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Topics of the Week.

Manishankar Trivedi.

THE cause of the Indian States' people, a cause none too widely supported in British India on account of apathy and in the Indian States because of want of organisation, has sustained a severe loss in the sudden death of Mr. Manishankar Trivedi, a Secretary of the Indian States' People's Conference and editor of the Gujarati daily, *Janmabhoomi*. A more earnest, sober-minded and unostentatious worker never lived. He worked tirelessly, though often unknown to the public, to improve the lot of the States' people in general and of the people of Kathiawad States in particular. Though he never abated a jot or tittle of the States' people's rights and, when it came to a fight, fought the Princes valiantly, he always managed to earn the goodwill of all the State authorities who came in personal contact with him, so amiable and just-minded he was. By the States' people he was deservedly looked upon as their guide, friend and philosopher who never failed them in their troