of the Indian States contributing "Their quota in the expenditure of the Indian Government from which they benefit." The question, however, does not arise in this connection, since the Customs duties of the Indian Government operate as transit duties, which in the case of Indian State it worked to abolish and thus affects the fiscal rights of the States. Moreover it infringes their sovereign rights. The abolition of the currencies of the Indian States was mainly due to the restrictions placed on the import and export of precious metals. The heavy duty on machinery comes in the way of the development of the Indian States. But the Government have not even taken this view. As recently as the last Session of the present Parliament, when Mr. Saklatwala, the Indian Member of Parliament, raised in Parliament the question of refunding to Indian States the money raised by this

additional tax on the subjects of the States. The only answer that the Under Secretary of State for India gave was that "The Sea Customs Act did not allow the payment of refund."

The obvious reply to this statement is that if it be so, the act must be amended, but as will be seen later on, not only the earliest Act of 1863 had made such a provision, as exempted the states but even the preamble of the current Act is conscious of the necessity of restoring the provision of the Act referred to above, and has been acted upon in the latest case.

Latterly the Indian States have not been idle. When the Fiscal Commission was touring round the country the Princes Chamber appointed a Committee to consider the way in which to bring the question before the Commission in their behalf. Sir Manu bhai N. Mehta Kt., c. s. i. subsequently appeared before it and submitted to them a statement on behalf of 32 Indian States, but he was prevented from offering oral evidence on the main subject, although his views on other points touching the inquiry conducted by the Commission were discussed. This is inexplicable when not only my paper read before the Economic Conference at Madras was admitted, but Professor Jevons was questioned on the subject and his views were elicited. The Director of Industries of Mysore also prominently referred to this question in his evidence before the Commission. Subsequently the Commission seems to have come to the con-

clusion "As it is a matter primarily concerning the relations of the States and the Government of India, it is thought that it is not necessary to go beyond the official representation made by the States." As a matter of fact, as the preamble of "Act VIII of 1894," an Act to amend the law relating to Customs duties and for their purposes" shows that, inter alia, it was enacted "to provide for the levy of duties on goods crossing the frontier of.....and of the territories of certain Native Chiefs." and as the Act was within the perview of the Fiscal Commission, it was nothing short of shirking their duty to avoid deciding the question put forth on behalf of the Indian States in the manner described above.

Subsequent to the publication of the views of the Government of India on the report of the Commission some States seem to have put forth their claim separately and through the Princes Chamber. It is announced that the Mysore Government has struck a new and restricted line. According to a newspaper report, the Dewan of Mysore informed the Mysore Representative Assembly, "In March this year (1923) we made two representations to the Government of India, one;.....and the other on the subject of the Customs Duty levied by the Government of India on the stores, materials, and machinery imported into the State for the use of the various departments of the administration."

The Anglo-Afghan trade convention, which was signed on the 5th June 1923, shows the willingness

of the Government of India to concede as much to Afghanistan. The convention is in connection with articles 6 and 7 of the Anglo-Afghan treaty, signed on the 22nd November 1921. These articles allowed certain kinds of goods to be imported or exported free of Indian Customs duty into or out of Afghanistan. It is pertinent to note here "The concessions will apply to goods duly certified as belonging to the Afghan Government and required for the public services of Afghanistan and not for the purposes of any State monopoly or trade." It is also to be noticed that as in the case of Kashmere, breaking bulk of the goods in transit, is also allowed.

In the case of the French Settlement of Chandarnagore, the British Government has entered into a special convention. A member of the Fiscal Commission put the following question to the Collector of Customs:—

Question:—Will you please tell me if goods entering Chandarnagore have to pay duty in British India?

Answer:—I believe there has been a convention between the French and British Government by which the French Government has waived any right to separate customs administration in Chandarnagore. The only articles which are admitted free of British Customs duty are articles intended for the personal consumption of the French officials for which we have a special system of granting rebates. There is

customs union between this French Province and British India."

This answer shows that the provision as regards the French officials is akin to the exemption granted to Indian Princes of a certain status, but the answer is not clear since it does not describe the nature of the convention between the French and British Government.

The situation in India is thus the reverse of uniform. (1) The Indian maritime States and the inland State of Kashmere have been declared to be outside the jurisdiction of the Indian Sea Customs Act except in so far that the former are bound to apply it themselves. (2) Goods required for the use of the Government of Afghanistan are free from the Sea Customs duty and certain other kinds are free from the land Customs duty. (3) Both Kashmere and Afghanistan are allowed to break bulk of goods in bond. (4) In the case of the French possession of Chandarnagore and presumably in others cases, there is a Customs Union between the two Governments and in the case of the first named goods for the personal consumption of officials are allowed free. (5) The import of goods for Indian Princes of certain States are allowed free.

Section 12 of Act VI of 1863, the first law relating to Sea Customs, allowed the exemption of Indian States from its operations. Few seem to have benefitted from it and the first recognition of their

rights has dwindled into only a statement in the preamble of the Act VIII of 1894 "That it is enacted to provide for the levy of the duties on goods crossing the frontier of certain Foreign European Settlements in India and of the territories of certain Native Chiefs."

At present ports of such Indian States as have agreed to levy the British Indian Customs Tariff, are allowed the privilege of free transshipment. Goods intended for such ports in vessels touching British Indian ports are allowed to be transhipped at the afore-said ports without paying any duty or port charges. The foreign enclosures, viz. the possessions of the French and Portuguese also enjoyed such exemptions. Ever since 1924 they seem to have been withdrawn. If as suggested in paragraph 5 above the ports of Indian maritime States are not nationalised, then there is no reason why the concession of free transshipment should continue to them. They can arrange, as some have done, to import from or export goods to foreign countries in steamers directly touching at their ports. Even if all the maritime States agree to levy duties according to the British Indian Tariff, in the making of which, however, they have no voice, some restrictions on the land frontier would have to be kept, otherwise, like British India, they too would be gaining at the cost of other Native States as well as British India. Travencore has been levying these duties according to the British Indian Tariffs and there are no customs ports on its land frontiers except for certain land customs duties, but

it has no port which is so attractive as some of the Kathiawar ports.

As a matter of fact a satisfactory solution of the problem under discussion cannot be attained unless the claims of the inland States are also taken into consideration. Owing to the difference between their geographical position and those of the maritime states, a different treatment has to be accorded to them severally. If, however, the population basis is taken for the purpose of distributing the income, then a distinction would have to be made between the more advanced States like, Gwalior, Indore, Baroda, Bhavanagar. Udeypur, Serohi, Jaisalmer, Jaipur etc. But if it is not acceptable then in the event of the nationalisation of the ports the maritime States should be given a share according to the capacity of their ports and others should be given the facility of importing or exporting goods in bond directly into or from the ports. It may not mean much to them but it will at least recognise their rights. And such an arrangement being already in force in respect of certain States, its extension though meaning more elaboration of business would not be a novelty. If, however, the ports of Indian maritime States cannot be nationalised then the inland States should be given the right of direct import and export and the customs line on the land frontiers of the former should be levied. If they agree to allow the inland States at their ports the same privilege as is suggested to be allowed at the British Indian ports, there should be no objection to it. That the British Indian Exchaquer

can any longer retain all the income from the Customs duties is impossible.

The treaties made with the Kathiawar states in 1917 and the removal of the customs line at Viramgaon without taking all the aspects of the question into consideration complicated an already complex situation. The step taken in June 1927, as a sequence to the abortive conference at Mount Abu has made matters worse. The older treaties with two of the Kathiawar States to treat their ports as British Indian ports still subsist and will be an additional cause for heart-burning to other states who had been placed on a plane of equality with them.

The states should understand that Britain is the mistress of the Sea. Not only this, but they not being states with any rights on the sea, beyond a three mile coastal limit, it is open for Britain to blockade their ports, without the breach of any treaty. In order that the states who have developed their ports may not suffer now, the only course for them to take would be to enter into a customs union of all the states including the two favourably situated, viz. Baroda and Bhavanagar in the peninsula of Kathiawar and share the revenues among themselves. If they can show so much generosity and fellow-feeling the volume of trade would be sufficient to attract trade. Moreover the natural advantages possessed by some of the ports which have now been artificially strengthened, will attract the overseas trade to them not only intended for the Kathiawar Peninsula, which

would be considerable, but also merchandise intended for British India. For sometime even if it is allowed to go free, maritime states will benefit as regards their port dues, labour charges &c, but even if duties are levied on them, when trade has been established through these routes, this route will be preferred to the expensive British Indian ports. The British Indian Government cannot object to these duties, holding them to be transit duties, because the inland Indian states stand in the same position. At any rate no objection can be raised by the Government of India so long as it would not concede the demands of the former.

It was reported in the papers that some Indian Princes talked of carrying the question of the imposition of the Viramgaon customs line before the League of Nations. The question whether the Government of India was within its rights in denouncing the treaties of 1917 has yet many stages to pass before it is decided. It could perhaps ultimately be referred to an independent tribunal, but why should not all the states maritime and inland combine to place the general question of the sea customs before the League of Nations? When the presence of an Indian Prince among the delegates of India to the League is held to bind the Indian States in such matters as the regulation of narcotic drugs or the abolition of slavery, why will not a palpable grievance of their receive consideration at its hands?

APPENDIX. I.

A NEW TREATY

Britain & Nepal

No Customs duty on goods.

Article 6. No Customs duty shall be levied at British Indian ports on goods imported on behalf of the Nepal Government, for immediate transport to that country provided that a certificate from such authority as may from time to time be determined by the two Governments shall be presented at the time of importation to the Chief Customs Officer at the port of import, setting forth that the goods are the property of the Nepal Government are required for the public services of the Nepal Government not for the purpose of any State monopoly or State trade and are being sent to Nepal under orders of the Nepal Government. The British Government also agrees to the grant in respect of all trade goods imported at British Indian ports for immediate transmission to Kathmandu, without breaking bulken route, of a rebate of the full duty paid provided that, in accordance with arrangements already agreed to between the two Governments such goods may break the bulk for repacking at the port of entry under supervision in accordance with such rules as may from time to time be laid down in this behalf. The rebate may be claimed on the authority of a certificate signed by the said authority that the goods have arrived at Kathmandu with the customs seal unbroken and otherwise untampered with.

Reprinted from Times of India December 24, 1923.

India and the League.

APPENDIX II.

RECOMMENDATIONS ACCEPTED.

(From our Own Correspondent)

Simla, September 24.

The Government of India have received intimation that the League of Nations have agreed to the recommendations of the Barcelona Conference of 1921 on the representation of the Government of India for the exclusion of enclaves of Portuguese and French from the operations of transit statutes. Their recommendations regarding international regime of railways, international regime of maritime ports and all international questions regarding electric transmission and current and the development of hydraulic plants will come up for consideration before the next meeting of the League of Nations, which meets at Geneva on 15th October. A satisfactory solution of these questions will make provision to secure and maintain the freedom of communication and of transit and equitable treatment for commerce of all members of the League. It may be remembered that the signatories to the Convention on the regime of navigable waterways of international concern, signed at Barcelona on April 20th, 1921, conceded, on condition of reciprocity without prejudice to their rights of sovereignty and in the time of peace, on all navigable waterways and on all naturally navigable waterways which are placed under their sovereignty, or authority, and which, not being considered as of international concern, are accessible to ordinary com-

marcial navigation to and from the sea, and also in all the ports situated on these waterways, perfect equality of treatment for the flags of any said signatory of this protocol as regards transport of imports and exports without transshipment.

APPENDIX III.

The Indian States and The Indian Sea Customs.

Prof. H. Stanley Jevons, M. A., B. SC., F. S. S.

University of Allahabad.

Not the least important aspect of the constitutional changes which are now taking place in India is the alteration of the financial relations between the Provinces and the Central Government. Broad questions of public finance have been raised in the attempt to give the Provinces financial autonomy; and the settlement arrived at is in its details a compromise, although in its main features it is soundly based upon well-recognized principles of finance. The two great sources of revenue for the Central Government will be the customs and the Income-tax, which are both likely to expand as a natural result of the economic development of the country. Both have also considerable elasticity, so that additional revenues can be raised in any time of emergency by a simple increase of the rates at which the taxes are levied.

The extraordinary elasticity of the customs revenue and the temptation which is sure to arise to increase the rates of duties either in the general tariff or on selected articles is causing a good deal of concern to the Durbars of some of the Indian States. It is obvious that, when the Central Government is in dire need of further revenue, it is likely to seek relief by the increase of indirect rather than direct taxation; and with the growing independence of the Indian Government from British control the great force which tends to keep customs duties low will be weakened. Coinciding with the need of further indirect taxation there is likely to grow up a demand for the protection of Indian industries. It is not unreasonable to anticipate therefore that we shall find very important changes taking place in the customs revenues of India.*

These Considerations raise a constitutional issue of the highest importance to the majority of the Indian States; because, as is well-known, they have no part or share in the customs revenue collected by the Government of India. So long as the general

* The anticipations of this paragraph, written early in December 1920, were partially fulfilled on the 1st March following, when the Finance Member announced the increase of the general import tariff from 7 1/2 to 11 per cent, the duty on sugar to 15 per cent, on motor cars and other luxuries to 20 per cent, and on cigars and cigarettes to 75 per cent. At the time of sending this to the press there comes the announcement that the Government proposes to appoint a Commission to examine the whole question of Indian Tariff policy. It seems almost inevitable that the growing national sentiment will demand the protection of home industries, as every growing nation has done including the British Self-Governing Dominions.

tariff was low, this was not a question of any practical importance. The incidence of some of the customs revenues collected by the British Government in India fell upon the consumers in the Native States; but this might be regarded as no more than a fair charge upon them for the security afforded by the Pax Britannica. The increase of the general tariff to 7½ per cent with special duties, such as 10 per cent on sugar and 15 per cent on tobacco, has begun already to give this question a different aspect.

These increases of duties, together with the great expansion of the import trade which has taken place since the termination of the war, have already led to a remarkable growth of the customs revenue in recent years as is shown by the following figures of import and export duties collected at British Indian ports:—*

Year	Lakhs of Rs.
1908—09	6,89
1909—10	7,04
1910—11	9,50
1911—12	9,21
1912—13	10,23
1913—14	10,79
1914—15	9,02
1915—16	8,32

* Excluding the excise duties on cotton manufactures and on motor spirit.

1916—17	12,51
1917—18	15,50
1918—19	16,40
1919—20	20,42
1920—21	28,26

Political Status of Indian States.

In proceeding with the discussion of the question here raised it is impossible to avoid reference to the political status of the Indian States. This is a very complicated subject, for the relation of every State with the British Government is regulated by a series of treaties made at different times under various circumstances. To gain an intimate knowledge of the political status of all the States is a life study. Moreover, considerable changes are being made in connection with the present constitutional reforms which are not yet fully announced. The States are ranged in several classes according to the degrees of independence which they enjoy. They range from large States like Hyderabad, Mysore and Gwalior, which are in direct Communication with the Government of India to the petty States whose chiefs enjoy a limited sovereignty under the tutelage of Provincial Governments, excepting that all foreign relations must be conducted through the British Government, and that the protection of British Law is afforded to British subjects in States territory. On the other hand the Chiefs of petty States are but

little removed from the status of landlords with magisterial powers. There is, however, one feature which is common to all the States, except some of those in charge of provincial governments, namely, that they have complete financial autonomy, which extends to the right of levying customs duties on goods crossing their frontiers into or out of their States. The State Government have their own customs officers who collect whatever duties their Ruler may choose to levy. The only right which most of the States have abandoned by treaty is that of levying transit duties on goods passing through destinations beyond the State.

The abolition of the transit duties, which took place in most cases prior to 1890 brought the commercial relations of the Indian States with British India and with one another into harmony with the principles well recognized throughout the civilised world. The damage which one country can inflict upon another by taxing goods in transit to it has long been recognized in Europe and elsewhere; and during the nineteenth century the levying of customs duties on goods consigned through to other countries has been almost universally abolished by a very large number of commercial treaties and understandings arrived at between the countries concerned.

Practice in Foreign Countries.

There is still observable in Europe, however, a disposition to avoid reliance upon such commercial agreements. Every country seeks to have a portion

of sea coast containing a good harbour within its territory. The struggle between the Balkan States some eight years ago was largely concerned with this; and we notice the importance attached in the treaty of Versailles and the subsequent settlements to providing newly created States with an outlet to the sea in neutral, if not :n national, territory, Poland, for example, has been granted the "Danzig corridor" and the struggle over Fiume was about its allotment to Jugo Slavia as its port. Every country which is surrounded on sides by land belonging to other countries, or is "land-locked" to use a convenient term, has this problem to face; either it must obtain access to the sea over some route by which its goods may travel free of customs levies and other interference, or it must enter into commercial agreements with surrounding Governments providing either for goods to be consigned through it in bond in sealed wagons, or for the neighbouring countries to collect the customs duties on his behalf.

It will be interesting to study a few cases of land-locked countries by way of illustration of these principles which seem to have been universally recognized. I shall take some cases relating to the British Empire.

In 1893 Serbia had obtained the privilege by negotiation with the Turkish Government of despatching goods through the port of Salonica free of the Turkish customs duties. Early in 1914, after the close of the Turko-Balkan war, a treaty was concluded between

Serbia and Greece which reserved the former a free zone at the port of Salonika and the right of erecting warehouses therein for the storage of goods in transit. The convention provides that goods passing through Salonika shall be exempt from transit or port dues, and that there shall be special railway freight-rates on Serbian goods intended for export. In the case of Switzerland goods landed at the ports of France, Italy or Germany for thorough consignment are put under seal of the customs authorities at the port of landing and the obligation is laid on the railway administrations of seeing that the wagons are delivered with seals unbroken beyond the frontier. Bolivia is another land-locked country, and its government has made agreements with Chile and Peru which recognize in favour of Bolivia in perpetuity "the fullest and most unrestricted right of commercial transit" through their territories and ports. Wagons in good repair are only to be used, and are to be forwarded under seal of the customs authorities who "will verify the condition of the seals." Bolivia is permitted to have its own customs officers stationed at the ports, presumably to watch the interests of the owners of goods consigned to or from Bolivia.

The case of Luxemburg is different, for this country solved its customs problem by entering into the German Customs Union. By this arrangement it received a share of the total customs revenue of the German Empire and territories within the German Customs Union, calculated on the population basis.

British Empire.

There are numerous examples connected with the British Empire; but the most interesting and important as supplying analogies with the cases of the Indian States are those affecting the British Colonies and Protectorates. In South Africa, soon after the conclusion of the Boer war, the various colonies entered into a Customs Convention which provided for a uniform customs tariff at all ports, and for the collection of duties at the ports on goods consigned to the inland colonies. These latter to be credited with the whole of such customs duties collected on goods consigned through to them, save only for a reduction of 6 percent at the port of entry by way of allowance for the cost of collection. These arrangements applied also to the various British Protectorates in South Africa. The importer had the option of clearing his goods either at the port or at some inland Customs House. There was an office at Cape Town whose principal function was to trace the movements of goods from colony to colony by means of the returns supplied so as to credit the revenue yielded by each consignment to the government within whose territory the goods were finally consumed. This arrangement applied also to the various British Protectorates in South Africa. In 1910 the various Colonies were united in the Commonwealth of South Africa; and the Act of Union provided that henceforth the total customs and other revenues of the Central Government should be divided amongst the several States of the Union in accordance with their average expenditure,

With the four principal colonies united to form a union, the various territories and protectorates which had hitherto been included in the customs union remained outside. Several customs agreements were thereupon made to safeguard their interests. In the case of the Bechuanaland Protectorate an agreement was entered into with the Union Government in 1910, and it was agreed that out of the Treasury of the Union it should be paid annually a sum bearing to the total customs revenue of the Union in respect of each financial year the same proportion as the average amount of the customs revenue of the Protectorate for three completed financial years prior to the 1st May, 1910 bore to the average amount of the whole customs revenue of all the colonies and territories comprising the Customs Union of South Africa during the same period. The proportion thus defined was subsequently ascertained to amount of to 0.27622 per cent.

Precisely similar agreements were made on behalf of the territories of Basutoland and Swaziland providing for collection by the South African Union of Customs duties on goods consigned to their territories and Protectorates, similarly calculated.

In the case of the Nyassaland Protectorate there is an ordinance (No. 8 of 1906) which provides that all goods in transit shall be free of import and export duties, but that certain wharfage and road dues may be levied on imported goods reaching Nyassaland by river or road and destined to places beyond the Pro-

tectorate. A registration fee of 6d. per package has to be paid on all goods in transit.

Certain of the British Colonies in Africa are separated from the only available sea-port by foreign territory. In the case of Nyassaland communication with the coast is by steamers on the only navigable river, the Zambesi, at the mouth of which is Chinde situated in Portuguese territory. Here the Portuguese Government has granted a small piece of land called the "British Concession" where goods in transit for Nyassaland and other parts of British Central Africa are landed free of Portuguese customs. The Transvaal is separated from the eastern coast by the Portuguese Province of Mozambique. A Convention made in 1809 provides that "merchandise of any origin or nationality imported through Lorenzo Marquez and bound for the Transvaal shall be entirely exempt from any charges whatsoever, excepting port and warehousing charges, and the charges now known as "Industrial Contribution". Another provision of this Convention allows for the payment of transvaal customs duties in Lorenzo Marquez and for their refund if the goods are not ultimately forwarded to the Transvaal.

The Uganda Protectorate is another land-locked area in the east of Africa. The countries bordering it are on the west, the Belgian Congo; on the south, the territory that was German East Africa; on the east, British East Africa; on the north, the British Sudan; and at the north-east corner, across lake Ru-

dolf, Abyssinia. An ordinance of 1902 provides that goods in transit will pay duty on entry into Uganda and a refund will be granted on leaving the Protectorate. When goods which were not declared for transit are exported, three-fourths of the duty paid will be refunded. Again, a free transit agreement was made between the United Kingdom and France with respect to the trade between Morocco and Egypt, passing through British and French territories in Africa. This provides for transit bonds being issued at certain customs stations.

These examples will be sufficient to show that, as regards Africa, the principle has been almost universally adopted that each State has the right to the whole of the customs revenue, wheresoever collected upon goods consumed within its territory, with an allowance only for the cost of collection. In the case of territories bordering on the Soute African Union, a defined share in the general customs revenue has been granted in lieu of a separate collection of duties on goods consigned to the territory.

Special Arrangements for Indian States.

It will now be appropriate to refer to the cases of Indian States in which special arrangements have been made for the assignment to them of the whole or a share of the customs duties collected on goods entering their territories for consumption therein, or for the consignment of goods through in bond. As

might be anticipated it is only those States which are on the sea-board, like Baroda and Porbandar in Kathiawar and Tranvancore and Cochin in South India which have special customs arrangements; and States beyond British India, like Kashmire, to which goods are consigned in bond.

The ports situated in the Baroda States belong to two classes: (1) Kathiawar ports, (2) ports on the Gujarat Coast; and the rights of the State are different for these two classes. At the Kathiawar ports sea customs are levied by the Government of His Highness the Maharaja Gaekwar, and the revenue realised goes wholly to them. The State is, however under an agreement with the British Government that it shall not levy at the above ports duties lower than those prescribed by the British Indian Tariff so as to divert the foreign trade from British ports to the said ports in the Baroda State. In return, the Baroda ports have been accorded the privileges of "British Indian Ports" i. e. goods exported from them to ports in British India are exempted from payment of any import duty on arrival at the latter. The State is, however, not under an obligation to forego its own import duties on goods arriving at its ports from British Indian ports.

The Baroda State has two ports on the Gujarat sea-board, namely, Navsari and Billimora. The sea customs at both of these ports are levied and appropriated by the British Government. For this there is an historical reason, arising from the cession in A. D. 1753 by the then Gaikwar of his conquests in

Gujarat to the Peshwa. It happened that the customs revenues in the districts south of the river Tapti were included in the share of the Peshwa, and later the Peshwa ceded his customs revenues in these districts to the British Government. *

Porbandar, which is one of the first class States of Kathiawar, has full control of its own ports and levies its sea customs collected by a staff maintained and controlled by the State. However, in the year 1809 Porbandar ceded half of its port revenues in consideration of some obligation which the State owed to the British Government; and this was commuted in 1853 to a lump sum payment to the British Government of Rs. 15000 per annum. Goods imported from foreign boundries other than British India are assessed with the sea-customs duty in accordance with the British Indian tariff, whether they be consigned to Porbandar territory or are passing through to other States or to British India. In the case of goods arriving by sea from British India, State customs duties are levied; but in order to avoid placing too heavy a burden on trade, and the consequent diversion of traffic from the sea route to the land route, a graduated scale of customs duties is levied upon goods imported by sea to Porbandar from Bombay, the duty on each article being reduced according to the distance of the destination inland from the port, until the duty disappears for points at and beyond what has been

* For this information regarding Baroda Customs duties I am indebted to Mr. M.N. Mehta, Diwan of Baroda State.

decided on as "the limit of the port's sphere of influence." † The duties on most of the goods shipped coastwise from Bombay are collected by the British India Steam Navigation Company, whose Steamers call at the principle Kathiawar ports, according to a through booking agreement between the State and that Company and the Railways serving the ports.

Turning now to South India we find that the State of Travancore which has a long seaboard on the Indian Ocean, and the neighbouring State of Cochin, formerly both had rights of levying such sea customs duties as they might please; but the various arrangements with the British Government measures were taken to remove unnecessary restrictions upon trade. A triple agreement, known as the interportal Trade Convention which is still in force was entered into in 1865 between the British Government of India and those two States, the principal provisions of which as regards imports are the following:—

(1) Goods produced or manufactured in the territory of any one of the three parties to the Convention pass free of duty into the territory of the other parties.

(2) Goods of foreign origin which have been imported into and paid duty to one of the parties to the Convention pass free of further duty into the territory of the other parties.

† This information has been kindly supplied by the Diwan of Porbandar State and the Chief Customs Officer of the State.

(3) Both of the states agree to adopt the British Indian tariff of import duties on goods of foreign origin imported direct.

The Convention applies to import duties on all commodities except tobacco, salt, opium and spirits, on which the states may, and do, levy their own duties. In view of the loss to which the States were subjected in giving up their right of levying import duties on goods taxed by or originating in the territory of British India or the other State, the Government of India § pays compensation of Rs. 40714 per annum to Travancore and Rs. 1,00,000 to Cochin State. ¶

As regards export from Travancore State, the duty that the Darbar can levy cannot exceed 5 per cent ad valorem, except in the case of timber on which the duty may go up to, but should not exceed, 10 per cent. The Darbar generally follows the British Indian tariff valuation, but it recognises no

§ The average amount of customs collected at the time of the importal Convention was British Rs. 53218 and the British Government has guaranteed this amount up to Bh. Rs. 40,000; that is to say, when the Travancore sea customs collections (on the imports from foreign countries excluding goods imported by sea for the Darbar's own use) are less than Bh. Rs. 13,218 the British Government pays to Travancore Bh. Rs. 13,218, the British Government deducts the excess amount from the sum of Bh. Rs. 40,000 and pays the balance only to Travancore. Administration Report of Travancore State, 1916-17 p. 26.

¶ And a further Rs. 10,000 in consideration of the Darbar having also surrendered its rights to levy an import duty on tobacco.

restriction, such as that export duty can be levied only on the articles that are so dutiable in British India, In all, export duty is now levied on 16 articles, of which the most important are copra, coir, coconut oil, coconuts, tea, pepper, dry ginger, jaggery, salt-fish, areca nut and tamarind, the first four being the produce of the cocoanut tree. 1

The export duties of Cochin State are those of the British Indian tariff with the addition of a few others but they are less important than the export duties of Travancore. Cochin in addition to the guarantee of Rs. 1,10,500 receives half the import and export duties collected at the port of British Cochin—an important source of revenue.2

The import trade of the ports of Travancore and Cochin direct from foreign countries is small, and the yield of the customs collected thereon at British rates is small—usually less than Rs. 20,000 in each case though perhaps it has increased last year.

The customs revenue of Travancore is an economic curiosity, being collected almost entirely by export duties. The figures for 1915-16 and 1916-17 were

Receipt from Customs Travancore State	
1915-16	1916-17

1 40,000 and pays the balance only to Travancore,

2. And a further Rs 10,000 in consideration of the Darbar having also surrendered its rights to levy an import duty on tobacco.

Administration Report of Travancore State, 1916-17, p. 26.

	Rs.	Rs.
Export duty	12,33,107	13,97,150
Import duty collected at the customs houses	69,305	73,620
Amount received from the British Government under the Interportal Trade Conven- tion	40,714	40,714
Receipts from miscellaneous items	7,509	7,138
Total Rs.	13,50,635	15,19,322

This lopsideness is the result of the Interportal Trade Convention which provided for a fixed income in place of what would have proved a growing source of revenue; but without doubt the State has benefited economically by the freedom of import trade.

In the case of territory lying beyond the land frontiers the practice is to consign goods of foreign origin, through in bond, free of duty from the port of entry (usually Calcutta or Bombay) to a point at some distance beyond the frontier. The procedure used is that of the drawback on reexport, and the goods in bond must reach certain defined stations in foreign territory, e.g. Jammua, Shrinagar, Muzaffarabad, or Alibag. Goods for Leh in western Tibet also go free of duty through British India via Hoshiarpur under customs seal.* A new and important case is that of Mysore. I understand that

*1. For particulars regarding Kashmir, and the Hoshiarpur Leh route see standing orders of the Calcutta Customs House, Vol. I,

the Government of India is considering a proposal of that State to open a port at Bhatkal on the Konkan coast and build a Railway there and that the State may be permitted to collect there and that the State may be permitted to collect and appropriate custom duties at British Indian rates on goods consigned through to its territory from abroad.

Principles Involved.

Our survey of the practices in foreign countries earlier in this paper led to the conclusion that it is the accepted principle throughout Europe and America, and the vast African territories governed by the Euporean powers, that the incidence of customs duties should fall on the subjects of the government which realises and benefits by those duties. Another way of stating the principle is that since the incidence of customs duties is, in the case of imports, mainly (when not wholly) shifted to the consumer, and in the case of exports falls largely or wholly on the producer, duties should be levied only in such manner that the taxes may be utilised for public expenditure in the territory where the incidence falls. This theory cannot be realised perfectly in practice ; but it is very clear that all taxes in the nature of transit duties are a direct contravention of it. § The Government of India has joined in the universal condemnation of transit duties, and has wisely secured the abolition of all such duties which were

§ As regards incidence of transit duties, see Bastable Public Finance, Book. IV., Chapter vii, section 7, 3rd ed. p. 571.

formerly levied by Indian States on goods passing through their territories to other States of British India.

Yet the sea-customs levied by the Government of India at the ports on goods passing to inland States certainly are transit duties on such goods as arrive from abroad and are despatched to any inland states for consumption, when, as in the great majority of cases, the imported goods undergo no process of manufacture in their passage from the landing wharf to the state territory. They are transit duties because the duties collected are credited wholly to the Treasury of the Government which collects them—British India—and not at all to the the country of origin outside India or the country of of destination, namely the Indian State. Thus the incidence of the British Indian customs falls upon the whole population of India—upon the peoples of the Indian States (with a few unimportant exceptions) as well as on the subjects of British India. Many of the States levy their customs duties on goods passing their frontiers both inwards and outwards whether the surrounding territory be that of other States or of British India ; and the people of such States having their own import and export tariff have to bear the double burden of State duties and British Indian duties on all goods coming from abroad, and on such of their produce as the Government of India may choose to impose export duties, e. g. hides.

The position is, therefore, that the principle universally recognized elsewhere, that the incidence

and benefit of any particular customs tariff, should be confined to identical territory, is not acted upon in India. The populations of the States are taxed in aid of the revenues of British India ; and any benefits which they may receive from the suzerain power which appropriates the sea customs are either a necessary consequence of the existence of that Power, or are an arbitrary gift of its free will, and not in any constitutional sense a *quid pro quo* for the burden thrust upon them. Those exceptional cases of the maritime and transfrontier States which are relieved of a part or the whole of the incidence of the British customs affect a population so small as to be almost negligible—less than two per cent of the whole population of India. Yet the very existence of these exceptions due to old treaties destroys the completeness and symmetry of the present system—its only possible merit—and is wholly repugnant to modern ideas of inter state commercial relationships.

Methods of Participation by States in British Indian Customs.

If the validity of the foregoing argument be admitted the question arises as to whether the States should be entirely excluded from the operation of the British Indian Customs, or whether some arrangement should be made whereby each State would be entitled to some share of the revenue collected by the Indian customs administration. This subject was discussed by Rao Bahadur M. V. Kibe, Commerce Minister of Indore State, in a paper which he read

before the last conference of this association at Madras. § He suggested five different methods whereby the States might receive justice as regards the incidence of the sea-customs; and these I may first recapitulate in a slightly different order, adding comments of my own. His first method was to allow goods coming from foreign countries by sea consigned through to a destination within one of the States to pass the British customs at the port of entry free of duty. The packages would be forwarded by rail in bond under seal of the British Customs officers, the railway being under obligation to deliver with seals unbroken at the designated customs station in State territory, where the State would presumably levy its own duty. This follows the precedent of Switzerland, Bolivia, and many other countries. The difficulty is that the states would be bound to levy duties on foreign goods arriving in bond at the appointed stations at rates not less than the British Indian customs tariff otherwise it would be necessary for the Government of India to establish a chain of customs stations and guards, completely encircling the State on its land frontier. The latter alternative would be so costly and harassing that it is unworthy of consideration.

Two other methods suggested by Mr. Kibe are in essence no more than variations in the procedure of the first. Instead of the British customs officials

§ See proceedings of the Third Annual Conference of the Indian Economic Association 1920, pp. 18-23.

forwarding the goods under their seal, such State might be allowed to acquire a strip of land at the port on which to erect its own warehouse where goods would be taken into bond by customs officers of the State Service and forwarded under their seal or each State might simply rent a portion of an existing bonded warehouse for the purpose. The advantage of this is that it would allow the breaking of bulk and subdivision of consignments received from abroad by merchants of the port town. The State officials would collect at the port docks the State duties on the packages to be consigned under their seal to State territory, and British duty would be paid on the part of the consignment not entered into or retained in the State warehouse.

The other variant is to utilize the system of drawbacks already in use for re-exports and for the consignment of goods to Kashmir. The merchant having paid the British customs duty at the port of entry to the British customs officer would have it refunded on taking delivery of the goods at the appointed customs station within State territory. This method would involve unnecessary and troublesome transactions ; because merchants having regained the British duty paid, would have to pay the State Duty, which could not be less than the British duty. Consequently the British Customs authorities might just as well hand over the duties collected direct to the State to which the goods were consigned.

This is in fact one of Mr. Kibe's proposed methods. The procedure would be for the British Government.

to collect at British ports customs at British rates on all goods consigned direct from abroad to a place within the State, and conversely an export duty on goods consigned from the State to any foreign country, The amount so collected would be paid to the State Government after deduction of 5 per cent for cost of collection. This will be recognised as the method formerly in use in South Africa, which was discarded in favour of South African customs Union in which each State and Protectorate received a fixed share of the total collections.

The method of the customs union is the fifth and last of the possible methods of meeting the situation in India. As Mr. Kibe puts it, the collection of customs would continue as now, but the British Government would pay over to each State a share of the whole customs revenue. Mr. Kibe does not, however, favour the adoption of this method ; but would prefer the method of drawbacks, or the collection of duties on behalf of the State Governments on the goods specially consigned to their respective territories. His reason is that the volume of foreign trade " may be taken as a reliable index of the economic development of a State. "

It is apparent at once, however, that the adoption of Mr. Kibe's proposal would involve the loss of customs revenue on goods first consigned from abroad to a point in British territory and then reconsigned to a place in State territory. The only way of avoiding this loss to the States would be by

establishing a very complicated system of drawbacks on goods from the British territory to State territory and vice versa. This would reproduce in India the state of affairs which existed in South Africa from 1906 to 1910, which proved so troublesome that it was superseded as soon as possible by the Customs Union; but in India, having regard to the large number of states, the trouble and confusion would be far worse.

The states, therefore, could only expect to be credited with the duties collected on goods actually consigned through to their respective territories from abroad. This would mean that those States which have no entreport business, and no facilities for importing direct from abroad, would gain nothing by the change. It is true that it would stimulate States to organize amongst their merchants the direct importation of foreign goods; and if any of them were very successful in this they might establish distributing centres which would supply neighbouring British territory, and thus trench upon the revenues of British India. The complications of this method are so numerous that I prefer to advocate the last mentioned method of allotting to each State a share of the general customs revenue of British India, in which would be included the customs revenues collected by the maritime States which now have special privileges. The question of how the share of each State should be determined now remains to be discussed,

Basis of sharing the Customs Revenue.

In the German Custom Union the division of the total customs revenue amongst the various States was determined upon the population basis ; but the circumstances are so different in India that the application of this method would have unfair results. In Germany, at the time of the formation of the union, the various States were, broadly speaking, approximately at an equal stage of economic development. The reverse is true in India. Not only is there the greatest divergence between the economic development and earning power of the people in different parts of British India, there is an equally marked difference between the various States. In some of them agriculture is more productive than in most ; for example, in Gwalior and Patiala extensive irrigation systems have been introduced. Some of the States are far more advanced commercially and industrially than others, and with this development has come a higher standard of living and the spread of education, which in a few States is compulsory. Baroda, Mysore, Travancore, Indore, Gwalior and Patiala are well known as advanced States ; and the taxable capacity of their administrations per head of population are far in excess of those of more backward States like those of Rajputana or the eastern States of the Central India Agency. On the population basis, therefore, the backward States would receive revenue not earned by their

commerce, or by the consumption of foreign goods by these people; and the advanced States would have less than their due.

The alternatives to the population basis are division in proportion to public revenues or to public expenditure. It may be laid down as a broad general law that the public revenues per head of population of various countries are roughly proportional to the stage of economic development which the countries have reached; for an advanced commercial and industrial system necessarily involves a more costly administration, whilst amply providing the capacity to pay taxes to meet the expense. Throughout the world this is true if the cost of making war, and the burden of war debts be eliminated.

In western countries public revenue and expenditure are normally so nicely balanced that it would be immaterial which was chosen as the basis of division. Amongst the Indian States, however, this is far from being generally the case. In nearly all States revenue rarely falls short of expenditure, except in years of severe drought; but in some of them revenue greatly exceeds expenditure. This is true even when we include the Ruler's personal and "palace" expenditure—his "civil list", but it is still more strikingly true, if that be omitted and the cost of the public administration only be treated as the expenditure of the State.

There are difficulties in every solution which can be suggested; but my own inclination is towards

the adoption of a distribution in proportion to expenditure on the public administration, including the the State army and contributions to Imperial defence and war expenses. A settlement for five years could be made on the percentage which the annual public expenditure of each State, during the preceding four years, has borne to the whole expenditure of all the states and British India, including the Provincial governments, but excluding local authorities. Every five years a new settlement could be affected on the basis of the average annual expenditure of the preceding four years.

Financial Aspects.

If the States are to receive a just share of the sea customs revenue, they may fairly be asked to contribute their quota to the expenditure of the Indian Government from which they benefit. The defence of India from external enemies is the only important item in this category. In the absence of any better criterion we may assume that half the military expenditure is for the maintenance of internal order and half for defence of the land frontiers. The Budget for 1920-21 provided Rs. 59½ crores (converting expenditure in England at 1s. 8d.) for military expenditure, which is probably close to the normal figure of the future. The revenue from sea and land customs seems likely to expand to about 30 crores in the near future; consequently the debt of each State for Military expenditure and its credit for customs revenue will about balance, if both be shared on the same basis. The States might have small immediate gain; and if a new policy should augment the customs revenues of India their advantage would automatically increase.

APPENDIX IV.

Minutes of the Evidence

recorded by the

INDIAN FISCAL COMMISSION.

Witness No. 145.

Written statement by M. N. Mehta Esquire,
C. S. I. Minister to the Government
of Baroda.

Memorandum by the Committee of Ministers
and others appointed at an Informal
Meeting of Their Highness in
Novembdr, 1921.

23444. The following is an extract from the
Montagu-Chelmsford Report:—

“ It is obvious that any tariff that might be
framed for India must take account.....of the
probable incidence of the burden of taxation
upon the masses of the population.....”

Here “ India ” means the whole of India, inclu-
sive of the Indian States, and “ the masses of the
population ” include the subjects of those States.

In paragraph 311 of the same report, occur the
following:—

“ Our last proposal is intended to provide some
means for deliberation between the Govern-

ment of India and the Princes on matters of common interest to both so as to ensure that, as far as possible, decisions affecting India as a whole shall be reached after the views of the Durbars have been taken into account..."

23445. 2. And yet, when in the first Session of the Reformed Council, the question of enhancing duties under the tariff came up, their effect upon the subjects of States and, therefore, upon the fiscal and financial interests of the States appears to have escaped both the vigilance of the Government of India, and the broad sympathy and justice of the Reformed Legislature.

23446. 3. Not only that, but the Indian Fiscal Commission, constituted with the approval and sanction of the Secretary of State, does not count amongst its members and representative of the Indian States, whose inclusion would have doubtless secured the consideration of the interests of those States as affected by the future fiscal policy of British India. Oblivion of those interests, which are vital, as clearly reflected in the scope of the Fiscal Commissions' enquiry, as determined by the questionnaire. It is an exhaustive set, but characterised by the absence of the perception that the interests of the States would be directly affected, whatever the conclusions arrived at, and they would therefore, need safe-guarding or practical recognition. The enquiry of the Commission is shortly coming to an end, but nothing has so far happened to indicate that the Commission recognises that its

recommendations would be incomprehensive and, may be, distinctly unfair unless it informed itself of their probable consequences upon the interests which would be directly affected by them but which lie outside the competence of the Legislature to influence. The Government of India themselves do not appear to have forwarded the questionnaire to all the States. But this may be for the very good reason that while in the case of the States to which it was sent this was done by the virtue of the existence in them of certain special commercial and industrial conditions, it was not sent to the others because in the absence of those conditions their interests did not *prima facie* appear concerned with the underlying idea of the questionnaire,

23447 4. It would be apparent, later, how the interests of all the States would need recognition, whether the future tariff of British India be a purely revenue or a protective tariff. But allusion must here be made to what is in marked contrast with the drift of events so far discussed. His Excellency the Viceroy in his inaugural address to the Princes' Chamber at its last session drew attention to the appointment of the Fiscal Commission, and called upon the States, particularly those possessing the attribute of "considerable commercial interest," to "give the Commission the benefit of their views." Said His Excellency:—

".....The Question is one of the joint concern to British India and the States, as, though the revenue from Customs is a British Indian

receipt, the effect of the Fiscal System adopted by Government is felt throughout India, and I trust that, at any rate, those Darbars whose commercial interests are considerable will give the Commission the benefit of their views..... It (the Commission) will consider, among other matters, the question of a protective tariff for India. This question is one of prime importance both for consumers and manufacturers in the States, as well as in British India."

23448 5. Amongst other things, it is the purpose of the memorandum to show that although duties on practically all the imports and exports of India are levied at the British Indian Ports and are entirely credited and appropriated to themselves by the Central Government of British India, the yield of these duties in the aggregate is not legitimately British Indian revenue. On the contrary, the spirit of the Treaties and Engagements with the States, past events and agreements based thereon, the provisions of British Indian Laws, themselves, no less than the practice of Foreign Countries, as well as of those within the British Empire, and indeed, the practice even in respect of certain Indian States, together with the accepted principles and dicta of economics, not to speak of considerations of fairness and the interests of 60 millions of producers and consumers-subjects of Indian States, all these facts and arguments combine to create the position that, of the total proceeds of the duties levied, the British Indian Government is justly entitled only to retain that portion which is really contributed by their own subjects.

23449 6 Consequently, whether the Government of India adopt the policy of free trade or of protection, whether their future tariff be devised purely with the object of raising revenue or it be framed to counteract the evils of dumping, bounties, subsidies or transport facilities; whether it aim at fostering industries which have a root in the soil or aim at retaliation for unfair treatment received at the hands of other countries; so long as the subjects of Indian States, who should not pay British Indian taxes, are penalized for exporting their surplus produce of all sorts through British Indian ports by having to pay the British Indian duty or by having to consume articles which have paid the British Indian duty on arrival at a British Indian port, the States have a clear and undeniable right to ask that the revenue thus derived from their subjects shall be given back to them to be employed for the benefit of those subjects.

23450 7. Therefore, the question is not only whether the producer and manufacturer or the consumer in the States will be better off, along with his British Indian brother, in the one event of the Indian Empire being a free trade country or in the other event of certain of the indigenous industries being scientifically and discriminately protected; but the question is that he must escape a double burden. For, the Government which affords immediate protection to his life and property, which cares for his health and seeks to educate him, which provides facilities for the transport of his commodities and seeks to ensure him against famine and epidemic.

in short endeavours to do all that is expected of a civilized Government, this Government also expects him to contribute to the expenses of the highly organized machinery of modern administration—expenses which are yearly, almost daily, on the increase. This Government has none too large a revenue for modern times, nor varied sources from which to derive substantial income. It has to abstain from direct taxation, as the financial condition of its subjects does not justify resort to this mode of raising revenue, and is, therefore, compelled to fall back upon indirect taxation. Consequently this Government must have more money, and more and more money and if the burden of the subjects of the Indian States is lightened, the Government that rules him must at any rate alleviate his lot otherwise, by improving the expectation of life and his prospects in it. Later, it will be shown in how many respects the subject of the Indian State is at the mercy of the British Indian financial administrator and in what a variety of ways the Governments of Indian States lose the revenues which could be employed for the uplift of their people. For the present let us concentrate upon the point immediately at issue.

23451 8. It can not be said that the right of the States urged here is, in any sense, novel, or that the consciousness of it has dawned upon them recently and suddenly—any more than it can be said that the Government of India by their laws ignored the interests of the States. So far from that being the case, right on wards from 1863 to 1864, whether

placing Enactments on the Statute Book or issuing Notifications under the Acts in force, the Governments of India clearly bore in mind the position of the States in relation to their Customs Laws. The Act of 1863, 1878 and 1894 will recognise that the territories of Indian States are "Foreign territory" for purposes of Customs duties.

23452 9. It will be remembered that from 1882 to 1894, India was a free trade country, and no question arose of the imposition of a double burden in practice upon the subjects of the Indian States, apart from their immunity in theory and law, from the payment of British taxation. It is true that after the mutiny, import duties on some articles were raised to 10 percent., but they were reduced to $7\frac{1}{2}$ per cent. in 1864, and by 1875 had reverted to the original level of 5 percent. Export duties were confined to rice, indigo, oils and lac. The States were not much or seriously affected by these duties. The articles taxable on export were not amongst the generally exportable commodities of the States, and in the absence of means of transport and communication, the duty-paid imports were ordinarily of no interest to the States either. Besides, the incidence of duties was so light as to be negligible, and not much point was lent to a protest on the ground of principle.

23453 10. And yet, immediately after the period of free trade, and as early as 1895, as soon as the depreciation of Indian currency resulting in a deficit led to the revival of general import duties at 5 per

cent., the Manchester Chamber of Commerce was addressed by the Trader-subjects of a Central India Durbar regarding the unfairness of the imposition upon the trade between England and that Durbar. The point even came in for notice in the columns of a leading Bombay Daily and the interests of the State subjects were stoutly defended. From 1894 to 1910, except for the revival just mentioned and the imposition of a $3\frac{1}{2}$ per cent ad valorem duty on imported cloth, nothing happened. Between 1910 and 1916 even though the latter year marked the continuance of the great war for two years, all that the Government did was to raise the duties on silver, tobacco wine and beer, the raise having been justified on the ground of a deficit occasioned by the gradual extinction of the opium trade with China.

23454 11. At this stage, and only so recently as the period last mentioned, things did not appear to tend in a direction counter to the intimate interests of the subjects of the Indian States. The adverse aspects of the course which the tariff was running became more pronounced between 1916 and 1919, and a protest was called for. But the States desisted. They could not, with any consistency, on the one hand, offer for the service of the Empire all their hoarded and recurring resources, and, on the other, ask for their share of the revenue which the Government of India, in their extremity were raising to meet the deficit caused by the war expenditure. The manipulation of the tariff and the special measures adopted between 1917 and 1919 had already, even apart from the pressing burden of the sanctions of

1921, served the last straw on the camel's back. Considering that the Chamber, without yet being so called, had already been formed in 1916 and even before, it is trusted that some credit for forbearance will be accorded to the States.

23455 12. The principle on which it is contended that the burden of the British Indian import and export duties should not fall upon the consumers and producers of Indian States, however, remains unaffected by any considerations of past practice or the policy of the Government of India, which until the other day was such as to give little cause of complaint. That principle is that the incidence of customs duties should fall on the subjects of the Government which realizes and benefits by those duties. It is this principle which has been accepted throughout Europe and America and the vast African territories under the sway of various European powers. Economists, all the world over, are now agreed that the incidence of Import duties mainly falls on the consumer and of the export duties on the producer. It is, therefore obvious that taxes should be levied by the authority which alone can utilize their proceeds for public expenditure in the territory where the incidence falls. As the justification indicated is wanting and the only test that can be applied is not satisfied, there cannot be two opinions that the sea Customs levied by the Government of India on goods passing in bulk to Inland States, or even on those that eventually find their way there, are transit duties, pure and simple,

23453 13. That being so, the levy of such duties is no less perplexing than distressing. Over a quarter of a century ago the Government of India joined in the universal condemnation of transit duties, and by securing their abolition (though only conditional on the part of some States) as long ago as 1887, brought the commercial relations of the Indian States with British India and with one another into harmony with the principle well recognised throughout the civilized world. And, yet, after all this, the populations of the States are taxed in aid of the revenues of British India. To say that by the expenditure of Imperial Revenues the States, as a body, benefit, is no argument and certainly no justification of the present state of things. For if the British Government confers any benefits upon the States, and it is not denied that it does it is incidentally enabled so to do by virtue of its paramountcy, of which those benefits are a necessary consequence. But these benefits, direct or indirect, and however varied, whatever they may be, are at any rate not a quid pro quo for the burden laid upon the States.

23457 14. Then there is the vital question of the loss to the States of much-needed revenue which is their due, also revenue which it is their inherent right to raise and utilize.

Since the introduction of Reforms, their own provinces have battled with the Central Government to secure financial autonomy and it has been to all intents and purposes completely conceded. The States on the other hand, have always enjoyed, as

they had and have a right to do, completes financial autonomy. This embraces the right of levying customs duties on goods crossing their frontiers into or out of their territories. What is more, while most of the States, finally abandoned the practice of levying transit duties, some of them, it is understood, reserved the right to re-impose them, a right the exercise of which might prove very damaging to the trade of British India in the quarters concerned. Thus the levy of the Sea Customs duties not only deprives the States of a legitimate source of revenue, not only is it indefensible, economically and in the inter-statal view, but it is also an infringement of their inalienable and vital right of financial autonomy.

23458 15. It hardly seems necessary to labour the point by citing the practice with regard to the smaller States of Europe and the British Empire, or, speaking nearer home, even of some Indian States, e.g., the states lying on the seaports namely Baroda, Bhavnagar, Junagadh, Navanagar and Porebander in Kathiawar, Cochin and Travancore in South India or the Indian State of Jammu and Kashmir.

The States believe, as they must, that the Government of India had never the intention to deal unfairly by them. Their Customs Laws, as has already been said, bear witness to their fair intentions. What has really happened is that a state of affairs has arisen which was not only not intended but even not realized. It came to pass that attention was focussed on pressing and all important issues of

immediate moment, and the said issues, however important ethically, that is, from the point of view of the neighbours' interests, perhaps not unnaturally, escaped consideration. To assume anything else would be to assume that the Government of India were capable of deliberately and of set-purpose exploiting the accident of their favourable position and of penalizing the Inland States for the misfortune of their geographical position. Therefore, no other hypothesis is possible but the one consistent with the possession by the Government of India of due regard for the rights and interests of their friends and allies.

23459 16 The easiest remedy, therefore, for the practicle injustice of the present order of things is for the States to suggest, apropos of the main question before the Fiscal Commission, that India should remain a free trade country. But such an attitude would be extremely selfish. They know the financial straits into which certain circumstances have thrown British India. They know, therefore, that money must be found, and they do not know of a better method of raising the required revenue then by the imposition of customs duties. Apart from this, they cannot shut their eyes to the interests of their own countrymen which demand the protection of certain industries. Nor can they, with any show of consistency, advocate Free Trade for British India, while levying customis duties themselves, which they must as a means of legitimate and necessary revenue. In fact, the position with which they are, as a body,

confronted in the matter of finance is infinitely worst than the position of the Government of India. Their revenues are all too inadequate for the improvement that must be effected in their administration; consequently, their need for larger revenues is proportionately greater. As anxious as they might honestly be to see the burden of the Indian tax-payer lightened and help to effect that relief, they cannot in present circumstances, advocate a generally lighter tariff than the existing one, until there is an improvement in prices and lowering of wages and in fact a general amelioration of the various conditions which together represent the aftermath of the war. Two things would then appear to be indicated by way of broadly answering the question of the Fiscal Commission without going into details, namely, that indirect taxation should be the keynote of the Government of India's policy and that discriminating protection must be resorted to for the good of the country.

23460 17. Assuming this to be the conclusion to which the Fiscal Commission is led, and the evidence so far tendered would in the main appear to point in that direction, the question arises how about sparing the subjects of States the hardship of paying the British Indian customs duties? The only possible answer and, indeed, the most satisfactory one, is that the net revenue derived from customs duties should be divided between British India and the State in proportion to their populations. While the suggestion is not free from the obvious objection that in practice its operation would be invidious and the

inherent invidiousness of its practical application is fully realized, it provides, taken all round, the safest and the cheapest solution of the problem. What the basis of the division should be is after all a question of detail and if need be, can be searchingly examined. The innumerable analogies of the African Protectorate, the German Union, etc. can all be drawn upon for the purpose. But what is most important is the unreserved admission and concession of the principle, namely, that the States are entitled to their fair share of the customs revenues, and it would be in the highest degree not only politic but just on the part of the Government of India to take an early opportunity of announcing the acceptance of the principle.

23461 18. His Excellency the Viceroy invited an expression of opinion on the part, at any rate, of certain States on the questions referred to the Fiscal Commission. One of these questions is that of Imperial Preference. As the view of the States has already been indicated on the question of free trade versus protection it might be just as well similarly to indicate their view as regards the Imperial Preference. The view briefly is that the producer and the exporter in India should have no restriction placed upon his liberty to sell his produce in the best possible market.

It does not appear necessary to support either view that is whether in favour of protection or against preference by very elaborate arguments.

Both questions admit of two opinions. Both theorists and practical men are ranged on either side. The best available evidence has already been tendered and recorded. The conclusions that emerge, or that may be drawn, must be matters of individual predilection which is determined by the greater or less weight speculatively attached to a variety of factors which come into play, and claim their own share of influence and appeal. It should, therefore, be enough, for purposes of the present memorandum to state the conclusions that have been arrived at after balancing conflicting considerations. These have, therefore, been broadly stated and are for convenience of reference here repeated, namely:—

- (a) That industries that by virtue of possessing essential conditions are already entitled or that may hereafter establish a claim, to protection must be protected.
- (b) That there should be no preference within the Empire.

Manubhai N. Mehta.

K. N. Haksar.

Shyamsundar Lal.

Lalji Naranji.

M. V. Kibe.

G. Rai.



Appended as a supplement to the Minister's Memorandum by the Committee of Ministers and others regarding Opium, Salt and Coinage in Indian States.

23462. Before concluding, it might be just as well to advert to the question of customs duties. A clear case has always been made out in favour of the participation of these revenues between British India and the States on grounds of Law, principle and practice in India and else where. But if the claim involved needed adventitious or circumstantial support, the considerations noted below which are perfectly relevant would lend more than the required support:—

It is admitted on all hands that the States cannot remain unaffected by the conditions in British India: on the contrary, the conditions in the latter directly react upon the former and are reflected there in all essential respects. It will not be denied that, for whatever reasons, the administration of British India has of recent years become startlingly expensive. As long as the fact remains, it is not necessary to go into the reasons. The reason may simply be the diminution of the purchasing power of the rupee. If the reason be no other, the point still is that the burden of the States has increased by both phenomena, the cause and

the effect, the expensiveness of agents and functionaries and their adjuncts and the reduced value of the rupee. The cause of the latter is the currency system of British India. By virtue of its larger wealth, more extended trade operations and the inevitability of the commercial relations between it and the Indian States, British India has been able in practice to impose its currency upon the States. Consequently, the blemishes of its currency system have in the past imposed unlooked for burdens upon the States and continue to do so. The States are helpless and they have to submit to being sacrificed upon the altar of financial and trade interests which are not commensurately theirs.

Then again there is the question of the conditions in British India in regard to Labour, Prices, Wages, etc., not only not unconnected with but directly arising out of the complexus of the British Indian currency legislation, exchange manipulation etc., The States are the butterfly on the wheel. Their own currencies have hopelessly depreciated, as they were bound to do, the moment the British rupee acquired a token value by being linked with the gold exchange, and there is for them to lay unweaponed, the same spectre of higher prices, higher wages and what not. But perhaps this cannot be helped. At all events, this memorandum is not

intended as a diatribe on the administrative methods of British India. The object is only to state the facts, to awaken consciousness to the burdens and hardships of the States and to seek a remedy with the friendly assistance and sympathetic co operation of British India. As the point emerging from all that has been stated in this paragraph, let us take practical and concrete examples of the hardships and disabilities suffered by the States:—

The States have, on the whole, adopted the British Currency, even though some of them have not declared it legal tender in law. The Government of India coin rupees for the requirements of British India as well as of the States, and yet they keep all the minting profits and seigniorage receipts in the name of the Gold Standard Reserve designed to stabilize exchange for the good of the whole country, an object, however, it has failed to achieve. To be brief, the States consider themselves entitled to their fair share of the profits from minting and paper currency and ask for them. They regard it as an injustice to be denied their proportionate due.

Again, when conditions in British India demand it, the Government impose restrictions upon the import and export of silver and gold. On those occasions the States ask that their

financial autonomy should not be interfered with by bringing them under the operation of such restrictions. All that can be fairly expected of them is that they shall not stultify the measures taken by the Government of India for the good of themselves and their subjects.

23463. 2 There are several matters in respect of which it is felt that the States have rights to be recognised. As they all turn upon the fiscal pivot; it might be just as well to ventilate them here. This course would at least possess the merit of inducing a fair examination of the points raised. The result cannot but be worth the effort and examination. Either the States can be proved to be under a misapprehension and convinced that they are, or the Reformed Council will recognise the justice of the contentions and uphold and concede them.

23464. 3 The question of (a) Opium and (b) Salt may here be suitably discussed.

In regard to (a) the trade with China has been abolished, but both Persia and the Straits Settlements still absorb Indian opium. If it is expected, as has been the case, that the subject of the State should bear without demur and without a *quid pro quo* the burdens that legitimately belong to British Indian shoulders, why should he not equally get certain advantages enjoyed by his British Indian brother?

The States ask that the legitimate trade in opium that still exists should be thrown open to them and every facility afforded them for carrying on that trade without objection on the part of the European conscience, or let the principle of equitable distribution be introduced here also. The data exist for bringing about a distribution on the actual proportional extent of cultivation in each State prior to 1917. For the last five years, the Government of India have had, under special agreements, opium grown in certain States, for purchase by themselves. The purchase price at the beginning was Rs. 9 per seer. It is Rs. 15 to-day. Even at the latter figure the cultivators get paid, speaking in terms of chests, at Rs. 1,140 per chest. The Government of India realise on this opium anywhere from Rs. 6,000 to 18,000 per chest. The Government of the States do not get anything even for the user of their lands. This surely needs to be different. It is true that the agreements referred to were entirely optional and voluntary. But then half a loaf is better than none. The fairest way seems to be to join hands and forces and fairly to pool the profits. Such is the dependence of the States upon the Government of India and such their trust in the sense of justice and the paternal care of the Government that their mutual dealings need not be characterised by the commercial spirit,

(b) Salt:—The position is that by 1879 the Government of India had, by special agreements with certain States, promising them compensation in perpetuity, secured the monopoly of the salt trade of India. There are large States with their teeming populations of several millions that were never even compensated and these have either lost revenue, and will for ever continue to do so; or either subjects have paid a tax which they would have escaped, had these States chosen not to tax this necessity of life.

Here again the agreements were seemingly voluntary but their true character can be gauged by the fact that they were negotiated by local Political officers under instructions from the Government. Now the point is, when the amount of individual compensation was fixed it was calculated upon a rate of duty (or margin of profit) which has not been adhered to. It has varied, thus giving rise to a higher income for the Government, while the shares of the States in that income has been limited to the fixed compensation. The States consider themselves entitled to the difference represented by the higher rate levied to-day as compared with the rate of the agreement that they ask for it. The States that receive no compensation must be brought into the revised scheme.

23465. 4 It will thus be apparent in what a large variety of ways the States have been laid under contribution for the benefit of British India. The reply is they enjoy peace and protection from foreign aggression. But they paid for these blessings and continue to do so. All the more important States made large cessions of territory which were really their contributions towards the defence of the country. The majority of them have maintained Armies for the service of the Empire. The late war demonstrated not only their readiness to help but the utility of these Armies and the help the States actually rendered otherwise was a factor that counted. There were cases in which the war expenditure of individual States amounted to over two crores of rupees. Further, not an institution of public utility can be started, not an emergency can occur, not a fund can be opened but the States subscribe lavishly. All this money eventually comes out of the pockets or rather the sinews of the Indian subjects. He is therefore, entitled to every consideration. †

Manubhai N. Mehta.
K. N. Haksar.
Shyamsundar Lal.
Lalji Naranji.
M. V. Kibe.
G. Rai.

† Reprinted from the minutes of the Evidence recorded by the Fiscal Commission in Vol. III,

APPENDIX.V

INTERPORTAL TRADE CONVENTION.

ARRANGEMENTS MADE BETWEEN THE BRITISH GOVERNMENT AND THE STATES OF TRAVANCORE AND COCHIN FOR THE REMOVAL OF FISCAL RESTRICTIONS ON TRADE BETWEEN BRITISH INDIA AND THOSE STATES-1865

NOTIFICATION.

It is hereby notified for general information, that the following arrangements have been made between the British Government and the Native States of Cochin and Travancore, for the removal of Fiscal Restrictions on trade between British India and those States, and that effect has been given to the same under the sanction of the Government of India.

2. No duties will hereafter be levied, by the British Government, or the Travancore or Cochin States, on goods, being the produce or manufacture of British India, on their import, whether by sea or by land, into the Cochin or Travancore territories excepting Tobacco, Salt, Opium, and Spirits.

3. No duties will hereafter be levied, by the British Government on goods the produce or manufacture of the Cochin and Travancore States on their import into British Indian territory, whether by sea or by land excepting Salt, Opium and Spirits.

4 Free import will be allowed by the Cochin State into its territories of Travancore produce and manufactures, and vice versa, on the same terms and with the same exceptions as those arranged with the British Government.

5. The Cochin and Travancore States will adopt the British Indian Tariff and rates of import duty on all foreign goods imported into them, Tobacco being excepted on import into Travancore.

6. Foreign goods which have already paid duty on import to British India or to either the Cochin or Travancore State, will be allowed to pass free on further transport to any of these territories.

7. The Cochin State will adopt the British Indian rates of export duty on articles exported to foreign countries, Pepper being excepted and charged at 15 Rupees per Candy.

8. The Travancore State will continue for the present to levy export duties, not less than those obtaining in British India but not more than 5 Rupees per cent on all ordinary exports, Rupees 10 per cent. on Timber, and Rupees 15 per Candy on Pepper and Beetle-nut valorem.

9. The export duty at the Travancore inland Chowkies, viz those not situated on the backwater, will be confined to principal goods only, which will be notified from time to time.

10. British Indian goods passing from Coimbatore through Travancore to the Cochin territories or British Cochin will be exempt from export duty in Travancore. The same exemption will extend to Tinnevelly cloths passing through Travancore.

11. Goods passing from one part of the Cochin State through Travancore to the Cochin territories or British Cochin will be exempt from export duty in Travancore.

12. The Travancore and Cochin States will adopt the British Indian tariff valuations for exports as well as imports.

13. The Cochin and Travancore States will adopt the British Indian selling price of Salt, the rates at Inland Depots being raised so as to place the Salt of Cochin, Travancore and British India on the same footing in the market.

14. The Cochin and Travancore States will import British Indian Salt on the same terms on which it is imported into British Indian Ports.

15. The Travancore State will levy import duty on Tobacco at rates not exceeding the following:—

On Coimbatore Tobacco...	40 Rupees	per Candy
Tinnevelly do	85	do
Ditto (Kalamany)	120	do
Jaffna	120	do

Resident's Office
Trivandrum,
11th May, 1865.

H. Newill,
} Officiating Resident.

List of Sea-Ports appertaining to the Travancore State.

Manacoody.	Quilon
Colechel.	Kayencoolum.
Puttanum.	Mangalamarattapula.
Pooar.	Poracaud.
Villinjam.	Alleppey
Poonthoray.	Katoor.
Anjengo.	Manakodam.
Paravoor.	Palliport.

Sea Ports appertaining to the Cochin State.

Narakal.	Maliapoorum	Cranganore.

H. Newill,
Officiating Resident.

APPENDIX VI

Sea Customs vs Inland Customs.

A question that might legitimately be asked is that in case some way is found for allowing the Inland Indian States to enjoy the fruits of the sea customs, will they be justified in continuing to levy customs duties on the borders of their states on commodities imported into or exported from their territories. As one of the arguments used against the levy of the sea customs duties on goods imported or exported to foreign countries is that there by the subjects of the inland states are doubly taxed,

this question naturally arises. But before giving a reply to it, some aspects of the entire question have to be briefly discussed.

Double taxation of the subjects is not the only ground, if it is not the least one, against the policy of the exclusion of the Indian States from the proceeds of the sea customs duties. Such an argument would operate against all local taxation. The customs duties levied on their borders by some of the Indian States are in the nature of octroi duties levied in towns by local governments, although they may and do cover an area larger than a township. They are in the nature of the taxation for revenue purposes which is mostly spent for local purposes.

The chief objection to the levy of the sea customs duties, without considering as to on whom their incidence falls, is, that taxation is levied on people, who do not benefit from it and who have no representation in the body that levies it. Even now in the latter respect British Indian and subjects of Indian States have little difference as regards representation. It can not be said of the former, that they can claim that they can do away with the cry of no taxation without representation. But as regards the former ground their position is much better than that of the subjects of the Indian States.

The matter is further complicated by the fact that some of the maritime states have ports which when improved by modern means have greater natural facilities for trade than the older and well-

established ports in British India. But that class of cases has to be separately dealt with on lines indicated elsewhere. (vide *Indian Review* for August 1927.)

As regards the rest of the Indian States elsewhere (vide *the Report* of the Indian Economic Conference held at Madras in 1920-21) no less than five methods of meeting their demands which are legitimate, and in justice have to be met, have been suggested. Some of them are in the nature of sharing in the income but there are others, which, though, perhaps, not so beneficial to the finances of the Indian States as the former, are in accordance to their position as fiscally independent political units.

The question whether the recognition of the right of the inland Indian States to the sea customs duty, will debar them from levying their own customs duty on their borders does not arise. Because (1) These duties are for revenue purpose only and therefore operate as Octroi duties only.

(2) The States have an inherent right to charge their subjects to their utmost capacity. Even as regards export duties they fall on the producers except when any commodity is in the nature of a monopoly.

(3) If any out of some methods which advocate complete freedom from the British Indian sea customs duties to the goods imported into or exported

from the inland Indian States is adopted, the question cannot arise at all.

The maritime Indian States should adopt one of the methods referred to in the end of the previous paragraph, which would thus free them from any complications not only as regards the inland Indian States but British India as well.

* By Sardar M. V. Kibe, Reported from the Indian States Review (Poona) April 28th 1928.

APPENDIX VII

THE TARIFF BOARD AND INDIAN STATES.



It is a glaring anomaly in the economic life of India that the subjects of the Indian States are taxed by the British Indian institutions, not only without the consent of the people taxed, but also without that of the Sovereigns of those States. The sound principle that there should be no taxation without representation is in no case more defied than in this one.

But this is not all. The responsibility of governing the subjects of the Indian States does not primarily rest with the authority that taxes them. They are governed by their own rulers who exercise, in some cases at any rate, full sovereign powers. The system thus works in an unjust manner in more than one way. The Indian rulers have to govern their subjects with diminishing resources and with no idea as to what they would be. Their subjects have to bear the burdens of a double taxation.

It is the British Indian Legislature that has created the Tariff Board. The evidence which it has recorded hitherto relates to conditions in British India only. But the results of its recommendations will also affect the one-fifth population of India which is under the rule of Indian States.

While making its recommendation, the Board will apply the laws of economics as modified by the existing condition of the people and the system of governing it.

It was for this last named reason that Professor Jevons while admitting the justness of the claim of the Indian States to a share of the customs revenue of British India suggested that the claim should be admitted only in proportion to the expenditure incurred in works of public utility by a State. Such a recommendation, howsoever in accordance with abstract justice, is not practical politics.

But it is no doubt true that the life of a State is guided by its political institutions. If the resources of a State have not been developed in a particular manner or have not reached a certain stage in its development, a tariff laid down according to certain notions might prove its ruin, instead of its salvation.

It is plain to anybody who has eyes to see that all parts of India are not equally developed. Had they been under one system of Government the backwardness of one part may have been compensated by the development of another. For instance, increased and rapid means of transport are desirable in proportion to their efficiency, but to a purely agricultural state, railways may be too costly and be eventually detrimental to the economic interests of its people. For a big state containing differently developed parts, a system of tariffs aimed at a particular object may be

good in the aggregate, but could it be so to a state which is quite unsuited to a particular tariff?

Hitherto, the policy of the Government of India in the matter of customs duties was purely guided by its revenue requirements. But the Fiscal Commission has declared itself for a protectionist policy only modified by the proviso that it should be applied with discrimination. It is as the result of this recommendation that the Tariff Board has come into existence. It is out to examine every industry that is existing or could be brought into existence and to recommend how much, or if at all, protection is to be given to it by means of tariffs, bounties or some other sort of preference. It is obvious that the last two measures will not directly affect the subjects of the Indian States except that they may support a competitor. But any raising or lowering of the duties will not fail to influence the economic life of the people of the Indian States.

The Cotton Industry is perhaps the largest industry in India. The inroads of the foreign cloth detrimentally act on the interests of India as a whole. There may be cloth manufacturing by machinery in some Indian States only, yet it is, or was, an almost universal industry in India. Any protection given to it will be welcomed by all the Indian States including British India. Similarly any protection given to the manufacture of glass will be welcomed all over India as any inconvenience caused by the higher price of that commodity is not only bearable but could be

gladly borne in the general interest of the country. So also duties levied on the import of sugar, if they would lead to an increase in its production in the country, would not be grudged.

But perhaps such would not be the case with steel, or at any rate, in the case of all its products. They are required for internal development, some of which could not wait, or would be against the human nature to wait, and if the protective duties would lead to a rise in their prices owing to the want of an adequate supply of the home-made articles, then some other means for their protection than the levying of high import duties on steel and its products are required in the interests of the Indian States at any rate, so long as the production in India has not increased to such an extent as to meet all the legitimate demands of the country as a whole, i.e. what is governed by one tariff system.

If the findings of the Tariff Board are not to be unjust to any interest, and the question which affects the one-fifth population of India cannot be excluded from that description, it is necessary that the Indian States should be represented not only before it but on it. Since the recommendations that it will make will not only affect the economic wealth of the people in British India, but also of the Indian States under Indian rulers, they must be based on a clear understanding of the economic, social and even the political life of the people, not only as a whole but also under different governments. It may be that in the political life, in the interest of the majority, minorities

have to be sacrificed. That is perhaps the concomitant result of the struggle for existence. But it is one thing to take a certain step blindly and it is another to do so after understanding its pros and cons. In these days of moral fervour, when solicitude is shown for the representation of minorities, even the democracy in British India will admit that while it itself claims the application of the principle of no taxation without representation, it would be wrong for it to deny it in the case of the large population inhabiting the Indian States. To pure economists, the point of view offered by the States in the matter of currency, customs duties and tariff reforms opens different avenues of economic thought. So long as a foreign bureaucracy governed the destinies of the country it was at least expected to be impartial and just to all the parties concerned. Since however it is being replaced by democracy which may be more careful of its own interests than of those whom it unconsciously and indirectly, nevertheless powerfully, governs. The duty then of guiding it according to pure economic principles at least in the case of those affected by its rule devolves both upon the abstract thinkers and the practical economists. The future Tariff must therefore take account of the Indian States and the Tariff Board at work will run the risk of being partial and unjust, if it ignores their point of view either through non-representation or some technicality.*

* A paper read before the Indian Economic Conference of Bombay in 1924. By Sardar M. V. Kibe.

Bhor State Subjects' Conference

SEVENTH SESSION



Presidential Address

DELIVERED BY

Prof. G. R. Abhyankar, B.A., LL.B.

Professor, Law College Poona and Pleader, Sangli

AT

Pali, Taluka Sudhagad, Bhor State

ON

12th January 1930

POONA: PUNJAG.

Printed at the Aryabhushan Press, House No. 936/2, Peth
Bhamburda, Poona City, by Anant Vinayak Patvardhan
and published at Pali by Mr. Purushottam Sadashiv
Athavale, Secretary, Reception Committee.

1930

with the best compliments
of G.R. Abhyankar for favour of
insertion and Editorial notice.

SEVENTH SESSION

Prof. G. R. Abhyankar's Presidential Address

Date 12th January 1930

BROTHER DELEGATES AND FRIENDS,

I sincerely thank you for your kindness in extending to me, your invitation to preside over the Seventh Session of your Conference. The first two conferences were held at Bhor in 1922 and 1923 under the presidentship of our distinguished countryman Mr. N. C. Kelkar. The next two were held at Nasrapur and Vele presided over by my friend and colleague Mr. Vamanrao Patwardhan in 1924 and 1925. The fifth was held at Uravade under the chairmanship of my esteemed coworker Prof. Bhopatkar in 1927. The sixth was held at Hirdoshi in 1928 presided over by that veteran renowned scholar, antiquarian, and historian Mr. C. V. Vaidya in 1928. It appears you have chosen outsiders to preside over your Conferences, who are not subjects of this State. Perhaps you think and very rightly, that *bonafide* sympathy for the State and genuine interest in the State, is a sufficient credential in your eyes for an outsider to guide your deliberations. Perhaps there may be another object in selecting outsiders to preside over your conferences. Your desire probably is that such a stranger should take a detached, disinterested and thoroughly impartial view of the situation and that he should endeavour to suggest remedies with the experience of similar situations elsewhere. It is common experience, that those who are outside the game see more of it than those who are actually taking any part in it. Whatever your motives may be in obedience to your summons I have come and wish to serve you heartily and

sincerely but you will have to take me with all my limitations. Looking to my predecessors I am conscious, that you will not realise your expectations, which you may have formed from past experience.

A. CONTRAST

Yours is the seventh session and I am sincerely glad that it synchronises with the seventh year of the beneficent rule of Shrimant His Highness Rajesahab of Bhore. If you compare the disabilities under which you were labouring before Shrimant Babasahab's accession to the Gadi such as (1) the existence of the prohibition of public meetings and speeches (2) imposition of petty, vexatious and harassing taxes, (3) moribund and unprogressive administration, (4) a discontented peasantry (5) poor, struggling and corrupt service, (6) neglect of sanitation and education and (7) the total absence of the association of the people with the Government. I am sure you must be satisfied with the considerable progress, which has been achieved during the past 7 years under the enlightened and progressive rule of His Highness Shrimant Baba Sahab. If you compare your resolutions with the resolutions which you have successively passed progressive evolution of good government will be marked at every step. (1) The order of prohibition of meetings was cancelled and your first session was accordingly held. (2) On the assumption of powers by the present ruler the inequitable and vexatious taxes, yielding an income of Rs. 12000 annually were abolished. (3) Primary education has been made completely free. (4) Revenue to the extent of 35 thousand was remitted as a gift to the Rayats. (5) A dispensary at Pali and a Vedic school at Bhore have been established. (6) Service rules have been changed. Increment of salary, provision for pension and travelling allowances have been made, regard being had to the limited resources of the State. (7) Local self-government institutions are being introduced, and last but not least in importance is the creation of the Legislative Council with powers to ask questions, to move resolutions and to discuss the budget. Every one, even a

critic like myself, carrying on the agitation of the reform in the Indian States cannot but feel greatly satisfied about your success in the past.

A LONG LEEWAY

No one would be so hazardous as to say that you have reached the goal. It is yet too distant and too indefinite. But one thing is quite sure that you are on the right track and on the safe side too. You have to make up, a long leeway of good administration. It is necessary that at least every village with a population of 3 to 4 hundred, must have a free primary school, a good supply of drinking water, with proper sanitary needs well attended to. Two of your Talukas are bitterly complaining of drought and famine and there is immediate necessity of protective and productive works in these Talukas especially. Your whole territory is hilly and requires urgent means of communications, which also will entail heavy cost. Medical and sanitary relief is very meagre and steps will have to be taken to incur very large amount of expenditure on this head. The lower grades of service require also to be rendered more efficient by increasing the salary. Facilities for higher education are wanted. Female education seems to be in a very backward condition. In fact the amenities of good govt. are not yet adequately provided and strenuous efforts on your part would be necessary before you reach any substantial measure of material, moral and cultural advance. With a State with resources hardly exceeding in an aggregate four lacs of rupees deducting alienations of land revenue and charities and with a population numbering 130000 with an area in extent 925 square miles and with five administrative units it is extremely difficult to bear the weight of responsible government. Responsible government is not a cheap luxury as pointed out by our distinguished country man Sir Vishweshwar Ayya in one of his books. Popular demands for comforts of the latest type and for all conveniences of life, and a decent wage are getting so persistent and are so costly that they are bound to tax the resources of the State to the utmost. The whole budget of the state is now before you and it lies with you to show ways and means,

as to how you can improve the efficiency of public utility Departments and how you will increase your finances. I am glad to see that the non-official members in your Legislative council have not shirked this responsibility. They brought forward a resolution in the last session and the Rajesahab too has given effect to the resolution. The only head of expenditure against which the people in every State under an autocratic rule, have to complain and complain bitterly is that of the privy purse. The present expenditure on this head in your State no doubt exceeds the percentage which has been recommended by the Chamber of Princes. It is now in the neighbourhood of nearly 25 per cent of your net revenue. But I hope and trust that regard being had to the exceptional necessities of the Royal household His Highness the Raje Sahab will be pleased to exercise a moderating influence in this respect in view of the fact that he has other sources of income to meet the household expenditure. I do not claim any close acquaintance with your administration and I must candidly admit that I am open to correction.

SOME STRIKING FEATURES.

Taking a bird's-eye view of your budget estimates there are two or three things which struck me most. In this State, nearly one eighth of the total revenue i. e. an amount of nearly fifty thousand rupees is devoted to charities and endowments per year. I would rather like to know if the Charitable Endowment Act is in force in the State and if the huge amount spent annually is spent in furtherance of the original objects of those who endowed them. No Government would be justified in any way curtailing this expenditure; but it is equally necessary to see that public money is utilised for legitimate and proper purposes. I also find that along with the State police there is an expenditure of nearly thirty thousand in the year 1928 and 1929 and also 1930 on the head military. When there is adequate police machinery the continuance of military expenditure in these days appears to cause unnecessary drain on your limited resources. I would request you to press upon the

authorities concerned, considerable reduction in this head and the saving thus effected should be spent on education and sanitation. I also find that there is a considerable surplus invested in Government securities. I would earnestly request you to consider if it is not possible to advance a portion of this locked up capital as a loan to your own Taluka people on the same terms of interest to be utilised for protective and productive irrigation works and for construction of communications in the Talukas where it is a crying need. If any relief against famine is possible in the Shirwal Taluka at a cost of a lac or two of rupees, I think the people of the Shirwal Taluka would cheerfully bear this burden and would willingly repay the loan with easy interest by decent instalments. I request the authorities concerned to see if it is possible to give relief to certain hard pressed Talukas of the State by such schemes of loans if they are found feasible and practicable after mature consideration. Mere agricultural loans would not help to solve this question, nor is it desirable to burden the whole population of the State, with such an outlay. Loans to particular Talukas is the surer way of relief and the amount advanced being under the jurisdiction and control of the State can be easily recovered. It appears that your forest area is considerable. It does not appear that scientific investigation has been made to ascertain the productive capacity of this resource in the past; but I am glad to note that the non official members of your Council have turned their attention to this question of late. I hope in your Council you will make incessant efforts to bring into existence a definite and practical scheme with the aid of experts which may prove easy of accomplishment within the limited resources of your State.

INAMDARS

There appears to be a large class of Inamdars and alienation-holders in the State, and this class seems to be very vigilant about safeguarding its interests. A curious question was asked in your Council for giving compensation to this class for the abolition of the vexatious taxes in the whole of the State. This demand for compensation betrays

a lack of real perspective and before this class can claim any privileges and protection it is necessary for these landowners and aliens to show that those holding under them, as tenants, are treated with equity and justice and that they do not bring the pressure of rackrenting landlordism on them. Equity like charity begins at home and those who claim equity from the State must be prepared to show the same to others below them and must come out with clean hands.

YOUR COUNCIL

Your Council has come into existence only in August of 1928. I find from its proceedings that there is a spirit of co-operation between the officials and the non-officials in the State and this indeed augurs well for the future. If you examine the history and growth of the British India Legislatures there is no reason for you to be disappointed with the constitution given to you last year. An admixture of few nominated members at the outset with power to advise on legislative matters only, then an increase in their number then a system of partial election and official majority, and increased right of discussing the budget and putting interpellations, then elections and non-official majorities, right of moving resolutions, asking of supplementary questions; then further elected majorities, votable and non-votable division of the budget, partial introduction of responsibility, admission of non-officials to Executive Councils.--This has been the process of evolution of legislatures in British India. You are asking for the right of electing your representatives. From the manner in which you will acquit yourself during these first three years of the present Council I have no doubt that your sympathetic ruler His Highness Shrimant Baba Saheb will favourably consider your request. You have now got the Council; you have got the opportunity to ventilate your grievances, to bring your hardships to the notice of the authorities concerned through it. You can ask for more sittings of it and show your desire to work for the betterment of the lot of the people. You have the budget before you and if you can show successfully the ways and

means, many of your difficulties would be nearing solution very soon. The experience of the year and half clearly shows that the Executive Government of your State has shown sympathy with your aspirations and if the representatives of the people conduct themselves with a due sense of responsibility I have no reason to think that there would be any cause for your disappointment.

REVERSE PROCESS

The political evolution of your State has been of an extraordinary character. Political agitation leads to discontent and this in its turn breeds a spirit of violence and direct action. In your case you have reversed the order. You began your agitation with direct action and civil disobedience and within 7 years you have been peaceful and constitutional legislators, co-operating with the State in bringing about the necessary reform. I therefore take this opportunity of congratulating you and your esteemed ruler on this happy consummation. You have also your own responsibilities in this matter to discharge; you have been now associated with the Government; you must broaden under this responsibility. You have to be very careful about your criticism and very correct about your facts and very vigilant about your liberties. You have seen that the policy of obstruction pure and simple has not proved of any good to anybody. There is also no reason why with such a courteous and well meaning ruler, with the Executive, tempered by public sympathy you should not succeed in the task of uplifting the masses. I am quite sure that if you pursue your agitation vigorously and systematically, with a due regard for the welfare of the State and its subjects and its ruler I have every hope and confidence that you will attain the position of an autonomous state with responsible government functioning under your hereditary and constitutional monarchy. Before leaving this point I must make mention of the efforts made by Messrs. Sheta, Potnis brothers, and other workers who have brought about the present state of affairs by hard work and immense self sacrifice. I have named only three because I have come in contact with them.

But I know that in the Bhore agitation there have been hundreds of Shetes and Potnisas who have suffered with their leaders. You have yet your various differences on important matters with the State. But the only means of redress for them all, is that of arbitration by officials and non-officials together, a method which has been resorted to about one very intricate and very burning and complicated question in your State. As a critic of the Indian States it has not very often fallen to my lot to praise the constitutional government of any ruler. But long before I knew His Highness the Pant Sahib personally, I, as the president of the 6th Session of the Deccan States' subjects, Conference publicly stated about him as below:—"His Highness the Pant Sahib of Bhore has shown broad-minded statesmanship in not assuming a repressive attitude towards popular agitation and in taking the people into his confidence and in making honest efforts to redress their wrongs. I hope this ennobling conduct of His Highness the Chief Sahib of Bhore would be emulated by his brother princes in the Deccan." Four years have elapsed since I made this statement. Since then I have come in closer contact with His Highness, with his institutions and with some of his officers and leaders of the people and I feel proud to say that I stand by this statement even today. The constitutional instinct which your Highness has shown in associating his people with his government and in taking them into his confidence and in dealing with popular disputes in a spirit of real, earnest and *bonafide* compromise has still more elevated him in my estimation and I sincerely rejoice at his successful career. Confidence begets confidence and if His Highness continues to keep abiding trust and confidence in his people and if he welcomes the co-operation of the leaders of the people and if he does not show any distrust about their motives and if he entertains a feeling of regard for them I am quite certain that his name will go down to posterity as the most enlightened and popular ruler of the Bhore State. I have so far dealt generally with what appeared to me to be the very broad features of your administration. I am quite sure you will freely and fearlessly ventilate your grievances, of which I am ignorant, in a

satisfactory manner during the course of this Session. But it will not be out of place for me to refer to some broad questions which affect this State and along with other States, on the external side.

SCOPE OF THE ROUND TABLE CONFERENCE

The most important question which is agitating the minds of the Indian States people at the present moment is the exclusion of their representatives from the proposed Round Table Conference. It is necessary at the outset to make the position clear that the States' people do not desire or do not want that the Round Table Conference should deal with the internal affairs of the Indian States. The scope of this Conference, as defined in the Vice-regal declaration is perfectly well understood and the request on behalf of the Deccan States People's Conference was made with full consciousness of this limited scope. The States' people know that representatives of all parties and interests in British India are not directly concerned with this question. Besides this does not arise, as a direct and immediate issue, in the discussion of granting Dominion Status to India. Neither the Butler Committee nor the Simon Commission is concerned with the internal affairs of the States. As pointed out by Lord Olivier, it is a distinct problem which in his opinion deserved to be considered consistently and concurrently with the broad constitutional problem, relating to the whole of India. I am, therefore, sorry that there is a great misunderstanding about the desire of the States' people for the inclusion of their representatives in the Round Table Conference. The reply of H. E. Lord Irwin states that questions concerning the internal governments of the States will not arise at the Conference. We do not desire to raise these questions there. No Indian State subject would wish that the dirty linen about the internal conditions of the Indian States should be washed at this Conference. They wish to reserve it for a separate inquiry. The demand for the appointment of a Royal Commission for this purpose has been made and the same question will be vigorously agitated independently of this Round Table Conference. Bearing this fully

in mind we still maintain that the presence of the representatives of the people in the States is quite indispensable when considering broad questions of constitutional policy.

A TRIPARTITE AFFAIR

Another misconception which is apparent in the speeches of some liberal leaders is that the problem of the reform of the internal conditions in the Indian States is a matter with which only the rulers and the ruled in the States are concerned. Sir Pheroze Setna in his presidential address at the Madras Session has said that the people in the Indian States are the architects of their own destiny and they must secure their salvation from their rulers. British India can give them only moral support'. We have, however, to point out that the Indian States' people are fully aware that British Indian people at present cannot help them directly in bringing pressure upon the rulers to bring about improvements in the States. It, however, appears that one important consideration is altogether disregarded by these critics. The question of internal reforms is not a bilateral but a tripartite-affair. The Paramount Power is the most dominant party in the consideration of this question. If the matter of reforming the internal conditions had rested only with the people and their rulers, responsible Government in the States would have been an accomplished fact long ago and the States' people would never have implored outsiders to assist them. When-ever there is gross misrule in any State it is the birth-right of the people to remove the cause of that misrule, let it be the ruler of the State, his ministers or the hirelings. This is a principle recognised even in the great Magna Charta. The Paramount Power denies the people of the States the exercise of this legitimate right of theirs. The Paramount Power on the ground of treaties and royal proclamations does not allow the people of an Indian State to eliminate their ruler or to bring about a change in the form or personnel of that Government as they like. This has been clearly stated by the Butler Committee in paras 49 and 50 of its report. The Committee has further explained that the guarantee to

protect a prince against insurrection carries with it an obligation to inquire into the causes of the insurrection and to demand that the prince shall remedy legitimate grievances and an obligation to prescribe the measures necessary to this result. Although this dictum has been laid down, experience shows that the Paramount Power interferes only when people are goaded to desperation. This exercise of the residuary jurisdiction vesting in the Paramount Power is not only half-hazard, as sagaciously observed by Sir C. P. Ramaswami Iyer in his speech delivered as chairman of the Reception Committee of the N. L. Federation but has been the sole cause of the moral degradation of the states.

CONFESSION OF THE PRINCES

Even the princes are conscious of this baneful effect of guaranteed protection. The latest book published on behalf of the Chamber of Princes, "British Crown and Indian States" at page 120 states as below:—

"The blessing of external protection removes what is perhaps the greatest incentive to able administration namely the ruler's fear of his own subjects if he does not give them satisfaction. It is a Greek gift which indirectly has done more than anything else to keep the Indian princes and their states from progressing at the pace of British India."

This indeed is a candid confession and shows how the guarantees to the princes afford them not only security but protection with vengeance. The fact of the matter is that if the Paramount Power would leave the princes and the people alone and would never interfere in their internal affairs, even if it be a case of rebellion, just as was the policy of the British Government in connection with Bikaner under similar circumstances in 1830, the people of the Indian States would secure their emancipation in no time. The Paramount Power does not allow the people to revolt, or to dethrone a prince for maladministration or to eliminate him or to bring about a change in the form of Government. And the self same Paramount Power generally does not interfere to secure good government to the people. The people, therefore,

are reduced to the position of abject helplessness. They cannot even dream of opposing this mighty Paramount Power. This is the cause of the present deplorable condition. The question, therefore, of the reform of internal administration does not rest only with the rulers and the ruled but assuredly rests with the Paramount Power. The appeal to the British Indian people is made solely with the object of enlisting their sympathy for bringing pressure to bear, not upon the rulers but upon this paramount power to make it alive to its sense of duty in this respect.

THE CONSTITUTIONAL ISSUE.

Concerning the Round Table Conference and confining ourselves strictly to its scope as outlined by His Majesty's Government, so far as Indian States and British India are concerned there are only two issues that would arise, one is of a constitutional character and the other is of a fiscal nature. Regarding the constitutional issue the States' people maintain that they have a right to be heard before this Conference along with British Indian representatives. It is necessary at this Conference to consider the political status of the future Government of India or the Dominion Government vis a vis the States. At present the superintendence, direction and control of the States rest in the Paramount Power. The definition of Paramount Power is very briefly and correctly given in para 18 of the Butler Report. It means the present Government of India as constituted under the statute of 1858 by Sections 1, 2 and 33. The constitutional question now is, whether the future Dominion Government will inherit all the powers of the present Government of India. If this is conceded on all hands there would be no urgent necessity of any representation of the States' people at this Conference. We, however, know that the Indian princes are strenuously urging that their relations are with the Crown directly; that the present Government of India are not entitled to any sovereign rights over the Indian princes and that they have no power to interfere into their internal affairs. "The British Crown and the Indian States" has made this position

abundantly clear at page 105. The princes urge that the crown has only definite rights of a contractual character and that relations created with the Crown cannot be transferred to a new Government in British India, without the consent of the Princes. The Butler Committee has upheld some of these contentions and when the question of the constitutional position of the Dominion Government towards the States will come for discussion at the Round Table Conference the Indian princes will frantically oppose that the Dominion Government should be vested with this authority of the Paramount Power and that the Dominion Government should possess the power of intervention into the affairs of the States and that this future Government should have the power to suggest measures of reform to an Indian ruler, to satisfy wide-spread popular demand. This is the crux of the situation. Unless guarantees are given that the future Dominion Government would on no account interfere into their autonomy and would never exercise the residuary jurisdiction, the Indian princes would never give their consent to any scheme of Dominion Status of their free will. The princes stoutly oppose the idea that the future Dominion Government alone will be the true representative of the Crown and the only authority to succeed to all the rights and obligations of the present Government of India. Sir Sivaswami Iyer has stated that the Paramount Power interferes very seldom and only in cases of long, gross and flagrant misrule and therefore the present issue is not about exceptional powers. We have, however, to urge that this is the vital issue. It is on this issue that the princes would bitterly fight. Afraid of democracy the princes would never consent to the grant to the future Dominion Government of those exceptional powers of intervention to correct misrule. The brunt of the argument addressed to the Butler Committee consisted in this.

On the other hand, the people of the States, urge that unless they are represented at the Conference, there would not be a fair and full discussion of the question of the transfer of the authority as a paramount power and of the residuary jurisdiction to the future Dominion Government. The States people

cerned I have shown how urgent it is to invite the representatives of the States' people.

THE ECONOMICAL ISSUE

As regards the fiscal or economical issue also the people of the states are equally entitled to be invited. By reason of the fiscal and economic policies the States' people are indirectly contributing taxation to the British Indian Exchequer. The princes are fighting for some relief. So far as this is concerned there is no conflict between the rulers and the ruled. But if however any relief is to be given to the Indian princes in this respect it is absolutely necessary to see that this relief goes towards the benefit of those who have been indirectly paying this taxation. The people of the states maintain that adequate guarantees should be taken from the rulers that they appropriate this relief to the public utility departments and not to swell their private purse. The people of the states alone can say with authority whether the guarantees, are adequate, real and substantial. In their absence mere pious expressions of the rulers would seem to suffice to outsiders and serious injury would be caused to 70 millions of people. These are therefore the salient points as to why the States people deserve to be invited to the Round Table Conference.

SAD IRONY OF FATE

I cannot help remarking that it is really a sad irony of fate that at a time when serious effort is being made to give practical and tangible shape to the cardinal principle of British policy in India as contained in the declaration of 1917, the Indian princes, who have not accepted or respected the declaration of 1917, or have not shown their slightest willingness to act up to it, as the goal of their administrations, are invited as persons who can speak with authority and that the people of the Indian States who have unequivocally given their support to this declaration and have been urging on the Indian rulers to accept the same, as the goal of their administrations are not invited to attend and are considered as unqualified to

speak, Mr. Benn, the Secretary of State for India, has very sincerely stated that the object of convening this conference is to know and understand all points and all arguments connected with this problem of Dominion Status. I venture to ask, if the arguments addressed above are not worthy of a hearing. It is most pertinent to note that the Round Table in its issue of December 1919 has observed that His Majesty's Government will have to hear all parties including presumably the subjects of Indian States.

OUTLINE OF OUR WORK

We are now passing through a most critical stage in the history of our nation. The ultimatum has been given by the most influential and the most powerful political organisation in the country. The Congress has declared independence as its goal in the early hours of this year. As yet there is no constructive programme formulated as to how this is to be accomplished. But one thing is quite certain that this will seriously affect the activities of all political organisations working for the attainment of Swaraj. It is therefore necessary to envisage the line of work which we have to follow. This creed of obtaining independence, not by any means possible, but by the programme of non-violence has I think the savour of expediency. If expediency, practicability and advisability are to predominate in determining your goal I think we of the Indian States people have to stand aloof from this creed. We have got to consider our own environments and our peculiar disabilities. In the first place British India is labouring under one despotism of foreign yoke. We are labouring under double despotism—one of our rulers and the other of their overlords namely the Paramount Power. Political agitation in the States is nearly 50 years backward compared with that in British India. Since the firm establishment and consolidation of the British Indian Empire a century has passed during which good government has been enjoyed by the British Indian people. But in the majority of Indian States—let alone the question of self-government—vestiges of good government cannot even now be traced. With such outstanding differences in the rela-

tive positions of Indian India and British India we cannot think of joining this movement of independence out of sheer instinct of self-preservation. Agitation for Independence means and as it is declared in the Congress speeches, direct action against the rulers of British India. We cannot imagine how we can resort to direct actions, within State limits not against the rulers of the States but against the rulers of British India. Those of us who approve of this movement can sympathise with it but cannot take any direct part or cannot do any work so as to diminish the prestige or power of the mighty British Government. If we go out of the State jurisdictions and join the rank and file of the independence walls we become one of them, absorbed in them and we lose our individuality. Assuming independence is achieved by this method what guarantee there is that we shall live as separate entities. We may be completely amalgamated and unified with Bharat-Warsh and geographical distinctions of State and non-State Territories would be completely obliterated. If therefore, there be any people amongst us, who desire the total extinction of Indian States as such and the complete absorption of this Indian India into one solid unit may follow this path. I do not at any rate share these views.

INSINUATIONS OF THE BUTLER COMMITTEE

Circumstanced as we are we cannot afford to non-co-operate with the present British Government. As the principal cause of our present degraded condition is the differential treatment of the Paramount Power towards the princes and the people of British India, we have to do our best to bring maximum pressure upon the present Paramount Power to abandon the non-intervention policy and to allow us the fullest exercise of our birth-right, namely the right to secure responsible government for our own States. The Butler Committee has laid down a vicious, unstatesman-like and most unsound policy for the Indian States people to attain self-government. If there is gross misrule the Committee thinks that it is not the duty of the Paramount Power to take timely action *suo moto*. The Com-

mittee does not advise any preventive measures to keep the Indian rulers quite straight and not to allow their Government to degenerate into misrule. The Committee desires that the people should raise a standard of revolt and then only the Paramount Power would feel justified in interfering into the affairs of a State, to prevent disorder and to protect people from gross, long and flagrant misrule. It is needless to say that this criterion laid down for intervention is not only thoroughly unjust but unwise and impolitic. It means a direct incitement to the people to revolt against the States. Similarly, unless the people threaten to eliminate a ruler or to bring about a revolution by changing the form of government, the Committee lays down, that the Paramount Power would not feel justified to suggest remedies to a ruler to satisfy wide-spread public demand. This doctrine is equally dangerous and most reprehensible. A writer in the "RoundTable" of December 1929 observes as below. "But to the extremely delicate question of the attitude which the paramount power should adopt towards a growing demand within the state themselves for self government the Butler Report offers a cryptic reply.....But it lends itself to inconvenient varieties of interpretation."

We are sorry that responsible authorities of the British Government have not yet repudiated the dangerous insinuations of these observations of the Butler Committee, as made in paras 49 and 50 of their Report and have not enunciated any policy, to timely prevent the growth of tendencies in the autocratic rulers to deteriorate into misrule and to dictate the Indian princes to bring up their administrations to the model of British India.

OMISSION OF THE PARAMOUNT POWER

It is pertinent to note that during the last 12 years since the declaration of 1917 was made, not a single Secretary of State for India, not a single Viceroy has openly and unequivocally recommended this declaration, as a safe guide to follow, to the Indian rulers. I can understand and appreciate the hesitation of the Paramount Power to force this declaration down the throats of the auto-

cratic rulers. But what was there to prevent the authorities from giving this salutary piece of advice. If this advice had been repeated during the last twelve years by the representatives of the Crown in this country, much of the mischievous agitation, which the shining lights of the Chamber of Princes have been carrying on would have lost its strength and vigour. If the paramount power had evinced its admiration and regard only for those princes who had adopted the principle of responsible government as their goal and had not thrust and poured honours on those undeserved princes who have been most vociferous in the Chamber of Princes and elsewhere and who have most ignominiously and studiously evaded expressing their approval of this declaration of 1917 or accepting it as the goal of their own administrations, a most favourable atmosphere would have been created by this time. The Paramount Power, therefore, comes in for a large share of blame in not popularising and emphasising this cardinal policy of British administration, in the Indian States. Whatever that may be, so long as the dictum of the Butler Committee, stands uncontroverted and so long as the Paramount Power is wedded to the discredited policy of non-intervention and is assuming deliberate indifference for the good of the people in the Indian States it is necessary for the Indian States' people to work under these limitations. We have, therefore, to carry on a strenuous, vigorous and continuous agitation within the limits of the States, for good government and for responsible government under the aegis of our rulers. By the intensity of our agitation inside the State and outside the State we must bring pressure on the Paramount Power to bring up the administrations in the States to the level of British India. This is, therefore, a programme which will require and occupy the energies and the sacrifices of thousands of our workers in the sacred cause of our emancipation. Even the National Congress, with the declaration of independence has advised the rulers to establish responsible government in the States. It has not advised the people in the States to declare independence or to demolish autocracies or to establish republican forms of Government.

Within the latitude, which is legally allowed to the States' people and which has even the sanction of the Congress let us all devote our energies to the attainment of responsible Government within our States. If each State people take care of themselves Indian India will automatically take care of itself. We need not worry about our external relations with the British Indian administration, at the sacrifice of our legitimate work as there are better qualified persons than ourselves to take care of British India and ultimately of the whole country our *motherland*. This is my humble advice to you and I hope and trust that you will agree with me in this immediate programme of our work. I thank you most sincerely before resuming my seat and conclude with a fervent prayer to the Almighty to grant you the will and strength to serve the mother India.

SANATANA DHARMA AGENCY SERIES—No. 7.

HINDU LAW
OF
Marriage and of Consummation.

FIXATION OF TIME.

COMPILED BY

M. M. ANANTA RAU,

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(Head-quarters-Madras) and Madras Provincial
Secretary of Sri Bharata Dharma Maha-
mandal (Head-quarters-Benares.)*

PUBLISHED BY

THE AGENT, SANATANA DHARMA AGENCY,
40, ISWARADAS LALA STREET, TRIPPLICANE, MADRAS.

PRINTED AT

BAO'S PRINTING HOUSE, TRIPPLICANE, MADRAS.

1929.

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PRINTED AT
RAO'S PRINTING HOUSE,
TRIPLICANE, MADRAS,

INTRODUCTION.

This book is mainly intended for the information and guidance of the Government of India, the Provincial Governments in India and their Councils, both central and local. Authors on Hindu Law (when revising their books) and those who intend writing books on Hindu Law and the Law Courts may find in this book very useful matter only in regard to that aspect of the subject of the Fixation of Time in the Hindu Law of Marriage and of Consummation. Communities other than the Hindu Community will find in this book matter of great interest and understand that the Fixation of Time clearly brought out in this work has not only its physical and moral but also its highly spiritual significance. One great feature of Hindu Law as applied to the actions of a twice-born Hindu is that for any act or a series of acts, such an act or a series of acts, has first to be sanctified by a religious ceremony, with the chanting of the Vedic Hymns, which ceremony maintains the purity of the body and the intrinsic nature of its caste as the outcome of birth. For example—a man and a woman have to remain together throughout their life in a conjugal relation. This conjugal relation has to be sanctified by a religious ceremony called, in popular language, “the marriage religious ceremony” (with the chanting of the Vedic Hymns). This religious ceremony sanctifies the conjugal relation and gives the married pair spiritual sanction to remain together in holy wedlock throughout their life. It is a strict religious injunction that soon after marriage the home of the wife is nowhere else than the house of her husband. The period of tenure of the wife's residence in the house of the husband between “the marriage religious ceremony” and “the consummation religious ceremony” gives the married pair time and opportunities enough to cultivate fully a conjugal unbreakable friendship (comradeship) and prepares them for an united one-life and gives the wife full time and opportunities for getting herself trained in all the various minute details in the duties of a true Housewife in the house of her husband.

The Hindu Law makes the position of woman very unique in the Hindu Family System. As soon as a girl is married she assumes a greatly dignified and responsible place in the Hindu Family—i. e., of that of the Lady of the House, a position more honourable than which she cannot find another anywhere else outside the House. As woman has been an object of pleasure and

enjoyment, the great Hindu Law-givers, when they codified the Laws, were very careful enough to see that she would require full protection from any and every one who could find in her a source of enjoyment. So it was codified by the Great Rishis that woman ought to be protected throughout her life—while in young age by her father (or guardians), while in marital state by her husband and if the husband should die before her, by her son (or some one nearest relation who could protect her). She has thus to remain dependent always on the Protector. By giving independence to woman the Great Hindu Law Givers must have had in mind the fact that it would be quite impossible for her to maintain the purity and the chastity of her body and her mind. Knowing full well that even under Protection this might be the case, the Hindu Law of Marriage has been given to us with all the safeguards necessary by the systems of Early Marriage and Early Post-puberty Consummation. The fundamental principle involved in the system of Early Marriage is that the earlier a marriage is celebrated before the beginnings of sexual development the better are the spiritual and temporal benefits that could be secured, as the mind of the married couple remains unaffected by the promptings of sex for a longer period, when only they may cultivate to the full all those permanent traits of character which are required for a united life—viz. devotion only to husband, chastity, godliness, dutifulness in regard to house-hold matters and the like.

The Ayurvedic Science of Medicine meant for Indian conditions clearly lays down that a girl generally menstruates at 12 years of age but owing to differences in constitutional developments of different girls, the time of menstruation may precede or follow this usual age of 12 years. Therein it is also clearly laid down, in unequivocal terms, that the time of first menstruation is sufficiently indicative of a girl's fitness for consummation and on this point the Hindu Law also is very clear and is consistent with the Ayurveda. As stated above, for acts of consummation also, a religious ceremony is necessary. This must be performed soon after the first menstruation within 16 days. This ceremony cannot be postponed, except in certain cases, and if postponed intentionally it brings on an heinous sin to the party responsible for the same and there is no ceremony to expiate such a kind of heinous sin intentionally committed. Physically, the girl would be losing her vitality every menstrual period or she would conceive a foetus in the womb without the male element in it, which will only lead to abortion. Thus the health of the girl would be endangered in both ways—leave alone the immoral consequences.

While compiling this work I have taken help from the discussions made and resolutions passed in the various innumerable Religious Hindu Conferences, Meetings all over India, and the Decisions given by the Heads of Mutts and their Agents, from the various Books of Authority (Vide list under "Contents") and I am also very much indebted to some versatile Sanskrit Savants especially amongst whom are Sribhashyasimhasanam Vidwan Nadadur Tirumangalam Narasimhacharya Swami of Madras, Retired Sanskrit Vidwan of the Madras Presidency College and Kotikannikadanam Acharyasimhasanapathi Sri Panditabhushanam Vidwan M. Kumaratatacharyaswami of Conjeevaram, the former of whom furnished me with very valuable information on the Law of Marriage and the latter on the Law of Consummation. I am also greatly indebted to Mr. P. Hari Row, B. A., B. L., Advocate of the High Court of Judicature, Madras (and author of the Registration Act 1908; the Bombay Acts (1827—1923); the All India Digest (Criminal) 1911-1923; the Punjab Acts (1798—1924); the Digest of Privy Council Rulings (1913-1925) and the Police Act, 1861); Mr. M. Sampathkumaracharya, B. A., Retired Superintendent of the Board of Revenue, Land Revenue (Madras) and the brother of the late Rao Saheb Professor M. Rangacharya, M.A., Professor of Sanskrit and Comparative Philology of the Madras Presidency College; Mr. N. Srinivasa Acharya, M. A., Professor of the Madras Presidency College and Mr. Markandeya Sarma, Editor of "the Swadharma Prakasini" Madras, for the no small help they have rendered me by going through the manuscripts and proofs of the work and by giving me invaluable suggestions for the improvement of this work. In spite of this, it is likely that there might be here and there some imperfections though every endeavour was made to make this book as perfect as possible. I shall be very much obliged to the learned readers for any valuable suggestion they may have to make and in thanking them in anticipation, I would especially request them to write to me to the address No. 40, Iswaradas Lala Street, Triplicane, Madras. Doubts may arise amongst some readers and for removing these doubts I have arranged with the Agent, Sanatana Dharma Agency, to clear them off. As the Agency is working on philanthropic lines and it has no funds to meet any expenditure towards postage etc., enquirers would do well to kindly enclose stamps worth one anna for each time they have to make an enquiry towards meeting the postage for the reply.

M. M. ANANTA RAU,

Compiler.

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SOURCES OF AUTHORITY.

1. The Sruthis—The Vedas and the Upanishads.
2. The Smrithis—The Dharmasastras.
3. The Puranas—The Ancient History.
4. The Ayurveda—The Hindu Science of Medicine.

THE HINDU LAW OF MARRIAGE & CONSUMMATION

COMPILED BY

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FIXATION OF TIME.

CHAPTER I.

DEFINITIONS.

1. Unless there be anything repugnant in the subject or context, the terms used in Chapters II and III are used in the sense herein explained.

2. **Apadkala** means a period of time of distress during which a ceremony is performed without the chanting of the Mantras (10 *Infra*).

3. **Bhrunahatya** ⁽¹⁾ means a sinful act of killing a foetus.

4. **Dwija** means a man or a woman who is regarded to have a second birth in the case of a man by Upanayana Samskara (22 *infra*) and in the case of a woman by Vivaha Samskara (26 *infra*).

5. **Garbhadhana** means an act of impregnating semen into a woman's womb for the purpose of conception.

(1) The Sastras recognise that if a girl on her first menstruation is fit for consummation (Vide 48) she would either be losing her vitality every Ruthukala or she would conceive garbha without the male element, which will end in abortion, if she is not all allowed to have sexual intercourse at proper times after Garbhadhana Samskara within 16 days of the 1st menstruation.

6. **Garbhadhana Samskara** means a purificatory ceremony attended with the chanting of Mantras (10 *infra*) with the object of purifying the generative organs of the girl and rendering them fit for Garbhadhana (5 *supra*) and for allowing the husband and wife the liberty to have sexual intercourse.

7. **Gaunakala** means a period of time during which the performance of a purificatory ceremony brings on a spiritual benefit less efficacious than that mentioned in 11 below.

8. **Jathi** means the status of existence fixed by birth-e.g., Brahmana, Kshatriya, Vaishya and Sudra.

9. **Kamyakala** ⁽¹⁾ means a period of time during which a purificatory ceremony would confer upon the party concerned some desired benefit either spiritual or temporal.

10. **Mantra** means a Vedic Hymn.

11. **Mukhyakala** means a period or point of time during or at which the performance of a purificatory ceremony is ordained to be appropriate.

12. **Nithya** means compulsory or mandatory.

13. **Pathikulavasa** means residing in the house of the husband.

14. **Prayaschitta** means a religious act to atone for sin.

15. **Ruthu** means menstruation.

16. **Ruthukala** means a period of 16 days commencing from the day of menstruation.

17. **Ruthusamaveshana Samskara** means Garbhadhana Samskara (6 *supra*).

18. **Samskara** means a purificatory ceremony attended with a chanting of Mantras (10 *supra*).

(1) The Vedas and the Sastras have recognised that the earlier a marriage is celebrated before the beginnings of sexual development the better are the spiritual or temporal benefits that could be secured, as the mind of the married couple remains unaffected by the promptings of sex for a longer period.

DEFINITIONS.

19. **Sastras** means a fixed or unalterable code regulating religious and socio-religious life and containing mandates enjoining performance or nonperformance of certain acts.

20. **Tantra Karma** means the performance of a ceremony about the chanting of Mantras. (10 *supra*).

21. **Upanayana** means a ceremony which confers the status of a disciple upon a boy.

22. **Upanayana Samskara** means a purificatory ceremony with the chanting of Mantras (10 *supra*) which confers upon a boy a second or spiritual birth (Dwijatvam) (4 *supra*).

23. **Vaidika Samskara** means a purificatory ceremony with the chanting of Mantras (10 *supra*) as prescribed in the Vedas.

24. **Vivaha** means marriage.

25. **Vivahakala** means a time when Vivaha (24 *supra*) should be performed.

26. **Vivaha Samskara** means a purificatory ceremony with the chanting of Mantras (10 *supra*) which confers upon a *vija* (4 *supra*) girl a second or spiritual birth (Dwijatvam) (*supra*).

CHAPTER II.

LAW OF MARRIAGE.

27. All Dwijas are enjoined to perform⁽¹⁾ Samskaras to protect the purity of the Jati.

28. Amongst the various Samskaras enjoined upon the dwijas, Vivaha Samskara is one.⁽²⁾

29. As Upanayana Samskara is enjoined upon Dwija boys so so Vivaha Samskara is enjoined⁽³⁾ upon Dwija girls.

30. As Upanayana Samskara is Nithya⁽⁴⁾ for Dwija boys, so so Vivaha Samskara is Nithya for Dwija girls.

(1) Manu II-26.

(2) Manu II-67.

(3) Vyagrajāda.

(4) Sruthi.

31. If Vivaha is performed in the case of a Dwija girl only before her first menstruation,

- (a) it is rightly called Vivaha Samskara or Vaidika-Samskara⁽¹⁾ and
- (b) it maintains the Jathi⁽²⁾ of the girl, of her husband, and their progeny.

32. If Vivaha is performed in the case of a Dwija girl after her first menstruation,

- (a) Tantra Karma alone should be resorted to—i.e., the usual Vivaha ceremony but without the chanting of Mantras should be gone through and
- (b) the girl, her husband and their progeny lose their Jathi.

33. In the case of a Brahmana girl not menstruated the time commencing 12 years (or the completion of 11 years from birth or of twelve years from conception) has the same effect⁽³⁾ as that which is applicable to the time beginning from first menstruation. (32 *supra*).

34. For Hindu girls the Vivahakala is of four kinds.

35. They are:—

- (i) Kamyakala;
- (ii) Mukhyakala;
- (iii) Gaunakala; and
- (iv) Apadkala.

36. In the case of a Brahmana or a Vaishya girl there is no Apadkala.

37. In the case of a Kshattriya or a Sudra girl there is Apadkala.

38. Vivahakala for a Brahmana girl:

- (i) Kamyakala: ... From the time of birth to the completion of 6 years.⁽⁴⁾
- (ii) Mukhyakala: ... At 7 or 8 years.⁽⁵⁾

(1) Manu VIII-226. (2) Manu X-5. (3) Parasara VII-7. (4) Manu II-37 and IX-88. (5) Sruthi and Manu II-96 and Vyagrapada.

- (iii) Gaunakala : ... From the beginning of 9 years to the completion of 11 years from birth or 12 years from conception.⁽¹⁾

Vivaha celebrated after menstruation or after the attainment of 12th year of age is opposed to Sastras.

39. Vivahakala for a Kshattriya girl.

- (i) Kamyakala : ... From the time of birth to the completion of 6 years.⁽²⁾
- (ii) Mukhyakala : ... At 7 or 8 years.⁽³⁾
- (iii) Gaunakala ... From the beginning of 9 years till the first Ruthu.⁽⁴⁾
- (iv) Apadkala ... From the first Ruthu to the completion of fourth year.⁽⁵⁾

Vivaha celebrated from the beginning of fifth year after first Ruthu is opposed to Sastras.

40. Vivahakala for a Vaishya girl.

- (i) Kamyakala : ... From the time of birth to the completion of 6 years.⁽⁶⁾
- (ii) Mukhyakala : ... At 7 or 8 years ;⁽⁷⁾
- (iii) Gaunakala ... From the beginning of 9 years till the first Ruthu.⁽⁸⁾

Vivaha celebrated from the beginning of first Ruthu is opposed to Sastras.

41. Vivahakala for a Sudra girl.

- (i) Kamyakala : ... From the time of birth to the completion of 6 years.⁽⁹⁾
- (ii) Mukhyakala, ... At 7 or 8 years.⁽¹⁰⁾
- (iii) Gaunakala : ... From the beginning of 9 years till the first Ruthu.⁽¹¹⁾
- (iv) Apadkala : ... From the first Ruthu.

(1) Parasara VII-7. (2) Manu II-37 and IX-88. (3) Bharata. (4) Gautama
Sarma Sutras. (5) Bhodhayana. (6) Manu II-37 and IX-88. (7) Bharata.
(8) Gautama Dharma Sutras. (9) Manu II-37 and IX-88. (10) Bharata. (11) Gautama
Sarma Sutras.

CHAPTER III.

LAW OF CONSUMMATION.

42. In a generality of cases in India a girl attains Ruthu at 12 years of age.⁽¹⁾

43. Owing to differences in the constitutional development of different girls the time of first Ruthu may either precede or follow⁽²⁾ the usual age of 12 years.

44. Every Ruthukala (including the first) is

(i) the proper and the opportune time⁽³⁾ for seminal impregnation and

(ii) the only time fit⁽⁴⁾ for or capable of producing a result in conception.

45. Only those who are intimately familiar with the constitution and health of the girl (*i.e.*, the husband, the parents or guardians with whom the girl is permanently residing) can determine⁽⁵⁾ whether the health and constitution of the girl could permit of consummation and child-bearing at any particular time.

46. A Dwija girl, as soon as her Vivahasamskara is over, is enjoined to have Pathikulavasa.⁽⁶⁾

47. During this Pathikulavasa till her first Ruthu she is given full training⁽⁷⁾ in the duties of the household of her husband.

48. At the time when a girl attains first Ruthu.

(a) if the time when the first Ruthu takes place is found to be auspicious ;

(b) if the girl and her husband-both possess normal health ;

(c) if the married couple have a desire for sexual intercourse; and

(d) if the husband or the wife or both have not been performing or not to perform any Vrata (vow),

(1) Sushruta and Smriti.

(2) Sushruta.

(3) Sushruta.

(4) Sushruta.

(5) Sushruta.

(6) Manu II-67.

(7) Manu II-67.

then within 16 days of the first Ruthukala, an auspicious day is selected for Ruthusamaveshana Samskara or Garbhadhana Samskara ⁽¹⁾ and after this Samskara is performed, the married couple are allowed to have sexual inter-course.

49. If Garbhadhana is postponed intentionally ⁽²⁾ without its being performed soon after the first Ruthukala, the party responsible for the postponement becomes tainted with the sin of Bhrunahatya.

50. There is no Prayaschitta for the sin of Bhrunahatya intentionally committed ⁽³⁾.

(1) Aswalayana, Shaunaka and Bhodhayana, (2) Parasara IV-15, (3) Manu XI-89.

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(5) Sushruta. (6) Manu II-67. (7) Manu II-67.

LAW OF CONSUMMATION

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(1) Asvalayana, Shaunaka and Bhodhayana. (2) Parasara IV-15. (3) Manus XI-89.

NOTE

ON THE

Hindu Law of Marriage and Consummation.

FIXATION OF TIME.

(Intended for those who have not studied the Hindu Law.)

I.—LAW OF MARRIAGE.

There are certain compulsory religious ceremonies enjoined upon the twice-born Hindus in order to maintain the purity of their caste and marriage is one of them. Marriage is a compulsory (mandatory) purificatory religious ceremony giving a girl of the first three castes a second or spiritual birth. It should be performed before she menstruates, when only it can maintain the caste for all Hindus and the rights to any religious ceremonies of her family (including herself) in the case of twice-born Hindus ; otherwise *not*. There is also a time-limit within which marriage should be performed to be in accord with the spiritual sanction ; beyond which it is against Hindu Religion. The period of time during which marriage should be performed is, for the sake of convenience, divided again into four periods :—

First period:—when any extraordinary-spiritual or temporal benefit is desired (Vide-footnote to 9 supra).

Second period:—when it is the appropriate time for its celebration.

Third period:—when its performance during this period brings on a benefit less efficacious than that which is brought about when it is performed during the second period.

Fourth period:—when it is put off to this period owing to distress or circumstances beyond one's own control.

APPENDIX

These four periods have been conveniently brought under a tabular form.

No.	Caste of the girl.	First period.		Second period.		Third period.		Fourth period.		Against Religion.
		From years	To years.	From years.	To years.	From years.	To years.	From years.	To years.	
1	Brahmana	birth	6	7	8	9	11	Nil	Nil	12
2	Kshattriya	do.	6	7	8	9	First menstruation.	First menstruation.	4 from first menstruation.	5 from first menstruation.
3	Vaishya	do.	6	7	8	9	do.	Nil	Nil	first menstruation.
4	Sudra	do.	6	7	8	9	do.	first menstruation.	Nil	Nil

Only in the case of a Brahmana girl, if she is not married before her first menstruation or before she reaches 12th year of age, she (herself) and her whole family lose their caste and the right to partake of any religious ceremonies; and this is against Hindu Religion.

But this restriction of 12 years does not apply to a Vaishya Girl.

II.—LAW OF CONSUMMATION.

A Dwija girl, immediately after marriage, should remain in the house of the husband and should get herself trained fully in the house-hold duties and be allowed to be in the company of the husband but she is forbidden to have sexual intercourse or even

penetration with her husband till the proper time for consummation comes. Generally a girl in India menstruates at 12 years of age; but owing to differences in the constitutional developments of different girls the time of first menstruation may precede or follow the age of twelve years. But the time from first menstruation and onwards is sufficiently indicative of the time opportune or fit and proper for consummation. Only those who are intimately familiar with the constitution and health of the girl (*i.e.* the husband, the parents or guardians with whom the girl is permanently residing) can determine whether the health and the constitution of the girl could permit of consummation and child-bearing. Consummation can be postponed only in the following cases—inauspiciousness of the first menstruation time, ill-health, aversion for sexual intercourse and the observance of a vow. If it is not a case for postponement, consummation ceremony should be performed soon after first menstruation and before second menstruation on a selected auspicious day and the husband and wife should be allowed to have sexual intercourse. If the consummation is postponed, it is dangerous to the girl (*Vide* footnote to 3 *supra*), is against the Hindu Religion and brings on an heinous sin to the party or parties responsible for its postponement for the expiation of which there is no religious ceremony.

What the Country Women of the World are doing.

“Links of Friendship.”

**PUBLISHED AT I.C.W. OFFICE,
117, VICTORIA STREET,
LONDON, S.W.1.**

Price 1/6.

APOLOGIA.

The Compilers of this book wish to say that while every effort was made to get lists complete and to give credit to pioneers in every land, it was impossible in the brief time at their disposal and the remoteness of the headquarters of many rural organizations to cover this field. They hope however that any further information on these lines which any society possesses will be kindly sent to the Secretary of the Liaison Committee so that it may be included in the next edition.

The compilers regret that it was impossible to send proofs of any reports or articles for correction as the publication would have been impossibly delayed.

They also regret that many reports had to be curtailed in view of the growing expenses of publication.

The Committee are only too conscious that many errors must have crept in owing to the difficulty of consulting the far-away societies and that under skilled hands a much better volume might have been prepared from the material.

But they believe that a great deal of interesting effort and fine results have been brought to light through the publication of this little volume and that every country-woman in every land may feel that this is indeed her own book, since it is but the record of her work for home and country and they hope that something of the spirit of the Conference has been embodied in its pages.

What the Country Women of the World are doing.

REPORT

OF

The First Conference of Rural Women's
Organisations
called by the
International Council of Women
London, April 30th—May 3rd, 1929.

COMPILED BY

THE LIAISON COMMITTEE OF RURAL WOMEN'S
ORGANISATIONS

THE MARCHIONESS OF ABERDEEN AND TEMAIR, LL.D.,
ex-officio.

MRS. A. E. BRIGDEN, U.S.A.

HON. MRS. COLVIN, England.

MRS. GODFREY DRAGE, Wales.

MRS. J. H. FAIRFAX, Australia.

MRS. ANSTRUTHER GRAY, Scotland.

LADY GUNSON, New Zealand.

GRAEFIN MARGARETE KEYSERLINGK, Germany.

FRU MICHELET, Norway.

MME. MRSKOSOVA, Czecho-Slovakia.

MISS E. H. PRATT, O.B.E., M.A.

MRS. HANNAH SEN, India.

LADY DORAB TATA, India.

LADY TREVELYAN, England.

MRS. ALFRED WATT, M.B.E., M.A., Chairman.

MISS E. M. ZIMMERN, Hon. Secretary.

INTERNATIONAL COUNCIL OF WOMEN
117, VICTORIA STREET, LONDON, S.W.1.

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Introduction.

I feel much honoured by receiving an invitation from the Committee responsible for the preparation and publication of this book, to write an introduction to the record of one of the most interesting and harmonious Conferences over which it has ever been my good fortune to preside.

I am asked to give some little account of the genesis of this Conference.

Perhaps the easiest way that I can adopt of carrying out this desire is to give an extract from the first letter of invitation which I sent to all Women's Rural Organisations, this letter being forwarded to the Presidents of the National Councils of Women in all countries where such Councils exist, with the request that the enclosure might be sent to any women's rural organisations existing in each country of a non-political character:—

November 3rd, 1928.

“Dear Madam,

A wish having been conveyed to me by Organisations of Rural Women in different countries, that some plan might be evolved which would bring them into touch with women's international work, and particularly with the International Council of Women, I laid the matter before our Board of Officers.

That Board now authorises me to invite all organisations of rural women in all countries, to send delegates to a Conference to be held in London simultaneously with the Executive Meeting of the I.C.W. at the end of April, 1929, and I therefore now have the pleasure of formally inviting your organisation to send one or more delegates.

The objects for which the Conference is to be called are:

- (a) the discussion of subjects of interest to rural women, and
- (b) further international co-operation, and to consider whether the organisations of rural women throughout the world can be brought into touch with one another on an international basis by means of an alliance with the International Council of Women or in some other way.

The Meeting of the I.C.W. Executive, and its Standing Committees, are fixed for April 29th to May 8th, and we therefore suggest that the Rural Women's Conference should take place on Thursday and Friday, May 2nd and 3rd.

We hope that the result of the Conference would be

in any case the appointment of a Committee with powers to confer with the I.C.W. Board of Officers in regard to a scheme involving some kind of federation or alliance between the International Council of Women and Rural Women's Organisations.

Of course you will understand that this invitation is of a very preliminary character, and that as soon as we know that it is probable that it will be accepted by country-women in several countries, we shall send out a further communication with more definite plans and notice of arrangements.

I may say, however, that I think there will be several meetings held during the fortnight when our Executive and Standing Committees will be in session which would be of interest to any delegates you might send, and I think I may also say that the Federation of Women's Institutes in England and Scotland will be anxious to make the visits of the delegates interesting and agreeable, if you can spare time to visit some of the Institutes in Great Britain, and will also arrange for a limited number of delegates from the International Rural Women's Conference to attend their annual gathering. The Annual Meeting of the Women's Institutes is always of intense interest, and I feel sure that your delegates would like to be present.

I remain,

Yours very sincerely,
(Signed) ISHBEL ABERDEEN AND TEMAIR,
President, I.C.W."

This letter of invitation was the outcome of the following resolution passed by the Executive of the I.C.W. at Geneva in 1927:—

"That a temporary Committee be formed to consider the conditions under which women's rural organisations work, and possibly to suggest plans by means of which these organisations can get into touch with one another and with the wider movements already represented in the I.C.W."

The small Committee formed as a result of this resolution communicated with various National Councils, which led to the expression of the wish referred to in my letter of invitation.

Most interesting correspondence ensued between representatives of rural women's organisations, Presidents of National Councils, and myself, correspondence which convinced our small Committee that we had ample encouragement in proceeding to organise the proposed Conference.

That small Committee then consisted only of myself, Mrs. Alfred Watt, Countess Margareta Keyserlingk, and Fru Falsen Gjerdrum, of Norway.

Owing to difficulties of meeting, our arrangements had to be made mainly by correspondence from my own office at home, Mrs. Watt and I meeting for conference whenever possible, her co-operation being the most vital necessity for the whole undertaking.

The two chief difficulties which confronted us were:—

1. Lack of funds for travelling expenses;
2. Fears entertained in some quarters that the I.C.W. and its affiliated National Councils were too much associated with affairs of a political character which might entangle country-women's associations, and, on the other hand, that our Constitutions were not of a sufficiently democratic character to suit the ideals of the Women's Institutes.

I hope we have been able to dispel both these fears, for one of the most essential features of the I.C.W. is that it entirely bans all discussions of a controversial character relating to party politics or religion, and it has ever upheld the most democratic form of self-government.

We trust that those who participated in the London Conference were convinced of the truth of these assertions, and also that the I.C.W. seeks no formal alliance that may not be desired, but simply places its organisation at the disposition of rural women's associations in the same way as it does to all other women's organisations in virtue of its central objects, which are:

1. To provide a means of communication between women's organisations in all countries.
2. To furnish opportunities for women to meet together from all parts of the world to confer upon questions relating to the welfare of the commonwealth, the family and the individual, and to band all together to further the application of the Golden Rule to society, custom and law.

These central objects seem entirely to cover the scheme whereby the I.C.W. and its National Councils, and the Rural Women's Organisations, can hold conference in close association with one another for the mutual benefit of both without in any way trenching on the independence of either.

I feel sure I may say with assurance that the I.C.W. will look back with pride on the London Conference of international women's organisations having been held under its auspices, and will tender its hearty and grateful congratulations to the Committee which has produced in a permanent form this collection of valuable reports and records of interchange of views on subjects of such vital importance for the welfare of the whole world.

ISHBEL ABERDEEN AND TEMAIR,
Chairman of Conference.

What International Association has meant to the Country-Woman.

CONTRIBUTED BY AN AMERICAN FARM WOMAN.

All through the ages the country-woman has been considered a universal, voluntary slave. In many homes, in many lands she has been held just a little above the Indian squaw, or a domestic beast of burden. The world at large and every nation in it has accepted her contribution to the human race just as carelessly as it has accepted the sunshine and the rain and with little or no more gratitude to her or remuneration for her.

But the world is beginning to appreciate the social and economic value of its country-women, and women are beginning to think in world-wide terms of women. Every international organisation that has for its goal the betterment of the whole human race touches the lives of the country-women in some degree, but it is often easier to recognise the influence of local than of international organisations.

However, it is through our international contacts that the very best thoughts and the highest ideals of life are collected and transplanted into every country, and it is from them that local organisations have received their world-wide vision and have got into touch with other women.

Our country-women may not understand, or even ask from whence came their new personal liberties, domestic rights, educational opportunities, social privileges, political emancipation and religious freedom. They may not know how the right to control their own property and their own children has come about, but for many of us it has come through the power of some great movement.

Some far away national or international organisation lifted its voice on behalf of our rights and because that voice was a united voice "the world listened in." An international organisation to study the Cause and Cure of War will save the country mother's son the same as any other mother's son.

Every international gathering brings the world a little closer together, and gradually the peoples of the world are getting acquainted with one another. If the womanhood of the world ever becomes articulate this will have come about through world-wide organisations.

Thought germs are far more contagious than disease germs. Industrial ideas, scientific inventions, education, democracy and Christianity are spreading all over the earth through international contacts; everywhere they go they lift the standard of living for our country-women in just the ratio that their lives are brought in touch with the value and the meaning of great international institutions. And just as the world becomes more conscious of the value of its country-women and its debt of gratitude to them, in that same ratio will the world go out to meet and help them to realise their highest life.

REPORT

OF THE

International Conference of Rural Women's Organisations

HELD AT THE
MONTEFIORE HALL, LONDON, N.W.8.

FROM APRIL 30th—MAY 3rd, 1929.

THE MARCHIONESS OF ABERDEEN AND TEMAIR, LL.D., Chairman.
GRAEFIN MARGARETE KEYSERLINGK, Vice-Chairman.
MRS. ALFRED WATT, M.A., M.B.E., Vice-Chairman.

The Chairman of the Rural Conference formally opened the meeting.

Appointment of Secretaries and Interpreters.

It was moved from the Chair that

MISS CONSTANCE HARVEY,
PRINCESS SCHERBATOFF,
MRS. SQUIRE and
MRS. SYKES

should be appointed as secretaries and interpreters.

Agreed.

Standing Orders.

The adoption of the Standing Orders was moved by LADY GUNSON (New Zealand), seconded by FRU HAINARI (Finland) and

Agreed.

LADY ABERDEEN (Chairman): On behalf of the International Council of Women I beg very heartily to welcome the delegates from the Women's Rural Organizations and Country Women's Associations from different parts of the world, who have done us the honour of accepting our invitation to come here to hold this International Conference of Rural Women's Organizations, to consider rural problems and to receive reports regarding what is being done by these rural organizations in different parts of the world. We have been very much impressed and very much gratified by the cordiality with which our invitation has been received, and we hope that the result of this Conference

will be very effective in both helping you all in this splendid work which you are carrying on, and also, as I trust, in establishing relations between you and the International Council and with international work in general, which will be of great benefit to both the international organizations already existing and to yourselves.

It is really most interesting to have even the glimpse which has been given to us through the correspondence which we have received, and to see what leaps and bounds this movement amongst the country-women in different countries has been making these last few years, and the influence it has been having in the various countries.

The Committee considered that our best plan for this Conference would be to begin by receiving reports from these different organizations who are here, so that we may be in possession of the present position. We know that these movements have started in various ways independently of one another. Doubtless there are many different plans and schemes, and it will be of great interest and help us all just to know how far we are all agreed. We know that the strength of the rural population in every country cannot possibly be over-estimated since it is from them that the urban population is constantly being refreshed, and that without the rural population the populations of the different countries would degenerate very quickly. Therefore it is of the utmost importance that every possible opportunity and facility should be given to those who live in these rural parts of the world, to themselves and their children, their homes and their surroundings, physically, mentally, morally, and also technically. It has been very evident that the Institutes and the Associations that have been formed are already doing a great deal in this direction.

My own connection with country people, of course, has been mostly in Scotland, in the Highlands and in Aberdeenshire. We are glad to think that Scots are welcomed all over the world and that so many of them come from these far-away country districts. When we think of the hardships and of the difficult life that is led by the crofters and small farmers in the North of Scotland, it makes us realize what a splendid character has been bred amongst them, and therefore how natural it is that when they go to other lands they make their influence felt.

An Association which may be held to be the precursor of the Women's Rural Institutes in the North of Scotland, the "Onward and Upward Association," formed with the idea of creating common interests between mistresses and servants living in rural districts and of enabling women living on crofts, or engaged in domestic service, to keep up their education and to apply the motto of their Association, gave me great insight into both the difficulties and the dullness of life in rural districts and also the splendid character and abilities of the women, if they could be given scope to develop.

Again in Canada I had some insight into what the life of the women in the outlying parts of Canada has been, partly through being in touch with them personally, and in a great measure through the Aberdeen Association for spreading literature amongst people living in the outlying parts of Canada.

When we first went to Canada, we were very much struck with the isolation and with the lack of anything to brighten the life of the country people. So it was arranged to form in the different centres of Canada, Associations which gathered together magazines, books and papers and so on, and then lists of people in the outlying parts were obtained, and the two were set in relation with one another. These parcels of literature which were sent out once a month, were sent on the condition that there should be an exchange of letters between the two parties at least once or twice a year.

The letters which were received were really extraordinarily illuminating. Many of them were most pathetic in speaking of their loneliness and their lack of reading material. Many friendships were formed in this way between people living in the country, and those living in the towns.

Shortly after this came the beginning of the Women's Institutes, and one felt at once that here was the solution.

THE CHAIRMAN then took the roll call by countries to which the delegates replied as follows:

List of Delegates to Rural Women's Conference.

Australia.

Mrs. J. H. Fairfax, Queensland (Leader of Delegation).
Mrs. H. F. Creswick, Victoria.
Mrs. George Hawthorne, Victoria.
Mrs. Maitland Leake, West Australia.
Mrs. Warnes, South Australia.

Canada.

Miss C. E. Carmichael.
Mrs. W. E. Sanford.

Ceylon.

Mrs. Jones Bateman.

Czecho-Slovakia.

Mme. Mrskosova.

England.

The Lady Denman.
Mrs. Godfrey Drage.

Estonia.

Madame Kallas.
Madame Martin.

Denmark.

Fröken Henni Forchammer, Observer.
Fröken Karen Glæsel, Observer.

Finland.

Fru Ruth Borgström.

Fru Tilma Hainari.

France.

Comtesse de Keranflech-Kernezne.

Germany.

Gräfin Margarete Keyserlingk.

Frau von Treuenfels.

Dr. Käthe von Herwarth.

India.

Miss Dastur.

Mrs. Hannah Sen.

Lady Dorab Tata.

Miss Alice Brutton, Visitor.

Ireland.

Mrs. Carter.

Italy.

Mme. Eugenia Costanzi-Masi, Observer.

Prof. Angelina Tommasi, Observer.

Netherlands.

Mrs. A. C. Wiersma-Risselada.

New Zealand.

Lady Gunson.

Norway.

Fru Betzy Kjelsberg.

Fru Marie Michelet.

Poland.

Mlle. Josephine Szebeko.

Dr. Adamowicz.

Roumania.

Princess Alexandrine Cantacuzène.

Scotland.

Mrs. Gooch.

Mrs. Anstruther Gray.

Mrs. McQueen.

South Africa.

Mrs. McKenzie Arbuthnot.

Mrs. Auerbach.

Miss Magniac.

Sweden.

Fru M. Silfverhjelm.

United States of America.

Mrs. A. E. Brigden.

Mrs. G. Thomas Powell.

Yugo-Slavia.

Mme. Petkovitch.

International Labour Office, Geneva.

Fräulein Martha Mundt.

LADY ABERDEEN (Chairman): I hear that Fräulein Mundt from the International Labour Office is here. The Director, M. Albert Thomas, has asked her to bring a message to this Conference, which, I am sure, will be appreciated by the delegates.

Miss MUNDT (International Labour Office): I have great pleasure in addressing this meeting, but I would have wished that it had not been I, but my colleague, Miss Matthei, who is chief of the Rural Section in the I.L.O. She was, however, prevented from coming and entrusted me with her little paper, which sets out the conditions of work of the I.L.O. in regard to rural workers.

In addressing the Conference of Rural Women's Organizations on behalf of the International Labour Office, I should first explain what the International Labour Office is, in case it is still unknown to anyone in this audience. Secondly, I should like to indicate very briefly what sort of relations could be established between rural women's organizations and the Office.

The Office forms a part of the International Labour Organisation, which is the industrial organisation set up by the Treaty of Versailles as part of the League of Nations machinery. The object of the organisation is to induce the different nations of the world to co-operate on industrial matters. Please understand that I use the word "industrial" in its very widest sense, to embrace all occupations whatsoever, agriculture of course included, and all types of workers whatsoever, those who receive wages or salaries, professional workers, independent workers, and women assisting their husbands in the home, farm or business. The Organisation, among other things, takes account of housing, home conditions, and even of the workers' leisure, and here happens to have a special point of contact with bodies such as are represented in this hall.

How can rural women's organisations get into touch with the International Labour Office, and follow the work of its Annual Conference? First, I should like to make it plain that *any* rural or agricultural women's organisation in *any* country is free to write to the Agricultural Service of the Office at Geneva. Correspondence is not restricted to international organisations, though naturally special attention is paid to these. As it happens, the Chief of the Agricultural Service is herself an Englishwoman, Miss Matthei, and she has requested me to say that she will at all times be most happy to enter into correspondence with women's rural organisations on subjects of mutual interest.

She further requests me to say that in the course of her work at Geneva she has become convinced that there is a great lack of information on women's problems in agriculture. It would appear as though here rural women's organisations might be agencies for taking a big step forward. Exact knowledge is a necessary preliminary to any proper action, and rural women's organisations are well adapted either to collect such information themselves, e.g. by such useful things as village surveys, or else, what is probably still better, to put pressure on the proper official authorities. They can exert a big influence and play a big part in getting women's social problems in the countryside dealt with on a basis of scientific and well co-ordinated information. Fresh effort is much needed in this field.

Special attention may perhaps be drawn to the constantly changing and constantly shifting character of a rural population, a subject as yet but little studied and little understood. This applies *especially to women*. Large numbers of country-women change their status, sometimes more than once, sometimes regularly from season to season, from the money-earning to the non-money-earning group or vice versa. In other words, many country-women do professional farm work; sometimes they are paid, sometimes they act as unpaid members of the farmer's household. In any case it is the distinguishing mark of the farming occupation that the woman on the farm is practically never dissociated from the business of farming, as for instance, the wife of the railway clerk, or the wife of the business man, the lawyer, etc., is dissociated from her husband's business. This being so, I should like to make a special appeal to the representatives here gathered together always to include consideration of the professional side of agriculture in the work of their societies. In particular, it is to be hoped that any international body or committee emanating from this Conference will take an interest in professional women agricultural workers and wage earners, for such a policy, backed by a strong woman's international association, practical in its purposes and generous in its outlook, is much needed at the present time.

It is quite impossible in the space of a few minutes to give any idea of all that is going on at Geneva. The International Labour Organisation is a living thing, and its functions are always widening and deepening. The Agricultural Service is not a large Service, but it is very active.

To sum up: it is very desirable that women's rural organisations should get into touch with the International Labour Office. It is still more desirable that they should exert themselves to bring such pressure of public opinion as they can, each in their own country, in order to draw attention to the need for keeping up an active interest in agricultural problems within the League of Nations machinery. If everything is going to be regulated internationally, it will be simply disastrous to agriculture to be left out. But, as in all really live organisations, there is at

Geneva great competition of interests, all crying out for attention. If country-women want something done about the problems which they have at heart, they will have to act in an organised way, making use, of course, of the recognised channels of approach to the League. The foundation of a Rural Section of the International Council of Women would certainly be a considerable contribution to such an end.

AUSTRALIA.

MRS. J. F. FAIRFAX (Queensland): In representing the Country Women's Association of Australia I would like to mention that there are present from Victoria, Mrs. Creswick and Mrs. Hawthorne, and from South Australia, Mrs. Warnes. The delegate from Western Australia, Mrs. Manning, is I am sorry to say unable to attend owing to illness.

In April 1922 the work of the Country Women's Association was begun by a conference being called in Sydney, N.S.W. The Association set out with ideals more or less exactly those which the National Council of Women set out with in its early days.

It was felt by many women that there should be an organization in the country which would bring the country-women in closer contact, sympathy, understanding one with another, would encourage the feeling of citizenship and induce them to take an active part in country development, by taking their place on all kinds of country bodies, and that it might be possible by united efforts to arrest the drift from the country to the cities and larger towns, from which Australia is suffering so much today.

It was felt too that the women in the country knew very little of one another and each others work and also that there were many very lonely souls in our great spaces who longed for a friendly hand, and many who needed help and comfort, and that much could be done by bringing the country more in touch with the cities and larger towns and thereby encouraging a more friendly and understanding feeling between the city women and their country sisters.

It was realized that to do this the Association must keep itself free from Class, Creeds and Politics, thus enabling the members to be drawn from everywhere and to be on a footing of equality. We consider the strict adherence to the above has been our greatest strength.

The motto of the Country Women's Association is:

Loyalty to the Throne, Service to the Country through
Country Women, for Country Women, by Country
Women.

Its objects are:

1. To establish throughout Australia non-political and non-sectarian groups of women, who desire by community service to improve conditions in the country, more especially as they affect the health, welfare and education of women and children.

2. To build seaside homes, and small cottages on the coast to enable country-women and children to have a holiday, otherwise to a great many this would not be possible. The smallest charge possible is made for this. These homes are a tremendous joy and are filled to overflowing during the summer months.

3. To build rest-rooms for country-women and children in country towns, in small settlements and in the cities.

4. To establish hostels for educational purposes and other hostels for mothers waiting to go into hospital, and for country-women coming to town for a few days shopping, or to be under the care of a doctor for a few days. The educational hostels are built in the larger towns where there are High Schools, thereby enabling children to come in from the country to finish their education. They are looked after by a matron, who is entirely responsible for the girls.

5. To build small maternity and emergency hospitals where they are needed, and where there is nothing else in the way of medical facilities.

6. To establish small libraries both for adults and children where there are no other means of procuring books.

We believe that the greatest power the Association has is the fact that its organization is really in the country, and that each Branch to a great extent manages its own affairs, and is looked upon as an unselfish and useful body in which there is room for everyone.

The Branches meet every month, always making their meetings social as well as going through their business. A Branch's first duty is to look round and see where help is most needed in the district.

We take the Executive Meetings out into the country very often so as to enable the members in that area to attend. We lay great store by our Annual Meetings and Conferences, when the real country-women journey miles to attend and it is their voice we like to hear.

The greatest difficulty we have in Australia in connection with our work is the enormous distances we have to cover, and the scattered population. To give you one instance of these distances, in one of my tours I travelled 6,000 miles and visited only 54 Branches. There was a branch in almost every town and settlement I went to. This was in North Queensland. To show what the Association means to the members, they quite often come ninety and one hundred miles to a meeting. This I think, shows that it is the companionship they need.

We desire to do all we can to help migration by holding out a friendly hand to new comers and doing what we can to make them welcome, but we feel that later on we will be able to do greater things with more organization.

To give you a short outline of the work done in each State:

In **New South Wales** the Association has been in existence for seven years, there are now 218 or more Branches and a membership of 12,000. They have 7 maternity and emergency hospitals owned and managed by the Association, one of these called "Ungarie" was built by a branch of 30 members in a small drought-stricken wheat-growing district. This shows the enthusiasm of the women.

The Association there is a keen supporter of the Bush Nursing Association and has helped to establish between thirty and forty nurses in remote places.

It owns a seaside home, filled during the summer months by country women and children.

It goes in extensively for emergency housekeepers. The Branch secures the services of a practical working housekeeper, guarantees her a fair salary and her expenses. This scheme is a splendid one and a great comfort to many a tired mother who needs a rest, or must go away from home. The housekeeper comes in and does all for the family that the mother would do. The right kind of woman is of course essential, it is necessary that she should be responsible, humane, and adaptable.

It has 60 or more rest rooms in various towns.

The Association in **New South Wales** has its Headquarters in Sydney. A great deal is done in the city for country people, meeting them when they arrive by train or boat, bringing sick women to the city for special treatment, and sending out help to them in many ways. Only those who live in the country know what it means to be certain that they will receive help and friendship when they come to the city.

The Association of **Queensland** has been in existence for six years, there are 283 Branches and a membership of 13,000. The State is divided into four divisions, each division managing its own affairs under the supervision of a Council which consists of four representatives from each division, elected annually. We find this keeps the working of the Association much more in the country.

In **Queensland** there are 60 Rest Rooms, 11 Seaside Huts, 3 Seaside Homes, 4 Hostels, 2 Maternity Hospitals, several working housekeepers, and quite a number of Libraries.

We feel that in **Queensland** the Association really means a very great deal to the people and has made a big difference to their lives. The objectives as you will notice from our figures are being most generously carried out.

In **Western Australia** the Association has been in existence for four years, but the progress there has not been so great owing to many difficulties, the greatest being the huge spaces and scattered area, and at present the fact that it is not a very rich State. The towns are very scattered and the largest town other than the capital, contains only about 9,000 inhabitants, the others being very much smaller. The women there are wonderfully enthusi-

astic and very fine. There is a great work to be done in this vast State and the women are going to do it. Already they have been a great influence for good, they have helped hospitals, built rest rooms, and are soon to build their first Seaside Home which is going to be a beautiful one. We realize that their great difficulty is to find the ways and means of bringing the women together so that they may learn to know one another and understand each other's difficulties.

In South Australia the Association has been in existence about two years and, although enthusiastic, it has not gone very far yet, because of its great area and scattered population. We feel that the Association is so badly wanted in these far-away places that it should be Australia wide and not only State wide.

The Association in Victoria has been in existence only one year, but it has made a great move forward and will do good work, the organization is splendid, it has 19 Branches and a membership of 1,540. It is possible to teach the women handicrafts because it is a smaller State and more closely settled. At Christmas time gifts were distributed to 2,800 country children and mothers.

I must add that the Government in every State has been most appreciative and sympathetic to the work of the Association. I also would like to say a word of appreciation of my fellow women in Australia, for I know the time and sacrifice they have given to the work of the Association, and how they have lived up to the motto, which is "Loyalty," "Service," and "Love." These three words are the true meaning of the Association. The best way we can help in the world to-day is to serve our fellow creatures. This should be the dominant part of our lives and to do so we must subjugate self.

We receive no grant from the Government or in any other way, all monies spent are from subscriptions and entertainments got up by the Branches for their various objectives. We find it very hard to manage our travelling expenses, but we know that to organise is so very necessary and much has been done, especially in Queensland and New South Wales. Many women have helped by giving their time and money.

We do feel very honoured that the Country Women's Association of Australia should have been asked to be represented at this Conference convened by the International Council of Women for the Women's Rural Organisations.

In concluding, I would like to say one word in deepest appreciation and admiration of you, Lady Aberdeen. I have heard of you for a great many years from a great friend of yours, and I have always wanted to meet you, and to see you last night managing us all so well has been an absolute eye-opener to me. I do want to express our admiration in Australia of the great work you have done for your country.

BELGIUM.

The Belgian "Cercles de Fermières" originated in 1906. By 1928 there were in existence 947 centres and the total membership numbered 97,883.

The local "Cercles" are grouped in self-governing provincial federations, of which the presidents and the "conseillers" form a central committee (Comité National des Fédérations de Cercles de Fermières et Ménagères Rurales). The President of this central committee is assisted by "conseillers" (who have specialised knowledge of different subjects) and by the Women Inspectors of Rural Domestic Economy. The Central Committee not only acts as a link between the provincial federations but promotes international relations, encourages co-operation with other professional interests, inaugurates competitions, and does much other useful work.

Owing to the bi-lingual character of the country there are French and Flemish provincial federations. The latter, grouped under the "Boerinnen Bond" of Louvain, numbered 86,766 members in 1928.

The Cercles de Fermières usually meet four times a year. There is an annual meeting in each province and also an annual general meeting attended by all the leaders. In the Flemish Federations the provincial meetings take place four times a year and are primarily arranged for the education of the leaders. These reunions are not only well attended and successful but appear constantly to meet new needs.

A certain number of lectures, subsidised by the Ministry of Agriculture, are given at the meetings of the "Cercles." Other Government Departments also provide instruction, for which provision is also made by the "Cercles" themselves.

There are sections for young people in connection with the "Cercles" but these carry out their own programme, while maintaining contact with the "Cercles."

The Objects at which the "Cercles de Fermières" are aiming include:—

1. The cultivation of the moral, intellectual and social interests of country-women.
2. The progressive education of rural women in farm household management (i.e., in the domestic and agricultural work which they are called upon to perform), and in the care of children and other duties of family life.
3. The retention of country people on the land by educating them to greater appreciation of the advantages of country life.
4. The instruction of the community generally in the importance of the function fulfilled by the agriculturist.

It is felt that the work of the "Cercles" will be helped

forward by international co-operation, as intercourse with members of the nations facing the same problems acts as a clearing house of ideas and permits of the setting up of common objectives.

The periodical publications of the Belgian Cercles de Fermières include:

La Boerin (Flemish).

La Femme à la Campagne.

La Bonne Ménagère.

and the "Bulletin des Ecoles Ménagères Agricoles et du Comité National des Cercles de Fermières," which is regarded as the official publication. Other publications are issued from time to time. An interesting collection of plays has been made.

The "Cercles de Fermières" is not only a well established organisation but it is constantly enlarging both its membership and its interests, as may be seen from the report of its activities in 1928. The close co-operation of the "Cercles" with the official agencies for the betterment of country life (e.g., the State provision for agricultural education) deserves particular attention. The "Cercles" are most active centres of educational progress and their influence is evidently far-reaching.

(NOTE.—Belgium was not represented at the Rural Conference, but this brief summary of their splendid organisation has been compiled from the most recent reports of the Comité National des Fédérations des Cercles de Fermières et de Ménagères Rurales as sent by their President. Further interesting details will be found in this Committee's report for 1928.)

CANADA.

MISS CARMICHAEL (Federated Women's Institutes of Canada): I am sorry but circumstances have so arisen that Canada cannot have the justice done it on this interesting occasion that it well deserves. I am here as a proxy. Just as I was leaving in the steamer I had word from the President of the Federated Women's Institutes of Canada that she could not possibly come and would I bring her greetings to this gathering.

Miss Stuart, our President in Canada, has lately had a very severe motor accident. She is a very fine woman and I wish she could have been here to-day; she would have inspired you all.

Unfortunately I am not in a position to give you all the data I would like to have given you, and would have given you if I had known earlier.

We are called the Federated Women's Institutes of Canada, and we are non-partisan and non-sectarian. The movement is thirty-two years old. Its motto is "For Home and Country," and its work is very largely on the lines indicated by Mrs. Fairfax for the Australian women. One object is the study of and exchanging of ideas on home-making. It has spread over nine

provinces, and each province has its own federation and its individual line of work. There are about three thousand Institutes in the Dominion. Their lines of work include social service, League of Nations, national events, child welfare and public health, agriculture, citizenship, household science, education, immigration, and industries.

The National Federation meets biennially and has had so far three or four Presidents. You have a prominent member in your midst to-day, Mrs. Watt. Canada is very proud of what Mrs. Watt has done for the Institutes outside Canada. She has founded the Institutes of Great Britain.

Lady Aberdeen spoke of the Aberdeen Society. From a Canadian standpoint I want to tell you that you have no idea of the great benefit and almost the keeping of the sanity of many of our women of the prairie districts this has been. If Lady Aberdeen were not here, I would like to say that she has been one of the greatest boons to womankind that Canada has ever had.

MRS. SANFORD: I have the honour to be President of a very delightful Women's Institute in Canada. They have given it the name "Sanford Institute," so I feel in very close touch with the magnificent work which is being done.

Years ago when Lady Aberdeen was staying at my country place with me this Institute was started. A few farmers' wives gathered together on our land and were addressed by our dear President. From that little beginning, which spread through all that part of the country, the whole Muskoka district is covered by Women's Institutes and their wonderful spirit.

It is a great privilege to feel that one has had anything to do in any way with advancing this movement, which is so very beneficial to Canada, and indeed to the whole of the world.

LADY ABERDEEN (Chairman): We are all eager to hear from Mrs. Watt, also, about the Women's Institutes of Canada.

Mrs. WATT: Perhaps I can supplement the account given, while regretting deeply that some of the splendid Institute workers from Canada could not be here.

The first organized rural women in the world were Canadians from Ontario farms. The suggestion came from Mrs. Hoodless, of Hamilton, Ontario, and the Department of Agriculture of the Ontario Government through several of its officials, Mr. George Creelman, Mr. George Putnam, and others gave educational and financial assistance from the outset. The first Women's Institute eventuated from a meeting together at Stoney Creek, Ontario, in February, 1897, of a few women from nearby farms, at which the foundation of the present world-wide movement was well and truly laid. The meetings of the early Women's Institutes owed much to the enthusiasm of the first Women's Institute organiser, Laura Rose Stephens, who by-the-way wrote me lately that she would have greatly enjoyed being here. From the beginning,

the movement has never looked back, and its democratic character, and its idea of sisterhood have been preserved.

It has been estimated that over a million country-women are united in Women's Institutes and similar societies. The Women's Institutes of England, Scotland, New Zealand, South Africa, Belgium, France, India, the early Women's Institutes in the United States and many other differently named organizations in other countries have owed a deep debt to the Canadian Women's Institutes, not only for the idea, but for practical help and encouragement given in organization.

The national organization is called the Federated Women's Institutes of Canada, of which the first President was also the first woman judge in Canada, Mrs. Emily Murphy. She gave it the breath of life with her organizing powers, her enthusiasm, and delightful oratory. She has been followed by other notable women, great-minded Mrs. Todd, the much loved and capable Mrs. David Watt, and Miss Annie Stewart, a woman farmer, a practical agriculturalist, who has done yeoman service in every sense of the word. It aims to be a clearing house for all the Provincial Federations, to co-ordinate their work, to initiate educational and economic activities of a national character.

The unique partnership between governments and country women is characteristic of the Provincial work, and is one of the most noteworthy things about the Canadian Women's Institutes. But the National work has not this tie.

The activities of the Institutes of Canada fall under certain well defined heads, Health, Education, Domestic Science, Agriculture, Industries, Immigration, National Events, League of Nations, Publicity. On these subjects there are national committees, provincial committees, and Institute committees, so that concerted action or exchange of information and help is easily secured.

Health. The health policy of the national organization, as that of the Institutes, is preventive in character. It aims to aid official services, to educate public opinion, to study health and child welfare and to keep abreast of developments in health and welfare work. For instance, early study programmes in Ontario included care of juvenile delinquency, value of medical inspection, and vaccination as a prophylactic measure. Not only did they study Medical Inspection in Rural Schools, but actually carried it out, thus demonstrating its value to the community. The Government, realizing the benefit to be derived from such inspection, took over the work and made provision for the inspection and follow-up work in all Rural Schools. Quebec Women's Institutes each give a holiday in the summer to a city child, a member giving hospitality. Saskatchewan has registered 3,000 women in nursing classes. Manitoba Women's Institutes hold child welfare conferences with doctors in attendance for consulting purposes. It is definitely asserted that these conferences have been the means of discovering tubercular

cases, and the checking of tuberculosis in many children. They have also initiated junior Red Cross work in the rural schools. Alberta Women's Institutes have baby clinics and finance travelling clinics in remote districts with doctors, dentists, and nurses in attendance. British Columbia Women's Institutes have for years maintained a successful solarium for children in the beautiful Vancouver Island. Nova Scotia Women's Institutes make possible home visiting service by nurses who teach nutrition and hygiene. New Brunswick supplies Women's Institutes with literature for distribution on pre-natal care and like other Provinces of Canada is dealing scientifically with the problem of the feeble-minded.

Home Economics. From the beginning, the improvement of the home was the goal of the Women's Institutes, and one can say without fear of contradiction that the Canadian rural home owes its present efficiency, comfort and importance largely to the Women's Institute movement. It is a national asset and is recognized as such. By far the greater number of the rural homes are planned for saving time, strength and money of the housewife, for better health and pleasanter living.

Domestic work has now reached the status of a university course with a university degree, Bachelor of Household Science. The teaching of home work is a part of every school's curriculum.

Well-trained corps of domestic science lecturers and demonstrators take the results of the teaching and experiments of the colleges into the country-home, through the medium of the Women's Institutes. School luncheons have been improved. Nova Scotia lately sent a well-equipped train on tour for six weeks to shew good school luncheon equipment, and teach the preparation of nutritious lunches. Girls after leaving school continue their domestic science education at the Women's Institutes. Home work is very popular in Canada, and girls like to learn it.

Libraries on home crafts are sent out to Women's Institutes from central libraries. Summer courses for Women's Institute members are arranged at many colleges.

Campaigns against fly menace, dust and dirt, bad water, unclean milk, etc., are vigorously carried out. Competitions in kitchen planning are held and girls are trained by Women's Institutes headquarters to be judges. Home dressmaking is most cleverly taught and the results are excellent.

Education. The Women's Institute work for better schools is common to all provinces. They aim to have the rural school as attractive, sanitary, and well-equipped as the city school. They supervise and help in play-grounds and school gardens out of school time. They study school administration and its curriculums. Certain definite results have been achieved.

Women are now on School Boards. Consolidated or central rural schools are encouraged. Parents have been stimulated to study curriculums. School music is encouraged and exhibitions

of school work are held. But most of all, trustees of schools are being induced to assume their own responsibility and obligations toward the schools' sanitary needs and equipment for recreation and beautifying of school premises.

Women's Institutes instead of buying equipment for schools as they used to do, now get the trustees to do so. They are gradually bringing about an enlightened public conscience. The educational value of films is more and more stressed by the Women's Institutes.

Agriculture. The Standing Committees on Agriculture throughout the Women's Institutes of Canada, report many activities; notable agricultural records in milk production, in egg laying, wheat competitions, life stock championships, in honey production and sales, and in butter making, are posted up at Women's Institute meetings.

On the bare prairies the Institute slogan is "a Tree a Man," and "When someone cuts down a tree, someone must plant a tree." Besides forestry and fruit planting, they wage war on noxious weeds, study bird lore, help in school gardens, and encourage home produce. "Every Women's Institute member must produce something on her own land," is another motto.

Many side lines of agriculture are pursued profitably by women, such as poultry, butter, cheese, honey, vegetables, fruits, bulb and seed growing, flower growing for sale, rearing birds, etc.

Women's Institutes advocate hygiene in farm buildings. They distribute agricultural bulletins, give prizes for boys' and girls' efforts in stock raising and horticulture, and for essays on native birds, flowers, and insects. They have brought about teaching of agriculture in schools.

Citizenship. Institutes study citizenship in special courses for the winter months. Some subjects are:

1. Laws relating to women, children and the home. Such as women's property acts, inheritance laws, motor vehicle laws, education acts.
2. Procedure for meetings, which is a favourite study, many demonstrations in right procedure being given.
3. The censorship powers and the need for the supervision of films.
4. Empire Settlement schemes, postal regulations, school laws, legal status of women.

These are all considered useful studies. Many Women's Institutes invite lawyers to come and address them on such subjects as making of wills, marriage contracts, local government powers, guardianship of infants. Members are urged to watch carefully what is done in Parliament.

It is pointed out that much reform is still needed. One of the provinces of Canada, British Columbia, has the unique record of having passed the most comprehensive and favourable legislation affecting women and children and the home. Women there vote in every phase of government administration. They act as school trustees and as jurors, and as censors of moving pictures.

I think that no rural community in any other country except Canada has standing committees on National Events, or Publicity, or Immigration. The Publicity or keeping the Women's Institutes' activities and aims in the press, is very well done indeed, especially by the National Publicity Convener, Mrs. Price, of Calgary. Thanks to her the Women's Institute movement has its place in the school history books, she has kept our work to the front continuously, and so makes us all feel that it is worth while to belong to such an organization. Practically every farm and educational women's paper in Canada, and the entire rural press regularly publish Mrs. Price's articles on the Women's Institutes, and at any special time the whole press of Canada contains columns of praise of the work.

Immigration. This is a subject of keen interest to the Women's Institutes of Canada, since after all this is, when it comes to the rural community, a question of homes. Women must help other women to get settled in new homes. The little girls of Alberta in their Girls' Institutes or Clubs, work as hard as their mothers in making the foreign child feel at home. Every Women's Institute in Alberta has its welcome committee. The part that Women's Institutes take in Immigration is largely that of aiding the newly arrived, giving them practical help, teaching them Canadian ways, and offering the most precious gift of all, friendship to lonely folk.

National Events. This is the patriotic committee. Canadian history, holidays, heroes and heroines, economic and living conditions are studied and love of country is stimulated without disparagement of other countries. Patriotic songs, poems and readings are given in the Women's Institute meetings and through their influence in the schools. The Canadian Women's Institutes believe that every member should know what there is of good in her country, its laws, history, development, so that she can be justly proud of her country.

Home Industry. The arts and crafts development in Canada is far behind that of many European countries, but this standing committee reports great success in stimulating home crafts in Quebec, New Brunswick, and Nova Scotia. Rugs, basketry and leather work are very popular. A development is that home production is being encouraged by better knowledge of marketing facilities. The Quebec Cercles de Fermières are helped to sell their produce by the Government. At Women's Institute meetings lists of Canadian-grown and made articles are

posted. Members are asked to study trade questions, to patronize home industries, and to suggest improvements to manufacturers from a woman's point of view.

This brief survey will give some idea of the activities of this great movement in Canada. But no words will convey the effect of the Women's Institute on its members. They are getting their chance through the Women's Institute, the chance to which every woman is entitled. The moral and intellectual uplift is incalculable. The country-woman owes her position as a national factor to her Institute, she owes it relief from loneliness, she owes it her own development, the sense of companionship, the joy of working with other women for unselfish ends.

The rural community is a better place where there is a Women's Institute, because not only does it afford many and varied activities and a pleasant social life, but there is a powerful source of good in the union of these country-women. There is created a healthy and sane educated public opinion. The Women's Institute holds up ideals of conduct, which will re-act throughout the whole community.

(NOTE.—This account of Standing Committee work was compiled later from report sent by their President to Conference).

CZECHO-SLOVAKIA.

MADAME MRSKOSOVA reported as follows: In the Czecho-Slovakian Republic there are two organisation of rural women. One has been founded from the political and the other from the non-political (professional) point of view. There is also an organisation for the welfare of country people, both men and women.

(1) Association for Safeguarding the Interests of Rural Women.

The great importance of women in the family and for the healthy development of the State cannot be contested. Especially in her capacity as mother the woman exercises a very important function, being the dominating factor of the physical and moral qualities of the future generation. The significance of the rural woman towards the population is appreciable. In giving to her nation a numerous and healthy family she is the real source of its energy, vitality, and strength. The Czecho-Slovakian Agricultural Movement has given woman her rightful place in its organisation by setting up a separate woman's association. This Association begins with the individual, and works up through its local organisations and district organisations, to its headquarters at Prague. At the head of the Association there is a President and four Vice-Presidents (one each for Bohemia, Moravia, Silesia, and Slovakia) who together with a clerical staff of six keep in close touch with the work, deal with questions of organisation, propaganda and political questions, social questions and domestic science schools. Its aim is to raise the

intellectual standard of the rural woman, to procure for her the information she needs in order to improve her economic status. The Association arranges conferences, practical courses of study, and excursions to widen her outlook and increase her knowledge and skill. The Association was founded towards the end of 1918 by the President of the Republican Party of Agriculturists and Smallholders, Antonin Svehla. Its first President was Madame Anna Chlebounova, a small market gardener, of Džbanov, a member of Parliament and from 1920 onwards a member of the Club of Republican Deputies. The present President is Madame Ludmila Fastloulkalova, a peasant woman of Susedlice (a village in Moravia in the Hana district). She is also a member of the Republican Party. The Journal of the Association is "Iveslounani," edited by Madame Brzena Novotua. The organisation works with all the other agricultural organisations having for aim the betterment of the lives of women.

(2) The Domestic Science Section of the Union of Agriculturists of the Czecho-Slovakian Republic.

The Union of Agriculturists of the Czecho-Slovakian Republic is a non-political professional organisation. Its aim is to improve the forestry and agriculture of the country. It is administered from a centre by an Executive Committee, with special sub-committees, of which several have accomplished useful work. In order to keep in close touch with the members, sub-committees or sections have been organised both in the districts and departments. A great deal of help is given by the women farmers, especially in the Domestic Science Section, which has as its aim the raising of the status of women, economically and intellectually. Conferences and courses of study are organised in Prague and in the country districts, and at the Agricultural Exhibition at Prague the section arranged a large domestic economy exhibit.

(3) The third organisation, the Association for the Welfare of Country-people, was founded in 1927, and aims at improving the condition of country-women. Its headquarters are at Prague, and it has both men and women members. This Society has as its objects: (1) To encourage a feeling for the dignity of work; (2) to stimulate co-operation between the different parties; (3) To popularise a knowledge of scientific and up-to-date methods in rural industries; (4) To improve rural teaching; (5) To raise the economic status of women and by means of labour-saving devices make social life and recreation possible; (6) To bring about social contact between all classes of women in the country.

Between 1925 and 1927 the society arranged several country life exhibitions, and busied itself particularly with the question of the amelioration of living conditions in the country.

All three organisations receive grants from the Ministry of Agriculture, which does all in its power to facilitate everything undertaken in the interests of rural women.

DENMARK.

FRÖKEN HENNI FORCHHAMMER, President of the National Council of Women of Denmark: We had hoped that a representative of the Danish Rural Women themselves would have attended the Conference, but I am sorry to say that at the last minute she found herself unable to come. Therefore I have the quite unmerited honour to stand before you to-day, and I am now going to read to you a short report sent by the most representative of the Rural Women's Organisations in Denmark.

The Associated Danish Domestic Societies, "De Samvirkende danske Husholdnings foreninger," were founded in 1921 and consist of 68 Societies comprising between 6000 and 7000 members.

The aims are as follows:

- (1) to guard the interests of housewives and to further economy in the home and in the community at large, by means of courses of study and lectures.
- (2) to promote home industry amongst both young men and young women.
- (3) to buy co-operatively.
- (4) to work for the increased utilization of gardens.
- (5) to conduct food tests.

The Association sent out 6 consultants during the winter of 1928—1929 and 3 during the previous summer. These ladies conducted study courses and lectured on domestic subjects.

Last year the attendance at the courses and lectures was about 20,000.

Since May 1928 these consultants have been placed on the same footing as the agricultural consultants, inasmuch as the State defrays 40 per cent. of their salaries and other expenses.

Public interest in domestic matters is steadily on the increase amongst housewives and young women. The "Tidsskrift for Husholdning" is the organ of the Associated Danish Domestic Societies. It is issued by the United Danish Rural Societies "De Samvirkende danske Landboforeninger."

I shall add to this a few words of explanation as to the position of rural women in general in my country in order to make you understand how it is that in a country where agriculture and rural life plays so great a part as in Denmark, a national organisation like this has only existed since 1921.

Denmark is a country with a small area, only 44,000 sq. kilometers, with a population of three and a half millions. In most parts the country population, which still outnumbers the town dwellers, live comparatively close together without the isolation under which many larger countries suffer. In nearly every village there is what might be called a village institute

where meetings and festivals are held, gymnastics, dancing, amateur performances, etc., take place. In many places a People's High School is not far away, and as a matter of fact to a great extent, the cultural life of the rural population is influenced by these schools. In this cultural life men and women join together, although I think as a rule, the men lead.

On the other hand, the special interests of women as housewives, and homemakers have been less provided for.

Still in some parts of the country there were local rural women's societies, which in a way have formed the nucleus of this national organisation, and besides two other national societies the Dansk Kvindesamfund and the Danske Husmoderforeninger have branches in the country as well as in the towns, and provide courses in domestic subjects. The Dansk Kvindesamfund, which is more than 50 years old, has State aid for its practical courses.

However the organisation of which I have just read the report is the only important one founded by rural women for rural women. It is not yet a member of the National Council, but we have every reason to believe that it will soon affiliate with it.

ENGLAND.

LADY DENMAN: I will do my best to give you in five minutes a short account of what is being done by the Women's Institutes in England and Wales.

The first Institute was started in 1915, and as you have heard, the idea came through Mrs. Watt, and was taken up in England owing to the enthusiasm of Mr. Nugent Harris, who was then the Secretary of the Agricultural Organisation Society. Since that time the number of Institutes has grown in the last fifteen years to 4,800. I think that rather rapid growth is to a very great extent due to the fact that the Institutes in England and Wales had very generous Government support. For three years the whole of the work was done by the Ministry of Agriculture and the expense entirely borne by them. For the first year, when the work was handed over to the National Federation, the self-governing body, a donation of £10,000 was given by the Government, and in successive years that amount was gradually reduced until we became self-supporting.

The very great financial help we got has been of immense assistance in establishing our movement. Our workers are voluntary workers, but our Committee members need not come solely from the leisured and wealthy class, we can get all our members to share in this work because they can have their expenses paid out of the funds of the Institute, of the County or National Federation, whichever it may be.

The actual Institutes are limited to the villages which have

a population of under 4,000, and the membership varies between about 25 members of the small Institutes to 300 or 400 or even more members of the large Institutes.

The great factor in this country, I think, is that the Institutes really are self-governing, and as we have had the feudal system for some nine hundred years, it is rather a triumph that the Institutes have managed to run their own affairs and that every member has the right to insist that they do so.

The monthly meetings are held as in other countries, and the point we lay most stress on is that the meetings should be cheerful. We think that country women work very hard, and that no Institute meeting is a good thing unless we either sing, or dance or act or have an entertainment and thoroughly enjoy ourselves. Then, of course, we have our lecture on some educational matter, and we hope that that lecture will lead to classes being held, and very often that is the case. Then we have a demonstration so that the members have something to see, or else an exhibition of old furniture, old china, wild flowers, or something of that kind.

These 4,300 Institutes are divided up under counties into County Federations, and one of the difficulties in this country is that the counties vary so enormously; some are very small, some very large, so that a County Federation in Wales may consist of only twenty or thirty Institutes, and in Yorkshire or Essex there may be over two hundred Institutes.

The County organisation is extremely helpful to the Institutes. Delegates from each Institute meet together at a County Meeting twice a year, and from those meetings they get new ideas for lectures, they hear new people, and become interested in new subjects. The County Meeting may have a lecture on the League of Nations, and then the delegates get interested in that subject, and go back and interest their Institutes.

Adult Education in England, including agricultural education and lectures on cooking and health matters, is the responsibility of the County Councils. The large majority of the County Councilors are men, and they do not always appreciate the great importance of the education of the rural women, but through our County Federations a great deal can be done. The demands of the Institutes can be brought before the County Councils and pressure can be brought to bear on them. The County Councils on their side can use the Institutes to give the education in the country districts which it is their duty to give.

The National Federation is all the Institutes united, and the National Federation at its Annual Meeting lays down the policy for the year and is responsible for all the rules and the constitution. No Institute and no County Federation can alter a rule except at the Annual General Meeting, to which all Institutes can send delegates. Finance is also settled there. The institute subscription at present is 2s. per member. Of that sum part goes to support the National Federation and the County Organisa-

tion. The National Federation settles its policy at the Annual General Meeting, and an Institute can send up any resolution it likes except a resolution connected with party politics or any religious question.

ESTONIA.

MRS. MARTIN: The Republic of Estonia, whose independence was proclaimed on February 24, 1918, comprises the area inhabited by Estonians as a solid national majority. The country is situated on the east coast of the Baltic Sea, and has an area of 47,588.7 sq. kilometres (18,500 sq. miles) thus exceeding in area Denmark, Switzerland, Holland or Belgium.

Estonia, because of its climate, soil and character of its population, is chiefly an agricultural country. About 59 per cent. of the total population of 1,116,325 are engaged in farming. The approximate total number of farms is 100,000. Thus there are about 100,000 farm homemakers.

But the position and the occupation of the Estonian farm women differ a little from that of most European countries. The Estonian farm women are not only homemakers and housekeepers; they are not only consumers but producers as well. All livestock—milch cows, pigs, sheep, and poultry—are under the care of women. The men till the fields, raising cereals and potatoes, but the cultivation of other food products, such as vegetables, fruit, eggs, milk products and meat, are left to the farmer's wife. In summer when the work in the fields is very urgent she tries to help there also. A large portion of the farm women's time is spent in food production, not only for her own country but for export also. It is this latter circumstance that makes her position a very important factor in the economic life of the State. Approximately about 25 per cent. of the value of exported goods is dependent on the farm women's care and labour.

Long before the Independence of the Estonian Republic, the national leaders recognised that the success of the country was dependent on the success of agricultural enterprises, and that the cultural status and professional knowledge and skill of the farmer and his wife were essential, but under foreign domination it was impossible to do anything for the professional training of farm people. The farmers only succeeded in organising agricultural societies that combined into a Central Agricultural Society. The women worked there with the men on agricultural lines. But finally it was understood, that full success could not be secured if the wife was ignored as the housekeeper and homemaker and it was found expedient to organise the country-women into their own professional unions, which should undertake cultural work among the members themselves.

For this purpose in the beginning of 1927 with the support of the Estonian Agricultural Central Society in nearly all Estonian district towns (there are 11 districts) so-called "Housewives-Days" were arranged. On these "days" speeches were de-

livered on the importance of the country-woman's work in agricultural, private, and state economy and in the cultural life of the country; the difficult position of the farmer's wife was touched upon and ways were shown by which to improve it and attain to a higher standard of living; advice was given on how to ease the burden of work.

These "Housewives-Days" turned into well attended meetings of housewives, who exchanged ideas on many urgent questions of mutual interest in a lively and direct way. The country housewives were stimulated to improve their methods and thus to raise and develop home culture.

Very soon, in fact a few weeks after the first of these "Days" had been held, the first Housewives Societies were formed, and began to work energetically. These Housewives Societies aimed at:

1. The progress of domestic economy among country people and
2. The bettering of the cultural and material state of the country housewives.

In order to achieve these aims, the following activities were laid down in their Constitution:

- (a) To consider the state of domestic economy among the Estonian country people, their needs and wants.
- (b) To encourage the training of country housewives, as housekeepers and homemakers, and agriculturists.
- (c) To give advice as to the furnishing and beautifying of country homes, and the improvement of hygienic conditions.
- (d) To develop family life; taking care of mothers, home education of children and nursing the sick.
- (e) To study dietetics and cooking.
- (f) To raise the art of needlework among women.
- (g) To encourage the keeping of domestic animals and of gardening among country-women.
- (h) To look for means of gaining economic and social independence for the country-women.
- (i) To arrange study courses, meetings, lectures, excursions, exhibitions, competitions, festivities, and maintain schools and instructors.

Every Estonian woman citizen over 18 years of age is eligible to be a member of a "Housewives Society" if she works on the land or is interested in agriculture. During the short period of their existence the Housewives Societies have developed the following activities:

Nearly all of the 100 societies, have arranged courses of training in cooking, canning, housewifery, fancywork, gardening,

poultry raising, feeding of cattle, milking of cows, etc. Lectures have been delivered by specialists on health and educational questions. Last summer many societies arranged excursions to model Estonian farm houses and home economics schools, in order to study the results of the work of trained housewives and take an example from them.

Many societies have formed "Circles for Girls," who work quite independently under the leadership of an older member.

To improve their finances the societies arrange festivities, entertainments and tea-parties; the programmes consist of some entertainment followed by a lecture on a subject of interest to housewives. These parties without doubt play a prominent part in the development of the social life of the country people. Some of these societies even have a choral society of their own.

Last year, on August 30th 1928, the Housewives Societies federated to form this Central Association of Country-Women. The task of the Central Association is to unite all "Housewives Societies," direct their work, and assist them energetically in the achievement of their aims.

The Central Association of Country-Women is in its turn affiliated to the National Council of Women, and to the Central Agricultural Society.

In the six months of its existence the Central Association of Country-Women has been able to show considerable progress. Much could be mentioned here but it must suffice to say that it is at present working out a programme for training leaders for the "Housewives Societies" all over the country.

So much for the country-women's movement, which still is very young, and is only just beginning its work. Although the start has been difficult, for there has been and is still a great need of spiritual strength as well as of material assistance, still one may hope, that with the perseverance and diligence, characteristic of the Estonian race, it will be possible to overcome all difficulties and help the country-women to achieve a better and more promising future.

FINLAND.

FRU HAINARI read the report of the Finnish Martta Union:

"A good housewife is the sun of the home, which warms and lights."—*Aleksis Kivi*.

The time had come in the fateful life of our people which is known in our history as the "frost years." The roots of our national existence were shaken; we were to be exterminated as a nation and assimilated by the Russian people.

Then in the oppressed hearts of the patriots arose the question; how is our nation to endure this heavy burden without breaking down? History shows that even a small people, if it

is enlightened and united, is able to withstand a great and strong one intent on its destruction. Did the Finnish nation possess the necessary force?

Energetic educational work within the nation was required, but there was no right of assembly nor freedom of speech. But the fire smouldering in the patriots' hearts urged the people to search for means of guarding the existence of their nation.

Among other national workers a group of women met in order to consider what they could do for their country in its hour of need. The result of these conferences was the foundation of Suomen Martta Yhdistys (the Finnish Martta Union).

When the society after many difficulties and adverse circumstances was able at last to begin its work, it at once gathered women from all social classes, of varying social position and from different fields of culture, to a common work, the motto of which was: "For the good of the house through the work of women."

This meeting of different classes enabled the founders to become familiar with the people and their home conditions. The people were backward in domestic economy. Educational work was indeed necessary, and was eagerly desired.

The society worked for 25 years with two official languages. During this time, the Martta idea secured a foothold over the whole of Finland and gained a membership of over 31,000 divided into about 400 local unions. Much self-sacrificing work had been done by citizens with enthusiasm for the Martta idea, and beautiful harvests were reaped for the good of the Finnish homes.

In 1924 the Martta Union divided into two societies, and Suomalainen Marttaliitto (the Finnish Martta Union) and Finlands Svenska Marthaförbund (the Swedish Martha Union of Finland) continued its work. These two organisations appointed a central board of 6 persons for the purpose of representing them in their relations with foreign countries and for conferring on plans and problems.

The Finnish Martta Union has now about 27,150 members and the number of local societies is 379. In order to concentrate and stimulate the work, the local societies have formed districts, the number of which is 14 at present.

The activities of the Finnish Martta Union are led by the Central Board in Helsingfors. The Union has its own office, and some district organisations have also offices of their own.

As to the form of organisation, Marttaliitto is founded on the principle of equality, the local societies decide the affairs of the district unions through their representatives, and the representatives of the district unions, when assembled in union meetings, decide the organisation of the whole Union and elect the Central Board.

The principal object of the Martta work is to raise the standard of domestic economy in our country. It also tries to

improve financial conditions in the homes by small secondary occupations, such as gardening, poultry-raising, and needle-work.

In the scope of Martta's work an extensive plan for giving advice is gradually developing. In 1928 the Finnish Martta Union had 164 advisers. Advice was given with regard to 359 gardens, 464 preserving and cooking courses were organised, and 10,061 persons have participated in them. This work had many difficulties to overcome, caused largely by the prejudice and distrust of the rural population.

The food of the country people was monotonous, but gradually people have learnt how to grow, how to cook, and how to enjoy new kinds of vegetables. We may now say that the first difficulties are surmounted, and that the interest in vegetable gardens is rapidly increasing, especially as far as it has been possible to organise the advisory work.

In poultry-farming the Martta activity has had considerable influence during the last 20 years and has prepared the way for a special organisation which is now working successfully in this field. Through poultry-raising, which has largely been the work of women, the financial condition of the homes has been considerably improved.

In 1928 the number of Martta poultry-yards was 223 and in the same year 804 persons received instruction in poultry-raising. In all 44 courses were held.

Needlework, as a housewifely occupation, has attracted lively attention amongst the Marttas. In 1928 148 needlework and weaving courses were organised and they had in all 2732 pupils.

The doll industry of the Finnish and the Swedish Martta of Åbo is an important one in that it earned two million marks in 1928.

Courses have also been organised for the care of young children, the number of these being 79 in 1928 and the number of the pupils 1250.

Recently the organisation of housekeeping courses of a week's duration has received much attention. The Finnish and Swedish Marttas of Helsingfors have arranged an exhibit of model kitchens in the Labour Protection Museum in Helsingfors.

The Marttas have also added home education work to their programme, 79 such circles having been organised in 1928.

Cookery and agricultural circles included about 6,000 participants.

Many years ago the organising of children's circles was begun on the lines of those in America. The number of such cooking and agricultural circles organised by the Marttas is already 400. They have begun with garden and potato circles, but the intention is to develop this activity to include any kind of work that can be carried on by children.

2,379 lectures on home economics were held.

Besides practical work, the Martta organisation has done an extensive educational work, trying to show women how valuable their work and time in the home really is. This kind of work has been mainly done through the medium of meetings, sewing circles, programme evenings, anniversary celebrations with speeches and lectures on home economics, child care and education, hygiene, and other subjects pertaining to work carried on in the home. There were 7638 of these meetings in 1928.

In addition, the Martta Union has distributed pamphlets and the Union's own organ "Emäntälehti."

Yearly sum given by the government is Fmk. 335,000.

To carry on this splendid work the government gives a certain yearly sum to the Martta Union. Also, many communities, banks, business firms and private citizens make gifts of money. But as the scope of the work grows the members themselves must help to supply funds.

The Finnish Martta Union has for its ideal an enlightened, interested, efficient housewife in every home in Finland.

FRU RUTH BORGSTRÖM read the report of the **Finland Svenska Marthaförbund** (the Association of the Swedish Marthas of Finland):

This society of rural women is working in the coast-parishes of Nyland, Åboland, the South and Central Österbotten, the whole Åland and the archipelago between Åland and Åboland.

At the head of the Union of the Swedish Marthas of Finland, which at the present numbers 15,450 members, is a Central Board of 12 Directors, who are elected in due order for three years at the yearly meetings of delegates, which are also the annual general meetings of the Union.

The organization of the Union has gradually become very well defined. In the towns and the country over the whole territory inhabited by the Swedish speaking Finlanders there are now 182 local societies. Most of these local societies conduct the Martha activity in a whole parish and form smaller unions, called circles, in different parts of the parish. The number of the circles in the whole Union amounts to 342. The local societies in the different districts are joined in District Associations, whose leaders act with the Central Board of Directors; they engaged Advisers ("Consulents"), and Instructresses, organize lectures and call together the members of the Martha District Unions to general meetings or Martha-days.

Meetings are held in the circles and local societies once a week; in the country, not oftener than once a month. At these meetings there are lectures, discussions, readings aloud and sometimes tableaux and acting.

The instruction on the subjects the Martha circles have chosen for their programme is given by advisers and instructresses engaged by the Central Board of Directors, by the district associations, or by local societies. We have in this way courses in domestic economy, in the care of the home, in gardening, in needle-work, in weaving, spinning, nursing of the sick, infant welfare, and also in bee-keeping, care of poultry, sheep and other domestic animals. The work for the care of children has taken a special turn since the Swedish Martha became entrusted with the task of organizing the distribution of prizes to mothers of healthy and well-cared-for children, which every other year takes place by turns in different parts of our area. These prize distributions are organised by a society, which has the popularisation of eugenic principles upon its programme.

Every other summer the Central Board of Directors has arranged vacation courses for housewives, and the women at a thoroughly merry, companionable meeting receive new ideas and a much needed rest.

For some years interest in home industries has been the leading thought in the Swedish Martha Union in Finland. The Association owns two weaving schools, one in Åbo and the other in Borgå. In 1927, the Association arranged an exhibition of ancient domestic manufactures from the Swedish parts of Finland in the National Museum in Helsingfors. A scientifically trained adviser in home industries is making a collection of old materials in Swedish Finland on a scientific basis, she has now already collected more than 1,000 samples and patterns, which are lent to the weaving classes, and it is the desire of the Swedish Martha Association to build upon these old patterns a new home industry, which will be a good source of income for rural women.

During the year 1928, 8,000 women have attended the courses organised by the Association. As an illustration of the practical activity the following extract of the annual report for 1928 may be given:

On the care of the home and domestic economy 157 courses were held with 2,443 students.

On gardening 89 courses were held with 509 students.

On home industries 109 courses were held with 1,157 students.

On nursing and the care of children 16 courses were held with 457 students.

A swimming, games and gymnastic course, with 188 students.

The total number of courses given was 323.

74 instructresses have for a longer or a shorter time been engaged by the Association.

There are 1,500 Martha gardens, of which 150 were newly formed.

953 lectures have been given on different subjects.

The Swedish Martha Union of Finland has its own journal, *Husmodern*, (the Housewife), which is published in an edition of 3,300 copies.

The Union has received in Government grants Fmk 100,000; but more than 5 times this sum has been collected by the Marthas themselves for the working of the local circles.

The leading principle in the Martha-work is to bring together women of different classes with a common interest for their active work, to give the woman a chance of helping herself and to teach her to estimate rightly the value of her work. The Martha Association has adhered strictly to the opinion that its activity does not include financial support to those in need, but that it has an exclusively educational purpose.

My report would not be complete if I neglected to mention the importance of community singing at the meetings of Martha. It has been said, that the Martha women sing in season and out of season. The people of Finland have from time immemorial given expression to their feelings in song. We are true daughters of our native country, and always when the members of Martha are assembled, the united voices raised in song unite us, and lead our thoughts to high ideals.

FRANCE.

COUNTESS DE KERANFLECH-KERNEZNE: Excuse me for speaking in English. I have no practice and my accent is so bad that you will suffer very much. Anyway you shall not suffer long.

There is not in France one single association like the English Women's Institutes. That does not mean there is nothing at all for country-women, on the contrary we have several associations, but they are not linked together.

Firstly Associations connected with different religious bodies, whose aim is chiefly religious and moral, sometimes make time at their meetings for professional questions, such as dairy work, gardening, house-keeping, etc. These associations, three in number, two "Ligues Catholiques" and the well-known "Protection de la Jeune Fille," to which many rural women belong, include in one case 1,200,000 members and in the other 800,000 members. They have sometimes rural meetings on special days, but they are not exactly professional associations.

Secondly, we have our masculine "Syndicats Agricoles." They are open to women as well as to men. The Constitution permits a woman to be a member of the committee, and even on occasion to be the president; I know of one case. In fact it is chiefly the woman, head of the family or of the business, who is in these syndicates, and their number is very small in comparison with the men.

Besides the numerous masculine syndicates which are linked together in Regional Unions and Central Organisations, the best known of which I have the honour to represent—

"*La Société des Agriculteurs de France*", we have also a few feminine rural associations: Unions Ménagères, Syndicates, Cercles de Fermières. These are attached to our "*Union Centrale des Associations Féminines*." Some of these associations were formed in 1909—1911, since then the movement has been for a long time stationary, now it seems to be growing in favour. Some of our Regional Unions of Syndicates like the South and East Unions have a flourishing group of women rural workers, and publish a paper "*The Woman in the Country*."

Our Central Association aims chiefly at making influential country-women take an interest in improving life in all its phases, and securing domestic economy schools.

One interesting piece of work done in our country is the movement called "*Semaines Rurales*" at which meetings lasting a few days, generally four or five, are held for young country girls. They include conferences, lessons on domestic matters, music, singing and other distractions. To this young people come with great pleasure, both as boarders and daily. We had about 50 last year in the whole of France.

Our Feminine Associations are almost entirely supported privately, not by the State. This is only a beginning. The French peasant women do not understand the idea of association. Also the farms are far apart and the hard work of the farm women is often an obstacle to meetings.

There is no doubt that such re-unions as these encourage the idea of a greater collaboration in the future, and it is for this reason that we wish to record our warmest gratitude to Lady Aberdeen and the other ladies concerned for the interesting meeting so rich in suggestions and help of all kinds.

GERMANY.

GRAEFIN KEYSERLINGK spoke in German, and afterwards in English:

The first "*Hausfrauenverein*" was started in 1898 (one year after the first Women's Institute in Canada) by Frau Elisabeth Böhm, our present President and founder of our Reichs Association of Agricultural Housewives. It has been affiliated to the National Council of Women since 1913, but is independent of it. It is non-political and non-sectarian. It was born and brought up in the country. It has been organized from the town, and so I think it has quite a healthy point of view on all the needs of country-women.

Our work is the training of rural women for modern house-keeping and the improvement of the commodities for which there is a demand on the market. If we compare what we do with what is done by all the other nations, I may say that we work, as Lady Aberdeen was saying in her introductory remarks, like the Australians in readiness to help, like the English in the sense

of enrichment of country life, like the Americans in protecting country arts, like the Estonians in being very practical.

One third of our population is a rural population. We have not as many big farms as many of you may think, so our work is for the smaller farmers. Our main task has been to get the peasant woman organized. We have now leaders not only from among the wives of the agrarian magnates, but from the ranks of the peasant women themselves, who are often our "experts" in home and garden work.

Economic conditions no longer permit the wives of the great landowners to lead lives of ease. They run their households, participate in public life and take a practical interest in home and farm problems. It is now very difficult, of course, for the country-woman to do all she ought to do because she cannot have all the help she formerly had, and has to do things for herself.

Owing to the experience gleaned from practical dairy work, we have got a centre for our work now in the Reichsbund with its seat in Berlin, which is the connecting link between 1,681,000 clubs. The question how to augment production from the point of view of national economy is one of the topics.

The improvement of farms and the rationalization of rural house-hold work form a special section of our work, and this is supported by the German Chamber of Agriculture. Unfortunately we find that electricity is mostly too expensive to be used in the country, but we do what we can to introduce machines wherever they can be used. Trial stations for inquiring into the use and value of implements required by women in house and dairy work have been erected.

Our organisations have systematically organised centres for research and consultation, so that the housewives may go and find out how to do things as well as possible. Because of this practical movement the rural women are regarded seriously by the men and by the State.

How to get more time for the peasant woman is one of our problems. She is over-worked and in quite early life becomes worn out by her daily toil in the house and fields. We have secured carefully supervised schools of domestic science. Other work of this character includes training girls for country life, and preparing teachers. We get this done through the association of domestic economy schools.

One of the main tasks of the Reichsbund is to influence legislation. We are working in the happiest way with men and not against men in the struggle for the improvement of country and national life. We are happier in that than many women of other professions who have to fight the men of the same profession.

Work is the lot of the German country-women, and it is our joy to train them, for this is the task of our Association, and at the same time we must help them to direct their attention beyond the needs of the moment to higher things.

INDIA.

LADY DORAB TATA: This report is no more than the catalogue of a handful of schemes on foot in India for alleviating the lives of village workers, which are very hard, especially for the women. It has not been possible to make an exhaustive research. This report but touches some strands of the fringe of the problems which beset villagers. We shall speak only of three provinces.

1. The Punjab.

Mr. F. L. Brayne's scheme at Gurgaon by its success promises to become a model of the best manner in which to attack village problems. Mr. Brayne or his representative will explain this scheme in person.

2. Bengal.

Bengal is perhaps particularly fertile in village schemes.

The Saroj Nalini Dutt Memorial Association for Women's Work founded by Mr. Dutt in memory of his wife must have special mention and has its representative present to explain it.

The Nari Siksha Samity or Women's Educational Association in which Lady Bose, wife of the famous scientist Sir J. C. Bose has a special interest, must have a Report to itself, and it is appended.

The Society for the Improvement of Backward Classes is another important movement and a report on its work is appended to the work of the Nāri Sikshā Samity.

Nari Siksha Samity (Women's Educational Association).

The objects of this association are:—

1. To impart such education to country girls and women as may make them good and helpful wives and mothers and useful members of society, and enable them to earn an honourable living in case of need.
2. To develop home industries by helping to establish suitable organisations in the country.
3. To organise mothers' classes for conversation and discussion on the art of child-rearing and child training.
4. To train teachers for instructing rural girls and women.

Last year there were 23 schools under the control of the latter association in out-of-the-way villages in Bengal having on their roll 850 pupils. But the important work is the training centre, Bani-Bhavan for rural women teachers, which is at the same time a home for widows. It accommodates 80 women. They are taught up to the Middle English standard as prescribed by the Educational Department, with slight

alterations to suit the peculiar conditions of grown-up widows. A curriculum, however well made and suited to the conditions of village life, would be of no use unless there were teachers to enforce it. And the Association tries to supply such teachers by training women who come from rural homes and are ready to return to them after completing a training course. The Association (Nari Siksha Samity) realises year after year the tremendous difficulties that face it in villages in the absence of both pupils and much more of teachers, even when funds are placed at the disposal of local committees. This emphasises the very great need of propaganda work in rural areas by lady workers who will go among the women folk there, mix with them and show them by example more than precept the beneficial results of education, both general and industrial. The Nari Siksha Samity does this propaganda work with the help of lady workers trained in their Bani-Bhavan.

The Society for the Improvement of Backward Classes works among the sweepers, cobblers, and other depressed classes of the community. This society conducts 93 girls' primary schools for the people of these castes, with a roll strength of 8,935. Since 1923 the Society has been maturing and helping a scheme for encouraging bona fide village girls who have passed the final primary examination to continue their education in middle or high schools. In 1924, the society, in pursuance of this scheme, provided special scholarships, called Continuation Scholarships, for girls of the backward classes. The first batch of the recipients of Continuation Scholarships have now reached a fairly high stage of education. They can, if they choose, look forward to independent careers for themselves. This is perhaps the first example in the history of female education in Bengal of a scheme for encouraging and inducing girls of the backward classes, who would ordinarily never think of leaving their village homes, to proceed for further study to residential middle and high schools situated in places where they have no relatives.

The Ram Krishna Mission people, the followers of Vivekenanda, do much excellent work in the direction of village nursing and gave a useful demonstration at the Calcutta Health and Welfare Exhibition this year of how poverty need not imply dirt, and how simple alternatives to complicated nursing utensils can be made with the help of a little intelligence and ingenuity.

Further, there are the efforts of countless missionaries of different Christian sects, whose excellent work must be acknowledged.

At Hat Chopra, in Bengal, in a district where there are 13 Christian villages, Mr. Higginbotham has started a scheme based to some extent on Mr. Brayne's scheme in the Punjab, and great enthusiasm for the work is evident among the lads whom he is

teaching. A lady is qualifying herself to join in this work and do the same for the women.

3. Bombay.

In Bombay Presidency there are many good works on foot, but nearly all of them are in towns.

The Lady Wilson Village Maternity Scheme, whereby village Dais (midwives) are taught the virtues of cleanliness and non-interference in cases of labour, and who are returned to their villages with simple outfits to enable them to carry on their work in a cleanly way, is being kindly received and has achieved quite a good measure of popularity.

The American Marathi Mission has several schools in villages.

MRS. HANNAH SEN: It is my privilege to represent the **Mahila Samitis of India**, which is but one phase of the life and manifold activities that characterise the Indian people of to-day. Its inception dates as far back as 1913, when Mrs. Dutt realized that certain social problems, particularly those attached to the departments of health and education, the two special daughters of the State, were primarily the cause and concern of women. She proceeded therefore to organize Women's Institutes, which, while remaining free from all political and sectarian bias, aimed at trying to bring the women of the villages into line with their more advanced sisters in giving them a new organisation, imparting new joys and new values into their lives. It was essentially a movement by the women, of the women, and for the women, and as such it symbolized not only the desire on the part of women to share in the responsibilities of citizenship, but also their firm faith in their spiritual powers of curing social ills.

Among the various objects which those Committees aimed at achieving are those connected with social work, public health, maternity and infant welfare, celebration of baby week, the starting of schools for juveniles, and also the furtherance of adult education, the revival of cottage industries to relieve the economic pressure, and the establishment of co-operative societies. Those are a few of the objects with which they started.

Shortly after the formation of the first few Committees, Mrs. Dutt, somewhere in 1921, visited England, and she was pleasantly surprised to find that a similar movement, a sister to her own movement, existed here and also in Canada. That she regarded as significant of the oneness of women all the world over. Born though we might be in different climes and in distant parts, and perhaps the products of different civilizations, we have been faced with similar problems, and each independently has evolved a similar scheme to solve those problems.

Mrs. Dutt foresaw a time when women would no longer work within the narrow limits of political boundaries, but extend the

hand of friendship and mutual service to each other. It was in this spirit and inspired by this ideal that she returned to India, and from that time the Committees, while remaining chiefly the work of Indian women, extended a ready welcome to women of other countries who were anxious to co-operate with the Indian women:

In the National Federation in Calcutta—an ideal which Mrs. Dutt borrowed from this country—the services even of men were accepted. I must mention in this connection particularly the untiring devotion of Mr. Dutt.

To further this international ideal of Mrs. Dutt, just about six months ago a Committee of the Association was inaugurated and a great deal has been achieved which has proved extremely useful. We have been able, through its agency, to interest women of this country and even of Australia, and that interest has been shown in an extremely useful and practical manner.

IRELAND.

MRS. CARTER read a report on behalf of the United Irish Women:

It is necessary, in giving a report of our society, to allude briefly to its inauguration, as well as to its past history.

The society was born in that period between 1900 and 1914 when the spirit of self-help, of direct action, was unusually powerful in Ireland; when farmers were multiplying dairy and agricultural societies, when the Gaelic League was creating branches, the Industrial Development Associations were promoting industries, and the intellectuals were creating a great dramatic and literary movement. The impulse in all these movements was towards direct action: they were creative and a number of patriotic and energetic women shared in those impulses. They desired to help in the building up of a racial civilization. They felt that what Sir Horace Plunkett called "better business" was not enough, and that there must be better living. It was then that Irish women started what was intended to be a feminine counterpart to the Irish Agricultural Organisation Society, and called it the United Irishwomen. It was a vital organisation at the start, with many enthusiastic members. It created many branches, and even rose to the dignity of publishing a journal of its own, and would no doubt have gone on multiplying associations but for the outbreak of the European War and its reactions in Ireland. Fiercer and more passionate emotions were kindled in this country, and in the long struggle up to the Treaty, and during the Civil War which followed, it was impossible to focus attention on national domesticities. The United Irishwomen's organisation during that period was rather like a small kitten in an arena trampled by infuriated elephants. There was nothing for it to do but to lie low, and it emerged alive, but rather emaciated.

From this state of emaciation it took our society some years to recover, in fact only now is it beginning to sit up and look for nourishment!

In February, 1927, it was found necessary to close down the central office in Dublin for six months and to dispense with a paid secretary in order to conserve funds. This was done, Miss Ross, Honorary Treasurer, doing the necessary office work, and Miss Franks, Honorary Secretary, acting as craft-teacher and organiser. Different branches were visited and a course of basket-making was given for two weeks at each centre, the girls taking up the work with enthusiasm. It was arranged to apply for a stall for the sale of their work at the Royal Dublin Society's Spring Show. This proved a successful enterprise, many of the members coming to Dublin, helped to sell at the stall—the sale amounting to £56. Last year, in addition to the Stall, which realised over £100, the members took part in demonstrations in the Country-Side Workers Section, in basket-making, spinning, mat making, seat-weaving, the entire section being organised by the United Irishwomen.

With regard to the general work in the branches. Hand-work takes first place. In one village, where a branch was started in 1917, the committee managed to collect sufficient funds to buy an iron shed. This was grafted on to the walls of a house, where the roof had fallen in. We held our first show there in 1919, and our entries numbered 50! This show has been held annually since then, and through the troubled times. Now there are two good houses adjoining belonging to that branch, and at the last Village Arts and Crafts Show we had over 800 exhibits and the work done was greatly praised by the judges. Classes in other crafts, leather and raffia work, home dress-making, create tremendous interest and draw the girls together. This year fresh impetus is given to the movement by the offer of lectures from various societies: The Women's National Health Association are offering to send us lecturers on Health, on Infant Welfare, on Food and Food Values; lectures on Goat Keeping, on Cow Testing, on Clean Milk, have been offered by some of the authorities on these subjects, and the Co. Dublin Librarian has promised to come round with her book van and to talk on Children's Libraries and Schools Distributions. This has been successfully done in Co. Dublin, the schools being the centres for distribution.

With the help and stimulus derived from these societies we hope to advance our cause considerably in the near future.

It is hoped we may revive national dances and folk songs.

Our great need in country villages is for village halls. This is the chief stumbling block to the development of branch activities. The clergy, on the whole, give us very little encouragement and look with a certain amount of suspicion on a society composed of women! The suspicion will in time evaporate,

when we can impress them sufficiently with our general ability.

In concluding this report, I would like to draw attention to the fact that we have not one paid worker in our society, neither do we receive a grant from our Government, nor yet from any other source. We are a small body, but we have great hope.

THE NETHERLANDS.

MME. WIERSMA-RISSELADA: In the Netherlands there is as yet no organisation of country-women, but this does not mean that nothing is being done for them.

Lectures on Home Economics were first organised about 1910. The lecturers were Mme. Th. Mansholt, who later became Principal of the College for Domestic and Rural Subjects, and Mme. J. Huisinga, one of the first members of the staff of that same college. These two women have done a very great deal for the education of the country-woman.

In 1911 the first Roman Catholic Domestic Science School for Country-Women was opened, followed, in 1913, by a Training College for teachers, "De Rolleeate", and a few years later by a Roman Catholic College at Posterholt. From 1915 onwards the work developed in a marvellous way, and now there are about 50 lecturers, working all over the country, giving courses lasting from one to five years.

During the last five years a number of well-equipped schools for Rural and Domestic Subjects have been opened, which teach all branches of housewifery, horticulture, poultry keeping, etc. The housewifery course includes lessons in dietetics and hygiene, cooking and laundry work; dressmaking is also taught and natural science, cattle breeding and agriculture.

One of the aims of these schools is to cultivate the love of rural life and to counteract the lure of the city. A country with many healthy homes and a strong feeling for domestic life is much more able to carry out the great social tasks that are before it.

Our organisation has a monthly magazine for country-women, "In en Om de Boerderij," and special articles for women are printed weekly in several agricultural magazines.

The women who have attended the schools have formed themselves into Old Students' Associations. In a number of cases local lectures are arranged for them; they hold monthly meetings, organise excursions together, etc., and in some cases, once or twice a year, provincial meetings are held, but as yet they have not united into one big organisation and they have not thought out any general scheme of work. More and more we feel in our country the need for one big organisation to enable us to discuss our own special problems, and to bring us together from all parts of the country.

NEW ZEALAND.

LADY GUNSON: I really am in a very unfortunate position in reporting for New Zealand, for I have been away from my country nearly three years. I am very sorry the delegates were unable to attend.

When I left New Zealand the Women's Institutes were being formed, and I attended one of the first Drawing Room meetings. To-day we have our small paper, a very small one, but our own; its title is "Home and Country," and we have over 50 Branches, and three Provincial Federations.

In the back-blocks women enjoy the help and benefit derived through the Women's Institutes just as much as you do in your villages. New Zealand women like to form their Institutes as much as possible along the lines of English ones.

Although a small country, in comparison with our neighbour Australia, we too have long distances to travel and over lonely places.

In Miss Spencer we have a splendid Head Organiser.

NORWAY.

FRU MICHELET: The first Housewives' Association of Norway, "Oslo Hjemmenes Vel," was started in 1889, and in 1915 the federation was founded by Mrs. Marie Michelet, at that time president of the local association of Oslo. Now there are 160 associations all over the country, 75% of which are rural. Their aim is to improve the homes, socially, economically, hygienically and ethically.

Each association is independent, self-governing, self-supporting and absolutely non-political. There are about 20,000 members. Mrs. Michelet is still president. The associations have meetings once a month, with lectures, demonstrations and entertainments, tending to enlarge the outlook of the members. The fees are very low, as low as 1 Kr. (1s. 2d.) a year, so that every housewife can afford to join. Still many of these associations have ample funds, and most of them can afford to send representatives to the biennial congresses of the federation, the seventh of which is to be held this year at Hamar. All associations, large and small, have the right to send two voting representatives.

The headquarters of the Federation is in Oslo, where there is an office, with seven paid workers and an honorary president, secretary and a "Direktion" (Board of Directors), the members of which belong to associations outside Oslo. The Federation has its own periodical, "Husmorbladet", published twice a month with 24 pages.

The Federation arranges demonstrations, courses, and lectures on "Housewife days" for local associations. In 1928 four experts travelled all over the country teaching, demonstrat-

ing and lecturing. A special propaganda has been made for the use of more milk, fish and Norwegian produce.

Norway has 18 counties (fylker) and in ten of these the associations are federated into "circles" (Kredse), with a "Kredsformand", who is the chief representative of the county.

Special courses for leaders are being held in different parts of the country. Members of the Board of Directors, chairmen and proxies are admitted.

The federation and the associations have no support from the State or parish. The members work hard to get money for their work; some associations have been very successful. Many of the town associations have their own houses.

Nordens Husmorforbund—"The Federation of the North"—is a Federation of the Hjemmenes Vel of Norway, the Martha Unions of Finland, the Swedish Housewives' Associations, and the Danish Housewives' Associations. It was founded in 1919, with Mrs. Michelet as its first president. She was followed by Mrs. Carla Meyer of Denmark; Mrs. Fanny Hull of Finland is the present president. The term of office for the president is four years, the countries taking the presidency in turn. About 100,000 housewives are registered in this Federation, which has been of an immense help to the progress of the work among housewives in the four Northern countries. It has biennial congresses, the fifth of which is to be held this year in Aabo, Finland. We wish to express the gratitude we feel to the Martha Union for the splendid inspiration we have received from its work.

The Northern Federation has been represented at rural congresses held at Brussels in 1925, at Lansing in Michigan, U.S.A., in 1927, and at Rome, in 1928.

The Commission on Domestic Work was set up in 1928 by our oldest agricultural society, "Selskapet for Norges Vel" (The Royal Society for the Welfare of Norway), founded in 1810.

With Mrs. Michelet as chairman, its purpose is co-operation between the agricultural societies belonging to "Telskopel for Norges Vel", the local communities and the Housewives' Associations in all household matters. This is especially meant to help rural women.

The commission has only just begun its work, and it is too early to give any report of it, but it is already a great step forward that a commission of this kind has been set up.

***Norsk Bondekvinnevalg** (Norwegian Country-women's Association).

The first attempt at building up a country-women's organisation in connection with the already existing "Norges

* Unfortunately the representative of this Association was prevented from attending the Conference. This report has been contributed since the meeting.

Bondelag' (the Norwegian Peasants' Association) was made in Spjelkavik (Sunnmør district) in 1917. Although this attempt was made on a very small scale and the tasks with which this first country-women's movement identified itself were often very limited and almost entirely of a local nature, it gave for the first time expression to the idea with which other country-women's groups later on identified themselves, namely, the idea that country-women should take part in the economic and cultural work started by the peasants' organisation. But only in 1921, after an address given by the Secretary of the Peasants' Organisation, Mr. Elias Wiese, who for many years had worked with unceasing energy to attach the country-women to the men's organisation, a Country-women's Association was formally founded at Skjeberg.

The official organ of the Norwegian Peasants' Organisation, the Norwegian Peasants' Review, then took up the question by appealing to its readers to take an interest in the formation of women's groups in connection with Norges Bondelag. As a result the Norwegian Peasants' Association adopted a resolution to the effect that its groups all over the country should be asked to study the possibilities of forming women's groups in the villages and the special tasks for which the co-operation of these groups would be welcome. Later on it was agreed that it would be better to leave the country-women themselves to take the initiative and a Committee was appointed for the promotion of the organisation of country-women's groups.

Fru Hanna Holt, Skjeberg, founder and first President of the country-women's group in Skjeberg, was a member of this Committee and, although the Committee as a whole never took up its work, the idea had taken root and country-women's groups rapidly organised themselves in many parts of the country. For several years these groups worked independently, but soon the absence of a central organisation was felt, and in 1925 a women's committee was formed in connection with the Norwegian Peasants' Association with Fru Olga Bjoner, of Hobøl, as Chairman. When in 1926 the first meeting of country-women was held in Oslo, delegates from 36 groups took part in it and by the end of 1928, 91 groups had been organised. This Association has three representatives on the Board of the Norwegian Peasants' Association.

The aim of the Country-women's Association is to work side by side with the men, but at the same time to undertake those special tasks which can only be undertaken by women. The organisation participates in the work of finding a remedy for unemployment and in this connection stimulates homecrafts of all kinds. It also encourages young people to break up new land in the large up to now uncultivated districts of Norway, and thus teaches them to find satisfaction in the labour on the land in their own country rather than in emigrating overseas. It also takes its part in the work for strengthening the national

economic independence of Norway by encouraging the peasants to live as far as possible on the produce of their own soil. The organisation also does its best to interest young people in the life of the village and thus to put a brake on the increasing tendency of the present generation to leave the country for factory work in town. The Country-women's Association works for the promotion of the moral and spiritual welfare of the home, and of a better understanding between the different classes in the community and between the country and the town.

SCOTLAND.

MRS. ANSTRUTHER GRAY: The Scotch Women's Rural Institutes were started in 1917, after we had seen what good work was being done by the English and Welsh Institutes. We had as our fairy godmother Mrs. Watt, like the English and Welsh Institutes.

We have now 715 Institutes, with a membership of about 40,000. This is about the same proportion to our population as the Institutes in England and Wales.

For the first five years our Institutes were formed and organized by the Board of Agriculture for Scotland. The Chairman of the Board was very keen about the Institutes because he had seen what excellent work had been done by the Canadian Institutes.

In 1922 the organization was handed over to the Institutes and we were given a grant by the Government of £3,000 a year for five years. At the end of that time, in 1927, we continued the organization and became self-supporting, except for a very small grant that we had been given by the Development Commissioners. We have organized every county in Scotland, also the Islands of Orkney and Shetland, and the Inner and Outer Hebrides.

We have County Federations, which in some cases are linked in areas, and these areas have their own area officer and organization. We have a central office for all the Institutes in Edinburgh, and a Central Council which meets once a year, or oftener if necessary. This Central Council appoint from among their number their Executive and Finance Committee, and sub-committees, for education, publications, handicrafts, and any other sub-committees that are required. The Central Council is elected by the members of the Institutes in the Federations. Therefore every County Federation is represented on our Central Council.

We find that throughout Scotland handicrafts have improved enormously since the Institutes were started, and we now have a Handicraft Guild, which was formed in 1925. They have been doing most excellent work with classes that have been provided through the Guild. The members attend classes, and when they

pass their tests they get certificates and are then required, having got their instruction free, to give a certain amount of time to teaching in our Institutes. At most of our local shows we have exhibits of handicrafts, and this year the Highland and Agricultural Show Committee, which is the largest agricultural show that we have in Scotland, has been so impressed by the work that has been done by the Institutes in Scotland that it is giving us a very large hut in which we are going to have a national exhibit of the work of Institutes.

Then, through the kindness of the Carnegie Trustees, we have, during the last few years, been able to hold classes for dramatic art, choir singing and folk dancing. These have been the very greatest success, and by the end of this year I think every county in Scotland will have had some classes. Not only have they had the classes, but in many counties they have held competitions. In one of the areas twenty-two of the Institutes which had been having classes in dramatic art had a competition, and it really was most encouraging. There was quite a lot of talent. I think the Scotch people have a very strong dramatic talent, and I hope that this will be a means of their finding some hidden geniuses. Anyhow we are giving a tremendous amount of pleasure to our rural population in having these different classes. In some districts in the North and in the far-away islands, I do not think classes have ever been held for women before, and they have appreciated them so enormously that one hears of cases of women who have rowed three miles across a little Highland loch in the dark winter nights in order to attend these classes. It is quite a usual thing to hear of women who walk miles across the hills and moors in order to attend their monthly meetings.

There is absolutely no doubt that the Women's Rural Institutes are a very vital force in the country-women's lives in Scotland. I am quite sure that if you seek, whether it is in the far-away islands of the West, or in the more populous districts of the mainland, to see if you can find the idea of co-operation and the desire for knowledge, and best of all the spirit of comradeship and friendship, you will find it in all the Institutes wherever you look.

SOUTH AFRICA.

MRS. AUERBACH: The Women's Section of the Transvaal Agricultural Union was started by Mrs. O'Connor. Before I present my report, may I say one word about Mrs. O'Connor? She is a typical product of the South African veldt, herself a woman farmer. She has an amazing natural gift for organization, great tact, and an immense power for stimulating enthusiasm in others. It was only two years ago that, for the first time, she came to this country, so we can say that this organization has arisen spontaneously and is very characteristic of South Africa.

The Women's Section of the Transvaal Agricultural Union has a motto: "Work Ennobles." A Badge has been adopted, but has not yet been made; the colours are royal blue and gold.

A congress of women interested in agriculture was convened by Mrs. Edith O'Connor in September, 1925. This congress decided to form an organization, under the above name. According to the Constitution adopted, the Women's Section welcomed the membership of all European women on a non-party political, non-sectarian and non-racial basis. The congress decided that efforts should be made throughout the Transvaal Province to form small bodies, to be known as Women's Branches of the Transvaal Agricultural Union, such Branches to be invited to send representatives to Pretoria each year to a congress.

By September, 1928, no fewer than 67 branches had been formed and the congress was truly representative of country women. This congress adopted a constitution similar, in many respects, to that of the National Federation of Women's Institutes. Now, in March, 1929, the branches number 77, and it is hoped a further increase will be recorded before the next congress meets (August or September, 1929).

The Transvaal Province is divided into districts, equivalent to counties in England. One or more women's branches now function in 17 of these districts.

In the course of organization many difficulties have been encountered, these are:—

1. Geographical, such as great distances, absence of villages or other centres, sparse population, bad roads. Many branches meet at the local school or at the home of a member, and it is not uncommon for members to drive 15 miles to attend a meeting, sometimes in motor cars, sometimes in Cape carts drawn by horses, sometimes in tiny, hoodless carts drawn by patient little donkeys. To minimise transport difficulties many branches meet on the same day and at the same place as the Farmer's Association, and serve refreshments to the Association as well as to branch members.
2. Financial. The sole income of the Women's Section is derived from the affiliation fee of 6d. per member per annum. All service is therefore voluntary. The small office staff of the Transvaal Agricultural Union has given valuable assistance, and its little paper, "The South African Farmer," has placed two or three pages at the disposal of the Women's Section. But the extension of the Women's Section will be hampered until more funds are forthcoming. An Endowment Fund has just been started, an effort to become self-supporting so early in its existence which is surely an indication of vitality.

3. **Educative.** The Government Department of Agriculture sends Home Economics officers (women) and Agricultural officers (men)—all bilingual—to demonstrate and lecture to Women's Branches on household matters and on poultry, bee and dairy farming, butter and cheese making, horticulture, etc. But, unfortunately, the demand for lectures far exceeds the supply.

Notwithstanding the above and other difficulties, much has been accomplished in addition to the establishment of 77 branches. At the request of the Department of Agriculture, members of branches have been Show Judges for agricultural shows, and have given satisfaction. These judges are required to pass tests, set by the lecturer in Domestic Science at the Transvaal University College, Pretoria.

In May, 1928, a Transvaal Agricultural Union Women's Exhibit was placed on the Pretoria Agricultural Show. This year a larger and improved exhibit will again be placed.

A weekly market stall in Pretoria has been arranged for the benefit of members in that town and district. Should the venture prove successful further developments will naturally follow.

A Library Committee has considered the problem of a rural circulating library system and attended a South African Library Conference, held at Bloemfontein during November, 1928, under the auspices of the Carnegie Corporation of New York. A scheme was formulated for a Free South African National Library, and when put into effect will be a great boon to all who live on the veld. More recently the Library Committee accompanied a deputation from the Germiston Library to interview Mr. Smit, Administrator, Transvaal Province, and until recently High Commissioner for South Africa in London. The deputation was very favourably received and hopes for a grant which will enable a modified library service for rural areas to be started almost immediately.

The Women's Section has urged that greater provision should be made for women in agricultural schools, and the Potchefstroom School of Agriculture, Transvaal, has now arranged for a six months' course in poultry for women only, and for women to join other special courses.

Meanwhile branches have been urged to send representatives to the Agricultural School for the excellent five day courses which already exist. A branch pays the fees and travelling expenses of its representative and expects her, in return, to place her notes at the disposal of members and to give short talks on what she has learnt.

It may be of interest to mention that the 1927 and 1928 Women's Section Congresses were addressed by members of the National Council of Women, who explained the objects and work of the Council. Unfortunately the basis of representation offered by the Council was not satisfactory to the Women's Section and affiliation was therefore impracticable.

Undoubtedly the Women's Branches are responsible for a greater spirit of friendliness and good will among country-women. Often under great difficulties, such as absence of a suitable hall or other facilities, small functions are arranged which give considerable pleasure and sometimes increase the funds of the Branch concerned. The social aspect is particularly important in a country of wide spaces and sparse population, where country women necessarily lead rather isolated lives.

The Women's Section, Transvaal Agricultural Union, gratefully acknowledges its indebtedness to the National Federation of Women's Institutes, the Scottish Women's Rural Institutes and the Federated Institutes of Canada, for the interest they have shown in it and for the helpful literature they have so kindly forwarded from time to time.

The Women's Section, Transvaal Agricultural Union, believes its work will do much to improve social conditions on the veld, and that, in course of time, it will bear a not unworthy part in the development of South African agriculture and, thus, will earn its place in the great Sisterhood of Rural Women to which Stoney Creek gave birth, in far-off Canada, so many years ago.

Sunday River Women's Institute.

MISS MAGNIAC: In 1919 and 1920 a number of English families arrived in the Sunday's River Valley, near Port Elizabeth, Cape Province, to farm an Irrigation Colony for state settlement. The land had been cleared and stumped for us in the Addo Bush, but we had each to fence our land, build our houses and level the land for fruit trees and crops. Temporary housing was scanty, and there was no meeting place for women. The men used to meet in the bar of the Railway hotel.

In January, 1920, Mrs. Alfred Rogers and I decided to start a Women's Association. The first meeting was held in Mrs. Alfred Rogers' house, we had a good many members and very few rules, meeting once a month in the house of our members in turn. This was the first Institute started in South Africa, and I would like to take this opportunity of thanking the English National Federation of Women's Institutes for the very kind advice and help they have always given us. We were also fortunate in having Princess Alice as our President.

Our first activity was the school. The Government school was overcrowded, there was no room for the newcomers. White farmers boys were leading ox-waggons, settlers wives teaching their children, so we started a small private school in a lucerne shed. It grew and finally was taken over by the Government, who built a fine modern school costing £1,500. Miss Higgins became secretary of the Association, and continued as such for five years. Without her good work we never could have suc-

ceeded. I remained in the Chair for seven years, and resigned on account of ill health, when Mrs. Bumer took the Chair, and Mrs. Swann became secretary, both are still in office, doing excellent work.

The Association gave yearly entertainments to pay off the debt on the Church, which was repainted, and Mrs. Shuttleworth beautified the church-yard.

In 1921 the Association turned itself into the Sunday River Women's Institute. The Sunday River Valley is 60 miles long, and ours is the only society with members from all the distant settlements, our idea being to promote peace and goodwill among the clashing interests.

In 1923 we held a very successful bazaar to raise building funds, and recently the Valentine Hall, Addo, was completed and opened.

We have always tried to keep up intellectual interests among our members, we have had a visit and a lecture from the Hon. Mrs. Franklin, as the result of which Mrs. Fanning organised a P.N.E.U. School in the Valley. Dramatic readings have been a great success. In this way we have read Abraham Lincoln, and have had readings from Shakespeare, John Masefield, etc. We also had lectures from Mrs. Hannam and Mrs. Tonkin on the Quinquennial Council Meetings of the International Council of Women held in Washington in 1925. We have sometimes had debates and also meetings to arrange entertainments for charities; some of our members started a Dramatic Club and some a Music Club. We have had Government lecturers on Domestic Science every year, and Mr. FitzSimmon, curator of the Port Elizabeth Small Park, gave us two lectures on Birds and Snakes, and the Balance of Nature in Rural Areas, warning us against destroying birds and creatures that prey on the natural enemies of man. As an example of the truth of what Mr. FitzSimmon told us I would like to mention that once a cobra wintered in my barn and destroyed all the rats.

We have no village in the ordinary accepted sense of the word, because the villagers are all Kaffirs, in consequence the women of our Institute are all women of education. Thus our object has largely been to keep alive intellectual interests, but any urgent need, not only of our own members, but also of others, receives our instant attention.

We should very much like to be in touch with some of the organisations in foreign countries if they would write to us, so that we can keep ourselves intellectually in touch with Europe.

I myself am a dairy farmer. We keep poultry. We make our own bread, when there is no Kaffir girl to do it. We do our housework, I mention this to show the peculiar conditions of our country, but it has nothing to do with the Women's Institute, which is largely for charitable, spiritual or local purposes. There are about twenty other Women's Institutes in Cape Pro-

vince, but we are not yet a Federation; though I hope that after having heard about the splendid work that is being done in other countries, it will lead to our becoming a Federation of Women's Institutes. I shall tell them, when I return home, of all that I have heard here.

SWEDEN.

MRS. M. SILFVERHJELM: The National Federation of Housewives in Sweden, the Association of which I am the delegate, has more than a hundred branches all over the country in towns, villages, and rural districts. The Association is self-governing, without State support, and is neutral with regard to politics and religion.

The object is to bring together women of all classes who work in the home and have the same interests, to help them to make the problems of daily life easier by exchange of experiences and information, to awaken their responsibilities towards the home and the community in general, in fact to be a safeguard to the Swedish home.

The local branches meet as a rule once a month to listen to lectures and discussions on subjects of general or domestic interest, they also arrange evening entertainments.

Special courses for shorter or longer periods are arranged in cooking, baking, sewing, darning, weaving, lamp-shade making, basket-making, upholstery, care of flowers, etc.; these are very popular.

The care of the new-born baby is of great importance in Sweden as well as elsewhere and courses are given in the most up-to-date methods of care and feeding.

In the local branches members often work to raise funds for special purposes, such as to procure a summer home, where tired housewives can go to rest, or to build a bath and wash-house, and they try to secure the interest of the local authorities for such useful enterprises.

Each member of the society receives a copy of our monthly magazine, an interesting periodical containing well written articles,

I should like also to give a short account of the educational work carried on in the country districts of Sweden for young country-girls over school age.

There are two kinds of schools to which they can go after having passed through the Board School, there are the People's High Schools and the Schools of Domestic Economy, these latter with a rural bias.

Girls are admitted to the People's High Schools at the age of 16. The subjects are of a general educational character as well as sloyd, weaving, physical culture and hygiene. The

courses last about five months; there are also special domestic economy courses lasting $3\frac{1}{2}$ or 4 months. Scholarships are given to those who cannot afford to pay the fee. The schools are partly supported by the State.

The country Schools of Domestic Economy (35 in all) have courses lasting $3\frac{1}{2}$ to 5 months. Their object is to give country girls theoretical and practical instruction in domestic economy, sewing, weaving and in the work which generally belongs to women in the country such as milking, poultry farming, and gardening. The pupils are admitted at the age of 16 and must have had some practical experience in domestic work after leaving school.

These schools also have State support and scholarships, about 400 pupils attend every year.

In order to give country school-girls cooking lessons there are travelling school kitchens with a teacher and equipped with all necessary utensils and furniture. The courses last for a period of six weeks at each place.

To prepare teachers for the schools of rural economy there are two Training Colleges, one belonging to the Fredrika Bremer Association, and the other to the Domestic Science School at Upsala; both have Government grants.

The courses last two years and the curriculum includes beside the usual subjects taught in all schools of domestic economy, theoretical and practical training in gardening, dairywork, care of cows, pigs and poultry.

The students admitted to these courses must not be less than 20 years old, have had a secondary school education and some years experience in domestic economy, with special reference to rural needs.

***SWITZERLAND.**

Founded 10 years ago, the Country Women's Association of Moudon has developed in a wonderful way, and that without any propaganda work being done by the founders, who thought that if the Association filled a need its numbers would grow automatically. The Association started with 18 members, to-day it has 78, scattered in the 11 parishes belonging to the district of Moudon.

The Association was founded to help the peasant women sell their own produce without the help of a middleman, especially those who live too far away from the towns to be able to come to market, and on the other hand to give consumers in the big urban centres such as Lucerne, Montreux and Geneva, new-laid eggs,

*This report was contributed by MME. A. GILLABERT RANDIN, President of the Country-women's Association of Moudon, Canton de Vaud, Switzerland.

etc. Educational institutes, clinics and hospitals, big confectioners, health resorts, and recently also macaroni factories, have been among their best customers.

The Organisation was started during the war, at a time when the peasants were being asked to increase their out-put of vegetables, and for several months the members undertook to send regular supplies.

At the beginning the Association had to overcome a good deal of distrust amongst the townspeople, but to-day it has gained the confidence and respect of the public.

The members also often join with other women's organisations in work for the benefit of the district.

The affairs of the organisation are administered by a committee of seven members, who serve for two years and are eligible for re-election, the founder is still president. She is often asked to speak for this first Country-Women's Association of Switzerland.

In September, 1927, a similar Association was formed in the Canton of Schaffhausen, and last year a second one on the same lines was formed in the Canton of Vaud.

Some months ago the organisation became the centre of a big Swiss co-operative movement, formed with the object of protecting Swiss eggs from foreign competition.

In addition to helping its members market their produce, the organisation has also achieved an educational aim. Every year two or three meetings are held to which all the members are invited and at which general business is transacted. This has been of considerable value to the peasant women, who have in this way learnt to hold a meeting, occasionally to take the Chair, to explain their own point of view, and even to propose a resolution.

Every year lectures are offered to this or that village, where the association has members, on professional or educational subjects such as "Waste on the Farm", "The Preserving and Bottling of Fruit", "Poultry Farming", "Forestry and the Choice of Trees", "The Cultivation of Crops", "Market Gardening", "The Care of Children in Health and Sickness", "Hygiene", etc. Courses in cookery and in pruning and budding are occasionally given.

These courses of study include visits to a school of horticulture or domestic economy, to preserved food factories or to model poultry farms.

Last year the Association had a stall in the agriculture and horticulture section of the big women's exhibition, "Saffa", at Berne. The exhibit included vegetables, fruit, flowers, eggs, jams, bottled fruit, homemade cakes, cereals and dried fruits. The stall was very much admired by foreign agriculturists.

The President is the only woman lecturer attached to the Cantonal department of Agriculture. In that capacity she is

asked to speak on agricultural subjects in different parts of the Canton to men's associations of all kinds. This winter three of these lectures were broadcast.

Since the big gathering of Swiss Country-Women at "Saffa" on September 27th, 1928, when 2,000 women came from all parts of the country, the movement has been making great progress in German Switzerland. The agricultural leaders of the country themselves look upon the movement as one of the best means of general and agricultural development in Switzerland.

UNITED STATES OF AMERICA.

MRS. A. THOMAS POWELL: It is surely a great honour to speak as a representative of rural women of the United States. I wish that I might be able to point to a great national organization of rural women in our country, but as yet that is our dream. The Grange and the Farm Bureau Federation include both men and women, but our greatest group of farm women, one to which perhaps our country looks to-day for leadership, is the New York State Federation of Home Bureaus.

Ten years ago the women of New York felt the need of an independent organization and formed a Federation. It now numbers 28,000 rural women working in perhaps 1400 local units which we call Home Bureaus. In this way we have independence—the loved asset of our farm people, and have been able to work out our own plans and programmes, our members taking an active part. We have committees on Civics, Public Health, House Planning, the Cinema, Gardening, and Arts and Crafts.

Our labour towards better public health has been of importance. We are determined that if 28,000 women can help, the United States shall not be so far down in the list of the 16 nations to which we send missionaries and which to-day lead us in the low death rate of mothers in child-birth. So we encourage prenatal clinics, and at our large district and general meetings there are addresses by prominent doctors and public health nurses. We are trying to secure more country doctors and hospitals.

We feel that it is the business of farm women to get advantages for the farm people, especially better educational advantages for the children.

Through our work and meeting together we have become so much interested in community and state activities that we have entirely forgotten the inferiority complex which is supposed to be our endowment as farm women. We have encouraged original productions in dramatics, and have found our own Marlowes and feminine Southerns in many communities. We have many contributions from women living on lonely farms. Rural life has often seemed to me a rough dark road for the farm woman. We look to education and organization to make the way smoother, but the way must be lighted as well. We want recreation to be

this illumination, and through our motto "Faith and Service", we are coming nearer to the goal—abundant life in every farm home.

The Women's Farm and Garden Union of the United States, which is an off-shoot of the English Society of the same name, is a most interesting and useful organisation. It has three main lines of work:

To help in the training of young women for horticultural careers;

To sell the home and garden work of country members;

To maintain a city organisation by means of which town and country women are brought together and mutual help given.

All sorts of delightful enterprises are undertaken, and the various Committees in different States are enthusiastic and capable directors of the work.

The official publication, "Home Acres," is one of the most fascinating garden magazines published. All sorts of practical information as to raising the standard of produce, the best method of packing for sale, the time to sell and how best to cultivate plants, is exchanged among members. Markets are held regularly in cities, and the Friendship Market page in the Journal gives members every opportunity to sell or exchange their work or services.

How the Agricultural Colleges place girl students in good posts is one of their recent reports, another interesting publication is on growing and using fine herbs. A recent talk on the Farm Woman gives her present view point very clearly:—"The farm woman has changed. She sees things in a different way. She is no longer willing to accept things as they are. Some credit this change to the auto and good roads. Some say it is the movies. Others claim that the newspapers and magazines have brought about this change. Even friend husband does not seem certain as to how it has happened. The changed farm woman with her new ideas of the standards of living may prove to be the real legislator of farm relief. When she calls a family conference with a budget in her hand for consideration, the farm that has been supplying a meagre living may surprise us all."

(NOTE.—No delegate was present at the Rural Conference, but warm greetings of appreciation, and good wishes were sent).

DISCUSSION:

COMMON INTERESTS OF COUNTRY WOMEN.

MRS. ALFRED WATT: I am sure you all feel as I do that you have been so thrilled with listening to the reports that have come from many countries, that it is a hard task to gather up the threads of such delightful reports and talks. I may say that this meeting is the realization of a dream to me. I do not know how many years have passed since I first started to work for the day when women of all countries might meet together in an international conference. But it is a greater meeting than I had ever hoped. We have met heart to heart and heard wonderful things. I am sure you must all agree that in realizing this dream, it is not only a very happy day for me, but for all of us.

I am so obliged to Mrs. Powell for the delightfully human note on which she closed. She is so very modest that I would like to tell you that she is a prominent woman farmer in the United States and has herself contributed not a little to the wonderful spirit of the farm women in that republic.

Now this discussion is on the common interests of country women. As I listened to all these reports, it seemed to me that they fell into three main outlines. Educational, Economic, and perhaps for lack of a better word I would say the Human Interests of country-women.

Educationally all the reports stress that country-women's organizations exist for the purpose of teaching not only better home-making, but better agriculture. We have heard of bringing professional standards into home-making and of labour-saving ideas introduced into both the fields and the farm home.

Perhaps the next point educationally would seem to be a common method of establishing centres where lectures or demonstrations could be held or given, to which country-women have access. In connection with that, but quite separately, was the idea of travelling classes, the itinerant instruction which regularly went about from one part of the country to the other. It seemed to me that there was no reason why that itinerant instruction should stay within the boundaries of one country.

Then there was also stressed the methods by which country women could bring the college into the rural community. We have heard of extension services and other means of effecting this. We all know of the famous high schools of Denmark, and they were mentioned in many of the reports. All agree that we should somehow see that the college instruction does not stay within the Universities, but becomes a common inheritance of the country community.

Then the training of country girls which all reports mention. The country-woman everywhere has a deep interest in training girls so that they may become both the home-makers and the agriculturists of the future.

Another interest we have in common is that of training leaders for educational purposes in country life. That was mentioned in almost every report, and is a special feature of the Canadian, English, and Belgian Women's Institutes.

The training of rural teachers in the rural schools was not mentioned so often, but we will agree that is a necessary accompaniment to any work of improvement in the rural schools. The training of rural teachers is a matter to which country-women will have to pay more attention in the future.

Economically our common interest seemed to be in improved production of marketable produce from garden and farm; improved methods of growth, and improved marketing. The interchange of agricultural experience and information among women of different countries is not an impossibility in the future. The International Institute of Rome has much information country-women could disseminate.

The question of handicrafts, of home industries, which so many European countries carry out to such perfection, is a pleasurable concern to us all. The sewing and embroideries done by the peasants in many European countries have won the admiration of the whole world. The development of handicrafts as a money-making line of work in the country home is an increasingly important one in almost every country. That is an interest we have very much in common, because we can help through our women's organisations to improve and sell the products of the village workers.

Then co-operation. Many countries have specifically dwelt upon that, and it is of personal moment to us all, because if the country-women of one country can co-operate to buy or sell, it means that others can do so also.

The awakening concern in the development of each country's resources, was mentioned a few times. If one section of one country can develop its local resources and put that part of the country on a higher economic basis and so raise the standard of living, it certainly is an example to some other country and an encouragement to stimulate local industry.

Then there is the perennial question which crops up whenever country folk meet together, how to stem the drift from the country to the town, and one wonders sometimes if one is tilting at wind-mills when we nerve ourselves to new effort. Whether we shall ever efficiently stem that drift or not, at least one can reflect that the exodus would be much greater if there were no rural women's societies.

One or two of the reports mentioned good roads and transport. That would seem to be a matter in which we could influence public opinion. I remember being very much impressed in the United States by a report on road-making, in which it said that whether one had good roads or not, one paid for them in loss of trade and health and time, and one might as well have

them. I have always thought that perhaps women in the country do not put either good roads or forestry in the forefront of this work as much as they should.

Now human interests. This is one which I am sure we all approach at once with a feeling of sympathy. Over and over again through all this Conference there has been mentioned the loneliness of the country-woman. Perhaps that is not just the loneliness of long distances, but the conditions of isolation in home life. We who are organized in country-women's associations try to help by establishing contacts with other women living in the country. That is one reason why we are organized. Another is to enable the country-woman to make her voice heard. Several of the reports have dealt with these questions; how to make the country-woman articulate; to give her a chance; to let her opinions, her views and her services to humanity become known to other women; and how to help her to work out her own problems in her own way.

Then I am sure it is an eager hope on the part of every country-woman to get inspiration as well as practical help in her daily life. How can we bring inspiration as well as practical help to those who by the circumstances of their lives are cut off from the daily inspiration of the great happenings in big cities?

Further, we all desire to participate in citizenship. The country-woman has not had her position improved as much as the city woman, because she has not had a chance to make her part in suffrage effective. One need not dwell upon the importance of every woman in the country being able to be a citizen as well as a home-maker. One great hope I have from this conference is that the women of one country will help the rural women of another country to possess and enjoy that gift of citizenship.

Another common interest is to obtain a higher standard of living. It is very difficult to define a higher standard of living, because it is so different in each country and because we may not all agree upon what is the highest standard of living. But there are everywhere some common essentials. Country-women want to have decent, orderly lives, to dwell in a decent well-ordered community, to live under sanitary and hygienic conditions. They want some, at least, of the amenities of life, and free and full educational and religious opportunities.

These reports show that country-women follow out the idea of establishing contacts with one another through groups, such as meetings of Women's Institutes. There is also the idea of further contacts, of conferences arranged for larger groupings, of federations. It is a great pleasure, I am sure, to us all to feel that country-women have federations of their own, and even federations of several countries.

We all work towards an enrichment of country life. That ideal animates us all and we are so closely bound together that when there is a poverty of life in one country it effects the life of another country.

We do not speak much in our reports here of the recreational side of our movement, but we are all determined that whenever there is practical help, and inspiration and instruction given in the country, there shall also be recreation. That takes the form in many countries of a holiday home for country-women, such as holiday camps which are so common in the United States; in England there is a recent development of the rest and change home, but in many of the countries represented here to-day, such as Australia, it is very highly developed.

Then there is also what we take for granted, namely, social service. Special lines reported on are hygiene, child welfare, and public service.

Lastly, we have all heard it said quite often, and I am sure we have felt happy at hearing it said, that we country-women do enjoy meeting together in our own particular form of organization, because we work and play and learn together, surely also because we are non-sectarian, non-party and non-class, and because we welcome all country-women to our sisterhood.

MISS HOLLAND: There is one point which has only been touched upon in one paper, that is the dramatic point. The art of acting is awakening all over England in the remotest villages, and we are finding in England that women who cannot perhaps reveal themselves in some of the greater arts, such as painting, singing and so on, can reveal themselves through the art of acting, and it is having a wonderful effect everywhere. We are having pageants and Shakespeare Festivals all over the country. I am wondering if some of these other countries are beginning to act as we are in England.

COUNTESS KEYSERLINGK: I was very glad Mrs. Watt mentioned one thing that occupies us very much in Germany, it is that country-women should co-operate with other women. It is not only the feeling that some of our best women meet on the Women's Councils, but that so many questions are discussed there which are of value to country-women. Some arrangement should be made in all countries for town women and country women to meet in some organization which exists for all women, such as these National Councils of Women.

Then I want to ask a question. Do you find it difficult to get the money for your organizations from your country-women? Our experience is that the women do not feel that being a country-woman is a proper profession, and many of them do not think it necessary to pay a penny for having their interests furthered. I think we need the support of public opinion to get people to understand that the profession of the country-woman was the first and will be the last, and that we all must contribute money towards the improvement of country conditions.

MRS. FAIRFAX: All these papers have been most wonderfully interesting, and I think the greatest interest of all is that we are

so much together in the work that we are doing; it seems to me that the work is so exactly alike in our different countries. In the larger countries it has necessarily been a little difficult; it is not so easy to educate people in the larger countries as in the smaller ones, but I realize that Australia is not the only place where one has distances to travel.

I hope we are going to remember this meeting all our lives. It ought to be the beginning of mutual understanding based on the recognition of one another. I would like to move a resolution to the effect that we send one another greetings once a year, so that we may never lose touch with one another again. I think we have not seen half enough of one another, and I shall be At Home at the Rubens Hotel at 11 o'clock on Friday morning and delighted to see any delegates who care to come.

Mrs. Fairfax's invitation was accepted with warm thanks.

The State and Rural Women's Organisations.

MRS. WATT: I am sure you will all agree with me that we have had a most illuminating record of rural women's work in different parts of the world.

Now we are trying to see what relation exists in these different countries between the State and the rural women. We know that it is very close in some countries and not so close in others. We know that a great deal of money has been spent in some countries and not so much in others. It was considered that this would be a valuable subject for discussion, because the delegates from countries which have not received much State encouragement could perhaps take back to their own countries the example of what has been done in other lands.

First of all, we will take the United State of America where a very complete extension service has been arranged. After that we will have statements from other countries as to what Government assistance has been given and in what directions. Questions may be asked at any stage of this morning's work.

In the afternoon we will see what will be the outcome of this Conference. Many proposals have been made publicly and privately for some outcome of this meeting, and there will be full discussion upon that this afternoon. Also many requests have been made for a printed report of these proceedings and of the reports which have been handed in. This will have to be considered later. We will go on now to the relation between the State and rural women's organisations.

EXTENSION WORK IN THE UNITED STATES.

MRS. A. E. BRIGDEN: I assume that what is wished by this body is a brief account of Co-operative Extension work for Home Economics in the United States more especially from the view point of the rural woman, and while I have quite an extended acquaintance with Extension work in the various parts of the United States, I am only privileged to speak with authority of the work in New York State which I represent. However, since New York State has about one tenth of the total population of the United States and one fortieth of its rural homes, it has a full measure of responsibility. In the words of Professor Van Rensselaar, Director of the New York State College of Home Economics, "the State's job for the furnishing and putting into effect plans for the improvement of its homes is of gigantic proportions, quite out-distancing many of the other major tasks which it now faces."

Extension work in the United States assumed national importance when with the passing of the Smith-Lever Act of Congress in 1914, each State received ten thousand dollars federal aid for 1915; this sum increasing annually up to 1923. The Bill stated that this appropriation should be used for agriculture and

home-making, but did not define the division between the two, thus each State's proportionate share was divided at its own discretion between agriculture and home-making. It was therefore but natural at that particular time that home-making should receive a relatively small per cent. of the appropriation. Were this decision to be made now, however, it is certain that owing to a marked change in sentiment as to the value of Home Economics this work would receive a far larger per cent. now than was then given. In 1928 the Capper-Ketchum Act was passed authorising funds for Extension work, so that at present \$8,500,000.00 is yearly appropriated by the Federal Government and the Extension work now comprises the largest force of trained teachers engaged in adult education work in the world.

In 1928 more than \$22,000,000.00 was available for co-operative extension work for agriculture and home-making.

Extension aid in New York State is divided equally among the counties of the State, any county receiving its due allowance provided a certain number of women desiring it, usually not less than 500, agree to pay the required membership fee of \$1.00 each, and necessary financial support from the county is accorded. The official county organization thus formed, known as the "Home Bureau", is the most important channel through which Home Economics education passes to the rural women of the State and each county employs at least one woman trained to administer a subject-matter programme in Home Economics called a "home demonstration agent". A county organisation is then completed with community units or branches in the various towns and localities and a county programme is jointly worked out, and also special local programmes if desired. Some subjects are foods and nutrition, food preparation and preservation, textiles and clothing, household art, child guidance, household management and home crafts. Instruction is provided by specialists from Colleges of Home Economics, and by trained local leaders, these leaders being trained by College specialists. There are other important phases of Extension work in New York State, for instance the Farm and Home Week held each winter at Cornell University is attended by several thousand rural men and women, who go there for a week of lectures, demonstrations, entertainments, and musical programmes. This work is of far reaching value to rural life.

As to its purpose a prominent educator recently gave this definition of Education—"The process by means of which the individual acquires experience that will function in rendering more efficient his future action," therefore no time limit to the acquiring of education by an individual can be established. Another prominent specialist has stated that the purpose of the Home Bureau organisation is to promote the development of practical methods of housekeeping or home-making along social, economic and educational lines to the end that women shall find in their environment the satisfactions and opportunities of a

well rounded life, or as another has phrased it—"We are aiming to have every home founded upon mutual affection and respect, to have it economically sound, mechanically convenient, physically helpful, morally wholesome, mentally stimulating, artistically satisfying, socially responsible, and spiritually inspiring." An earlier programme contained a list of projects to be considered at joint meetings of men and women such as "soils, hogs, home, potatoes, corn-growing," showing the insignificant place allotted to home-making; while county governing boards and legislators were often confused at a request for public aid for what was considered "such a perfectly simple thing as housekeeping, which every girl either knew by instinct, or learned from her mother."

Now home-making is no longer considered as physical house-keeping, but as a profession, and not an easy one, it consequently is taking a more important place, not only in adult education but in our public school system as well. Its dignity and value is being better recognised by woman herself, thus bringing to it the joy and satisfaction attached to professional work. The change in value is reflected in the change of practices in the house, as in better balanced meals, more scientific care of children, pleasanter home surroundings, and the words, protein, vitamins, calories, are becoming household words. Commercial advertising, women's journals and magazines and the women's columns in the daily papers as well as the radio all express by their changed attitude and more worth-while programmes the influence which the new thought on home-making is effecting.

A hasty glance at the ever mounting taxation required to care for what is sometimes termed "the waste of human life," the unfit, the insane, and the criminal classes, the recognition that a considerable percentage of this number arises from preventable causes, neglected in childhood, brings the realisation that here is a matter for national concern, and that simply from an economic standpoint, the government can well foster measures for what may be termed "The prevention of unfitness". The enormous yearly cost to New York State of social and physical inefficiency, much of which is preventable in infancy, last year was \$25,442,615.00, or eighteen and two tenths per cent. of the total of Government expenditure for all purposes. Dean Mann of the New York State College of Agriculture and Home Economics in a recent report made this statement—"From the broad view of intelligent statecraft, the state will find in education in Home Economics, a tool of the utmost importance in building up forces which increase the physical well-being of the population and which make for a reduction of persons thrown back on that state for support by reason of physical, mental, or moral failure. In a larger way since the home is the basis of all national prosperity, government's first care can well be to foster in every way possible efficient and scientific home-making, and such home-making improvement, including as it must research work as well as the teaching of better practices, can best be accomplished through Government assistance.

Since this conference has as its primary consideration rural women's organisations and what is being accomplished through them, this topic may be of special interest. Rural women need organisation. The phenomenal success of your Women's Institutes in so many widely separated parts of the world is an evidence of this. Country-women's lives are more or less isolated and lonely, and oft times their greatest need is not so much better knowledge of physical housekeeping as a larger and more satisfying life.

As a wise writer on rural problems in the United States has written, "The best that can be said of Government aid and any other aid is that it helps one to help oneself. Anything that weakens self-help or seeks to be a substitute for self-help is in the final outcome a curse to him whom it intended to benefit. Self-help is the only real help." Hence one of the greatest functions of Extension Service is to encourage self-help. The Home Bureau is self-determined and self-controlled and acts as a partner with the Government Service in making programmes best suited to its needs. The Home Bureau meets a long felt need in being a real country-woman's organisation, satisfying her and giving her a chance of self activity and of developing her own initiative.

The New York State Federation of Home Bureaus.

The Home Bureaus of New York State are organised into the New York State Federation of Home Bureaus by the women themselves. This organisation functions first as a spokesman of the rural women, the first they have had, second it co-operates with the colleges in all possible ways. Third, it co-operates with other farm organisations of the State, representing the needs of the rural woman and is thus a member of the New York Board of Farm organisations. This is the channel whereby rural women have a voice upon that important board. Fourth, it co-operates with other women's organisations on matters of mutual interest. Fifth, it co-operates with several State Departments, such as the Department of Education, Department of Health, in furthering their work in the rural field. Sixth, it speaks for the needs of rural women, in matters of legislation. Seventh, it helps to initiate any work apparently of value to the home maker.

Finally if the rural women through organisation are efficient active partners with the Government and colleges in the carrying out of adult education two results are attained. Firstly, a greater degree of permanency and a higher efficiency. Secondly, a stabilized dignified rural organisation, having an Educational programme of merit and influence.

The Home Bureau of New York State has the following creed:—It may be found hanging in the homes of many rural women throughout the State—"To maintain the highest degree of home and community life; to count children the most important

of crops; so to mother them that their bodies may be strong, their spirits happy and their characters generous; to place service above comfort; to let loyalty to high purposes silence discordant notes; to be discouraged never; to believe one's community may become the best of communities and to unite with others for the common good of a more abundant home and community life'—this is the offering of the Home Bureau to the Home makers of to-day.

In closing we feel justified in saying that the United States Extension Service is one of the most far seeing pieces of work being undertaken by the United States Government at the present time, and that no small part of this service is the opportunity it affords for the organisation of a strong effective vitalised organisation of rural women with all of the potentialities which such an organisation holds.

DISCUSSION.

COUNTESS KEYSERLINGK: I need not remind you of the difficulties country-women have always to encounter when they have to get into connection with the State, because really the State has everywhere been created by men. I will not go so far as to say that the present state of affairs was caused by man's selfishness, but rather that the idea was to protect women, homes and children, in fact everything that belonged to men. The first houses and homes were country homes and country houses, and there the State had its origin, with the intention to protect country homes. It has been a strange development that civilised men have apparently forgotten that country homes and country houses were the underlying reason for the creation of the State and have only looked at the development of the town and of town civilization. It is we country-women who must see that this is realized, and that our interests are safeguarded and supported by the State.

Before I go on to say what you wanted to know, which is how we in Germany receive support from the State, may I say in what directions we have special difficulties. Rights are considered and laws are very often made only as they are needed in town and not in the way they serve the country; urban work is protected, and not country work; the education given in school is arranged to enable the population to live in town and not to encourage them to stay in the country, or to be happy in the country, which is most important thing of all. I think professional education has been planned first of all for all the other professions and only then for country people. I think however we are all doing better in that line. At the International Conference in Rome four years ago, we talked much of country schools, and we found that a good deal was being done in every country.

But I think that we must also realize that we must care not only for the individual but for the State, so that generations yet

to come may serve her and be happy. These higher topics have been so beautifully spoken of here and they have been considered as they were not at the International Commission of Agriculture in Rome four years ago. I think you will be glad to know this, and I am thankful that I could be present at this wonderful conference.

Country-women have to learn that they cannot get on in their organization if those organizations have not got any money. I now come to my original point, about how we manage in Germany. In the beginning we had no money from the State. We land owners began by organizing our country-women into very small clubs with our own money, and we were very modest. We could not have got on quite without this help because the country woman is very poor. She just gets what she makes out of her eggs or butter, and her husband is generally not very generous about putting much money into her hands, so it is always very difficult for her to give much to her organisation.

Our founder, Frau Boehm, has been very clever in keeping up our independence and yet working in well with the State, and the smaller official bodies. For example, our secretaries are partly paid by the Agricultural Chambers and partly by us. That saves us a good deal of money and yet keeps us independent. I just mention this because I think it is most important, especially as the States have a different view point. Some States are very kind to agriculture while others show no interest. So in this way we get some support indirectly through a common secretariat. We also get support from the Chambers of Agriculture which are not altogether State institutions in Germany, being partly supported by the farmers. They send us speakers on agricultural topics. The Ministries give money for starting country housewifery schools, and they sometimes give a grant for some special object, such as exhibition work.

But we are not building our work upon the State. Many things are done by the authorities and by legislation which are against our interests. They wanted for example to forbid children under twelve years of age from working in the country. If a child of about eight years old sits and watches the geese to see that they do not stray from the meadow into the cultivated field. Is that work or is it not? We have always to pay attention that laws which are actually made for industry are not made to apply to our work and to our life in the country in a way that is bad for the country and bad for the children, because the children are much better employed guarding geese than, for example, running about the roads and getting run over by a motor.

I think it is most important that our organisation should have good leaders and trained speakers, that there should be co-operation between the rural work and the State, and that there should be rural women in our Parliaments, where decisions about the money to be spent on agriculture are made.

Fru HAINARI (Finland): Gräfin Keyserlingk mentioned that

we ought to have women in Parliament to direct the legislation that belongs to the women's sphere, and especially the education of women in rural districts. As you know, in Finland, we have had women in Parliament for the last twenty-three years, and the women have been very keen on improving the education in domestic science and domestic economy, especially in rural districts. Through their efforts our own Government has formed a standing committee of household science experts. They are all women, the Chairman, the Secretary and all the members. They make plans in all kinds of schools for the teaching of household economics and have made their influence felt to such purpose that the Government last autumn carried a Bill to make such teaching compulsory in all grades of schools in Finland. I think it is one of the first countries to have a law of this kind, applicable both to rural and urban schools. We have also secured advanced training for teachers in domestic economy. Through the efforts of our women members of Parliament, our men have begun to understand the national value of the work women do in their homes. Women represent 60% of the population of the country, and so the men are realising how important it is that the women should be educated. They have been more and more attentive to the needs of women, and now we have different types of organizations and they get Government grants. For example this year between six and seven hundred thousand marks have been given to private associations for instruction in household economics. Of this sum the Martha Association got more than M.400,000.—and other organizations nearly M.300,000.—

LADY ABERDEEN (Chairman): Have the women's organisations control of the expenditure?

FRU HAINARI: They are independent and spend it as they consider right, but it goes before Parliament.

MADAME JACKUBICKOVA: I am asked by my Czecho-Slovakian colleagues to say some words of our relation with the Government. The co-operation with the State was automatically given because we are a democratic State, so the women were given equal political rights immediately after the Republic was formed in 1918, and every political party at once formed a Woman's Section. So that we have a Section for the interests of rural women, and that Section co-operates very actively with the men. Our women are very keen on politics and there is very active collaboration with the men because they treat us with great sympathy. The Minister of Agriculture was a member of the Agrarian Party, which is very sympathetic on the subject of women's questions.

But as to the financial support, we do not get much. We simply raise our own funds, and our financial support comes from our own activities,—the co-operative dairies, sugar factories and things of this sort.

The Minister of Education supports the conference of rural

women. He gives free fares to the agrarian delegates, supports competitions, gives prizes for the best poultry and so on.

Our women are very active in forming organizations with political aims in the country. We have one deputy in Parliament, who herself is a country-woman. We want a law for more support to the agrarian schools. We have a great many, but we want agrarian education to be compulsory.

MME. MARTIN (Estonia): I would like to say that our women's organizations do not get any money directly from the State, but we do get some State support. The State pays salaries and expenses of instructors who come and give lectures and courses on all agricultural and home-making subjects. At present we have at our central organization eleven women instructors in home economics work, i.e., one instructor for every district. Estonia is a very small country with only one million inhabitants, but there are at present eleven instructors and we hope to have still more in the future.

Besides, we have, as in Finland, a law establishing our agricultural and home-makers' schools, and in the last five years we have started eleven schools, besides a college for home economics.

MISS FORCHHAMMER (Denmark): In Denmark the State has for a long time had courses for the cottagers themselves, but now they have also a short course of a week at a time for their wives, where they come and stay at a central place and are given instruction in bee-keeping, poultry farming, gardening and things of that kind. Cottage women are also allowed travelling expenses if they wish to visit farms and institutions, places where they can learn something.

COUNTESS APPONYI (Hungary): There is no special organization of rural women in Hungary but the National Federation of Hungarian Women and the Hungarian Federation of Catholic Housewives do a great deal to organize rural women, by means of lectures and courses in economics, hygiene, farming, etc. The population has made great progress in these subjects. There are many similar local organizations organized by land-owners and by religious communities. It is a great defect that these are all independent and do not work together. The Government gives its moral support to all of them, and sometimes also material support for exhibitions and so on. There is no regular grant for these organizations, but the Minister of Agriculture sends teachers for housewifery and farming to the villages, where they hold courses lasting two or three months.

MRS. WIERSMA-RISSELADA (Netherlands): We have the help of the State in the Netherlands. In the year 1913 a Training School for Teachers was opened, and a few years later the Organized Catholic School for Teachers. There are now several courses lasting from one to five years. The State pays 70% and the

communities pay 30% of the cost. Then we have in our country several provincial agricultural organizations, and they also help women, and finance agricultural exhibitions.

Mrs. MICHELET (Norway): As an organization we have no State help. Still I feel it the right thing to tell you that our State takes a great interest in rural women and helps them by giving help to schools, where country girls can attend.

Cooking is taught in the primary schools, and in a great many of our country schools. In all our 18 counties, we have county schools, where the girls from that county can come for a very small fee, (such a small fee that it does not pay even for their food), for courses lasting for five or ten months. The only difficulty is that where they can take fifty girls, generally two hundred want to come. Half of the money is paid by the county and half by the State. In these schools the girls learn everything that a country-woman ought to know, such subjects as sewing, weaving, cooking, care of animals, including cows, poultry keeping, and dairy work. A small farm is attached for training purposes to the Training College for Teachers at Oslo.

Mrs. WATT: We must confine ourselves to State help as given to Women's organizations in order to get really valuable information out of this Conference. We have heard from different countries of the help the State gives, and I expect you have all been taking notes. Mrs. Bridgen opened the discussion with a statement as to the State help and State connection between the women's organizations in the United States. Other people have told exactly what the State has done.

We have heard a great deal of what has been done to train and send instructors out into the country, and of what has been done to pay for institutions and conferences; of what has been done for training the rural teachers; of what has been done for the further training of girls for country life. We have had several statements as to actual grants by the State. The most amazing one I think, was the one from Finland where M.7,000,000. were handed over for expenditure by the Martha Society. I gathered without any conditions being laid down as to how that money should be expended.

In the English Institutes you heard Lady Denman tell you the Government had authorized the payment of £10,000 a year with the condition that what was not used was returned year by year to the State. You heard her tell that within ten years, the National Federation of Women's Institutes was able to return all of that money to the State because it became self-supporting through the efforts of its members.

I want to say a word about Canada because it was on the agenda as one of the speeches for this morning,—the relationship between the Canadian Government and the rural women of Canada.

A great deal of money is voted in every province of Canada to the Women's Institutes. This money is spent in a different

way in every province. Some provinces pay the travelling expenses for delegates to conferences and for itinerant teachers and instructors, while other provinces pay the whole expenses of the district and some of the local organizations. It is different in each province.

There is a working partnership between the State and the organized country-women in every province of Canada. The State help in Canada, both instructional help and money help, carries with it the corresponding obligation on the part of the local Women's Institutes to carry out certain Government activities along these lines of health, child welfare, citizenship, domestic science, etc.

MRS. FAIRFAX: I would like to understand quite clearly about your institutes in Canada and America. You do receive State help from the Government and work side by side with the Government, but you are not political?

MRS. WATT: Whatever Government is in power, the Women's Institutes work with that Government. There is a rural society of United Farm Women in Canada which is political, but the Women's Institutes are non-party and non-political.

(In reply to a question). In the provinces of Ontario, British Columbia and Alberta all the expenses of delegates to any conference or any annual general meeting are paid by the various Governments concerned, the reason being that the distances are so great that many of our country-women's associations would be quite unable to send a delegate to a central meeting.

MRS. GLYNN: I happened to be travelling in Canada in 1926 and to be present at the Toronto Exhibition. I was immensely impressed by the women's work. They had a whole building devoted to their work, and the Women's Institutes of Canada took a very prominent place in that building. The Government in that country, I found, were relying on the women to carry out a great deal of the civilizing work. The Government there is full of praise of the Women's Institutes. They work in very close co-operation. One or two of the speakers this morning rather led us to imagine that men were not very friendly towards the Institute work. In Canada there is no such feeling.

There is one subject which has not been touched upon this morning. In Canada they have "young" branches into which they get the girls. I wonder very much how that question is dealt with in other countries, because I think it is extremely important to get the young people interested in the work.

One of the English speakers this morning said she was going back to tell her Women's Institute members they need never make a fuss of having to come a mile or two to their meetings after having heard that the women in Australia came 100 miles to meetings.

International Associations of Rural Women

LADY ABERDEEN (Chairman): This afternoon, as you know, the subject is "International Associations of Rural Women," and the chief speaker is Miss Pratt, who is the Inspector of Women's Agricultural Education at the Ministry of Agriculture here.

MISS PRATT: One of the points that came out very strongly in the preceding discussions was the fact that the organization of rural women in practically all countries is rather a recent affair. We know that in one or two countries,—France and Belgium are notable examples,—some beginning had been made as early as 1901 and 1905, but even in those countries I think I am right in saying that organization has gone ahead principally since the war, and as Lady Denman told you yesterday, it is really only since the early days of the war that we have had the organization of the Women's Institutes in this country. So we can take it that it is in very recent years that country women have been organized at all. That is not surprising, because we know that country-women are rather slow to organize, and so it was only to be expected that they would not be so quick in forming these associations as their town sisters and the women who are working in industry.

It is noteworthy that this organization of country-women should be coinciding, as it is, with a particular stage in the emancipation of women, because in so many countries now the emancipation of women is entering really on its last stage, that is the struggle for economic equality, and it is very interesting to find that country-women, who do make such a tremendous contribution to our economic production, are organising at this particular stage in the advancement of women. The position is that in practically all countries we now have a strong organization of country-women, and it was very clear from what speakers told us yesterday that those organizations are going to grow and grow and to become more and more effective, and that they are going to exert an ever-increasing influence on national life.

That being so, it is not surprising to find these national associations of country-women are reaching out for, and trying to find, some kind of international understanding, and I think all the big international conferences now make a point of inviting representatives of the country-women's associations to their gatherings. Many people here have attended the Commission for the Improvement of Rural Life, which was held in America in 1927, or the Conference on Domestic Science held in Rome in 1927 and the Exhibition of Work of the Women of Switzerland held in Berne in 1928. Those are just isolated instances, but I think the Conference ought to recognize that already two definite attempts have been made to form some kind of international federation of

country women, and I should like to say a little more about these two efforts.

The first is the **International Commission of Country-Women's Associations**, which is perhaps better known to us as the *Commission Internationale des Cercles des Fermières*. That International Commission was first started at an informal meeting held at Ghent in 1913. Then the war came, and barred further progress in getting this international commission into some recognized form. It appears that there were some differences of opinion even as to the exact form the constitution should take, and it was not until 1925 at a meeting in Brussels that a provisional constitution was drawn up.

It is very unfortunate that we have no Belgian representative here to-day, because Belgium and France are the two countries which have taken a special interest in this International Commission; but it appears that a further meeting of this Commission is to be held next year in Belgium, and it is understood that further progress may be made then with the provisional constitution.

The second attempt to form some international machinery is what is known as the **Women's Section of the International Congress of Agriculture**. This Congress like other bodies had a small beginning, but it has made very great headway in the thirty years of its existence. At the 1927 Conference, held in Rome, there were present more than one thousand delegates, representing all the big agricultural and rural organizations of Europe and America. Forty Governments were represented. There was a representative of the League of Nations and of the International Institute of Agriculture.

This Congress divides its work into sections, and it was decided at Rome to have a section for women's questions. That was quite a novel departure, but it was very well supported. The section did very useful work in exchanging information with regard to country-women's organizations and on the subject of educational facilities for rural women.

As to this Women's Section of the International Congress at Rome, whose meetings I attended, it seemed to be in an extraordinarily favourable position to do two things: firstly, to exert some influence on those rural and agricultural organizations which are practically entirely in the hands of men; and, secondly, it seemed in a favourable position to forward resolutions to Governments and to the League of Nations and the International Institute of Agriculture.

It has been already mentioned yesterday that the National Federation of Women's Institutes proposes to send a delegate to the forthcoming Congress of Agriculture at Bucharest early in June. If the Women's Section of that Congress is as active as the one at Rome, I should think we might expect great things from it in the near future.

We all feel very strongly what a great deal of good the

conferences do in the way of encouraging and stimulating effort and also in promoting international understanding; but no doubt we all of us feel that we do want ultimately to get some very big and definite and tangible results out of them. Presumably one way of achieving this is gradually to affect some international improvements through such machinery as the International Labour Office at Geneva, in so far as it deals with agricultural matters, and also through the International Institute of Agriculture at Rome. It is provided in the charter of the Institute that it has the power to make representations concerning conditions of rural workers, women as well as men. Further, it does possess a rather important Council, a Consultative and Scientific Council, which has under its jurisdiction a number of Commissions. One of these Commissions is dealing with agricultural education, and another with the improvement of rural life, both of which are matters affecting women as well as men. It seems that there are going to be peculiar opportunities in the future for improving the general conditions for rural women internationally through these two big official agencies, the International Labour Office at Geneva, and the International Institute of Agriculture at Rome, both of which have the fullest official recognition and support, and both of which co-operate continuously by means of a Joint Committee.

The meeting may care to have some idea of the topics of discussion at these international gatherings, and I will therefore quote the resolutions put forward by the Women's Section (Section VI) of the 13th International Congress of Agriculture, held at Rome in 1927. They were as follows:—

A. Resolutions relating to Associations of Country-women.

“Having regard to:—

- (a) the importance of the country-woman's mission from the point of view of (1) agricultural production, (2) the upkeep of the rural home, (3) the upbringing of children, (4) the promotion of the social life of the countryside;
- (b) the effective influence which associations of country-women can bring to bear on rural development,

the Women's Section of the 13th International Congress of Agriculture adopts the undermentioned resolutions:—

- I. (i) ‘that, in all countries the public authorities, voluntary organisations and individual enterprise should pay as much attention to the encouragement and development of associations of country-women as is paid in the corresponding case of associations of agriculturists.’
- (ii) ‘that the leaders of such associations of country-women should impress on the governments concerned the importance of the country-woman's contribution to agricultural production in their respective countries

and the resultant obligation, from this standpoint, to further the work of the associations.'

- II. 'that associations of country-women should increase and extend their activities, particularly through the holding of conferences and courses for their members and also:—
- (i) By promoting health services, maternity and child welfare and training for family life.
 - (ii) By organising competitions, undertaking enquiries and forming libraries.
 - (iii) By founding parallel organisations for young people.
 - (iv) By arranging recreational reunions.
 - (v) By taking any measures, suited to their particular circumstances, calculated to further realisation of their aims and objects.'
- III. 'That the International Institute of Agriculture at Rome should secure the collaboration of women in the work of the Technical Council, and should, in addition, establish a women's section for the investigation of all matters affecting the part played by women in the industry of agriculture, and
- (i) that the section (of the International Institute of Agriculture) which deals with the scientific organisation of agricultural work, should include in its researches the organisation of farm household work, and
 - (ii) that this (farm household work) should receive equal attention at Geneva, at the International Institute for the Scientific Organisation of Labour.'
- IV. 'That the Women's Section of the International Congress of Agriculture should always seek the co-operation of the International Commission of Country-women's Associations and should always invite delegates from the national federations.'
- V. 'That the International Commission of Country-women's Associations should increase its activities and make arrangements for a new Congress in Belgium in 1930.' "

B. Resolutions referring to Farm Household Management.

"Having regard to the importance of the household in general, and the rural household in particular, in world economy, the Women's Section of the 18th International Congress of Agriculture declares that:—

- I. (a) 'Instruction in household management is requisite for women in general.
- (b) Instruction in farm household management is essential for country-women. The extension and development of this form of instruction is therefore a duty incumbent on all Governments and on all agricultural associations.
- (c) That it is important that persons engaged in teaching general or domestic subjects in country districts should be properly remunerated.'

- II. 'That recognising that rural domestic economy (farm household management) is a science apart, differing from the urban or other variety of domestic science, it is necessary that this special science shall (i) work out its own forms of instruction, (ii) create appropriate frame work, (iii) evolve its own methods and finally (iv) operate in the rural districts.'
- III. 'That, in order to provide women capable of directing important institutions for instruction in farm household management, it would be desirable to develop any specialised sections existing in training colleges or, better still, to establish special higher grade institutions which would advance knowledge of such matters as the production, consumption and exchange of the products of the rural home, the business side of the home, of rural domestic economy, etc.'
- IV. 'That the final year of instruction in schools of rural domestic economy should be so organised that work on the farm and in the farm home, concurrently with practical application of suitable theories of family life and with development of personal character, becomes habitual to the pupils. That this should be carried on in a normal and progressive atmosphere in order that the pupils, on leaving school, may be qualified to meet successfully the responsibilities devolving on the mistress of a farm home.'
- V. 'That it is desirable to promote competitions in professional skill between the pupils of different institutions for farm household management.'
- VI. 'That, as instruction in the women's side of country life is a type of instruction in which the upbuilding of moral character is particularly desirable, this must be provided for, at all stages, by methodical moral and religious instruction, by developing individual qualities and inspiring the wholesome sentiments so eminently necessary in the women of our country homes.'
- VII. 'That, in order to advance domestic science in general and rural domestic economy in particular, it is necessary, by pooling the material and moral resources of the nations, to found Research Institutes, which in addition to their scientific value, will prove to be sources of practical inspiration for staffs engaged in teaching these subjects in national training institutions.'
- VIII. 'That, in order to intensify production and to ameliorate life, more attention should be paid, at all stages of instruction in rural domestic economy, to scientific organisation of labour.'

- IX.** "That, although this science of farm household management must have a variety of methods of propaganda (since different means are required in each country), there should be established an agreed terminology, such as already exists in general education. This would facilitate international research and international communications on this subject and it is suggested that the International Congress of Domestic Science (Rome, 1927) might formulate this terminology.' "

C. Resolutions relating to Family and Social Life in the Country.

"The Women's Section of the 13th International Congress of Agriculture at Rome asks:—

- I.** "That all rural education, including training for home life or professional work, should have regard to the fact that the pupils are the future fathers and mothers of families who will be responsible for the physical, intellectual, moral and religious welfare of children. All rural education therefore must include some training for family life.'
- II.** "That organisations with social aims, women's societies and associations of young people, should give every possible assistance to country-women in carrying on their work of keeping up the rural home. Arrangements should be made for educational conferences, for the publication and distribution of articles and pamphlets, the organisation of instruction for mothers, etc., etc.'
- III.** "That, in order to help women in their task of training the rising generation, their work on the farm and in the house should be lightened as far as possible. To that end, rural domestic economy should be developed with particular reference to scientific progress in regard to use of electricity, of mechanical appliances and of economical organisation of labour.'
- IV.** "That every healthy and educational recreation should be developed in the countryside.' "

D. General Resolutions.

- I.** " "That, in agreement with the International Institute of Agriculture in Rome and with the International Commission of Agriculture in Paris, arrangements should be made for effective co-operation between other international associations and commissions (e.g., organisations of country-women, societies for the amelioration of country life, associations for agricultural education, for domestic education, for training in family life), in order that there may be co-ordination

of their efforts in achieving those objects in which they are mutually interested.'

- II. 'That, in each country, corresponding committees be established by agreement with the existing international organisations quoted above (D.I.).'
- III. 'That the International Commission of Agriculture and the representatives of the various nations present at this Congress at Rome should kindly make known officially the above resolutions to the Governments of all countries and should press for their prompt and effective translation into action.'
- IV. 'That the International Institute of Agriculture, the International Office of Domestic Science at Fribourg, the International Commission of Country-women's Associations at Brussels, and other organisations with parallel aims, should take any measures open to them, through official or voluntary machinery, or through private enterprise, to secure that effect is given to the above resolutions.' "

The following resolutions, arising out of those passed by the Women's Section, were brought before the General Assembly of the Congress and were adopted:—

A. Resolution relating to Associations of Country-women.

'Having regard to (1) the importance of the country-woman's function, from the point of view of (a) contribution to agricultural production, (b) upkeep of the rural home, (c) upbringing of children and (d) promotion of social relations, and
(2) the effective influence which associations of country-women can bring to bear on the developments which are desired, it is resolved:—

- I. 'That, in all countries, official agencies, voluntary organisations and private initiative should give as much encouragement to the establishment and development of associations of country-women as is given in the case of associations of agriculturists.'
- II. 'That the leaders of associations of country-women should impress on their respective Governments the importance of the country-woman's contribution to economic production and that the associations should be encouraged from this standpoint.'
- III. 'That the International Institute of Agriculture at Rome should seek the co-operation of women on the Technical International Council and should, in addition, create a special women's section for the investigation of everything affecting the part played by women in agriculture, and

'that, in the Section dealing with scientific organisation of labour, the organisation of farm household management should be studied, and
'that the latter (i.e., farm household management) should receive corresponding attention at Geneva, at the International Institute for the Scientific Organisation of Labour.' "

B. General Resolutions.

- I. " 'That, in agreement with the International Institute of Agriculture at Rome and the International Commission of Agriculture at Paris, arrangements should be made for the effective co-operation of other international associations and commissions (e.g., organisations of country-women, associations for the improvement of rural life, of agricultural education, of domestic science, of training for family life, etc.), so that there may be co-ordination of effort in achieving the objects of mutual interest on their programme.'
- II. 'That, in every country corresponding committees should be established in agreement with the existing international organisations quoted above (B.I.).'
- III. 'That the International Commission of Agriculture and the representatives of the different nations present at the Congress of Rome should kindly make known, officially, the above resolutions to the various Governments and should press for their speedy and effective transalation into action.'
- IV. 'That the International Institute of Agriculture, the International Office of Domestic Science at Fribourg, the International Commission of Associations of country-women at Brussels and other organisations pursuing parallel aims, should take all such measures as may be open to them, through Governments, voluntary organisations or private enterprise, to secure the realisation of these resolutions.' "

PROFESSOR TOMMASI (Italy): Owing to the influence which women can have in favour of rural life, the International Institute of Agriculture in Rome, after the General Meeting of October 28th, has decided to appoint a woman to encourage and help in rural life, which has been neglected in favour of urbanization.. Therefore I beg you to be more and more interested in this Institute in which seventy-four States are joined.

They are now beginning to prepare a new plan for arranging the legal time of work. In our country it will be a very difficult thing to settle, but it will be tried, and also to plan for the leisure of the workers after their hard labour in the fields.

COUNTESS KEYSERLINGK: I always remember with great amusement at the Rome Conference how we were put into a very

small room. There were about two hundred women at the beginning of the Conference. Then the door opened, and the men began creeping in. They seemed astonished that women spoke quite well.

In Rome everyone was talking about education and we got a splendid idea of the work. In one particular way this Conference stands out, namely, there are so very many more country-women here. In Rome there were a great many delegates who just read their reports, but had not lived in the country.

On the other hand, at Rome a good deal of earnest work was done. It is important that as many women as possible should go to the Conference at Bucharest, just to fortify the impression made in Rome on those astonished men peeping through the door. We have many international organizations all in connection with men's work, but there is nothing like our meeting here to-day, just rural women talking of their own work.

LADY ABERDEEN (Chairman): This matter is now open for discussion. Later on I have a tentative proposition to lay before you. I think there are several here who are anxious to discuss the situation and others who have propositions to make: but if you would like me to put the proposition which we wish to lay before you now, so that you may have it in mind, I will do so.

Agreed.

Most of the delegates who are here know, from the communications that I have had the pleasure of having with them, that the idea of this Conference arose from the fact that there were indications that there was a desire on the part of Women's Institutes and the country-women's institutions to get in relation with one another, and there was a suggestion that there should be an international organization of rural women's organizations formed for that purpose, of Women's Institutes and Country Women's Associations.

On the other hand, some of the rural women's organizations themselves and other international organizations have been very much feeling that there are already perhaps too many women's international organizations, that it is really getting rather difficult for the different countries, especially for those who invite these international women's organizations; and that it would be desirable if some other plan could be arranged whereby the Women's Institutes and the Country-Women's Associations could get in some way into touch with one another without forming another separate women's organization.

That was the origin of this invitation on the part of the International Council of Women to this Conference. They know that in a great many countries the Country-Women's Associations or Institutes are affiliated to their own National Councils. That has been reported. In some they are not affiliated nationally and are locally, and in a great many countries they are regularly affiliated to their National Councils. That

encouraged us to feel that perhaps you would receive this invitation from the International Council just in the kindly responsive spirit in which you have accepted it.

We thought that it would be a very good thing if you could come together at this time, when we are having an Executive Meeting to prepare for our Quinquennial Council Meeting next year at Vienna. At that Quinquennial Council only can we make any changes in our Constitution and policy, and this Executive is held here in order to prepare for that.

The proposition which I ask you to discuss is that you here, the delegates to this International Conference of Women's Rural Organizations, should appoint a Committee with powers to confer and negotiate with the Officers and the Executive of the International Council of Women regarding plans whereby your Rural Associations and our National Councils can mutually help one another without interfering with your special subjects, without seeming to intrude upon the special rural problems, which I know all the Country-Women's Associations and Institutes desire to discuss and consider by themselves.

Supposing this might be a basis for this conference, supposing that that Committee were appointed to represent you, it would be naturally a temporary committee, but one to which you would give certain powers. The plan to be laid before the Executive of the International Council would be the suggestion that you should arrange a conference to deal with the problems of rural women, that you should hold a conference of that kind simultaneously with our conference. At the present moment we meet every five years. There are to be plans discussed at this moment as to whether in future we should meet every five or every three years. We would suggest that this Conference should take place simultaneously with our Conference, and then that in addition to that, that you should appoint representatives who would serve on our different standing committees. We have committees on peace, health, education, equal moral standard, emigration, industrial work. Now there will be probably also one on art and letters and child welfare.

If you were to appoint representatives to serve on those committees, that would bring you into touch with the international movements in connection with these various subjects, and at the same time you would arrange your own conferences on what you would consider purely problems and objects of interest to rural women.

That is only submitted to you as a basis for consideration and discussion.

MME. MRSKOSOVA spoke in German.

Interpreter: To get some concrete result from this conference, Mrs. Mrskosova has been proposing, in consultation with the delegates from Yugoslavia, Germany, the Netherlands and France that an independent agricultural committee might be

formed in connection with the International Council of Women, with its own president, two vice-presidents, secretaries, etc. She further suggested that separate sections might be set up; the first for agricultural questions, practical questions, poultry farming, etc.; a second for questions concerning agricultural workers; a third for educational subjects, rural schools, etc.; a fourth on labour-saving devices and how to simplify the work of the rural women; and a fifth on questions of migration.

No discussion took place on this resolution at the time, and those proposing it agreed to the resolution as to future plans that was finally adopted.

LADY DENMAN: I understand that the suggestion is that a small committee should be appointed to represent us and to consider whether we want an international conference. I take it that we are all agreed that we, as representing women's rural organizations, do want to meet internationally. I take it again that we all agree that we would like to have one good international conference every few years rather than have several societies trying to do the same work and possibly overlapping. If that is so, we have really an alternative. Either we can ask to be allowed to co-operate internationally through the International Council of Women—as women we would like to work with them—or, alternatively, we can work with the Commission of the International Congress of Agriculture, because our interests are also agricultural and we are linked up absolutely with the agricultural welfare of our countries.

It would be a very interesting discussion as to which of those two movements we would prefer, and there would be a great deal to be said on both sides if the field were clear. But the field is not clear. The International Congress of Agriculture has formed a Women's Section, and a good many of the Societies have already joined it, and much as I personally would like to be able to co-operate internationally also with the International Council of Women, I do think that there are great practical difficulties. For instance, the Women's Institutes of England and Wales have affiliated with the International Conference of Agriculture and are sending a delegate to Bucharest this year. That sounds quite simple, and we are not one of the poorest societies; but at the same time there is quite a considerable expense incurred in sending a delegate. If we are invited to send a delegate again to Vienna, or some other capital of Europe, or possibly to America, in the course of another year, and then again the following year perhaps to this International Commission of Agriculture, we shall be unable to do it.

I do feel myself that it is so much more important to have one strong international meeting representing all the countries and really the rural delegates from those countries, people sent over on purpose who know the business that is being discussed. What I fear is that, if there are too many of these conferences,

somebody who happens to be going to that particular country will be asked to read a paper.

Of course, I should like to urge everybody to co-operate through the Women's Section of the International Congress of Agriculture for the rather obvious fact that the Women's Institutes in this country are already committed to that society, so it would be rather difficult for us to co-operate in any other way.

What I also feel very strongly is this: very often a meeting, if it does not quite know how to make up its mind, will appoint a committee to make up its mind for it. If we appoint this committee to-day, we shall, in fact, be saying that we want to have conferences arranged for us through the International Council of Women. So I would ask our Chairman if we might rather discuss the principle, whether we do want that conference, or whether we feel there are enough, and not just appoint a committee as an easy way out of the difficulty and to save us from making up our minds on this point, which we all realize is a very important one.

MRS. FAIRFAX: I am afraid I am not very good at talking about this sort of thing, but I do really believe most strongly in close co-operation, and not encouraging too many organizations, but rather having as few as possible. I think what Lady Denman has said is excellent, and agree with her that it would be best if we could keep together and have one conference every few years with all rural people coming together at that conference. I would add to her suggestion that the conference be held perhaps in different countries. In Australia we hold our conferences sometimes in North Queensland, and sometimes in the South, West and East, so that all those living in the different parts of the country are given the opportunity of attending. But I do not think we should tie ourselves down too strictly. I do feel, too, that we should work in as close contact as possible with the International Council of Women. As has been said, some of the associations in Australia are affiliated with the National Councils; in Queensland we are not. We felt that it would tie our hands too much, and we were so much a country organization that it was better to leave ourselves free; but we co-operate with them in every way possible. For instance, if they want to approach the Government about some matter, we go with them. It seems to me that we could co-operate in much the same way internationally, which would be better than tying our hands too definitely at this stage. I do hope that before we separate to-day we shall decide on some way in which we can co-operate.

I beg to move the following resolution:—

“The representatives of very many countries and peoples having met together in conference at the invitation of the International Council of Women, it would be in the interests of all if mutual greetings could be exchanged yearly, which

might develop into correspondence involving the exchange of ideas and mutual help in one another's difficulties."

Because, if we agree to co-operate in some such way as has been suggested, we must have something to hold us together between the times of the meetings. It would not be of any use for a few of us to meet, and it would be difficult to collect us all together often, so that correspondence would link us together more strongly than anything else.

(This resolution was moved again[later and carried].)

MRS. AUERBACH: I should like to ask a question. We seem all of us to have enjoyed this meeting so much that we feel we want to carry on further in co-operative work. The only question of difficulty is when we come to machinery. It is always the most difficult thing of all to put ideas into a concrete form. I wanted to ask whether it has been considered what would be the relation of this new body or committee with the existing international bodies—because Lady Denman has pointed out that there are two alternatives between the Committee proposed in the suggested resolution and those existing international bodies to which Miss Pratt has referred, the International Institute at Rome and the International Commission in Paris, to which the Women's Institutes are already affiliated?

LADY ABERDEEN (Chairman): You mean in the event of a committee being formed much as suggested? It does not in any way prevent the other affiliation. The Institute at Rome is more from the technical point of view. There would be no objection to your being affiliated to that and in alliance with the International Council. We would have to make certain alterations in our Constitution, but I should hope that that would be possible. If you wish to have conferences of this kind from time to time, I cannot see how it would prevent any association who wished to affiliate with the more technical institution at Rome from doing so.

MISS PRATT: May I just refer to that point you have just made about the Institute at Rome. I am afraid I did not make the position quite clear. The Institute at Rome is a permanent body which does not call congresses. It is a permanent official Institute which has been in existence since about 1900. Its functions are largely technical, but it is empowered under its charter to make representations to Governments on any matters affecting the conditions of rural progress. It is quite distinct from the International Congress of Agriculture, to which I was alluding.

MRS. BRIGDEN: As I understand it, to obtain any relationship to this International Congress of Agriculture would require a national organization of women.

MISS PRATT: No, I do not think so. I think the International Congress of Agriculture welcomes both official delegates and also individuals who may care to adhere to the Congress.

MRS. WATT: It is very much the same as the International Commission of Agriculture. There are five International rural bodies mentioned by Miss Pratt, and two others. Women are welcomed to all and two have lately formed Women's Sections.

MRS. BRIGDEN: Speaking as one of the delegates from the United States to this meeting, I can say that I and my colleague have found this gathering tremendously valuable; we shall go back to the United States feeling that we cannot afford not to have these international relationships, and we shall be very glad to endorse the resolution put forward.

FRU MICHELET: I understand the question was, shall we affiliate with the International Council of Women or with the Congress of Rome?

LADY ABERDEEN (Chairman): My resolution was not exactly affiliation. It was more an alliance. You will understand that it would have again to be accepted by our International Council before it could be done.

FRU MICHELET: I used the wrong word. I think that from the Norwegian point of view, it is very necessary for us to work together nationally in our own countries. We want our National Council to be the place where we all meet and where we can get into touch with all kinds of interests. We are not able to send so many delegates nor to have so many meetings. It is too expensive and we have neither the money nor the people. I do not know whether we are considering two alternative plans, but I should like to vote for this resolution because it will give us something positive; we know what we shall get from it. We had a meeting last autumn (we were considering how we could meet internationally) and we made up our minds that at this meeting I would ask Lady Aberdeen what could be done.

Then we have another small difficulty: in some countries the rural and city people do not live so far apart. I had a letter to-day from my office giving me the figures; we have now 175 associations and 125 of those are rural, but the other fifty are town associations. In a country like ours, and also in Denmark, it would be very difficult if we were obliged to keep our country and urban women so strictly apart.

COUNTESS KEYSERLINGK: We have the same difficulties as have been mentioned with our rural women. Some want to work with the International Council of Women, and some do not, so I feel quite as you do.

I have been thinking how we could arrange to come together as we have done here, to tell one another what we have been doing, and how we could manage to do work which would really

be of some use. At each conference there might be one special topic that could be fully discussed. On one occasion we might discuss agricultural questions; another time house-keeping questions, and still another time educational questions, so that the delegates who attended the conference would know what to prepare for and the delegates who were chosen would be those who knew most about the particular subject on the agenda.

LADY ABERDEEN (Chairman): I think it would be of use if I said how far the rural Institutes are affiliated to the National Councils.

In Australia, out of the six States, in four the Country-women's Associations are affiliated.

In Canada the National Federation is not affiliated, but locally the Institutes are very generally affiliated to the local Councils. In Canada the nature of the arrangement with the National Council is that there are a great many local Councils all over the country, and it is to these that the Women's Institutes are affiliated.

In England and Wales, the National Federation of Women's Institutes is not affiliated, but again in certain areas I think individual institutes are affiliated to the branches of the National Council; the same holds good for Scotland.

In the following countries the Country-women's Associations are affiliated to the National Council of Women: Czecho-Slovakia, Estonia, Denmark, Finland, Germany, Ireland, Latvia, Norway, Sweden and Yugo-Slavia.

In New Zealand they are just now making an arrangement for affiliation. That is how it stands at present.

MRS. WATT: I should like to say something about the international position, as perhaps I have had as much experience as anyone in rural international organizations. As far back as 1911 I attended the first international organization of rural women. It was a section of a men's organization. Since then I have been at some thirteen international meetings.

I may say this. While not in the least discouraging any efforts on the part of any society to join with any general organization of agriculture, I think the more we co-operate as rural women the better. There is no reason why we should cease to send representatives to any general agricultural body, but this is the first international rural conference I ever have attended, where I felt that we country-women got to the heart of the matter. When you are attached to some other organization, willy-nilly, you are swept along with them, with all the social functions and the congresses in connection with it. You get a good deal of general information, but the contact of heart with heart, of woman with woman, of the actual problems of the country is not made in the same way.

I feel these conference are all to the good. The more people meet together internationally, the better for the peace of the

world. There was no reason why rural women should be the only women who cannot themselves arrange to meet together internationally. I think we are entitled to that. I think we have a big enough programme. We have a more general concern with the welfare of the human race than almost any other body of women because we touch so many of its problem in a wholly practical way.

Then there is another aspect of our meeting together in this Conference, and that is this: we have succeeded in something that many people have tried to bring about. Since that first meeting in 1911 in Canada, there have been many sporadic attempts to form a federation of rural women's organizations. We have failed to do so, and I think we were perhaps wrong in trying to have so hard and fast an organization.

I am now inclined to think an informal type of organization is more suitable for rural women, because of the difference in organization in different countries. I do not think that what we do here interferes with any other affiliation that we may have, because it is of an informal character, and it depends upon ourselves what we do with it. Lady Aberdeen has succeeded in doing something that all the rest of us have failed to do. She has succeeded in getting us here together. One reason she has succeeded, outside of her charm and personality, is that she had a nucleus to build on. The women who were coming here for other reasons were also interested in rural matters and were often members of rural women's organizations, and so, with less expense and less trouble, we could get together a nucleus of rural women. That will always apply to future gatherings of the International Council of Women.

Again it is not always easy for rural women to come by themselves to conferences, but if there is someone coming from the same country, it is much easier for the country-woman to come with her. The practical advantages are very great, provided Lady Aberdeen's society, the International Council of Women, will allow us to keep a very informal organization within theirs, which will not prevent us from affiliating with any other body which seems to meet the special need of our own particular organization.

I am very grateful indeed that we have been able to meet together and confine ourselves to our own interests.

MRS. FAIRFAX: I think what Mrs. Watt has just said was splendid. She takes a very human point of view, and that is what we all want. As everything has been so excellently managed by the International Council of Women, have we not to think of finance in saying that we want the same thing to happen again? I do not know anything about the expenses of this Conference, but we shall have to think of that in the future.

LADY ABERDEEN (Chairman): This time you do not have to think about anything beyond your personal expenses. The

actual expenses of this Conference are borne by the International Council of Women.

FRU HAINARI: I quite agree with Mrs. Watt, and we are grateful to her that she has said what was in all our minds. I do not know anything about the financial side of the question; I only know that the International Council of Women has not unlimited funds.

LADY ABERDEEN (Chairman): Of course, there would always be the expense of the delegates, but no doubt the hall would be provided. It is simply a matter of arranging the hours so that they do not interfere. You quite understand, ladies, that the proposition is only tentative. A great many of our National Councils, I know, are very closely allied with the working of the country-woman's association, but the only way a future conference could be arranged is to have a committee that would talk over this matter. I do not think that committee would be bound in any way.

LADY GUNSON: Would it be called the Rural Committee, or the Rural Committee of the International Council of Women?

LADY ABERDEEN (Chairman): Something of that sort. It would have to have the word *rural* or *country-woman* in it.

LADY GUNSON: Would it be a standing committee within the International Council of Women?

LADY ABERDEEN (Chairman): At the present moment it is only to consider whether the subject is to be put in such a form that it can be put to our Executive.

MRS. AUERBACH: The resolution suggests appointing a Committee empowered to arrange affiliation.

LADY ABERDEEN (Chairman): If a permanent arrangement were made, it would have to be made at our Quinquennial Conference at Vienna next year. If once it was accepted, then you could make whatever arrangements you wished. This is purely preliminary.

I will read the draft resolution:—

“That this International Conference of Rural Women's Organizations appoint a Committee authorized to enter into negotiations with the International Council of Women: this Committee to be empowered to arrange conferences on rural subjects, to be held at the same time as the meetings of the International Council of Women, and to appoint representatives to serve on some of the I.C.W. Standing Committees.”

FRU MICHELET: Would it not be easier if it were worded “That this Committee is empowered to arrange a Conference.” It sounds so permanent in this way that I think we are rather afraid of it.

LADY ABERDEEN (Chairman): Perhaps you would rather have the last clause taken out?

Fru MICHELET: No, not at all, but propose that the words "on that occasion" be added at the end of the resolution.

LADY ABERDEEN (Chairman): The National Council of Women of Germany has laid a proposal before the officers of the I.C.W., asking that instead of adding to the number of the standing committees of the International Council of Women, the number of those committees be rather diminished so as to lessen the expenses of the National Councils of Women. So I suppose it would not be very practical to-day to take a resolution suggesting the appointment of a new standing committee for this purpose.

LADY GUNSON: Would it be a standing committee?

LADY ABERDEEN (Chairman): No, there is no idea of that.

To carry out Fru Michelet's suggestion, it would read:—

"That this International Conference of Rural Women's Organizations appoint a Committee authorized to enter into negotiations with the International Council of Women: this Committee to be empowered to arrange a Conference on rural subjects, to be held at the same time as the Quinquennial Meeting of the International Council of Women at Vienna, and to appoint representatives to serve on some of the I.C.W. Standing Committees on that occasion."

MME. MICHELET: I move the resolution as amended.

MRS. M. SILFVERHJELM (Sweden) seconded.

LADY GUNSON: When will this group hear the answer of the I.C.W.?

LADY ABERDEEN (Chairman): We will talk that over to-night, when we meet. Then to-morrow when our Executive meets we can tell you quite certainly our decision.

MRS. AUERBACH: Is it the proposal that what is wanted is a committee to draw up a programme for a conference?

MRS. ANSTRUTHER GRAY (Scotland): I am afraid I am not prepared to vote upon anything at this meeting, but I feel that this Conference has been such a great success that it would be a great pity if we cut ourselves off from anything of the same kind. If your resolution would enable us to have a conference under the International Council of Women in the future, it would be a tremendous help to us all: but I have no real power to vote.

LADY ABERDEEN (Chairman): It would be understood, of course, that you all would have to refer this to your organizations, and we are in the same position ourselves.

MRS. OGILVIE GORDON: I do want to support our President in giving you a most warm invitation to join with our body,

What we are anxious to do is bring your agricultural interests right into the heart of all the other interests of the women's movement. We believe that that will be possible, if at least the opportunity is afforded of your meeting in our midst from time to time.

It is not by any means a request or suggestion that you should give up your independence, but we as women working for the other big causes: public health, education and the welfare of the family, we feel that these interests must be supported throughout the rural parts of the world as well as in the city, and without your help we are weak. I want to invite you from that sense of weakness on our part, that you will give us strength.

On the other side, there is no question but that if you come into personal contact with these women who are working in the other direction, you have much to gain, and the whole spirit of progress at present depends upon how far our women's sections and interests can join together and make a great united movement to influence the men and the governments. I really think we could help each other, and I do sincerely hope you will support this resolution that has been put before you by Lady Aberdeen, without any ulterior motive, or suggestion of a permanent union. It is simply that you come together with us, when it is possible, when it can be arranged in different countries from time to time. I am sure it would be for the advantage of both.

THE CHAIRMAN put the resolution, which was

Carried: 21 for, 1 against.

MRS. FAIRFAX then moved her resolution:—

“That representatives of so many countries and peoples having met here in Conference at the invitation of the International Council of Women, it would be in the interests of all if mutual greetings could be exchanged yearly which might develop into helpful correspondence and exchange of ideas between the Women's Rural Organisations in different parts of the world.”

This was seconded by MRS. WARNES, and *Carried*.

The Delegates from Czecho-Slovakia and Cape Province (South Africa) suggested that there should be correspondence between the different Women's Institutes and other rural women's societies in different countries.

This was approved.

The meeting closed with a very warm and unanimous vote of thanks to Lady Aberdeen for the work she had done in organising the Conference and for her services in the Chair.

LADY ABERDEEN, in reply, thanked Mrs. Watt for all the preparatory work she had done and for her work at the Conference. “Without her special knowledge and enthusiasm the Conference could not have been the success we all feel it has been.”

Business Sessions.

At the close of the Conference, several meetings were held to consider how best to carry out the wishes of the Conference as expressed in the resolution that had been passed, and to discuss plans for the future.

RESOLUTION:—

“That this International Conference of Rural Women’s Organizations appoint a Committee authorised to enter into negotiations with the International Council of Women. This Committee to be empowered to arrange a Conference on rural subjects, to be held at the same time as the Quinquennial Meeting of the International Council of Women at Vienna, and to nominate representatives to attend some of the I.C.W. Standing Committees on that occasion.”

The first meeting took place at the Lyceum Club, after a dinner kindly given by Lady Aberdeen and Mrs. Sanford to the delegates and those helping with the Conference. At this meeting it was agreed:—

1. That the International Council of Women be asked to make the arrangements for the proposed International Conference of Rural Women’s Organisations.
2. That the Committee appointed be advisory in character, and especially as regards the arrangements and programme for the next Conference.
3. That the Committee consist of:—

Mrs. A. E. Bridgen.
 Mrs. Godfrey Drage.
 Mrs. J. H. Fairfax.
 Mrs. Anstruther Gray.
 Lady Gunson.
 Gräfin Margarete Keyserlingk.
 Fru Michelet.
 Mme. Mrskosova.
 Lady Tata.
 Mrs. Alfred Watt.

At the next meeting, which was of an informal character, called at the invitation of Mrs. Fairfax, various suggestions were made, those by Lady Tata being distributed to the members. Those suggestions concerned the work and arrangements of the small Committee set up the previous night, and it was agreed that it was best to leave the Committee to make its own arrangements and define its own work, within the limits of the resolution.

The following suggestions were agreed to:—

1. That the Committee appointed by the Conference confer with the Executive Committee of the International Council of Women.

2. That the Committee, after considering suggestions sent in by various Rural Women's Organizations, advise the I.C.W. thereof, and draw up the Agenda for the next Conference.
3. That the Committee be called the Liaison Committee of Rural Women's Organizations.

A discussion took place about finance. Taking the cost of the Report at £50, it was agreed that from £75 to £100 would be required for clerical and office expenses for the year, provided that voluntary assistance could be secured as well. Some £60 was subscribed at once in the room, and it was agreed to ask members of the Conference not present on this occasion to subscribe.

A discussion took place on the resolution which closed the Conference, and it was agreed that only the first part, empowering the Committee to arrange the Conference to be held about the same time as the Quinquennial Meetings of the I.C.W. in Vienna, could be agreed to, as the delegates present had no power to make any such arrangements.

On the following morning the delegates from the Rural Women's Conference met the Executive Committee of the International Council of Women. On behalf of the delegates, Mrs. Watt thanked the I.C.W. for calling the Rural Conference, and stated that its success had given great pleasure to the country women present. She gave the views of the delegates as expressed at the Conference and the business meetings following. She stated that while the resolution authorising the calling of another Conference in connection with the Quinquennial Meetings at Vienna had been passed at the Conference, the delegates subsequently found themselves unable to accept the clause about the Standing Committees, but hoped that the I.C.W. might be kind enough to invite them to attend the Committees as visitors when they desired to do so.

The I.C.W., through the Chairman and other members of the Executive Committee, expressed themselves as satisfied with the Conference, and with the relationship proposed by the delegates, and with their plans for the future.

The final business meeting of the Conference was held immediately following that with the I.C.W., when the situation was fully discussed. The suggestions agreed to at the informal meeting convened by Mrs. Fairfax were confirmed, and the arrangements just entered into with the I.C.W. were approved. The purpose of the Liaison Committee was defined as follows:—

- (a) To keep in touch with the Rural Women's Organizations represented.
- (b) To prepare the Agenda for the Vienna Conference.
- (c) To keep a record of Rural Women's Societies.

- (d) To receive donations and prepare and publish a Report of the present Conference, and distribute same for sale.
- (e) To study the need and advisability of future Conferences, and present a report on same at Vienna Conference.

Miss Zimmern accepted the post as Hon. Secretary, and agreed that meetings could be held and files kept at the I.C.W. office. The Committee expressed their gratitude to Miss Zimmern and the I.C.W. for this arrangement.

The date of the first meeting of the new Committee was fixed for 16th May, at 8 o'clock.

The Conference was declared closed.

Hospitality in English Counties.

BY MRS. GODFREY DRAGE.

As it was felt that the delegates attending the International Conference of Rural Women's Organisations would like to see something of the work of the Women's Institutes in England, many County Federations came forward with offers of hospitality, visits to Women's Institute meetings were arranged in different parts of the country, and hospitality also was offered to the delegates by many individual members. It was not found possible for the delegates to avail themselves of all these kind offers, as in many cases their stay in England was short and very full of engagements, but for those who were able to spare time to pay visits in the country during the week that elapsed between the Rural Conference and the Annual Meeting of the National Federation of Women's Institutes, visits were arranged and greatly enjoyed by both them and the Women's Institutes concerned.

Fru Michelet, of Norway, went to see the County Handicraft Exhibition at Maidstone on her way to stay with friends in Tonbridge, with a view to gathering hints for her work in Norway. Countess Keyserlingk went to stay in Sussex, and wrote a very pleasant little record of her visit, commenting on the practical comfort and culture to be found in average English homes, and their beautiful gardens, much of which seemed homelike to her. She notes that the home life of England, as in Germany, still centres round the country housewife, in spite of the many new interests, which are the inevitable result of modern methods of communication. A visit to Yorkshire was arranged for Mrs. Brigden, of the U.S.A., one to Sussex for Madame Mrskosova, of Czecho-Slovakia, and one or two other delegates were able to attend Institute meetings within easy reach of London.

Lady Denman kindly asked the representatives from the Dominions to tea at her home, when an informal discussion took place on several topics of mutual interest.

All the International and Dominion delegates were invited to attend the Annual General Meeting of the Women's Institutes. Every Women's Institute in England and Wales is at present entitled to send a delegate to this great annual gathering, which has been described as the Women's Parliament, and is the ultimate authority of the movement. It is the one great annual opportunity when every Women's Institute can, through its delegate, take an active part in the administration of the movement. County Federations and Women's Institutes can send in

resolutions for the Agenda. This year the most important matter before the meeting was the development of the Consultative Council, which was put forward in a very able speech by Mrs. Watt, the aim of the development being to form a still closer link between the Women's Institutes, County Federations and the National Executive Committee. The interest of the meeting is usually enhanced by an address from some distinguished Public Official, this year it was the Minister of Health, who at the close of an eloquent and interesting speech, suggested that the Women's Institutes might act as "missionaries of health" in co-operation with the authorities. Lady Denman, the splendid and very efficient chairman of the National Federation of Women's Institutes, opened her address by welcoming the visitors from country-women's societies in Scotland, Czecho-Slovakia, India, New Zealand, United States of America, Victoria, Queensland, South Africa and Rhodesia, and dwelt on the very satisfactory fact that not only in our own country, but all over the world, country-women are banding themselves together to help themselves, their homes, and their country. The visitors were much impressed with this great gathering of over 2,000 country-women, delegates from Rural Institutes in England and Wales, which showed a great democratic organisation in full action. Mrs. Fairfax of Australia was the delegate invited to speak to the great assemblage, and she won all hearts.

The whole visit of the International Rural delegates was an interesting experience to all, and we may feel proud to be able to quote Countess Keyserlingk's words "That the friendliness and hospitality shown by the representatives of the English Women's Institutes and those of the Dominions has helped to bring us together."

VISITORS.

An interesting feature of the Conference was the presence—on the invitation of Lady Aberdeen—of many Women's Institute members representing English County Federations of Women's Institutes. Many of these county representatives came from considerable distances at their own or their county's expense.

The following counties accepted the invitation :—

Berkshire.	East Sussex.	Monmouth.
Cambridge.	Essex.	Montgomery.
Cardigan.	Glamorgan.	Northumberland.
Carmarthen.	Gloucester.	Nottingham.
Carnarvon.	Hampshire.	Pembroke.
Cheshire.	Isle of Ely.	Shropshire.
Cornwall.	Kesteven (Lincs.)	Somerset.
Cumberland.	Lancashire.	Surrey.
Devon.	Leicestershire &	West Kent.
Dorset.	Rutland.	West Suffolk.
East Kent.	Lindsey.	West Sussex.
East Suffolk.	Merioneth.	Wiltshire.
	Middlesex.	

Many of the delegates expressed their great pleasure at this opportunity of meeting English rural workers and hearing of the Women's Institute Work.

In several of the discussions leave was given to visitors to take part and some useful information was given to the conference.

The attendance of so many English visitors from the counties showed a keen interest alike in rural problems and in the wider international aspects of Institute work and was a real source of gratification to the delegates. Many friendly links were formed and the cause of international peace was certainly furthered.

Some Impressions of the Conference

From Mrs. Fairfax, Australia.

As the Australian Delegate to the Rural Conference of Country women's Organisations, convened by the I.C.W., I would like to say how impressed I was by the greatness of this Conference, and how thankful I am for the opportunity given me of being present. I am sure we all from the many countries represented learned a great deal and will go back to our work feeling very humble after having come into contact with so many fine women, and those who are doing so much for the good of humanity, and we are, I am sure, determined to work harder at the task which is set before us, to bring peace to the world. United we may do much.

I would like on behalf of Australia to offer our deepest thanks to the members of the I.C.W. who were good enough to include us in their International Conference held in London for the first time for 30 years, and may I say, especially, Lady Aberdeen, who I know worked very hard for its success and success was undoubtedly achieved in its fullest sense.

From Miss Pratt, British Ministry of Agriculture.

Four features of this Conference of Rural Women's Organisations stand out in memory.

Firstly, the pleasure which those taking part in it derived from the friendly intercourse promoted by such a gathering.

Secondly, the mutual encouragement and stimulation to further endeavour provided by accounts of efforts to better rural life under widely differing conditions.

Thirdly, the realisation of the wonderful work already achieved by national associations of country-women, having regard to the fact that the organisation of country-women is of such recent development everywhere.

Lastly, the conviction that the international influence of country-women will be no less effective than their national influence, once the best methods of expressing it are found.

From Countess Keyserlingk, Germany.

A gathering of Rural Women, such as the one held under the auspices of the International Council of Women, gave a new opportunity to country-women to exchange views and experiences. This opportunity was the more valuable as it brought the representatives of rural women's organisations for the first time into touch with women from the many spheres of activity represented in the International Council of Women. In addition to their own important interests, Rural Women are interested in questions concerning trades and professions, peace, laws, child welfare, education, etc. These questions concern their own and their children's lives quite as much as they concern other pro-

professional women workers in their own organisations, or the members of the big women's movement working for the welfare of the community.

The Rural Women's Movement, whether working in conjunction with other women's organisations or facing its problems alone, is an essential part of the organised women of the world, and as such it was a happy idea to hold this conference at the same time and in the same building as the meetings of the Executive and Standing Committees of the International Council of Women. Our members were invited to take part in those meetings, as well as in all the social functions and excursions. Thus there followed quite naturally personal contact between the country-women and representatives of other interests and professions.

Perhaps the friendliness which was shown at the London meeting, rather in contrast to some other meetings, was if anything rather enhanced by the difficulty of language. Who can say whether this was simply chance, or whether it was due to the chairman, Lady Aberdeen, who for more than thirty years has been devoting herself to bringing together women from all parts of the world, but in any case the difficulties arising out of the war were much less noticable on this occasion, and even the question of language, which always causes so much heartburning for us German women was solved in a pleasant way. Because we are supposed to be good linguists others are apt to consider the request for a German translation to be unnecessary, and to think that we ask for it simply as a matter of principle; but this time the representatives of some of the newer central European states really needed the German translation in order to be able to follow the proceedings. Their own reports were often given in almost ununderstandable French, but once the Reports had been given they were honest enough to realise the help they could gain from our German delegation. So on this occasion our relations were particularly friendly with the women of those countries, where political and economic understanding has not always been easy since the war. It was natural that the women from the countries bordering the North Sea and the Baltic, whose points of view on many subjects are the same, should also agree on those subjects which are of special interest to the country-woman.

In addition to the insight which we got into the life of the country and economic organisation of country life in England, the conference also gave us an insight into country life in other countries and continents. There were the women from the Northern countries, where the country housewives had joined with the housewives in the towns to form one organisation. That the country-women did not suffer from this we learned from the report given by the President of the Norwegian Association, who told the story of an Institute in one of the small islands off the coast of Norway, to which the representatives of the main organisation had sent a teacher to instruct the 25 new members

how to cook vegetables. It was then discovered that there were no vegetables on the island, nor was there any suitable plot of land where vegetables could be planted. So the first thing was to ask for a teacher to help lay out and plant a garden, then only could the women be taught how best to cook vegetables.

Another group whose reports had much in common consisted of representatives from the British Dominions: South Africa, Australia, New Zealand, Canada, etc. There the question of distance is the main problem to be overcome by those forming and directing an organisation, but no women need the help and stimulus more than the pioneers in a new land.

India has a country women's organisation in Bengal, the Mahila Samitis, and in other parts of India the same idea is taking root. Dressed in their picturesque saris the Indian representatives looked upon the formation of a country-woman's organisation as a natural part of the woman's movement in their country.

The London Conference did not form a new country-women's organisation, but the members showed their appreciation of the hospitality accorded to them by the International Council of Women by agreeing to hold another conference in 1930 in Vienna at the same time as their Quinquennial Council Meeting. We hope that this second conference will be a further step towards forming a link between the country-women's organisations and the women's movement, the results of which will prove to be as fruitful as those of the one just held in London.

From Lady Tata, India.

It was a happy thought on the part of the President of the International Council of Women, the Marchioness of Aberdeen and Temair, to arrange for this Conference in conjunction with the Meeting of the Executive Committee of the I.C.W., and I, for one, was very grateful for the opportunity thus given to me to attend it. This Conference of women representing the Rural Women's Organisations of countries in all parts of the world was of great value to all who attended it. It had a threefold value:

1. Academic Interest, such as is derived from a comparative study of conditions and efforts to be found in different parts of the world.
2. Practical utility, which is of special value to local development because an exchange of ideas, suggestions and experiences leads to the adoption, with suitable adaptations, of improved methods of work.
3. Spiritual or Cultural Significance. Contact with the intellectual women—the earnest and devoted workers for the uplift of women—in other countries must necessarily engender increased liberality in thought, wider sympathies and a more international outlook.

It was very gratifying to note that women all over the world are actuated by a common ideal and are working towards

a common purpose—the beautiful task of making human life more happy and the world a better dwelling place for those who have to toil and labour for the comfort and happiness of their fellow men and women all over the world.

Such meetings have an educative value as well, as they enable those in backward countries to learn what their sisters are doing in other countries and thus they are filled with the desire and ambition to do likewise. The reports of the delegates from Australia, Canada, America, Germany, England, Norway, and several other countries were to some of us a revelation of how much they are doing in those countries for the amelioration and betterment of the rural population—especially the women. The impressions one received at this Conference can never be forgotten and the pleasure of meeting so many splendid women from so many different countries was all to the common good.

From Lady Gunson, New Zealand.

The Rural Conference held under the auspices of such a remarkable organisation as the International Council of Women, could not fail to radiate a beneficent influence on the countries represented.

The chief characteristic was the marked earnestness of the women in the search after truth and the best for humanity, the willingness to give and take, in order to arrive at the greatest good for the greatest number.

Perhaps the greatest pleasure lay in the opportunity for exchange of thought and ideas between those remote in origin and temperament, soul reaching out after those simple elements which go to make life sweet. That was the best thing we met with.

One special point I would urge—the desirability of all Rural Organisations affiliating with the International Council of Women, for in union lies strength.

From Mrs. Bridgen, United States of America.

The first International Conference of Rural Women must have proved a greater success than even the most sanguine could have dreamed, while to those who were privileged to attend it will remain an unforgettable experience.

Rural Women from all parts of the world sitting together in Conference for three days came to discover that they were all working towards the solution of the same problems, were hoping the same hopes, dreaming the same dreams, following the same 'gleam,' resulting in a better mutual understanding and an awakened desire for a closer and more intimate acquaintance.

There seemed a general feeling that something had been started that demanded being carried on, and therefore arrangements for another similar Conference next year in Vienna seems imperative.

It is also earnestly hoped that some plan of organisation may ultimately be evolved by means of which Rural Women the world over may learn to know each other better, and be able to work together harmoniously and efficiently on matters of mutual concern and to do their 'bit' towards the outlawing of war and bringing to pass an era of universal peace and good-will among the nations of the world.

From Mrs. Godfrey Drage, Wales.

The main interest of the Conference lay in the reports given by delegates from different countries, which showed a remarkable similarity of purpose. All the Rural Women's Associations mentioned were non-sectarian and non party-political, while all worked on the fundamental principle of co-operation.

The Women of Scandinavia, Finland, Denmark, Germany and the English speaking nations seemed to be working in close touch with their local authorities for education and the betterment of homes, as well as for social and community work, while the younger nations such as Yugo-Slavia, Estonia, etc., were more occupied with actual legislation and attempts to assert the value of women's work.

The results of this first Conference were much greater and more valuable than had been expected, the friendliness and interest in each other's work engendered by the Conference being a real step forward towards laying a foundation of understanding among rural women of different nations. The interchange of ideas was felt to be so valuable that it was decided to issue this report to be a permanent record of the proceedings.

In conclusion, no Report of the Conference would be complete without reference to the splendid leadership of Lady Aberdeen and Mrs. Watt. The sense of kindly co-operation which permeated the meetings, allied with the confidence and satisfaction aroused by first rate ability in the conduct and summing up of the business were very largely due to the two great leaders.

The New World View Point of the Position of Country Women.

By MRS. PHOEBE E. WARNER, Texas, U.S.A.

Partnership between Governments and Farm Women.

The Government of the United States and its farm women have always been partners, but until about fifteen years ago the farm women played the role of silent partners.

For more than three hundred years our farm women, with their pioneer husbands, blazed the trail of civilisation from Plymouth Rock to the Golden Gate. They faced every danger, endured every hardship, and sacrificed their lives at the rate of one to three mothers for every pioneer family, that this nation might be developed. They bore and reared most of the soldiers that have fought our country's wars. They gave most of our great leaders to the nation. They were taxed without representation for nearly a hundred and fifty years after the Revolution. They furnished all of our early educators, yet they were denied the right to be educated for nearly two hundreds years. Their children are still furnished with the poorest schools, the shortest terms and the least good teachers.

They were subject to laws in which they had no voice. They had no power over their own property and in some of our States could not demand the possession of their own children. Thousands of them still work in our fields with the men and the mules to produce the food and clothing for our nation and even to this day have absolutely no voice in fixing the price of a single thing they produce, and yet our nation is called the most democratic nation on the earth.

But the social and economic conditions of our farm women have changed more in the last fifteen years than in all the previous hundred and fifty years. To-day the farm women are equal partners in deciding all government questions through the ballot. In many States they have been granted control of their own property and the possession of their own children. Our great universities supported by the government are thrown wide open to their daughters as well as to their sons.

Most of the dangers of pioneer days are passed. Science is fast eliminating many of the burdens that used to bring so many farm women to premature graves, the government is furnishing scores of health protecting agencies for the farm woman and her family, and the rural schools are slowly but surely improving for the children. But the greatest and happiest partnership that has ever been formed between our government and its farm women is the system of adult education our government has made possible for farm women under the heading of Home Demonstration work.

This recognition by our government of the social and

economic value of our farm women to the nation has done more to cement the bonds of faith and fidelity between our farm women and our government than anything else that has ever happened. Until that day in 1913, our government had spent most of its educational budget on a few professional men and women and left its millions of farm women, on whom the prosperity of the whole nation was largely dependent, to grope their way through intellectual darkness to the solution of their problems. The most economic move our government has ever made was when it decided to educate its farm women for their great mission of farm home-makers.

The farm woman is the most trustworthy partner our government ever had. She comes the nearest bearing her full share of the government's burdens. She is loyal to every cause and answers every call. She does the most and demands the least of any member in this great national partnership business.

But with all her work and all her economy and all her loyalty, our government has never yet recognized this indispensable partner as even having a definite place in the great business of maintaining a nation. She is still listed as being without an occupation.

How does the Rural Woman affect National Life?

Through all the centuries the rural woman has been the origin of all national life. The first family of the whole human race was created in a garden. Where else could they have made a living in their day? From that day to this the most essential industry in the world has been agriculture.

Today there are 1,800,000,000 people in this world to be fed and clothed. The place of agriculture on the world-wide programme is to furnish the raw products of food and clothing for all these people and furnish employment to half the industrial toilers of the world.

For these reasons the most essential social unit in every nation is the farm family. And the one who gives that family to the nation and the one who binds that family together and holds it on the farm is the rural mother.

The greatest contribution of our rural women to the nation is their children. Although there are but 6,000,000 farm women in the United States they furnish the nation with half of its children by which its various industries are supplied with men and women, and they produce most of the great leaders of industry, education, politics and religion.

There is something in the very lack of things and in the plain, primitive methods of living on the farm that induces initiative and leadership in country children. Rural boys and girls have to create practically every thing they have even to their entertainment. But the day the farm boys and girls become conscious of their initiative genius, they bolt for the city to seek an outlet for their powers.

Another great service our rural women have rendered the nation is in their lives of social isolation which they have spent in our distant industrial camps in order that the nation might have lumber for homes and furniture, coal and oil and gas for fuel, gold, silver, copper, lead, iron, and all the other materials necessary to the prosperity of the world. Women may not themselves dig the ores out of the earth, or cut down the trees for lumber, but they have lived in every conceivable nook and corner of the land to make homes for the men who did the work in order that our national resources might be developed for the comfort of all and the enrichment of the nation.

Rural women are our greatest tax producers and also our greatest tax-payers in proportion to their income. The rural women and their families represent about one third of our population. They receive less than one-eighth of our national income and pay one-fifth of our national taxes.

In every State in our country the rural women have been the pioneers of civilization. Not an acre of our richest agricultural land was ever worth a dollar an acre until some woman moved into it and made a home for a man. Our rural women have done more to develop our national life than any other group of citizens, and have received less recognition for their service.

When the World War came, the rural women gave their sons to fight and hundreds of thousands of those mothers took their son's places in the fields to help feed a war ridden world. But when that war was over the nation forgot all about those mothers' sacrifices for their country, and today hundreds of thousands of those same mothers have lost the very homes they gave their sons to save. Yet to this day they are not recognized by this government as even having an occupation.

The strangest thing in this liberty loving nation, this nation with the highest ideals of justice for all, is its unconcern, and its utter indifference toward the rights of its rural women and the national debt of gratitude our government owes them.

Are Country -women getting their fair share of Educational Facilities?

Emphatically they are not. As little girls they were compelled to attend our most poorly equipped schools having the shortest terms and the teachers who could not get appointments in better schools. Many of them were kept out of school to work in the home and in the fields when they were entitled by their birth to equal educational advantages with every other child in the nation. Only a small percentage of our country girls have ever had a chance to attend a high school, consequently few of them were ever prepared for college.

The country-woman, since the beginning of time, has been taught by precept, example and tradition that the sole aim of her life should be to spend her entire self for her family. To produce, to save, to sacrifice, to toil for her home rather than keep

her heart, mind, spirit and body fresh and alert to think, plan, direct and enjoy her family.

The utter lack of personal care, time and labour saving devices, comforts and conveniences in her home has brought premature disease and death to millions of country mothers.

But to-day, thanks to our government, our country-women are being offered the finest course in adult education that the farm women of any nation have ever known, the Home Demonstration Work.

The whole plan was the crystalization of the vision of Dr. Seaman A. Knapp for the enrichment of the farm home and family.

So true to its aims has this work proved to be that today it is being carried on in a thousand of our counties with an enrollment of nearly a million country-women and girls in our home demonstration clubs, where they are receiving the first scientific training for rural life that they have ever known. Until the coming of the home demonstration clubs, the farm women were supposed to have inherited all the knowledge they would ever need to know on the farm.

The farm girls' clubs are known throughout the nation as "4H Clubs," because they stand for the training of the hands, the head and the heart and for health. The 4H Club work includes the boys on the farm also and is doing more to hold our boys and girls on the farm and develop a generation of happy intelligent farm homes than anything that has ever been done in the history of American agriculture.

Then there are other educational factors coming into the country-woman's life such as the Federated Woman's Club, the Parent Teachers' Association, the National Grange and the American Farm Bureau. Through these and many others she is taking up various educational courses and social service duties firstly for her own development and secondly for the betterment of her home community.

The Home Demonstration work is teaching her how to provide for her family more intelligently and with greater pleasure and less sacrifice on her part, while the social and educational clubs are expanding her social horizon and training her in team work with our County, State and National organizations.

One of the greatest educational handicaps in our country-women's lives has been their lack of ways and means to supply those daily educational needs, such as the daily paper, magazines, music and art, good books and constructive recreation for their homes, and happy personal contacts with their neighbours. These are the things that make up our mental and spiritual food which are just as essential to an active, healthy mind and spirit as good food is to an active, healthy body. But science is eliminating this handicap to-day. The telephone, the highroad and the radio are bringing the outside world right into the, country-woman's home, while the automobile and the woman's club are taking her out of the little "one room school"

in which she spent all her life and introducing her to the big, new world that has opened its doors to her.

But of all these institutions the Rural Woman's Club in all its diversified forms is the educational hope of the country women, not only of our nation but of the whole world. The woman's club is the only university that is within the reach of every country-woman and which she may enter without tuition, credits or previous preparation. In the woman's club the country-woman will not only gain the very best and latest knowledge pertaining to her life work but she will also make those happy human contacts by which all our lives are enriched. Through the club she will be enabled to accomplish all these things in time, without neglecting her home duties or incurring any great expense.

Some Pioneer Workers in Organising the Country-woman.

AUSTRALIA.

To the thought, sympathy and practical ability of Mrs. Hugh R. Munro, of Keera Station, New South Wales, the Country Woman's Association of Australia, the greatest and most influential association of women in the Commonwealth, owes its being. The need of some such movement was voiced in the Stock and Station Journal (N.S.W.) by the late Mr. Robert M'Millan, and Mrs. Munro struck afresh by "Gossip's" eloquent appeal, wrote offering to move in the matter. A conference was called in April 1922 by the editress of the paper, the late Miss Florence Gordon, and so the Country Women's Association came into being.

To the furtherance of its avowed aims—the betterment of conditions of living of dwellers in the Australian Bush, Mrs. Munro, the first President, set herself with a zeal and unselfishness that should never be forgotten. She travelled thousands of miles throughout the State at her own expense carrying the good news of a possibility of better maternity care, child welfare instruction, motor ambulances, (all lacking at that time), social halls and clubs, sea-side rest homes, better telephone service, more social life and recreation, to lonely homes and out back "selections."

Unceasingly she rallied well-to-do women and men to be up and doing for their less fortunate bush sisters' sake.

The public are however slow to grasp any new idea, and there were times when lack of enthusiasm and even a hostile reception of her propaganda might well have discouraged her. But Mrs. Munro is one who knows not the name of failure, and hers is an enthusiasm at which others perforce take fire.

Mrs. Hubert Fairfax of Queensland who was with you this year, representing the Country Women of Australia, very soon rallied to her banner and with an extraordinary organising and persuasive ability was successful in founding the Country Women's Association of Queensland a month or two later, and this appreciation of the movement by a sister State, proved of immense assistance in establishing the Association upon solid ground.

Together these two splendid women, with vision as wide as their island continent, battled through that first year of almost overwhelming difficulties and discouragements, until to-day, the well beloved badge of the Country Women's Association stands in truth for

Service for country women.
Through country women.
By country women.

And upwards of 30,000 members, as well as countless other bush dwellers throughout that fair pacific land, have good reason to "rise up and call it blessed."

MARIE IRVINE.

CANADA.

The first country to organise rural women into societies of their own seems to have been Canada.

When Mrs. Adelaide Hoodless of Hamilton, Ontario, visualised Women's Institutes as complementary to Farmers' Institutes, that is meetings where home interests would come first, as agricultural interests come first in the Farmers' Institutes, and pressed her point to the point of trial, she did indeed cast a pebble into the water, whose circles, ever widening, have come to rest on the shores of lands on the opposite sides of the globe.

Mrs. Hoodless' fundamental idea was, as one understands it, that the country-woman was entitled to her share of educational advantages, for which the whole people paid, and that she was not getting it, that the country-woman was as important in rural economy as the farmer, the feeding of young children as that of young calves, that the loneliness and isolation of farm women should be lessened by the chance of meeting together regularly. She realised that although women could and did meet together socially, regular meetings of an educational character would be a permanent feature of country life only if construction and support came from State and College. So Mrs. Hoodless addressed her remarks in the first instance to Governments. She won everyone's attention quickly, and was for many years a very popular personality in the movement.

Many other Canadian women have taken Mrs. Hoodless' idea, each carrying it a bit further, Mrs. Laura Rose Stephens, who was the first organiser of Women's Institutes; Mrs. William Todd of Orillia, who organised the first Provincial Federation; Mrs. Emily Murphy, first President of the first National Federation of Canada; Miss Isabel Noble, first head of the work for girls in Alberta; Mrs. Alfred Watt, of British Columbia, who organised the first Government Advisory Board of Women's Institutes; Mrs. Davies its first Chairman; Mrs. Price, the first National Press Correspondent; Miss Abby de Lury, who brought the Saskatchewan Home Makers into the Federated Women's Institutes; Dr. Margaret Patterson, first National Convener of Health and Child Welfare Committee; Mrs. Horace Parsons, who taught good procedure almost from the beginning; Miss Watson, who was the first to see the possibilities of a Woman's College as an educational centre for Women's Institutes, and

who made Macdonald College of Household Science a great asset to the Institutes, and many others.

Mrs. Laura Rose Stephens, the first organiser of the first Women's Institute, did much of the spade work in Ontario, British Columbia, Quebec and other provinces of Canada. She gave us our Motto "For Home and Country." Mrs. Stephens is a dairy expert, and, both in her books and talks on dairy-work, has reached wide audiences. She was the first Convener of the National Agriculture Committee, and is largely responsible for its splendid work. Since she founded the second Women's Institute thirty-two years ago, Mrs. Stephens has never missed her annual six weeks tour of the Ontario Women's Institutes.

She is indeed a pioneer.

M. R. WATT.

DENMARK.

On 24th February, 1920, the women teachers of Domestic Science appealed to the housewives throughout the country to form an Association that would further their common interests.

The originator of the idea was undoubtedly Fru Magdalene Lauridsen, President of the Association of Domestic Teachers. She was induced to take this step by her great desire to provide better instruction in domestic matters. Through her lectures and courses she succeeded in securing the interest of many different circles of people, and so laid the foundation stone of an organisation which has steadily increased and widened.

The Housewives' Association was officially formed in October, 1920, under the name of "De Samvirkende Husholdningsforening," with Fru Magdalene Lauridsen as President. After her resignation in April, 1921, she was succeeded by Fru Andrea Lindkvist, who still holds this office. The local and provincial branches which have been formed are progressing most satisfactorily, and it is felt that a great deal of good work for the welfare of the housewives of the smaller towns and country villages will be done through this Association.

(Contributed).

ENGLAND.

The name of Mrs. Alfred Watt will be inseparably connected with the Women's Institutes of England as their founder. But Mrs. Watt herself considers that the movement owed so much in the early days to others that it is difficult to assign the credit. Many of these are still in the movement, such as Mr. and Mrs. Nugent Harris, Lady Denman, Mrs. Clowes, Dame Meriel Talbot, Mrs. Godfrey Drage, Miss Hadow, all of whom were in the movement almost from the beginning, and held responsible posts then as now.

Mrs. Alfred Watt, M.A., M.B.E., is the daughter of the late Henry Robertson, K.C., of Struan, Collingwood, Ontario. He was a man noted for his devotion to social service and for his unswerving integrity. Her mother was devoted to good works, which she carried on long after health failed. Her daughters relate how they used to wheel her invalid chair to enable her to carry on the Sunday School work she loved.

From such a home came Mrs. Watt, and it explains something of her high ideals of social duty, and her steady devotion to her own ideals.

It is twenty-one years since Mrs. Watt started on the work in Canada that was to be carried over to the Mother Country and transform thousands of villages in "England's green and pleasant land," for it was in 1908 that she joined the newly-formed Women's Institute of Metchosin, B.C., Vancouver Island. For two years she worked and learned, then, appreciating the fact that a bigger thing was in the making than most people realised, she approached the B.C. Government with various suggestions. In 1910 she was selected by that Government as Secretary of a Women's Institute Advisory Board, and made its Constitution, which was afterwards adopted by the Alberta Government.

In 1913, having lost her husband, she decided to go to England, in order that her two sons might have an English education. In England her heart was saddened by the conditions of many cottage homes, and the idea of starting Women's Institutes in England became an overpowering one with her. Wherever an opportunity presented itself, or she could make one, she spoke of the advantages of Institutes, but pre-war England was slow to adopt new ideas, especially ideas that came from the Colonies. The "grey old mother" smiled indulgently on her eager child, and opined that while Women's Institutes might be excellent things for Canada, they would never do for England. It needed the stimulus of a world war to shake the idea that, while the conditions of life in English villages might not be all that could be desired, yet they were English and therefore unalterable.

The war, however, with its menace of famine, gave Mrs. Watt her chance. Her quick wit saw the line she must take if the idea of Women's Institutes was to be adopted, and she embarked on a campaign of Food Production by means of Women's Institutes.

In September, 1915, thanks to the insight of Mr. Nugent Harris, who knew a good thing when he saw it, Mrs. Watt got her first chance, and a Women's Institute was formed in Wales and followed by several in England.

For two years the work went forward. Slowly, and with infinite difficulty, English prejudices against anything so radically new as Women's Institutes were overcome.

With tact and patience Mrs. Watt laboured, and in 1917 the Sussex and Essex Federations were formed. Later in the year

the National Federation came into being, and Women's Institutes became a recognised feature of village life.

Then difficulties arose over the question of organisers. Mrs. Watt's trained judgment shewed her the necessity of training organisers to carry on the work on right lines, but many difficulties arose, until at length Mrs. Watt's dogged Scotch-Canadian perseverance carried the day, and the first Organisers' School was held in Sussex. Since that time training has gone on steadily and in 1929 every county in England and Wales has its trained organisers to carry on the work.

In 1918 the Order of the British Empire was bestowed upon Mrs. Watt. Surely never was honour better deserved. The same year the first Women's Institute book was published, and a copy was sent to the Queen, who had, earlier in the year, summoned Mrs. Watt to Sandringham to explain the movement, which visit eventually resulted in the formation of the Sandringham Women's Institute.

Towards the close of 1918 Mrs. Watt returned to Canada, leaving behind her a well-founded movement with over 2,500 Women's Institutes, having their own journal—"Home and Country"—and the promise of a Government grant of £10,000 until the movement should be able to be self-supporting.

In Canada she was warmly welcomed, and in 1919 she was elected a member of an Advisory Board of B.C. Women's Institutes. In 1922 she resumed Women's Institute work in England. Later on she was sent by the Canadian Federation to represent Canadian Women's Institutes at an International Congress on Agriculture, held in Paris. She then travelled through France, Italy and Switzerland, studying conditions of rural women, and attended the Triennial Meeting of the International Institute of Agriculture at Rome.

In 1926 Mrs. Watt was elected to the Central Executive of the National Federation, on which body she still continues to serve.

Few would be bold enough to say to-day that Women's Institutes are not needed in England. They are changing the conditions of village life throughout the length and breadth of the land, and thousands of willing helpers are carrying on their work. It would be difficult to calculate the amount of good that has resulted from this sturdy Scotch-Canadian woman's determination to give to the Motherland the thing she saw it needed. Many others have loyally and strenuously helped to build up the Federations, have given generously of time and strength and talent. But to Mrs. Watt belongs the honour of being the Foundress of the British Women's Institutes. To her insight and sound judgment much of the strength of the fabric is due, but it is to the magic of her "uplift," her power of raising even ordinary matters into something beautiful and lovely, and worth-while, that the Women's Institutes owe most. "Mother-

of the Institutes" she is often called, and what a mother she is—strengthening, helping, uplifting, the Institutes arise and "call her blessed."

EDITH WARNER.

The Lady Denman, C.B.E., has been responsible for the direction of the Women's Institutes movement in England and Wales since its inception. She was Chairman of the first Women's Institute Sub-Committee of the Agricultural Organisation Society and when the Ministry of Agriculture took over the promotion of the movement she became Assistant Director of the Women's Branch at the Ministry, with the special charge of supervising the Women's Institute Section. Lady Denman has presided over the post-war development of the National Federation of Women's Institutes and under her guidance it has become an independent and self-supporting organisation, comprising some 4,400 Institutes and 250,000 members.

The establishment of the Women's Institute movement is generally recognised as one of the most striking social developments of the day. The wonderful growth of the organisation and the remarkable character of the contribution it has made, and is making, to the betterment of rural life, is very largely due to the wise direction of its Chairman. It has been very truly said of the National Federation of Women's Institutes that "when the history of its early years comes finally to be written, it will be hard to overestimate the debt which it has owed to the justice, sanity and competence of Lady Denman."

The movement has been peculiarly fortunate in being, since its foundation, under the leadership of a Chairman who combines with inherited administrative ability and aptitude for public affairs a real love of country life and of beautiful things. Lady Denman's interests reach out to other lands and during Lord Denman's tenure of office as Governor General of Australia she had special opportunities of acquainting herself with the circumstances of rural women in those newer countries, where life on the land is still the most important factor in national life. A recent instance of the many-sidedness of Lady Denman's work for the country-woman is the "Report on the Practical Education of Women for Rural Life" produced by a Government Committee under her Chairmanship.

E. H. PRATT.

Although Miss Grace Hadow was not in the movement from the earliest days, she has nevertheless, with Mrs. Nugent Harris, meant almost as much in long service as the very first workers. She has always had her own special niche in the Institute central organization. Gifted with an acute mind, an almost uncanny power of seeing beneath the surface, she has kept the Central Committee alive to the whole aspect of any question which has been before it. Her analytical talents, her good

humour, and her charm of felicitous expression have made her not only a wonderful committee member, but a Vice-Chairman of considerable power.

She is not only popular with the Institute members, but she is so in spite of the fact that her very busy life and educational interests in academic Oxford (Miss Hadow is President of Oxford Society of Mothers Home Students) give her less time to spare than she would like. Miss Hadow is a clever and distinguished member of a clever and distinguished family and the Institutes are proud of her.

M. R. WATT.

No account of the pioneer work in England would be complete without a mention of Mrs. Clowes, the first Englishwoman Organizer of Women's Institutes in the British Isles. Mrs. Clowes was the ideal propagandist for the movement. Gifted with fiery enthusiasm, great pertinacity, and a fund of delightful humour, her early speeches carried the movement from a tentative but earnest affair into a crusade. Her knowledge of the village woman, her agricultural lore and her real love for the countryside were great assets to the organization. Mrs. Clowes herself started over four hundred Women's Institutes, and they are all going well to-day. She has been responsible for the market developments in several counties, for the Herb Growing interest, for the new development of the Townswomen's Guild. But, most of all, she has put many weak Institutes on their feet and to an almost incredible extent has spent herself, her strength, her sympathy, in continuous and personal help for countless members of the Institutes.

Mrs. Drage, another pioneer, may be said to have done for Wales what Mrs. Clowes did for England. She was the first woman to arrange meetings in Wales and has been a tried and loyal friend to the movement.

M. R. WATT.

Mrs. Nugent Harris, M.B.E., is one of the early workers of the Women's Institutes in England. Possessed of great tact and patience and a lively sense of humour and a kind heart, she is probably the most loved figure in the movement. She has served in many capacities: Chief Organizer, Trainer of Voluntary Organizers, Editor of "Home and Country" being her chief, but not her only occupations. She has been the helper and stay of many perplexed members, and her time and her sympathy is always at the disposal of the whole membership. From the early days she has given up most of her life to the development of many sides of the movement and her interest is never failing. There have been many demands made upon her services and she has never failed to give of her best. It would be difficult to think of the Women's Institutes of England without Mrs. Harris.

and it is hoped there will be no need for this sad thought and that she will continue to cheer the movement for many years to come.

M. R. WATT.

In 1916, Dame Meriel Talbot was lent by the Victoria League to the Ministry of Agriculture as the first Woman Inspector of that department. She was, however, soon called on to fill a more onerous and responsible position. The ever increasing demand for men for the Army at that time and the need for women to replace them on farms led to the formation in 1917 of a Women's Branch of the Ministry of Agriculture, and Dame Meriel was appointed Director. The then youthful organisation of the Women's Institutes and the newly-formed Women's Land Army came under her charge. She was able to hand over the Women's Institutes later largely developed and in an assured position to its own Committee of Management, the National Federation. After the war when the Women's Branch at the Ministry was disbanded and after a short holiday, Dame Meriel was appointed to the Overseas Settlement Committee and subsequently acting Chairman of the Women's Branch and Publicity Officer, until her present position as Intelligence Officer in the Overseas Settlement Department.

Dame Meriel brought wide vision and practical sympathy of great administrative abilities to the Women's Rural Movement of England, and undoubtedly gave the Women's Institutes exactly the help and status needed at a critical juncture in their history.

(Contributed).

FINLAND.

In the spring of 1899, at a time when trouble was threatening in the East and the love of country flamed high in Finland; kindling the minds of the people to new work in common for the good of the country, one link in this work was formed by the women's organisation, "Marttayhdistys," the aim of which was to arouse housewives to an independent outlook and to raise the standard of the homes.

The founder of this organisation, the Finnish Society for Culture in the Home, was Professor Lucina Hagman, who was, and is still at the age of 76, the headmistress of a co-educational school. She is a distinguished woman, whose work for education is very much appreciated by her many fellow-workers and pupils; many of her former pupils including the present Prime Minister are political leaders in Finland to-day. She is also one of the pioneers of the women's movement in Finland.

Professor Hagman has published several educational books and written numerous magazines and newspapers on the rights of

women in the State and in the community and her place in the home. She has been, and is still, a much appreciated speaker and lecturer at big meetings and conferences, and her words are listened to by both men and women. Lucina Hagmah was one of the first women members of Parliament, being elected in 1906, and was soon appointed Chairman of a Parliamentary Committee on educational questions. She introduced several Bills on the legal position of women. She is still the honoured Honorary President of the Martha Association, where her words carry great weight.

TILMA HAINARI.

Among the founders of the Martta Union, in addition to Professor Lucina Hagman already mentioned above, one may mention the Secretary, Miss Annie Furuhjelm, and the Treasurer, Mrs. Sofia Rein, wife of the former President of the State University in Helsingfors. The former (born 1859) is widely known as a worker for woman suffrage, she has many times been elected to the Diet, has been Editor of the women's Journal, "Nutid," and has written many magazine articles. Mrs. Rein (born 1846, died 1907) put a great deal of energy into her work as Treasurer. She was a warm-hearted woman, interested in all noble ideals.

Mrs. Lilly Krogius (born 1861, died 1921) also took a prominent part in the work of the original Committee. For a time she was President of the Martta Union of her district, and when she returned to the capital she became a member of the Central Committee, where her colleagues were Miss C. Mechelin, Miss D. Neovius, Miss A. Nissinen and Mrs. Ina Tarjanne.

Miss Cely Mechelin (born 1866), an energetic worker, is known for her wide interests, among other things she founded, in 1890, the association of "Books for the Blind," of which she is still the Chairman.

School Principal Dagmar Neovius (born 1867) is a warm-hearted patriot who took a leading part in the fight for the independence of Finland, and has been a member of the Diet. Both she and Miss Mechelin are still members of the Central Committee.

Miss Alli Nissinen (born 1866, died 1926), was for twenty years Vice-President of the Martta Union, and in 1925, when the Martta Union was divided into a Finnish and a Swedish Section, she became President of the Finnish Martta Union, and held that office until her death. She was twice elected a member of the Diet.

Another member of the Central Committee was Mrs. Fanny Hult, (born 1861). She was the Secretary of the Union until 1904, when she was elected President, and is still President of the Swedish Martta Union. She has many social interests, but her main work has been for the Martta. For thirty years she

was Editor of the magazine, "Husmøderne," and is now the President of the Housewives' League of the Scandinavian Countries.

Miss Betry Qvist, M.A. (born 1861) was elected Treasurer of the Central Committee, and held this position until 1912.

Miss Sofia Streng (born 1851) was Vice-President for a short time.

Mrs. Maissi Erkkö (born 1872) was also a member of the Central Committee for two years, till 1903, when she was compelled to leave Finland with her husband, who was exiled for political reasons.

The other members of the original Central Committee were Miss Hanna Cederholm (born 1869), Miss Sanny Ekström, M.A. (born 1869), and Miss Signe Higgman (born 1836, died 1911).

ELIN MALIN.

FRANCE.

A pioneer in organising Rural Women is Madame Girod de l'Ain, whose lovable nature and high ideals have given her an unique place in French country life.

She was the first President, in 1920, of the Section Féminine de la Société des Agriculteurs de France. Her attention being early attracted to the organisation of Rural Women in Belgium, Canada, Poland and Great Britain, she began by bringing about a union between all the various women workers in Rural France, Cercles de Fermières, Ecoles Ménagères, Agricoles, etc., under the name Union Centrale des Associations Rurales Féminines. Together with Madame de Keranflech and Madame Meyssoumer she founded and edited a journal, "Travail au Foyer."

Madame Girod de l'Ain was the first wireless woman talker to rural women. She has taken a keen interest in international organisations and has held several offices and attended many conferences. A feature of her work has always been to collect information about country-women everywhere, and distribute this to the agricultural and other societies in France.

Madame Girod de l'Ain received in 1923 the coveted "Ordre Agricole" of Belgium, and was made an officer of the Order, she has also received the Order of Merite Agricole from the French Government.

Owing to reasons of health she is no longer an active President of the Union Centrale, but remains Présidente d'Honneur.

Madame Girod de l'Ain has had the kindly thought to invite through this book, members of Rural Women's Organisations travelling through Paris to call at 8, Rue d'Athènes, the headquarters of the Union Centrale des Associations Rurales Féminines. Her charming personality and enthusiasm for the countryside will make such a visit worth while.

M. R. WARR.

GERMANY.

Frau Elisabeth Boehm, the founder and President of the National Association of Country Housewives of Germany (Reichsverband Landwirtschaftlicher Hausfrauenvereine) comes of an old country family. The greater part of her life has been spent in the East of Germany, where agriculture is the chief occupation of the inhabitants.

Frau Boehm was born on September 27th, 1859, at Schloss Rastenburg. She is the daughter of Hermann Steppuhn and was brought up on her father's farm. In 1880 she married a neighbouring landowner, Otto Boehm of Lamgraben. She took a great interest in all that took place on her husband's estate, and at the same time kept her eyes open to all that went on around her. In particular she noticed the difficulties country-women had to contend with, due in main to the mistakes that had been made in their education, and the traditional limitation of their lives.

Practical work and social welfare activities amongst workers on the estate did not fill her life, she felt the need of intellectual interests. Her critical outlook on life was probably due to her connection with the woman's movement, in which she had taken part from the age of fifteen, when she subscribed to the first German woman's paper, out of her meagre pocket money. Later, through her sister-in-law, Frau Bieber-Boehm, she was brought into the struggle against immorality. She gained her chief experience of organisation through the Women's Red Cross Association (Vaterländischen Frauenverein vom Roten Kreuz).

Frau Boehm saw clearly that what the country-women needed above everything was professional training. Through her contact with the woman's movement she saw the advantages that training had given to other women, and realised that something similar might be organised for country-women, which would make them more generally useful to their families and to the community at large.

In order to give as many country-women as possible the opportunity of some kind of training, she founded in 1898, in a very small way, the first Country Housewives Association in Rastenburg in East Prussia. Six months later she organised the sale of their products and so trained the country-women to produce marketable goods. The work soon grew, and in 1905 she founded the Association of Country Housewives of East Prussia. In 1918 six provincial associations joined together to form an association for the whole of Prussia. Soon other parts of Germany organised similar organisations, which led, in 1916, to the formation of the National Association of Country Housewives, which may be looked upon as the crown of Frau Boehm's life's work.

In founding the Country Housewives Association Frau Boehm always remembered how much she herself had benefited by her

connection with the big German Woman's Movement. In 1913, in spite of much opposition she affiliated the Country Housewives Association to the National Council of Women of Germany, and through that to the International Council of Women. She also kept the Association in close touch with the State Authorities and with privately organised Agricultural Associations, and, when possible, she herself always attended the public gatherings of those organisations.

Frau Boehm, who is now a widow, lives in Halle an der Saale, and devotes herself entirely to the work of her organisation. She spends much time visiting the various local associations, bringing fresh life to them through her stimulating lectures and founding new organisations. In September she will be celebrating her 70th birthday, and the German Country Housewives will be sure to take this opportunity of expressing to their wonderful leader their pride and gratitude in her achievements.

MARGARETE KEYSERLINGK.

INDIA.

The Women's Institute movement in India was founded by Saroj Nalini Dutt, M.B.E. (Mrs. G. S. Dutt), who established the first Women's Institute at Pabna in Bengal in 1913. She felt that no effort for the emancipation of Indian women from their illiteracy and the many social wrongs under which they lived could be successful unless the adult women themselves were organised into groups or Samitis (Institutes) for the purpose of mutual intercourse, mutual co-operation and education. With this object in view she organised several Mahila Samitis (Women's Institutes) and was also making plans for the establishment of a central organisation to co-ordinate their work when she died in January 1925. Her work is now being carried on by the Saroj Nalini Dutt Memorial Association, which has its headquarters in Calcutta, and which has no less than 250 Women's Institutes working under it. While the movement is primarily centred in Bengal, it is steadily spreading to other provinces of India. The Mahila Samitis are providing real educational centres, and are helping to transform the social and economic outlook of the countryside. The effect of the Samitis in the villages has been the disappearance of the purdah to a large extent, spread of women's education and the establishment of girls' schools, baby clinics, maternity wards, industries for widows, cottage gardens and other forms of social uplift. The association maintains a women's training school where adult women, particularly widows receive training in domestic economy and domestic industries, and it also conducts a monthly journal, the Banga Lakshmi.

G. S. DUTT.

NEW ZEALAND.

The first branch of the Women's Institutes in New Zealand was founded by Miss Spencer at Rissington, Hawke's Bay, in 1925, the home of Mrs. Hutchinson, with whom Miss Spencer makes her home. Miss Spencer was the headmistress of the Girls' School in Napier, and when she retired she came to England for a trip. Only a few days before she returned to New Zealand she happened to see the Women's Institutes Arts and Crafts Exhibition in Caxton Hall, London, and having a little time to spare went in to see what it was, she came out fully determined to start Women's Institutes in New Zealand directly she landed. Mrs. Hutchinson was very happy to have the first meeting at Rissington, and now the very small colony there, mostly working on the estate or belonging to it, are all most keen members. They weave, spin, and dye their own sheep's wool, and do delightful work. Miss Spencer, from her own slender capital bought a second hand car in order to be able to tour over the North Island of New Zealand, holding meetings wherever possible, and starting branches without any outside help of any kind. She is full of enthusiasm, capable and charming to work with.

She has this year travelled thousands of miles, sleeping in her car when necessary, giving to each Women's Institute the knowledge they need to carry on successfully, and great help and encouragement. Miss Spencer edits the "Home and Country" for New Zealand. She started last year two more Provincial Federations. The first being Hawkes Bay, which held its fourth annual meeting last April. Miss Spencer has held one school for Organisers. The Exporter Newspaper Company have donated a sum of £50 for the purpose of helping to organize more Women's Institutes in New Zealand. This is the first gift they have received from an outside body. No big scheme has ever been started more economically and efficiently than our Women's Institutes by Miss Spencer. A. M. STOPS.

NORWAY.

Fru Olga Bjoner comes from an old Norwegian peasant family; her father was a teacher, but at the same time owned a small farm. In that way she early became familiar with the work of a farm. As a young girl she taught in her father's school, later she married a farmer and went to a home of her own. In 1918 she took part, for the first time, in a meeting of the Norwegian Peasants' Association, and at once made up her mind to interest her country-women in the aims and work of the men's organisation. She began by writing in the newspapers, and in 1921 the first country-women's society was formed. Since then more and more societies have been organised, but not without a struggle against difficulties and contradiction on many sides. In 1924 she addressed her first meeting of country-women, and since then she has spoken at over five hundred meetings.

(Contributed).

SCOTLAND.

The three outstanding pioneers of the Women's Institute Movement in Scotland are Mrs. Blair, Miss Agnes Campbell and Mrs. Gooch.

The first move was in 1917, when Mrs. Blair and Mrs. Gooch approached the Board of Agriculture simultaneously and asked the Board to initiate and to support a Women's Institute movement in Scotland. The next move was when the Board invited Mrs. Alfred Watt, M.A., to come and speak on the movement at Edinburgh. Immediately afterwards Mrs. Watt, on the invitation of Mrs. Blair, started Institutes in Scotland at Longniddry, 1917. Mrs. Blair did a great deal in the early days towards persuading the Board of Agriculture for Scotland to give their support to the movement, and has since organised a successful painted pottery and china industry in these Institutes. Mrs. Blair's enthusiasm and energy have made the Institute Movement widely known.

Mrs. Gooch is mainly connected with the North West Area of Scotland, where she brought Mrs. Watt to speak on Institutes at Fort William and Kilmallie in 1917, and afterwards herself founded these institutes. She has worked continuously for them ever since, and it is owing to her enthusiasm that the Institutes in this sparsely populated district of the Highlands have made such splendid progress. She is still Chairman of the North West Area, as well as being Vice-Chairman of the Central Council and Chairman of the Handicrafts Guild and Committee.

Miss Agnes Campbell was the first Organiser appointed by the Board of Agriculture for Scotland for the Scottish Women's Rural Institutes, and she administered the Institutes for the Board of Agriculture for Scotland for the first five years from 1917, and it was owing to her untiring energy and foresight that the Institutes made such rapid progress during their early years, and were established on sound lines.

C. ANSTRUTHER-GRAY.

UNITED STATES OF AMERICA.

Many American women have played interesting parts in the development of the organization of rural women but as the first efforts were usually State and the great development has been a Federal one it is not easy to find out the result of individual effort.

While there is no single united national organization like the Women's Institutes of Canada, her neighbour, there have been many women organizing groups whose efforts have acquired a national significance.

The oldest women's section of a men's movement, The Grange, enshrines the work of Mrs. Dora Stockman and Miss Jennie Buell. Mrs. Stockman, poet, farmer's wife, editor, member of the Governing Body of the University of Michigan, is a loveable personality and is still working as hard as ever.

She is a profoundly religious woman and keeps a high standard before all her associates.

Mrs. Van Rensselaer, head of the Women's Section of Cornell University is a pioneer indeed. Her Reading Courses for Farmers' Wives began the era of wide reading and was the forerunner of library work in rural parts. She has made the University a centre for rural women's work and has a still wider vision for their educational programme.

Mrs. Vera Shuttler, Vice President of the American Country Life Association, is one of the most courageous and thoughtful women in rural America. It was she who said that the greatest contribution the farm woman could make to her farm interests was not to raise money but to bring clear thinking into its economic problems, and the best use of her spare time was to be with her children, learning in the woods to love nature. She organized a meeting of picked farm women from all over the U.S.A. and Canada just to find out what they wanted the government to do for them.

Miss Florence Ward and Miss Grace Frysinger, of the United States Government Department of Extension Services, are largely responsible for the splendid development which has taken place of the Home Bureaux in every state of the Union. Their administrative work is of a high order and commands the admiration of all good organizers. Miss Frysinger is a popular and familiar figure at International gatherings, where her clear mind and large vision are most welcome.

The founder of The Society of Farm Women of Philadelphia, Mrs. Frank Black, has to her credit a very interesting society of the smaller type. She has collected nearly all the farm women available in her State and has worked out a series of programmes of a delightful character.

The only Home Bureau so far organized into a self-governing union is that of New York and for this union, Mrs. Brigden, the Honorary President, is largely responsible. She has a sense of values in organization, a real sympathy for the country-woman, is a fearless upholder of her convictions and a leader of marked ability.

One of the most delightful groups of country-women in the United States is that of the Farm and Garden Union and its numbers among its members so many women who deserve the title of pioneers, that it is difficult to make a choice, Mrs. George U. Croker, most modest of women would not wish to be called anything but a helper. Mrs. Francis King, the first President, a woman of very great vision who lives a practical daily farm life, was indeed a pioneer in the work, but she acknowledges gratefully the help given at the outset and later in many directions by Mrs. Croker, Mrs. Robert Ware, Miss Marian Case, Mrs. Conant and others. The Women's Farm and Garden Union is patterned on the original English Society of the same name.

(Contributed).

SOME MEN WHO HAVE HELPED TO ORGANIZE WOMEN'S RURAL SOCIETIES.

Perhaps the veteran worker among country-women is Mr. George A. Putnam, B.S.A., still the Superintendent of Women's Institutes in the Province of Ontario, Canada. His services can never be over-estimated. From the beginning he placed all the resources of government departments behind the famous Canadian Women's Institutes, especially Education, Health and Agricultural services, and often when needed, money help has been given. Mr. Putnam has never spared himself in his long service to Women's Institutes in Canada, and has always been willing to help other countries. His gifts for organization, his sympathy, and his infinite patience and good humour will always be gratefully remembered. He is a great idealist and continuously holds up a high standard of work and is more responsible than any other single person for the high reputation of the Women's Institutes of Canada as an administrative model and educational factor. Other Canadian men who have greatly helped are Mr. Erland Lee, who took the Chair at the first meeting of the first Women's Institute, Mr. James Mills, Mr. George Creelman and Mr. C. C. James.

The English Women's Institutes will never forget what the enthusiasm of Mr. Nugent Harris of the Agricultural Organization Society meant in the early days of the movement for rural women in England. He was the first person to promise Mrs. Watt, and to keep his promise, that there should be Women's Institutes in England, and to that end he brought to bear his experience of country life, his eagerness for an all round social order in the country-side, a determined propaganda among all his associates and a most heartening and undaunted optimism. Mr. Harris enrolled the first Women's Institutes under the A.O.S. and served on the first central committees he has kept the movement to the fore at home and abroad. He is still a most popular lecturer to the Institutes.

Mr. Harris interested other prominent rural economists in the Women's Institute movement, such as Colonel Stapelton Cotton, Lord Ernle, Mr. S. Bostock, Mr. Christopher Turnor, all of whom contributed not a little to the early success of the Women's Institutes in England.

An outstanding personality in the rural women's world is that of M. Paul De Vuyst who brought the Women's Institute movement from Canada to Belgium and created the now famous Cercles des Fermières. Mr. De Vuyst is truly a remarkable man. He is an idealist, an organiser, a teacher, an administrator with the qualities of each. He has brought the Cercles des Fermières up to a state of high efficiency. His work "Women's Place in Rural Social Order" was the first of its sort. He has advocated a women's department in the International Institute of Rome.

and is a prominent figure in all rural International Conferences and events.

His work as the Director of Agricultural Education in the Belgian Government and his Scheme for the Education of the Family and his sincere efforts for higher morality as well as better education have earned him the gratitude of all Belgians.

Among the Americans whose name is most familiar in the direction of organized rural effort among both men and women is **Dr. Kenyon Butterfield**, lately President of the State College of Agriculture of Michigan. He is a man who has perhaps thought more deeply on this subject than any other living exponent of the better country-side. His writings and speeches shew a real grasp of rural problems and his share in bringing about conferences between rural men and women to consider country life in all its phases is not a small one. His Country Life Conference in Lansing, Michigan, was an epoch making event and began a new era in international co-operation between rural men and women. Dr. Butterfield's trained mind and wide experience have been freely at the disposal of rural economists in the United States of America, in Canada, England, France, and elsewhere.

Many other men have helped country-women to organize and have been pioneers in pointing out the necessity of the co-operation of women in building up a better social and economic order in the country-side.

The Quebec Cercles des Fermières owe much to the energy and interest of **M. Desiliets** of the Quebec Government. Sir **Horace Plunkett**, whose saying that agriculture meant Better Farming, Better Business, and Better Living, crystalized in the early eighties what many men and women had been unconsciously thinking. He inspired the United Irishwomen to form and carry on their society. **Mr. S. Newton** of Manitoba, organised the excellent extension services to the Women's Institutes of that Province, which have given them a real status in agricultural education.

Dr. S. A. Smith of Washington, Extension Services Department of Agriculture, U.S.A., has organized the most extensive and efficient lecture and demonstration service to rural women through State Colleges that any country has ever had. **Dr. Seaman Knapp** of America was one of the earliest exponents of a better rural social order and with great vision planned an educational programme for rural women, which was the forerunner of the great extension services in that country. Sir **Robert Greig** of the Scottish Board of Agriculture gave the Scottish Women's Rural Institutes their splendid start and was of the greatest help not only departmentally, but educationally, and financially. **M. De Vogue** of France inaugurated the Women's Section of the Union of Agriculturalists of France binding together all the agencies working among rural women in France, and has been instrumental in having a Women's Section of the International Commission of Agriculture.

National Associations of Country-women.

AUSTRALIA:

New South Wales.—

Country Women's Association of New South Wales.

Address: Government Savings Bank Buildings, 14, Castlereagh Street, Sydney, N.S.W.

Women's Section, Country Party Association.

Address: 15, Bligh Street, Sydney, N.S.W.

Queensland.—

Council of Queensland Country Women's Association.

Address: Hurreldean, Toowoomba, Queensland.

Secretary: MISS JOAN WHITE.

South Australia.—

S. Australian Country Women's Association.

President: MRS. WARNES, Wahroonga, Kooriwa, S. Australia.

Women's Section, Country Party Association.

Address: Theatre Royal Buildings, Hindley Street, Adelaide, S. Australia.

Victoria.—

Country Women's Association of Victoria.

Address: 60, Market Street, Melbourne, Victoria.

Secretary: MISS E. E. WARK.

Women's Section Victorian Country Party.

Address: 4, St. James' Buildings, 123, William Street, Melbourne, Victoria.

Western Australia.—

Western Australian Country Women's Association.

Address: Forest Place, Perth, W. Australia.

Women's Section Primary Producers Association of West Australia.

Address: Perpetual Trustees Buildings, St. George's Terrace, Perth, W. Australia.

Secretary: Miss J. ATKINSON.

BELGIUM.

Fédération Belge des Cercles de Fermières.

Secretary: Mlle. ETIEN, 6, rue Tasson Snel, Brussels, Belgium.

President: LA BARONNE DE CROMBRUGGE DE PIQUENDAELE, 91, Avenue de Coitemberg, Brussels, Belgium.

CANADA.

Federated Women's Institutes of Canada.

Address: Grand Pré, Nova Scotia, Canada.

Secretary: MISS STUART.

Corresponding Secretary: MRS. PATRIQUIN, Wolfville, Nova Scotia, Canada.

CZECHO-SLOVAKIA.

Czecho-Slovak Country Women's Organisation.

Address: Sedlcany, Prazská, 26, Czecho-Slovakia.

Vice-President: MME. MRŠKOSOVA.

L'Association pour les intérêts des Femmes Rurales.

Address: Havlickovo nám, 10, Prague, Czecho-Slovakia.

DENMARK.

De Samvirkende Danske Husholdningsforeninger.

President: FRU ANDREA LINDKVIST, Kamstrup, Roskilde, Denmark.

ENGLAND AND WALES.

National Federation of Women's Institutes.

Address: 39, Eccleston Street, London, S.W.1., England.

President: THE LADY DENMAN, C.B.E.

Secretary: MISS INEZ FERGUSON.

ESTONIA.

Federation of Estonian Country Women's Associations.

Address: Pikk tä, 40, Tallinn, Estonia.

President: MRS. LIES KÄBIN.

Secretary: MISS MINNA LETSAR.

FINLAND.

Suomalainen Marttaliitto.

Address: Helsinki, Finland.

President: RUVA HELMI NYLANDER.

Secretary: RIGGOSOONI KARTTUNEN.

Finlands Svenska Martha-förbund.

Address: Marthabyra, Mariégatan 7, Helsingfors, Finland.

Secretary: FRU IRENE LINDWOLM.

GERMANY.

Reichsverband Landwirtschaftlicher Hausfrauenvereine.

Address: Dessauerstrasse, 26, Berlin S.W.1, Germany.

President: FRAU ELISABETH BÖRER.

INDIA.

Saroj Nalini Dutt Memorial Association.

Address: 45, Beniatola Lane, Calcutta, India, and

112, Gower Street, London, W.C.1.

Secretary in England: MRS. HANNAH SEN.

IRELAND.

The United Irishwomen.

Address: 33, Molesworth Street, Dublin, Ireland.

Chairman: THE COUNTESS OF FINGALL.

Secretary: MISS LUCY FRANKS.

NETHERLANDS.

In this country they are at present trying to form an association, in the meantime all communications should be addressed to: MRS. A. C. WIERSMA-RISSELADA, Fonteinstraat 55, Leeuwarden, The Netherlands.

NEW ZEALAND.

New Zealand Women's Institutes.

Address: Omata (P. Bag), Napier, New Zealand.

Chief Organizer: MISS JEROME SPENCER.

NORWAY.

Norsk Bondekvinneklag.

Address: Hobøl, Norway.

President: FRU OLGA BJØRNER.

Hjemmenes Vels Landsforbund.

Address: Universitetsgaten 20, Oslo, Norway.

President: FRU MARIE MICHELLEY.

Secretary: FRU AAGOT BORRELLY.

Norsk Bonde og Smaabrukarlag.

Address: Gjøvik, Norway.

President: FRU CHARLOTTE MOE.

POLAND.**Polish Rural Women's Organisations.***"Commission Internationale de C. G. des Ziemianki."**Address: p.a. C.N.F., Rue Bracka 13, Warsaw, Poland.***SCOTLAND.****Scottish Women's Rural Institutes.***Address: 50, George Street, Edinburgh, Scotland.**Chairman of Central Council: Mrs. Anstruther Gray, Kilmany, Fife, Scotland.**Secretary: Miss FERGUSON.***SOUTH AFRICA.****Sunday River Valley Women's Institute.***Address: Valentine Hall, Addo, Cape Colony, S.A.**President: Mrs. BUMER.**Secretary: Mrs. SWANN.***Women's Section Transvaal Agricultural Section.***Address: Woodvale, P.O. Slurry, Dist. Marcio, Pretoria, S.A.**President: Mrs. O'CONNOR, Vlakplaas, Slurry, Transvaal, S.A.**Secretary: Miss VAN ZYL, Transvaal Agricultural Union, 12, Connaught Buildings, Pretoria, S.A.***Federation of Women's Institutes of S. Rhodesia.***Address: Women's Institute Club, Abercorn Street, Bulawayo, S. Africa.**Hon. Secretaries: Mrs. FRIPP and Mrs. ELLIS.***Federation of Women's Institutes of Natal, Zululand and East Griqualand.***President: Mrs. BRIDGEMAN, P.O. Kenterton, Natal, S.A.**Secretary: Mrs. DENT, Empangeni, Zululand, S.A.***SWEDEN.****Sveriges Husmoderföreningers Riksförbund.***Address: Regeringsgatan 27, Stockholm, Sweden.**President: Fru LILLIEBOOK.***SWITZERLAND.****Union des Paysannes Vaudoises.***President: Mme. GILLABERT-RANDIN, Moudon, Vaud.***Landwirtschaftlicher Frauenverein des Kantons Schaffhausen.***President: Frau DETTWYLER-JECKER, Herblingen, Kanton Schaffhausen.***UNITED STATES OF AMERICA.****Home Bureaux and Extension Services.***Address: Department of Agriculture, Washington, U.S.A.**Assistant Director: Miss GRACE FRYSSINGER.***New York State Federation of Home Bureaux.***Address: Room 108, State College of Home Economics, Ithaca, New York, U.S.A.**President: Mrs. KEATES YOUNG.***American Country Life Association.***Address: 225, East Capitol Avenue, P.O. Boxes 53, Jefferson City, Missouri, U.S.A.**Vice-President: Mrs. CHARLES SCUTTLE.***Women's Farm and Garden Union.***President: Mrs. Henry Ford.**Secretary: Miss Jane L. Hicks, Dearborn, Mich., U.S.A.***YUGO-SLAVIA.****Zenski Pokret (Movement for the Education of Country-Women).***Address: Roi Milan 71, Belgrade, Yugo-Slavia.**President: Mme. PETKOVITCH.*

Journals Published by Rural Women's Associations.

AUSTRALIA. "Country Life."

Official Organ of the Country Women's Association of New South Wales.

Address: 14, Castlereagh Street, Sydney, N.S.W.

BELGIUM. "Bulletin des Ecoles Ménagères Agricoles et du Comité National des Cercles de Fermières."

Official Organs of the Belgian Cercles de Fermières.

"La Boerin" (Flemish).

"La Femme à la Campagne."

"La Bonne Ménagère."

Address: 6, rue Tasson Snel, Brussels, Belgium.

ENGLAND. "Home and Country."

Official Organ of the National Federation of Women's Institutes.

Editor: MRS. NUGENT HARRIS.

Address: 39, Eccleston St., London, S.W.1., England.

DENMARK. "Tideskrift for Husholdning."

Official Organ of the Danish Homewives Association.

Address: Hylten, Odder St., Tylland, Denmark.

Editor: FRÖKEN BERTA PETERSEN.

FINLAND. "Emäntälehti."

Official Organ of Suomalainen Marttaliitto.

Editors: ROUVA HELMI NYLANDER.

ROUVA ELVI GROTFELT.

ROUVA RAUHA RUOTULA.

Address: c-o Suomalainen Marttaliitto, Helsinki, Finland.

"Husmodern."

Official Organ of Finlands Svenska Martha-förbund.

Editor: FRU IRENE LINDHOLM.

Address: Mariegatan 7, Helsingfors, Finland.

FRANCE. "La Femme à la Campagne."

Official Organ of Organisations Féminines Agricoles de l'Union du Sud-Est des Syndicates Agricoles.

Address: 1, Rue Bellecour, Lyons, France.

"Revue des Agriculteurs de France."

Official Organ of La Société et de l'Union Centrale des Syndicates Agricul-
culteurs de France.

Address: 8, Rue d'Athènes, Paris, IX, France. (Published monthly).

GERMANY. "Land und Frau."

Official Organ of Reichsverband Landwirtschaftlicher Hausfrauen-
vereine.

Published by: VERLAG PAUL PAREY, Hedemannstr. 28-29, Berlin SW11,
Germany.

INDIA. "Banga-Lakshmi."

Official Organ of Saroj Nalini Dutt Memorial Association.

Address: 45, Beniatola Lane, Calcutta, India.

London Office: 112, Gower Street, London, W.C.1., England.

NETHERLANDS. "In en Om de Boerderij"

Editor: MRS. A. C. WIERSMA-RISSELADA.

Address: Fonteinstraat 55, Leeuwarden, The Netherlands.

NEW ZEALAND. "Home and Country."

Official Organ of the New Zealand Women's Institutes.

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ADDENDA.

It has been felt by the Committee that this volume would not be complete without a short account of what has been done since the Conference of Rural Women's Organisations, held in London in May, of which this is the report.

The Committee appointed by the Conference (their names are on the title page of this book) has met four times and its work has been to prepare this report and see it through the Press, and also, in accordance with the resolution passed at the Conference, to make arrangements for a further Conference, to be held next year, at Vienna, at the time of the Quinquennial Council Meeting of the International Council of Women.

The date of that Conference has now been fixed for the last week in May, 1930, it is to last three days, and in order to fit in with the arrangements of the International Council will probably hold its first session in the afternoon of Monday, May 20th, in the Hofburg, Vienna. The subjects that have so far been suggested for discussion at this Conference are:

1. How country-women can act together internationally on such subjects as agricultural wages, rural education, &c.
2. How Women's Rural Organisations can help forward the movement for preserving and developing popular arts, such as folk songs, folk music, folk dances, traditional costumes and traditional handicrafts.
3. What country-women can do in all countries to preserve the beauties of the countryside and protect them from desecration by tourists and others.
4. Consideration of the incorporation of the Country-woman's Movement within the general woman's movement.
5. Consideration of the legal position of women with special regard to rural conditions, including education, protection of women and children, &c.
6. Consideration of ways and means of bettering the conditions of rural women by international action.

These are only suggestions, and remarks upon these or further suggestions will be welcomed by the Committee and taken into consideration when drawing up the programme.

ELSI M. ZIMMERN.

FINANCIAL STATEMENT.

May to September, 1929.

RECEIPTS.			PAYMENTS.		
	£	s. d.		£	s. d.
<i>Donations.</i>			Verbatim Report of		
Australian Country Women's			Conference ..	12	2 6
Associations:—			Typing Material for		
Mrs. Creswick	25	0 0	Report	8	10 0
Mrs. Fairfax	5	0 0	Postages, Telephones	2	5 8
Mrs. Hawthorne	1	0 0			
Mrs. Maitland Leake ..	2	0 0		22	18 2
Mrs. Warnes	3	0 0	In hand for printing		
Federated Women's Institutes of			Report and making		
Canada:—			all arrangements for		
Mrs. Sanford	5	0 0	the Vienna Confer-	59	2 10
Danish Rural Women's			ence		
Association:—					
Fru Lindkvist	1	1 0			
National Federation of Women's					
Institutes of England & Wales ..	2	2 0			
Mrs. Drage (Wales)	3	0 0			
Miss Holland	0	10 0			
Mrs. Celia Mills (Wales) ..	2	2 0			
Miss Pratt	1	0 0			
Mrs. Sykes	1	1 0			
Surrey County Federation	0	5 0			
Estonian Country-Women's					
Association	1	0 0			
Finnish Martta Union:—					
Fru Borgström	1	0 0			
Fru Hainari	1	0 0			
German Country Women's					
Association:—					
Gräfin Keyserlingk	1	0 0			
Indian Country Women's					
Associations:—					
Lady Dorab Tata	5	0 0			
United Irishwomen:—					
Mrs. Carter	1	0 0			
Federation of Women's Institutes					
of New Zealand:—					
Lady Gunson	5	0 0			
Housewives' Association of					
Norway:—					
Fru Michelet	2	0 0			
Scottish Rural Women's					
Institutes:—					
Mrs. Anstruther-Gray ..	3	0 0			
Mrs. McQueen	1	0 0			
National Council of Women of					
South Africa	3	0 0			
National Federation of Housewives					
of Sweden:—					
Fru Silfverhjelm	1	0 0			
U.S.A.:—					
New York State Federation of					
Home Bureaus	5	0 0			
	£82	1 0		£82	1 0

Signed: M. R. WATT, *Chairman.*
 ELSIE M. ZIMMERN, *Hon. Secretary.*

THE COMMONWEALTH OF INDIA BILL

ISSUED BY THE NATIONAL CONVENTION, INDIA, 1924, 1925, FOR
PRESENTATION TO THE PARLIAMENT OF GREAT BRITAIN

GENERAL SECRETARY'S OFFICE,

P. O. BOX No. 904, MADRAS, S.

1925

Price As. 8. Post Free

THE COMMONWEALTH OF INDIA BILL

Whereas it is the desire of the Indian People to exercise anew the ancient and recognised right of Self-Government, enjoyed by their ancestors from time immemorial, and to recognise H. I. M. the King-Emperor as their Sovereign and the Protector of their Commonwealth, and to provide for the exercise of that right from the village upwards in each successive area of wider extent, to be earned by character, or public service :

And whereas it is necessary for the dignity, peace and contentment of the People of India and also for the welfare and continued amity of the British and Indian Nations, that India should be placed on an equality with the Self-Governing Dominions, sharing their responsibilities and their privileges, as a Free State in the Federation of Free States owning allegiance to H. I. M. the King-Emperor :

And whereas it is convenient to continue the five areas of the Village (Grām or Mauzā), the Talukā (Tehsil or Sub-District) comprising a group of villages), the District (Zillā), the Province (Rāshtra), and India (Hindustān), excluding for the time being the Indian States, as Units of Government :

And whereas it is necessary for the preservation of the liberty of the subject and the efficient discharge of the functions of Government, that its three great spheres of activity, Legislative, Executive, and Judicial, in so far as may be consistent with public weal, shall be independent of each other :

And whereas it is expedient to make provision for the eventual creation of Provinces in areas where at present they do not exist, and for the division of Provinces found to be too large, and for all territorial re-arrangements necessary for convenience of administration, or other reason :

BE IT THEREFORE ENACTED by the King-Emperor's Most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled and by the authority of the same as follows :

Short Title

1. This Act may be cited as the Commonwealth of India Act.

Act to extend to the King's Successors

2. The provisions of this Act referring to the King shall also refer to His Majesty's heirs and successors in the sovereignty of the United Kingdom.

Proclamation of the Commonwealth

3. It shall be lawful for the King, with the advice of the Privy Council, to declare by Proclamation, on and after a date therein appointed, not being later than one year after the passing of this Act, the establishment of the Commonwealth of India.

Commencement of the Act

4. This Act shall take effect on and after the day so appointed ; but the Indian and Provincial Legislatures under the Government of India Act shall have power to take such action as may be necessary to bring this Act into force.

Operation of the Constitution and Laws

5. This Act and all laws made by the Parliament of the Commonwealth thereunder shall be binding on the Courts and people of every Province and of every part of the Commonwealth, notwithstanding anything in the laws of any Province or in any Act of the United Kingdom extending to British India ; and the laws of the Commonwealth shall be in force in all Indian territorial waters.

Repeal of the Government of India Act

6. (a) The Government of India Act is hereby repealed, but so as not to affect any laws in force at the establishment of the Commonwealth ; but any such laws as are incom-

patible with this Act, including the Rules thereunder, shall be void to the extent of the incompatibility;

(b) All Acts repealed by the Government of India Act shall stand repealed.

Fundamental Rights

7. (a) No person shall be deprived of his liberty, nor shall his dwelling or property be entered, sequestered, or confiscated, save in accordance with law and by duly constituted Courts of Law.

(b) Freedom of conscience and the free profession and practice of religion are, subject to public order or morality, hereby guaranteed to every person.

(c) The right of free expression of opinion, as well as the right to assemble peaceably and without arms, and to form associations or unions, is hereby guaranteed for purposes not opposed to public order or morality, or the law relating to defamation for the time being.

(d) All persons in the Commonwealth of India have the right to free elementary education, and such right shall be enforceable so soon as due arrangements shall have been made by the competent authority.

(e) All persons have an equal right to the use of roads, Courts of Justice, and all other places of business or resort dedicated to the public, provided they do not disturb public order or disobey any lawful notice issued by a competent authority.

(f) All persons residing within the Commonwealth, whether permanently or temporarily, are equal before the Law, and shall be tried for similar offences in Courts of the same order and by Judicial Officers of the same grade.

(g) There shall be no disqualification or disability on the basis of sex.

Definitions

8. "The Commonwealth" shall mean the Commonwealth of India, as established under this Act.

"Provinces" shall mean such of the Parts of the Commonwealth as have Provincial Autonomy, under a Governor, a Provincial Legislature, a Provincial Cabinet and a High Court.

"Parliament" shall mean the Parliament of the Commonwealth of India.

The Constitution of the Commonwealth

2. The Constitution of the Commonwealth shall be as follows:

CHAPTER	I.	Parliament.
	Part i.	General.
	Part ii.	The Senate.
	Part iii.	The Legislative Assembly.
	Part iv.	Both Houses of Parliament.
CHAPTER	II.	The Executive Government.
"	III.	The Judicature
"	IV.	Finance and Trade.
"	V.	The Provinces.
	Part i.	General.
	Part ii.	The Provincial Legislature.
	Part iii.	The Executive Government.
	Part iv.	The Judicature.
CHAPTER	VI.	New Provinces.
"	VII.	Sub-Provincial Units.
	Part i.	General.
	Part ii.	The Village (Rural) or Ward (Urban).
	Part iii.	The Taluka.
	Part iv.	The District (Rural) or Municipality (Urban).
CHAPTER	VIII.	Defence
"	IX.	Miscellaneous.
"	X.	Alteration of the Constitution.
SCHEDULE	1.	Oath or Affirmation of Allegiance.
"	2.	Qualifications and disqualifications relating to the Legislatures.
"	3.	Powers of the Legislatures.
"	4.	Transitory Provisions.

CHAPTER I

PARLIAMENT

PART I. GENERAL

Legislative Power

10. The Legislative Power of the Commonwealth shall be vested in a Parliament which shall consist of the King, a Senate and a Legislative Assembly, and which is hereinafter called "Parliament," or "the Parliament of the Commonwealth".

The Viceroy

11. A Viceroy appointed by the King shall be His Majesty's representative in the Commonwealth, and shall have and may exercise in the Commonwealth, during the King's pleasure, but subject to this Constitution and to Schedule 4, such powers and functions of the King as His Majesty may be pleased to assign to him.

Salary of the Viceroy

12. There shall be payable to the King out of the consolidated revenue fund of the Commonwealth, for the salary of the Viceroy, an annual sum which, until Parliament otherwise provides, shall be as hereunder in Schedule 4.

The salary of a Viceroy shall not be altered during his continuance in office.

Provisions Relating to the Viceroy

13. The provisions of this Constitution relating to the King extend and apply to the Viceroy for the time being, or such person as the King may appoint to administer the Government of the Commonwealth; but no such person shall be entitled to receive any salary from the Commonwealth in respect of any other office during his administration of the Government of the Commonwealth.

Sessions of Parliament, Prorogation and Dissolution

14. The Viceroy may appoint such times for holding the sessions of Parliament as he thinks fit, and may also

from time to time, by Proclamation or otherwise, prorogue Parliament, and may, in like manner, dissolve the Legislative Assembly.

Summoning Parliament

15. After any general election, Parliament shall be summoned to meet not later than thirty days after the day appointed for the return of the writs. Parliament shall be summoned to meet not later than one year after the establishment of the Commonwealth.

Yearly Session of Parliament

16. There shall be a session of Parliament once at least in every year, so that twelve months shall not intervene between the last sitting of Parliament in one session and its first sitting in the next session.

PART II. THE SENATE

Constitution of the Senate

17. (a) The Senate shall be composed of persons who have rendered conspicuous public service. The number of members of the Senate shall be assigned to the several Provinces according to law made by Parliament, subject to Schedule 4, and elected according to rules made thereunder.

(b) The regulations regarding members and electors shall be as specified in Schedule 2.

Duration of Membership

18. Subject to the provisions for the constitution of the first Senate mentioned in Schedule 4, the term of office of a member of the Senate shall be six years.

Method of Election

19. One half of the number of members of the Senate in each Province shall be elected by proportional representation every three years from a panel constituted as hereinafter mentioned :

(a) Before each election of the members of the Senate a panel shall be formed in each Province consisting of three times as many qualified persons as there are members to be

elected in that area, of which one-third shall be nominated by the Senate, one-third by the Legislative Assembly and one-third by the Provincial Legislature.

- (b) Such other persons who have been members of the Senate, or of the Council of State under the Government of India Act, as shall signify by notice in writing, addressed to the Viceroy, their desire to be added to the panel.

Provided however that the first elections shall be held according to the provisions in Schedule 4.

Casual Vacancies

20. In the case of death, resignation or disqualification of a member of the Senate, his place shall be filled by co-option by the Senate. The member so chosen shall retire from office at the conclusion of the remaining period of the vacancy.

Failure to Choose Members

21. The Senate may proceed to the despatch of business, notwithstanding the failure of any Province to provide for its representation in the Senate.

Electoral Division

22. Each Province shall be a single constituency for the purposes of this election.

Election of President

23. The Senate shall, before proceeding to the despatch of any other business, choose a member to be the President of the Senate; and as often as the office of President becomes vacant, the Senate shall again choose a member to be the President. The President shall cease to hold his office if he ceases to be a member of the Senate. He may resign his office by notice in writing, addressed to the Viceroy.

PART III. THE LEGISLATIVE ASSEMBLY

Constitution of the Legislative Assembly

24. (a) The Legislative Assembly shall be composed of members assigned to the several Provinces by a law made by Parliament, subject to Schedule 4, and elected according to rules thereunder.

(3) The regulations regarding members and electors shall be as specified in Schedule 2.

Duration of the Legislative Assembly

25. Every Legislative Assembly shall continue for five years from the first meeting of the Assembly, and no longer, but may be dissolved sooner by the Viceroy.

Failure to Choose Members

26. The Legislative Assembly may proceed to the despatch of business, notwithstanding the failure of any constituency to provide for its representation in the Legislative Assembly.

Electoral Divisions

27. A Provincial Legislature may make laws for fixing the constituencies in its Province for which members of the Legislative Assembly may be chosen, and the number of members to be chosen for each division, but so as not to increase the total number of members fixed for the Province.

Election of Speaker

28. The Legislative Assembly shall, before proceeding to the despatch of any other business, choose a member to be the Speaker of the House, and as often as the office of Speaker becomes vacant the House shall again choose a member to be the Speaker.

The Speaker shall cease to hold his office if he ceases to be a member. He may resign his office by notice in writing, addressed to the Viceroy.

Election of a Deputy Speaker

29. In addition to the Speaker, the Assembly shall also choose a member to be the Deputy Speaker of the House, who shall perform the duties of the Speaker in his absence, and such other duties as may be assigned to him by the Speaker.

PART IV. BOTH HOUSES OF PARLIAMENT

Oath or Affirmation of Allegiance

30. Every member of Parliament shall, before taking his seat, make and subscribe before the Viceroy, or some person

authorised by him, an oath or affirmation of allegiance in the form set forth in Schedule 1.

Writs for Elections

31. The Viceroy, acting on the advice of the Cabinet, shall cause writs to be issued for the elections of members to the Legislative Assembly and the Senate, subject to Schedule 4.

After the first general election the writs shall be issued within thirty days from the expiry of a Legislative Assembly or from the proclamation of dissolution thereof.

Members of One House Ineligible for the Other

32. A member of either House of Parliament shall be incapable of being chosen or of sitting as a member of the other House; provided that every Minister of State shall have the right to sit and speak in either House, but shall vote only in the House of which he is a member.

Provided further that, subject to Schedule 4, a person nominated by the Viceroy for a special purpose and for a fixed term, shall also have the right to sit and speak in either House but not to vote.

Privileges, etc., of Members

33. The powers, privileges and immunities of the Senate and of the Legislative Assembly and of the members and Committees of each House shall be those enjoyed and possessed by the British House of Commons and by its members and Committees; and in particular no person shall be liable to any proceedings in any Court by reason of his speech or vote, or by reason of anything contained in any official report of the proceedings of Parliament.

Rules and Orders

34. Each House of Parliament may make rules and orders with respect to :

- (i) The mode in which its powers, privileges and immunities may be exercised and upheld.

- (ii) The order and conduct of its business and proceedings either separately or jointly with the other House.
- (iii) The issue of writs for vacancies.
- (iv) The vacation of seats and resignation of members ;

Provided that at the commencement of the Act they shall be those then in force.

Powers of Parliament

35. (a) Parliament shall have power to make laws for the peace, order and good government of the Commonwealth in respect of the subjects specified in Schedule 3, and in respect of all subjects not assigned to Provincial Legislatures.

Provided that until such time as Parliament shall, in pursuance of the recommendation of the Defence Committee, hereinafter specified, by its own act, signify its readiness to assume control over the naval, military and air forces of the Commonwealth, it shall have no power to make any law with regard thereto, without the previous approval of the Viceroy.

(b) The Powers of Parliament with respect to Foreign Affairs (not including the Indian States) shall be the same as those exercised by any one of the other Self-Governing Dominions.

Appropriation and Tax Bills

36. (a) Any Bill which appropriates revenue or moneys for the ordinary annual services of the Government shall deal only with such appropriation.

(b) Bills imposing taxation shall deal only with the imposition of taxes, and any provision therein dealing with any other matter shall be of no effect.

(c) Bills for the appropriation of revenues or moneys or for imposing taxation shall be introduced only by a member of the Cabinet, and can only originate in the Legislative Assembly.

Parliament's Assent to Bills

37. No Bill shall become law until it has been passed

by both Houses of Parliament, without any amendments or with such amendments as may be agreed to by them.

Disagreement between the Two Houses

38. If the Legislative Assembly passes any Bill and the Senate rejects or fails to pass it, or passes it with amendments to which the Legislative Assembly will not agree, the Viceroy shall, during that session, convene a joint sitting of the members of the Senate and of the Legislative Assembly. The members present at any such joint sitting may deliberate and shall vote together upon the Bill as last proposed by the Legislative Assembly and upon amendments, if any, which have been made therein by one House of Parliament and not agreed to by the other; and any such amendments which are affirmed by a majority of the total number of members of the Senate and the Legislative Assembly present at such sitting shall be taken to have been carried, and if the Bill with the amendments, if any, is affirmed by a majority of the members of the Senate and the Legislative Assembly present at such sitting, it shall be taken to have been duly passed by both Houses of Parliament.

Royal Assent to Bills

39. A Bill passed by both Houses of Parliament shall be presented to the Viceroy for the King's assent.

CHAPTER II

THE EXECUTIVE GOVERNMENT

Executive Power

40. (a) The Executive Power of the Commonwealth is vested in the King and is exercisable by the Viceroy as the King's representative, acting on the advice of the Cabinet, subject to the provisions of this Act, and extends to the execution and maintenance of this Act and of the Laws of the Commonwealth.

(b) Subject to the provisions of this Act, and to legislation by the Commonwealth Parliament, the Viceroy, acting on

the advice of the Cabinet, shall have and perform all executive powers and duties relating to the Government or revenues of India, as might or should have been exercised or performed by His Majesty's Secretary of State, or the Secretary of State in Council, before this Act came into force.

The Cabinet

41. (a) There shall be a Cabinet consisting of the Prime Minister and not less than seven Ministers of State for the Commonwealth.

(b) The Prime Minister shall be appointed by the Viceroy, and the Ministers of State shall also be appointed by him, on the advice of the Prime Minister.

(c) The Cabinet shall be collectively responsible for the administration of the Executive Departments of the Commonwealth subject to the provisions of this Act.

Ministers of State to sit in Parliament

42. No Minister of State shall hold office for a period longer than three months, unless he is or becomes a member of one of the Houses of Parliament.

Provided however that a Minister of State, appointed at the coming into operation of this Act, shall not hold office for a period longer than six months, unless he is or becomes a member of one of the Houses of Parliament.

Vote of No Confidence

43. If a vote of no confidence in the Cabinet shall have been carried in the Legislative Assembly, the Prime Minister shall request the Viceroy to dissolve the Legislative Assembly or the Cabinet shall retire from office. In either case, it shall continue to carry on its duties until its successor shall have been appointed.

Salaries of Ministers of State

44. There shall be payable to the King out of the consolidated revenue fund of the Commonwealth for the salaries of the Ministers of State an annual sum, which Parliament shall provide, subject to Schedule 4.

Appointment of a High Commissioner

45. There shall be a High Commissioner for India in the United Kingdom appointed by the Viceroy, on the advice of the Cabinet, for the performance of such duties as may be assigned to him.

Appointment of Other Members of the Government

46. Until Parliament otherwise provides, the appointment and removal of all other officers of the Executive Government of the Commonwealth shall be vested in the Cabinet.

Command of Military, Naval and Air Forces

47. The command-in-chief of the military, naval and air forces of the Commonwealth is vested in the Viceroy, as the King's representative.

CHAPTER III**THE JUDICATURE***Judicial Power and Courts*

48. There shall be a Supreme Court, which shall, subject to the provisions hereinafter contained, exercise such jurisdiction as Parliament shall determine. The Supreme Court shall consist of a Chief Justice, and so many other Justices, not less than two, as Parliament prescribes.

Judges' Appointments, Tenure and Remuneration

49. The Justices of the Supreme Court and of the High Courts created or continued under this Act :

- (i) shall be appointed by the King ;
- (ii) shall not be removed except by the King on an address from both Houses of Parliament in the same session, praying for such removal, on the ground of proved misbehavior or incapacity ;
- (iii) shall receive such remuneration as Parliament may fix ; but the remuneration of a Justice shall not be diminished during his continuance in office, and shall not be less than that of any member of the Cabinet.

Appellate Jurisdiction of the Supreme Court

50. The Supreme Court shall have jurisdiction, with such exceptions and subject to such regulations as Parliament

prescribes, to hear and determine appeals from all judgments, decrees, orders and sentences :

- (i) of any Justice or Justices exercising the original jurisdiction of the Supreme Court ;
- (ii) of the High Court of any Province, or of any other Court of any Province from which at the establishment of the Commonwealth an appeal lies to the King in Council ; and the judgment of the Supreme Court in all such cases shall be final and conclusive.

But no exception or regulation prescribed by Parliament shall prevent the Supreme Court from hearing and determining any appeal from the High Court of a Province in any matter in which, at the establishment of the Commonwealth, an appeal lies from such High Court to the King in Council.

Until Parliament otherwise provides, the conditions of and restrictions on appeals to the King in Council from the High Courts of the several Provinces shall be applicable to appeals from them to the Supreme Court.

Appeal to King in Council

51. (a) No appeal shall be permitted to the King in Council from a decision of the Supreme Court upon any question, howsoever arising, as to the limits *inter se* of the constitutional powers of the Commonwealth and those of any Province or Provinces, or as to the limits *inter se* of the constitutional powers of any two or more Provinces, unless the Supreme Court shall certify that the question is one which ought to be determined by the King in Council.

(b) The Supreme Court may so certify if satisfied that for any special reason the certificate should be granted, and thereafter an appeal shall lie to the King in Council on the question without further leave.

(c) Parliament may make laws limiting the matters in which such leave may be asked, provided that such laws do not impair any right which the King may be pleased to exercise by virtue of His Royal prerogative to grant special

leave of appeal from the Supreme Court to the King in Council.

Original Jurisdiction of the Supreme Court

52. The Supreme Court shall have original jurisdiction, subject to Schedule 4, in all matters :

- (i) arising under any treaty ;
- (ii) affecting consuls or other representatives of other countries ;
- (iii) in which the Commonwealth, or a person suing or being sued on behalf of the Commonwealth, is a party ;
- (iv) between Provinces, or between residents of different Provinces, or between a Province and a resident of another Province ;
- (v) in which a writ of *mandamus* or prohibition or injunction is sought against an officer of the Commonwealth.

Additional Original Jurisdiction

53. Parliament may make laws conferring original jurisdiction on the Supreme Court in any matter :

- (i) arising under this Constitution ; or involving its interpretation ;
- (ii) arising under any laws made by Parliament ;
- (iii) of Admiralty and maritime jurisdiction ;
- (iv) relating to the same subject matter claimed under the laws of different Provinces.

Power to Define Jurisdiction

54. With respect to any of the matters mentioned in the last two Sections Parliament may make laws :

- (i) defining the jurisdiction of any Court, other than the Supreme Court ;
- (ii) defining the extent to which the jurisdiction of any such Court shall be exclusive of that which belongs to or is invested in the Courts of the Provinces ;
- (iii) investing any Court of a Province with jurisdiction in respect of matters specified in §. 52 (iii) (iv) & (v).

Proceedings against Commonwealth or Province

55. Parliament may make laws conferring rights against the Commonwealth or a Province in respect of matters within the limits of the judicial power.

Number of Judges

56. The jurisdiction of any Court may be exercised by such number of Judges as Parliament may prescribe.

Trial by Jury

57. The trial of offences against any law of the Commonwealth shall ordinarily be by jury, and be subject to rules made under this Act.

CHAPTER IV**FINANCE AND TRADE***The Revenues of the Commonwealth*

58. (a) All revenues or moneys received by the Executive Government of the Commonwealth shall form one consolidated revenue fund and shall vest in the Viceroy, to be appropriated for the purposes of the Commonwealth in the manner prescribed and subject to the charges and liabilities imposed by this Act.

(b) The expression, "the revenues of the Commonwealth" in this Act shall include all the territorial and other revenues of, or arising in, the Commonwealth; and in particular:

- (i) all tributes and other payments in respect of any territories which would have been receivable by or in the name of the East India Company if the Government of India Act, 1858, (21 and 22 Vict., c. 106) had not been passed; and
- (ii) all fines and penalties incurred by the sentence or order of any Court of Justice in the Commonwealth and all forfeitures for crimes, of any movable or immovable property in the Commonwealth; and
- (iii) all movable or immovable property in the Commonwealth escheating or lapsing for want of an heir or successor, and all property in the Commonwealth devolving as *bona vacantia* for want of a rightful owner.

(c) All property vested in, or arising or accruing from property or rights vested in His Majesty under the Government of India Act, 1858, (21 and 22 Vict., c. 106) or the Government of India Act, shall be applied in aid of the revenues of the Commonwealth.

Expenditure Charged Thereon

59. (a) The costs, charges and expenses incident to the collection, management and receipt of the consolidated revenue fund shall form the first charge thereon; and the revenue of the Commonwealth shall in the first instance be

applied to the payment of the expenditure of the Commonwealth.

(b) There shall be charged on the revenues of the Commonwealth:

- (i) all the debts of the East India Company; and
- (ii) all sums of money, costs, charges and expenses which, if the Government of India Act 1858 (21 & 22 Vict. C. 106) had not been passed, would have been payable by the East India Company out of the revenues of India in respect of any treaties, covenants, contracts, grants or liabilities existing at the commencement of that Act; and
- (iii) all expenses, debts and liabilities lawfully contracted and incurred on account of the Government of India; and
- (iv) all payments except so far as otherwise provided under this Act.

Money to be Appropriated by Law

60. No money shall be drawn from the Treasury of the Commonwealth except under appropriation made by law.

But until the expiration of one month after the first meeting of Parliament, the Viceroy, acting on the advice of the Cabinet, may draw from the Treasury and expend such moneys as may be necessary for the maintenance of any department belonging to the Commonwealth, and for the holding of the first elections for Parliament.

Finance Commission

61. At the establishment of the Commonwealth and after a period of every five years thereafter, a Commission shall be appointed by the Viceroy in consultation with the Commonwealth and Provincial Cabinets to make recommendations as to the most suitable method of dividing the existing and other possible sources of revenue, or as to other supplementary arrangements between the Commonwealth and Provincial

Governments. The recommendations shall be placed before Parliament in the form of a Bill.

Provided that the arrangements existing at the establishment of the Commonwealth shall continue until the recommendations of the Commission provided for above come into force.

Trade within the Commonwealth to be Free

62. Trade, commerce and intercourse among the Provinces, whether by means of internal carriage or ocean navigation, shall be free.

Commonwealth not to give Preference

63. The Commonwealth shall not, by any law or regulation of trade, commerce or revenue, give preference to one Province or any part thereof over another Province or any part thereof.

CHAPTER V

THE PROVINCES (RASHTRA)

PART I.—GENERAL

Legislative Power

64. The Legislative Power of each of the Provinces shall be vested in the King and the Provincial Legislature.

The Governor

65. A Governor appointed by the King shall be His Majesty's representative in the Province, and shall have and may exercise in the Province during the King's pleasure, but subject to this Constitution, such powers and functions of the King as His Majesty may be pleased to assign to him.

Salary of the Governor

66. There shall be payable to the King out of the consolidated revenue fund of the Province, for the salary of the Governor, an annual sum which, until the Provincial Legislature otherwise provides, shall be as hereunder in Schedule 4.

The salary of a Governor shall not be altered during his continuance in office.

Provisions Relating to the Governor

67. The provisions of this Act relating to the Governor of a Province extend and apply to the Governor for the time being, or such person as the King may appoint to administer the Government of the Province; but no such person shall be entitled to receive any salary from the Province in respect of any other office during his administration of the Government of the Province.

Sessions of the Legislative Council, Prorogation and Dissolution

68. The Governor may appoint such times for holding the sessions of the Legislative Council as he thinks fit, and may also from time to time, by Proclamation or otherwise, prorogue the Legislative Council and may in like manner dissolve it.

Summoning the Provincial Legislature

69. After any general election, the Provincial Legislature shall be summoned to meet not later than thirty days after the day appointed for the return of the writs.

Yearly Session of the Provincial Legislature

70. There shall be a session of the Provincial Legislature once at least in every year, so that twelve months shall not intervene between the last sitting of the Provincial Legislature in one session and its first sitting in the next session.

Provision for a Bi-cameral Legislature

71. The Provincial Legislature shall consist of a Legislative Council, unless or until it shall decide on the creation of a second Chamber, and its decision shall be approved by the majority of the voters, voting at a general election.

PART II.—THE LEGISLATIVE COUNCIL

Constitution of the Legislative Council

72. (a) The Legislative Council shall be composed of members chosen in accordance with rules made by the Council concerned, and the number of members of the first Councils shall be according to Schedule 4.

(b) The regulations regarding members and electors shall be as specified in Schedule 2.

Duration of the Legislative Council

73. Every Legislative Council shall continue for four years from the first meeting of the Council but no longer, but may be dissolved sooner by the Governor.

Failure to Choose Members

74. The Legislative Council may proceed to the despatch of business notwithstanding the failure of any constituency to provide for its representation in the Legislative Council.

Electoral Divisions

75. The Legislative Council may by rules prescribe the divisions in the Province for which members of the Council may be chosen and the number of members to be chosen for each division.

Writs for General Election

76. The Governor, acting on the advice of the Provincial Cabinet, shall cause writs to be issued for the general election of members of the Legislative Council subject to Schedule 4.

After the first general election the writs shall be issued within fifteen days from the expiry of a Legislative Council or from the proclamation of a dissolution thereof.

Election of a Speaker

77. The Legislative Council shall, before proceeding to the despatch of any other business, choose a member to be the Speaker of the House, and as often as the office of Speaker becomes vacant, the House shall again choose a member to be the Speaker.

The Speaker shall cease to hold his office if he ceases to be a member. He may resign his office by a notice in writing addressed to the Governor.

Election of a Deputy Speaker

78. In addition to the Speaker, the Legislative Council shall also choose a member to be the Deputy Speaker of the House, who shall perform the duties of the Speaker in his

absence, and such other duties as may be assigned to him by the Speaker.

Oath or Affirmation of Allegiance

79. Every member of the Legislative Council shall, before taking his seat, make and subscribe before the Governor or some person authorised by him, an oath or affirmation of allegiance in the form set forth in Schedule 1.

Privileges, etc., of Members

80. The powers, privileges and immunities of the Legislative Council and of the members and Committees of the House shall be those enjoyed and possessed by the British House of Commons and by its members and Committees; and in particular no person shall be liable to any proceedings in any Court by reason of his speech or vote, or by reason of anything contained in any official report of the proceedings of the Council.

Rules and Orders

81. Each Legislative Council may make rules and orders with respect to :

- (i) the mode in which its powers, privileges and immunities may be exercised and upheld ;
- (ii) the order and conduct of its business and proceedings ;
- (iii) the vacation of seats and resignation of members ;
- (iv) the issue of writs for vacancies ;

Provided that at the commencement of the Act they shall be those then in force.

Appropriation and Tax Bills

82. (a) Any Bill which appropriates revenue or moneys for the annual services of the Government shall deal only with such appropriation.

(b) Bills imposing taxation shall deal only with the imposition of taxes, and any provision therein dealing with any other matter shall be of no effect.

(c) Bills for the appropriation of revenues or moneys or for imposing taxation shall be introduced only by a member of the Cabinet.

Royal Assent to Bills

83. A Bill passed by a Legislative Council shall be presented to the Governor for the King's assent.

Powers of the Legislative Council

84. A Legislative Council shall, subject to this Constitution, have power to make laws for the peace, order and good government of the Province with respect to matters specified in Schedule 3.

PART III.—THE EXECUTIVE GOVERNMENT*The Executive Power*

85. The Executive Power of the Province is vested in the King and is exercisable by the Governor as the King's representative acting on the advice of the Provincial Cabinet, and extends to the execution and maintenance of this Act and of the laws of the Province.

The Provincial Cabinet

86. (a) There shall be a Provincial Cabinet consisting of the Chief Minister and not less than three Ministers for the Province.

(b) The Chief Minister shall be appointed by the Governor and the other Ministers shall also be appointed by him on the advice of the Chief Minister.

(c) The Provincial Cabinet shall be collectively responsible to the Legislative Council for the administration of the Executive Departments of the Province.

Ministers to sit in Legislative Council

87. No Minister shall hold office for a period longer than three months unless he is or becomes a member of the Legislative Council.

Provided however that a Minister, appointed at the coming into operation of this Act, shall not hold office for a period longer than six months unless he is or becomes a member of the Legislative Council.

Vote of No Confidence

88. If a vote of no confidence in the Provincial

Cabinet shall have been carried in the Legislative Council, the Chief Minister shall request the Governor to dissolve the Legislative Council, or the Provincial Cabinet shall retire from office. In either case, it shall continue to carry on its duties until its successor shall have been appointed.

Salaries of Ministers

89. There shall be payable to the King out of the consolidated revenue fund of the Province for the salaries of Ministers an annual sum, which the Legislative Council shall provide, subject to Schedule 4.

Appointment of Other Members of the Executive Government

90. Until the Legislative Council otherwise provides, the appointment and removal of all other officers of the Executive Government of the Province shall be vested in the Provincial Cabinet.

PART IV.—THE JUDICATURE

The High Courts

91. (a) The High Courts referred to in this Act are the High Courts of Judicature in existence at the commencement of the Act.

(b) Each High Court shall consist of a Chief Justice and as many other Judges as His Majesty may think fit to appoint.

Provided that the maximum number of Judges of a High Court including the Chief Justice and additional Judges shall be twenty.

Salaries of Judges

92. The Judges shall receive such remuneration as the Provincial Legislature may fix, but the remuneration of any Judge shall not be diminished during his continuance in office, and shall not be less than that of any member of the Provincial Cabinet.

Appointment of Judges

93. (a) Every Judge of a High Court shall hold his office during good behavior, and may be removed under §49 (ii), the

petition being made by the Provincial Legislature instead of by Parliament.

(b) Any such Judge may resign his office by notice in writing, addressed to the Governor.

Powers of High Courts

94. The several High Courts are superior courts of record and have such jurisdiction, original and appellate, and all such powers and authority over or in relation to the administration of justice, including power to appoint clerks and other ministerial officers of the Court, and power to make rules for regulating the practice of the Court, as are vested in them and, subject to the provisions of their constitution, all such jurisdictions, powers of authority as are vested in those courts respectively at the commencement of this Act.

Appellate Jurisdiction of High Courts

95. Each of High Courts has superintendence over all Courts for the time being subject to its appellate jurisdiction and may do any of the following things :

- (i) call for returns :
- (ii) direct the transfer of any suit or appeal from any such court to any other court of equal or superior jurisdiction ;
- (iii) make and issue general rules and prescribe forms for regulating the practice and proceedings of such courts ;
- (iv) prescribe forms in which books entries and accounts shall be kept by the officers of any such courts ; and
- (v) settle tables of fees to be allowed to the sheriff, attorneys, and all clerks and officers of courts :

Provided that such rules, forms and tables shall not be inconsistent with the provisions of any law for the time being in force, and shall require the previous approval of the Provincial Legislature.

Division Courts

96. (a) Each High Court may by its own rules provide as it thinks fit for the exercise, by one or more Judges, or by Division Courts constituted by two or more Judges of the High Court, of the original and appellate jurisdiction vested in the Court.

(b) The Chief Justice of each High Court shall determine what Judge in each case is to sit alone, and what Judges of the Court, whether with or without the Chief Justice, are to constitute the several Division Courts.

Alteration of Jurisdiction

97. The Viceroy, acting on the advice of the Cabinet, may, by order, transfer any territory or place from the jurisdiction of one to the jurisdiction of any other of the High Courts, and authorise any High Court to exercise all or any portion of its jurisdiction in any part of the Commonwealth not included within the limits for which the High Court was established, and also to exercise any such jurisdiction in respect of any British subject for the time being within any part of India outside the Commonwealth.

Exemptions from Jurisdiction

98. (a) The Viceroy, each Governor, each of the members of the Cabinet, whether in the Commonwealth or in the Provinces, shall not be subject to the original, appellate or revisional jurisdiction of any High Court, by reason of anything counselled, ordered or done by any of them in his public capacity only.

(b) The exemption shall extend also to the Chief Justices and other Judges of the several High Courts.

Application of Personal Law or Custom

99. The High Courts, in the exercise of their original jurisdiction in suits against inhabitants shall, in matters of inheritance and succession to lands, rents and goods, and in matters of contract and dealing between party and party, when both parties are subject to the same personal law or custom having the force of law, decide according to that personal law or custom, and when the parties are subject to different personal laws or customs having the force of law, decide according to the law or custom to which the defendant is subject.

Establishment of New High Courts

100. Parliament may, if it sees fit, establish a High Court of Judicature in any territory in the Commonwealth, whether or not included within the limits of the local jurisdiction of another High Court, and confer on any High Court so established any such jurisdiction, powers and authority as are vested in or may be conferred on any High Court existing at the commencement of this Act; and, where a High Court is so established in any area included within the limits of the local jurisdiction of another High Court, Parliament may alter those limits, and make such incidental, consequential and supplemental provisions as may appear to be necessary by reason of the alteration.

The Attorney-General and the Solicitor-General

101. The Governor, acting with the advice of the Provincial Cabinet, shall appoint an Attorney-General and a Solicitor-General for the Province.

CHAPTER VI

NEW PROVINCES

Admission or Establishment of New Provinces

102. Parliament may admit to the Commonwealth or establish new Provinces, and may, upon such admission or establishment, make or impose such terms and conditions including the extent of representation in either House of Parliament, as it thinks fit.

Government of New Territories

103. Parliament may make laws for the Government of any territory surrendered by any Province to and accepted by the Commonwealth, and may allow the representation of such territory in either House of Parliament to the extent and on the terms which it thinks fit.

Alteration of Limits of Provinces

104. Parliament may, with the consent of the Provincial Legislature and the approval of the majority of the electors

in the area, or areas, to be affected by the decision voting upon the question, increase, diminish or otherwise alter the limits of the Province, upon such terms and conditions as may be agreed on and may, with the like consent, make provision respecting the effect and operation of any increase or diminution or alteration of territory in relation to any Province affected.

CHAPTER VII

SUB-PROVINCIAL UNITS

PART I.—GENERAL

Units of Self-Government:

105. (a) The following Units shall exercise the rights of Self-Government:

- (i) The Village (Rural) consists of a group of houses, and may include neighboring hamlets or single houses. The Wards (Urban) are divisions within a Municipality.
- (ii) The Taluka (Rural) consists of a grouping of Villages for administrative correlation and joint work.
- (iii) The District (Rural) consists of a similar grouping of Talukas.

Or

The Municipality (Urban)

Or

The Capital City of the Province.

Principles of Sub-Provincial Government

106.* The Provincial Legislatures shall pass a Bill in their first year, to reconstitute the Sub-Provincial Units referred to above, on the following principles, adapting them to the conditions of their respective Provinces, specially in regard to monetary qualifications for the franchise, consisting of income, land tax and rent, as mentioned in Schedule 2.

- (a) The Panchayats, Sabhâs and Samitis shall carry on their work by a Committee or Committees appointed by themselves.
- (b) The powers of the various Sub-Provincial Units are those specified in Schedule 3.

(c) Each Unit shall be supervised generally by the next higher Unit.

PART II.—THE VILLAGE (RURAL) OR WARD (URBAN)

Village Administration

107. (a) The villagers shall elect a Panchayat from among themselves, which shall exercise the powers vested in it by the Provincial Legislature, to administer village affairs and to exercise such civil and criminal jurisdiction as may be assigned to it by a Bench sitting in the village.

(b) The residents in a Ward shall elect a Panchayat from among themselves, which shall exercise the powers delegated to it by the Municipality.

Constitution of the Panchayat

108. (a) The Panchayat shall be composed of members chosen in accordance with rules made by the Provincial Legislature, and the number of members shall depend on local conditions.

(b) The qualification of members and electors shall be as specified in Schedule 2.

Duration of Membership

109. The term of a Panchayat shall ordinarily be one year and no longer.

PART III.—THE TALUKA

Taluka Administration

110. The powers for the administration of Taluka affairs and for the exercise of such criminal and civil jurisdiction as may be laid down by a Provincial Legislature shall be exercised by a Taluka Sabhâ elected for the purpose.

Constitution of the Sabhâ

111. (a) The Sabhâ shall be composed of members chosen in accordance with rules made by the Provincial Legislature and the number of members shall depend on local conditions.

(b) The qualification of members and electors shall be as specified in Schedule 2.

Duration of Membership

112. The term of the Sabhā shall ordinarily be two years and no longer.

**PART IV—THE DISTRICT (RURAL) OR MUNICIPALITY
(URBAN)**

District or Municipal Administration

113. The powers for the administration of District (Rural) or Municipal (Urban) affairs and for the exercise of such civil and criminal jurisdiction as may be laid down by the Provincial Legislature, shall be vested in a Samiti (Rural or Urban) elected for the purpose.

Constitution of the Samiti

114. (a) The Samiti shall be composed of members chosen in accordance with rules made by the Provincial Legislature, and the number of members shall depend on local conditions.

(b) The qualifications of members and electors shall be as specified in Schedule 2.

Duration of Membership

115. The term of a Samiti shall ordinarily be three years and no longer.

CHAPTER VIII**DEFENCE***The Defence Committee*

116. (a) At the establishment of the Commonwealth and after a period of every five years thereafter, the Viceroy shall, in consultation with the Cabinet, appoint a Committee, the majority of whom shall be Indians:

(i) To recommend a minimum of expenditure on the military, naval and air forces of the Commonwealth, on a peace footing, to form a charge on the consolidated revenue fund of the Commonwealth and to be voted as a single item in the appropriation bill;

Provided that the Estimates shall set forth in detail the items which amount to the guaranteed minimum, and

provided further that no revenues of the Commonwealth shall be expended on those branches, if any, of the military, naval or air forces in which Indians are ineligible for holding commissioned rank.

(ii) To report on the progress made in the Indianisation and training of the Defence Forces of the Commonwealth, so as to enable the people of India to undertake their own defence as soon as practicable.

(b) Any recommendations accepted by the Viceroy, or any decision given by the Viceroy, as to the amount which, in his opinion, is necessary for the purposes of Defence shall be laid before Parliament, which may express its opinion thereon; but the minimum amount which the Viceroy ultimately decides to be necessary for the aforesaid purpose shall be included in the Estimates.

CHAPTER IX

MISCELLANEOUS

Change of Number of Members in Legislatures

117. The number of members of each House of Parliament may be varied by an Act passed by Parliament, and that of any Provincial Legislature by an Act passed by itself, subject to Schedule 4.

Territorial Electorates

118. Members of all Legislative Bodies shall be elected by territorial electorates by a franchise subject to the conditions laid down in Schedules 2 and 4.

Existing Officers

119. Subject to the provisions of the next succeeding Section, all officers of the Public Services of the Government of India shall, at the establishment of the Commonwealth, become officers of the Commonwealth.

Reorganisation of Public Departments

120. (a) As soon as possible after the establishment of the Commonwealth the Viceroy, acting on the advice of the

Cabinet, shall appoint a Public Services Commission to make recommendations for such reorganisation and readjustment of the departments of the Public Services as may be necessary. The Commission shall also make recommendations in regard to the assignment of officers to the several Provinces.

(b) The Viceroy, acting on the advice of the Cabinet, may, after such Commission has reported, assign from time to time to each Province such officers as may be necessary for the proper discharge of the functions reserved or delegated to it, and such officers on being so assigned shall become officers of the Province.

Public Services Commission

121. After the establishment of the Commonwealth, the Viceroy, acting on the advice of the Cabinet, shall appoint a permanent Public Services Commission, with such powers and duties relating to the appointment, promotion, discipline, retirement, and superannuation of public officers as Parliament shall determine.

Pensions of Existing Officers

122. Any officer of the Public Services of the Government of India or of any of the Provinces, at the establishment of the Commonwealth, who is not retained in the service of the Commonwealth or assigned to that of a Province, shall be entitled to receive such pension, gratuity or other compensation as he would have received in like circumstances, if the Commonwealth had not been established.

Tenure of Office of Existing Officers

123. Any officer of the Public Service of the Government of India or of any of the Provinces, at the establishment of the Commonwealth, who is retained in the service of the Commonwealth, or assigned to that of a Province, shall retain all his existing rights, and shall be entitled to retire from the service at the time at which he would have been entitled by law to retire, and on the pension or retiring allowance to which he would have been entitled by law in

like circumstances, if the Commonwealth had not been established.

Provision for Making Rules

124. Where any matter is required to be prescribed or regulated by rules under this Act and no special provision is made as to the authority by whom the rules are to be made, the rules or any amendments thereof shall be referred to a Committee of both Houses of Parliament of not less than ten nor more than twenty members, elected in a joint session, on the principle of Proportional Representation, to be drafted and laid before both Houses.

The rules shall come into force on approval by resolution by both Houses of Parliament.

Special Tracts

125. (a) The Viceroy, acting on the advice of the Cabinet, may declare any territory in the Commonwealth to be a "special tract," and may, by notification, direct that this Act shall apply to that territory, subject to such exceptions and modifications as may be prescribed in the notifications.

(b) Where the Viceroy, acting on the advice of the Cabinet, has, by notification, directed as aforesaid, he may, by the same or subsequent notification, direct that any Act of Parliament shall not apply to the territory in question or any part thereof, or shall apply to the territory or any part thereof, subject to such exceptions or modifications as the Viceroy, acting on the advice of the Cabinet, thinks fit, or may authorise the Governor to give similar directions as respects any Act of the Provincial Legislature.

CHAPTER X

ALTERATION OF THE CONSTITUTION

Mode of Altering the Constitution

126. (a) This Constitution shall not be altered except in the following manner:

The Bill for the alteration thereof must be passed by an absolute majority of each House of Parlia-

ment, and not less than two nor more than six months after its passage through both Houses of Parliament, shall be submitted to the Provincial Legislatures.

But if either House of Parliament passes any such Bill by an absolute majority, and the other House rejects or fails to pass it, or passes it with any amendment to which the first-mentioned House will not agree, and if after an interval of three months the first-mentioned House, in the same or the next session, again passes the Bill by an absolute majority with or without any amendment which has been made or agreed to by the other House, and such other House rejects or fails to pass it or passes it with any amendment to which the first-mentioned House will not agree, the Viceroy may submit the Bill as last proposed by the first-mentioned House, and either with or without any amendments subsequently agreed to by both Houses, to the Provincial Legislatures.

If in a majority of the Provinces a majority of the members of the Provincial Legislatures voting on the subject after the next general election, at which the issue shall be specially raised, approve the Bill, and if a majority of all the members of the Provincial Legislatures voting also approve the Bill, it shall be presented to the Viceroy for His Majesty's assent.

(b) No alteration diminishing the proportionate representation of any Province in either House of Parliament or the number of representatives of a Province in the Legislative Assembly, or increasing or diminishing or otherwise altering the limits of a Province, or in any manner affecting the provisions of the Constitution in relation thereto, shall become law unless the majority of the members of the Provincial Legislature voting on the Bill approve it.

Provided however that an alteration of the Constitution in relation to a single Province only shall be referred, subject to the provisions of the foregoing Sections, to the Legislature

of the Province concerned and be decided by an absolute majority of the members.

Alteration of Schedules

127. The method of altering the Schedules specified below shall be as follows :

- (a) Part I of Schedule 2 may be altered by an Act of the Legislative body concerned, subject to the approval of the Commonwealth Parliament.
- (b) Part II of Schedule 2 may be altered by the Commonwealth Parliament.

SCHEDULE 1

Oath of Allegiance

I,.....do swear that I will be faithful and bear true allegiance to His Majesty King George V and his heirs and successors according to law, and to the Constitution of the Commonwealth of India as by law established.

Affirmation

I,.....do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to His Majesty King George V and his heirs and successors according to law, and to the Constitution of the Commonwealth of India as by law established.

SCHEDULE 2 PART I

General Electoral Qualification

1. A person to be eligible as an elector in any Unit of Government shall be not less than 21 years of age, and in the case of aliens shall also have had an Indian domicile for not less than 5 years.

2. Subject to § 1, the following shall be the electoral qualifications for the various Units of Government.

(a) THE VILLAGE PANCHAYAT

Qualifications of Members

All Electors.

Qualifications of the Electors

All residents in the Village.

(b) THE TALUKA SABHA*Qualifications of Members*

Electors of twenty-five years of age and above, with either of the following qualifications :

- (a) Education up to the Primary Grade.
- (b) Ex-members of Village Panchayats, having served for one complete term.

Qualifications of Electors

Being resident in the Taluka, those with any one of the following qualifications :

- (i) All members or ex-members of Village Panchayats.
- (ii) All literates in a language of the Taluka, or persons trained in a Village Workshop, or skilled in some craft.
- (iii) All who have a monthly income or allowance of Rs. 10 and above.
- (iv) All owners and occupiers of land with Rs. 10 per annum or more as land tax.
- (v) All owning or occupying a house or a part of it of the annual rental value of Rs. 6.

(c) THE DISTRICT SAMITI (Rural) or MUNICIPALITY (Urban)*Qualifications of Members*

Electors of twenty-five years of age and above, with either of the following qualifications :

- (i) Education up to the Lower Secondary or Middle School Grade.
- (ii) Ex-members of Taluka Sabhās or Ward Panchayats, having served for one complete term.

Qualifications of Electors

Being residents in the District, those with any one of the following qualifications :

- (i) All members or ex-members of Taluka Sabhās or Ward Panchayats.
- (ii) All with primary or equivalent technical education.
- (iii) All who have a monthly income or allowance of Rs. 15 and above.
- (iv) All owners or occupiers of land with Rs. 20 per annum or more as land tax.
- (v) All owning or occupying a house, or a part of it, of the annual rental value of Rs. 18 or more.

(d) THE LEGISLATIVE COUNCIL*Qualifications of Members*

Electors of twenty-five years of age and above, with any one of the following qualifications :

- (i) Education up to the High School level, or equivalent general or technical training;
- (ii) Ex-members of a District Samiti or Municipality, having served for at least one complete term;
- (iii) Member of Councils of Chambers of Commerce, or Landholders' Associations, or Industrial Associations or Trade Union Councils, or such other bodies as may be recognised by rules.

Qualifications of Electors

Being residents in the Province, those with any one of the following qualifications :

- (i) All members or ex-members of District or Municipal Samitis or Legislatures ;
- (ii) All with High School or equivalent general or technical education ;
- (iii) All who have a monthly income or allowance of Rs. 25 and above ;
- (iv) All owners or occupiers of land with Rs. 30 or more as land tax ;
- (v) All owning or occupying a house or a part of it of the annual rental value of Rs. 50 or more ;
- (vi) Members of Trade Union Councils, or Merchants' or Traders' Associations, or such other bodies as may be recognised by rules.

(e) THE LEGISLATIVE ASSEMBLY*Qualifications of Members*

Electors of twenty-five years of age and above.

Qualifications of Electors

Being residents in the Commonwealth, those with any one of the following qualifications :

- (i) All members and ex-members of Legislatures ;
- (ii) All with education up to the graduate level or equivalent general or technical education ;
- (iii) All who have an income or allowance of Rs. 50 per month and above ;
- (iv) All owners or occupiers of land with Rs. 50 per annum or more as land tax ;
- (v) All owning or occupying a house or a part of it with an annual rental value of Rs. 75.

- (vi) Member of Chambers of Commerce, or Landholders' Associations, or Trade Union Councils, or Industrial Associations, such other bodies as may be recognised by rules.

(f) THE SENATE

Qualifications of Members

A person to be included in the electoral panel of the Senate shall be a person eligible to become a member of the Legislative Assembly, and have rendered conspicuous public service, and shall have completed the age of thirty years.

Qualifications of Electors

Being residents in the Commonwealth, the following shall constitute the electorate for the Senate :

- (i) Members and ex-members of the Legislatures ;
- (ii) Members of the Governing Bodies of recognised Universities.
- (iii) Membership of Councils of Chambers of Commerce, or Landholders' Associations, or Trade Unions, or Industrial Associations, or such other bodies as may be recognised by rules.
- (iv) Those possessing such qualifications in regard to land tax or income tax as are laid down for the electors of the Council of State under the Government of India Act, until Parliament otherwise provides.

SCHEDULE 2 PART II

Disqualifications of Members

1. No person shall be capable of being chosen or of sitting as a member of a Legislative body in any Unit of Government, who

- (i) has been convicted of any crime or offence involving moral turpitude, for which he shall have been sentenced to imprisonment, without the option of a fine, for a term of not less than twelve months, unless he shall have received a grant of amnesty, or a free pardon, or unless such imprisonment shall have expired at least five years before the date of his election ; or
- (ii) is an undischarged bankrupt ; or
- (iii) is a lunatic so found ; or
- (iv) holds any office of profit under the Crown within the Commonwealth ; provided that the following persons shall not be deemed to hold an office of profit under the Crown for the purposes of this Sub-Section :
- (v) A Minister of State for the Commonwealth or a Minister of a Province.

- (vi) A person in receipt of a pension from the Crown ;
- (vii) An officer or member of His Majesty's naval or military or air forces retired or on half-pay, or an officer or member of the naval or military or air forces of the Commonwealth whose services are not wholly employed by the Commonwealth.

Disqualifications of Electors

2. No person shall exercise the franchise in any Unit of Government who

- (i) has been at any time convicted of any crime or offence involving moral turpitude, for which he shall have been sentenced to imprisonment, without the option of a fine, for a term of not less than twelve months, unless he shall have received a grant of amnesty, or a free pardon, or unless such imprisonment shall have expired at least two years before the date of his voting; or
- (ii) is an undischarged bankrupt; or
- (iii) is a lunatic so found.

SCHEDULE 3

I. Powers of the Village Panchayat

- (a) *Education and Recreation*.—Primary Schools, Village Workshops, Libraries, Parks, Gymnasias, Recreation Grounds, etc.
- (b) *Protection*.—Control over erection of buildings, Sanitation and Conservancy, Prevention of Public Nuisances, Sanitation at Fairs and Festivals, Medical Help and Village Dispensary, Control over offensive and dangerous Trades, Village Cattle Pounds, Registration of Births and Deaths, Civil and Criminal Jurisdiction in simple cases exercised by an appointed Bench, Village Police, Local Militia, if necessary.
- (c) *Economic and Industrial Ministration*.—Co-operative Stores and Banks, Wells, Tanks and Canals, Cottage Industries, Village Irrigation, Village Fairs, Cattle Stands, Village Forests and Grazing Grounds, Roads and Bridges, certain powers of local taxation and other works of public utility, handed over by the Taluka Sabhâ.

II. Powers of the Taluka Sabha

- (a) *Education and Recreation.*—Lower Secondary or Middle School Education, Technical Schools, Model Farms.
- (b) *Protection.*—Control over Markets, Fairs, etc. Hospitals and Dispensaries, Civil and Criminal Jurisdiction in simple cases or in appeals from Village cases, exercised by a specially appointed Bench, Decision of disputes between Villages, Control in cases of epidemics, Co-ordination of Village Police, Taluka Police or Reserve Force.
- (c) *Economic and Industrial Ministration.*—Stock of agricultural Machinery for hire, Stud Animals, Supplies of seeds suitable for different soils in the Taluka, Main roads between Villages, small Irrigation Channels, Promotion of Village Industries, other works of Public Utility handed over to the Taluka Board by the District Samiti, Central Co-operative Stores and Banks for helping Village Stores and Banks.

III. Powers of the District Samiti (Rural) or Municipality (Urban)

- (a) *Education and Recreation.*—Higher Secondary or High School and College Education. Technical College, a Technical Institute studying soils, manures, crops.
- (b) *Protection.*—Co-ordination of Taluka Police, District Police or Special Reserve, Larger Hospitals and Dispensaries, Inspection of Foodstuffs, Epidemic Diseases, Public Health, Settlement of Disputes between Taluka Boards, Civil and Criminal Jurisdiction within fixed limits, and deciding sanctioned appeals from Taluka Benches by a specially appointed Bench.

- (c) *Economic and Industrial Ministration*.—Co-ordinating local Stores and Banks and other Village enterprises of an industrial or commercial nature and Model Farms, Supply of Information needed by cultivators, craftsmen and others, Stores of seeds for supplying Taluka Model Farms. Forests, District Roads, District Waterways and Railways, District Bridges, Levying Cess and raising Loans within prescribed limits, Allocating Provincial Subsidies among Taluka Boards if necessary.

Provided that District Samitis (*Rural*) or *Municipalities (Urban)* are empowered as far as possible to own all public means of transport, lighting, water-supply, markets within their area, and to utilise the profits for decreasing taxation.

IV. Powers of the Legislative Council

1. Matters relating to the constitution and powers of Sub-Provincial Units of Government, Improvement Trusts, Boards of Health, and other local authorities established in the Province subject to the provisions of this Act.

2. Medical administration, including hospitals, dispensaries, and asylums, and provision for medical education.

3. Public health and sanitation and vital statistics; subject to legislation by Parliament in respect to infectious and contagious diseases to such extent as may be declared by any Act of Parliament.

4. Pilgrimages within the Province.

5. University Education: general and technical, including research, provided that

(a) the following subjects shall be excluded, namely:

Chiefs' Colleges and any institution maintained by the Commonwealth for the benefit of members of His Majesty's Forces, or of other public servants, or of the children of such members or servants; and

(b) the following subject shall be subject to legislation by Parliament, namely:

The definition of the jurisdiction of any University outside the Province in which it is situated.

6. Public works, included under the following heads, namely:

- (a) Construction and maintenance of Provincial buildings used or intended for any purpose in connection with the administration of the Province, and care of historical monuments into the exception of ancient monuments as defined in Section 2 (1) of the Ancient Monuments' Preservation Act, 1904, which are for the time being declared to be protected monuments under Section 3 (1) of that Act: provided that the Viceroy, acting on the advice of the Cabinet, may, by notification in *The Gazette of India*, remove any such monument from the operation of the exception;
- (b) roads, bridges, ferries, tunnels, ropeways, and causeways, and other means of communication, subject to such conditions, as regards control over construction and maintenance of means of communication declared by the Viceroy, acting on the advice of the Cabinet to, be of military importance, and as regards incidence of special expenditure connected therewith, as the Viceroy, acting on the advice of the Cabinet, may prescribe.
- (c) tramways within Municipal areas; and
- (d) light and feeder railways and extra-Municipal tramways, in so far as provision for their construction and management is made by Provincial legislation; subject to legislation by Parliament in the case of any such railway or tramway which is in physical connection with a main line or is built on the same gauge as an adjacent main line.

7. Water supplies, irrigation and canals, drainage and embankments, water storage and water power; subject to legislation by Parliament with regard to matters of inter-Provincial concern or affecting the relations of a Province with any other territory.

8. Land Revenue Administration, as described under the following heads, namely:

- (a) Assessment and collection of land revenue;
- (b) maintenance of land records, survey for revenue purposes, records-of-rights;
- (c) laws regarding land tenures, relations of landlords and tenants, collection of rents;
- (d) Courts of Wards, incumbered and attached estates;
- (e) land improvements and agricultural loans;

(f) colonisation and disposal of Crown lands and alienation of land revenue; and

(g) management of Government estates.

9. Famine relief.

10. Agriculture, including Provincial research institutes, introduction of improved methods, provision for agricultural education, protection against destructive insects and pests, and prevention of plant diseases, subject to legislation by Parliament in respect to destructive insects and pests and plant diseases, to such extent as may be declared by any Act of Parliament.

11. Civil Veterinary Department, including provision for veterinary training, and prevention of animal diseases; subject to legislation by Parliament in respect to animal diseases to such extent as may be declared by any Act of Parliament.

12. Fisheries.

13. Co-operative Societies.

14. Forests extending over more than one District.

15. Land acquisition: subject to legislation by Parliament.

16. Excise, that is to say, the control of production, manufacture, possession, transport, purchase, and sale of alcoholic liquor and intoxicating drugs, or stupifying and the levying of excise duties and licence fees on or in relation to such articles.

17. Administration of justice, including constitution, powers, maintenance and organisation of Courts of civil and criminal jurisdiction within the Province; subject to legislation by Parliament as regards High Courts, Chief Courts and Courts of Judicial Commissioners, and any Courts with Supreme Court jurisdiction.

18. Provincial law reports.

19. Administrators-General and Official Trustees; subject to legislation by Parliament.

20. Non-judicial stamps, subject to legislation by Parliament, and judicial stamps, subject to legislation by Parliament as regards amount of Courtfees levied in relation to suits and proceedings in the High Courts under their original jurisdiction.

21. Registration of deeds and documents; subject to legislation by Parliament.

22. Registration of births, deaths, and marriages, subject to legislation by Parliament for such classes as Parliament may determine.

23. Religious and charitable endowments.

24. Development of mineral resources which are Government property.

25. Development of industries, including industrial research and technical education.

26. Industrial matters included under the following heads namely :

- (a) Factories ;
- (b) settlement of labor disputes ;
- (c) electricity ;
- (d) boilers ;
- (e) gas ;
- (f) smoke nuisances ; and
- (g) welfare of labor, including provident funds, industrial insurance (general health and accident), and housing ; subject as to heads (a), (b), (c), (d) and (g) to legislation by Parliament.

27. Stores and stationery.

28. Adulteration of foodstuffs and other articles, subject to legislation by Parliament as regards import and export trade.

29.. Weights and measures, subject to legislation by the Parliament as regards standards.

30. Ports, except such ports as may be declared by rule made by the Viceroy, acting on the advice of the Cabinet, or by or under Parliament to be major ports.

31. Inland waterways, including shipping and navigation thereon so far as declared by Parliament to be Provincial subjects.

32. Police, including railway police; subject in the case of railway police to such conditions as regards limits of jurisdiction and railway contributions to cost of maintenance as the Viceroy, acting on the advice of the Cabinet, may determine.

33. The following miscellaneous matters, namely :

- (a) regulation of betting and gambling;
- (b) prevention of cruelty to animals;
- (c) protection of wild birds and animals;
- (d) control of poisons, subject to legislation by Parliament;
- (e) control of motor vehicles, subject to legislation by Parliament as regards licences valid throughout the Commonwealth, and
- (f) control of dramatic performances and cinematographs, subject to legislation by Parliament in regard to sanction of films for exhibition.

34. Registration of newspapers, books and printing presses, subject to legislation by Parliament.

35. Coroners.

36. Excluded areas.

37. Criminal tribes, subject to legislation by Parliament.

38. Vagrancy, subject to legislation by Parliament.

39. Prisons, prisoners (except State prisoners), and reformatories, subject to legislation by Parliament.

40. Bounds and prevention of cattle trespass.

41. Treasure trove.

42. Libraries, Museums and Zoological Gardens.

43. Provincial Government Presses.

44. Elections for Parliament and Legislative Councils, subject to rules framed under sections of the Act.

45. Regulation of medical and other professional qualifications and standards, subject to legislation by Parliament.

46. Local Fund Audit, that is to say, the audit by Government agency of income and expenditure controlled by Sub-Provincial Units of Government.

47. Control of members of All-India and Provincial Services serving within the Province, and control, subject to legislation by Parliament, of Public Services within the Province other than All-India Services.

48. Sources of Provincial revenues not included under previous heads.

49. Borrowing of money on the sole credit of the Province.

50. Imposition by legislation of punishments by fine, penalty, or imprisonment for enforcing any law of the Province relating to any Provincial subject, subject to legislation by Parliament in the case of any subject in respect of which such a limitation is imposed.

51. Any matter which is declared by the Viceroy, acting on the advice of the Cabinet, to be of a merely local or private nature within the Province.

52. Matters in respect of which powers have been conferred by or under any law upon a Provincial Government.

V. Powers of Parliament

1 Trade and Commerce with other countries and among the Provinces.

2 Taxation, but so as not to discriminate between Provinces or parts of Provinces.

3 Bounties on the production or export of goods, but so that such bounties shall be uniform throughout the Commonwealth.

4 Borrowing money on the public credit of the Commonwealth.

5 Postal, telegraphic, telephonic and the other like services.

6 The naval, military and air defence of the Commonwealth and of the several Provinces and the

control of the forces to execute and maintain the laws of the Commonwealth.

- 7 Lighthouses, lightships, beacons and buoys.
- 8 Astronomical and meteorological observations.
- 9 Quarantine.
- 10 Fisheries in Indian waters beyond territorial limits.
- 11 Census and Statistics.
- 12 Currency, coinage and legal tender.
- 13 Banking other than Provincial Banking; also Provincial Banking extending beyond the limits of the Province concerned, the incorporation of Banks and the issue of paper money.
- 14 Insurance other than Provincial insurance; also Provincial insurance extending beyond the limits of the Province concerned.
- 15 Weights and measures.
- 16 Bills of exchange and promissory notes.
- 17 Bankruptcy and insolvency.
- 18 Copywrights, patents of inventions and designs, and trademarks.
- 19 External relations including naturalisation and aliens.
- 20 Foreign corporations and trading or financial corporations formed within the Commonwealth.
- 21 Marriage.
- 22 Divorce and matrimonial cases, and in relation thereto, parental rights, and the custody and guardianship of infants.
- 23 Invalid and old-age pensions.
- 24 The service and execution throughout the Commonwealth of the civil and criminal processes and the judgments of the Courts of the Provinces.
- 25 The recognition throughout the Commonwealth of the laws, the public Acts and Records, and the judicial proceedings of the Provinces.

- 26 The people of any sect, community or religion for whom it is deemed necessary to make special laws.
- 27 Immigration and emigration and inter-Provincial migration.
- 28 Relations with States in India.
- 29 Political Charges.
- 30 The acquisition of property on just terms from any Province or person for any purpose in respect of which the Parliament has power to make laws.
- 31 The control of Railways with respect to transport for the naval and military purposes of the Commonwealth.
- 32 Railway construction and extension in any Province with the consent of that Province.
- 33 Conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one Province.
- 34 Control and cultivation and manufacture of opium, and sale of opium for export.
- 35 Stores and Stationery, both imported and indigenous, required for Imperial Departments.
- 36 Control of petroleum and explosives.
- 37 Geological Survey.
- 38 Botanical Survey.
- 39 Central Police Organisation.
- 40 Control of arms and ammunition.
- 41 Central agencies and institutions for research and for professional or technical training or promotion of special studies.
- 42 Ecclesiastical administration.
- 43 Survey of India.
- 44 Archæology.
- 45 Zoological Survey.
- 46 All-India Services.

- 47 Legislation in regard to any Provincial subject stated to be subject to legislation by Parliament.
- 48 Territorial changes, other than inter-Provincial, and declaration of laws in connection therewith.
- 49 Regulation of ceremonial, titles, orders, precedence and civil uniform.
- 50 Matters in respect of which this Constitution makes provision until Parliament otherwise provides.
- 51 Matters referred to Parliament by the Legislative Councils of any Province or Provinces, but so that the law shall extend only to Provinces by whose Legislative Councils the matter is referred, or which afterwards adopt the law.
- 52 Matters incidental to the execution of any power vested by this Constitution in Parliament, or in either House thereof, or in the Government of the Commonwealth, or in the Supreme Court, or in any department or office of the Commonwealth.

SCHEDULE 4

TRANSITORY PROVISIONS

Reservation of Seats

1. There shall be no Communal Electorates, i.e., each elector shall be free to vote for any candidate, but as a transitory measure, the number of seats reserved for Musalmâns and for Europeans in the Government of India Act, 1919, shall be continued for five years, and examined by a Franchise Commission, which shall make recommendations for its continuance, amendment or abolition.

Legislation affecting Religions

2. When any measure affecting the religion or religious rites and usages of any class of His Majesty's subjects in India is introduced at a meeting of either House of Parliament, it shall be referred to a Committee of the House in which it is introduced. The majority of such Committee shall

consist of members belonging to the class whose religion or religious rites and usages are affected by the measure; but where the measure affects the religion or religious rites and usages of more than one class, the majority of the Committee shall consist of an equal number of members of each those classes. Such Committee may take such evidence as it deems necessary, and if the report of the Committee is against the measure, it shall not be proceeded with in Parliament for a period of one year of the report.

Jurisdiction of the Supreme Court

3. Until Parliament has made laws under Section 54 in respect of matters specified in Section 52 (iii), (iv) and (v), original and appellate jurisdiction with respect to those members shall continue to be exercised by the Courts exercising them under the Government of India Act.

Method of First Panel for Election of Senate

4. The first election to the Senate shall be made as follows :

- (a) A number equal to the total number of members of the Senate shall be nominated by the Legislative Assembly under the Government of India Act prior to its dissolution;
- (b) A number equal to the total number of members of the Senate assigned to each Province shall be chosen by the Legislative Council of the Province ;
- (c) Such other persons who have been members of the Council of State under the Government of India Act, as shall signify by notice in writing, addressed to the Viceroy their desire to be included in the panel.

Duration of Membership after first Election

5. Not more than half the number of members of the Senate from each Province, to be chosen by ballot, shall retire at the end of three years. The remaining members shall retire at the end of six years.

Number of Members

6. The number of members assigned to the Provinces for the various Legislative Bodies shall be as follows :

SENATE		LEGISLATIVE ASSEMBLY	
Assam	... 8	Assam	... 16
Bengal	... 20	Bengal	... 40
Bihar and Orissa	... 20	Bihar and Orissa	... 40
Bombay	... 20	Bombay	... 40
Burma	... 16	Burma	... 32
Central Provinces	... 10	Central Provinces	... 20
Madras	... 20	Madras	... 40
Punjab	... 16	Punjab	... 32
United Provinces	... 20	United Provinces	... 40

Provincial Legislatures :

Assam	... 75
Bengal	... 200
Bihar and Orissa	... 200
Bombay	... 200
Burma	... 100
Central Provinces	... 100
Madras	... 200
Panjab	... 150
United Provinces of Agra and Oudh	... 200

7. *Salaries of the Viceroy and Governors*

	Rupees per year
Viceroy	... 256,000
Governor of Bengal, Madras, Bombay and the United Provinces	... 128,000
Governor of the Panjab and Bihar and Orissa	... 100,000
Governor of the Central Provinces	... 72,000
Governor of Assam	... 66,000

Salaries of Ministers of State

8. Until Parliament otherwise provides, the salaries of the Ministers of State shall be the same as that of the members of the Governor-General's Executive Council under the Government of India Act.

Salaries of Ministers

9. Until the Legislature otherwise provides, the salaries of Ministers shall be the same as that of the members of the Governor's Executive Council under the Government of India Act of the Province concerned.

Writs for the first elections

10. The writs for the first general election shall be issued by the Viceroy in the case of Parliament, and by the Governor of a Province in the case of the Provincial Legislature.

Finances for Sub-Provincial Units

The following suggestions are offered :

- (1) A certain percentage of the land and other provincial taxes collected in a Village be paid to the Village Panchayat for meeting their expenses. A convenient ratio will be one anna in the Rupee.
- (2) A certain percentage of the net land and other provincial taxes collected in a Taluka, after the payment of the percentage of the Villages in the Taluka, be paid to the Taluka Sabha for meeting their expenses.
- (3) A certain percentage of the net land and other provincial taxes collected in a District, after the payment of the percentage of the Talukas in that District, be paid to the District Samiti for meeting their expenses. The same may apply to Municipalities.
- (4) The Taluka should be allowed to sanction, with the consent of the District Government, the levy of additional rates and surcharges on provincial taxes up to a certain maximum by the Village Panchayats within the Taluka.
- (5) The District should be allowed to sanction, with the consent of the Provincial Government, the levy

of additional Rates, Cesses and Surcharges on provincial and imperial taxes up to a certain maximum by the Taluka Sabhas within their jurisdiction.

(6) The Provincial Government be allowed to sanction the levy of additional Rates, Cesses, and Surcharges on provincial and imperial taxes up to a certain maximum by the District Samitis and Municipalities within their jurisdiction.

(7) Provincial Subsidies be made to District Samitis and to a smaller extent to Municipalities from the Provincial Revenues for services of National importance, like Education, Trunk Roads, etc.

(8) Village Panchayats should have the right to tax themselves for improvement of Villages, for wells, tanks, etc., made by Village labor under the control of the Panchayat. Grants proportioned to the value of the Village labor may be made by the Sabhâ, the Samiti or the Legislative Council.

[The above suggestions will have to be worked out in Sub-Provincial Units Acts to be passed by the Provincial Councils in a Swarâj Government.]

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2003-04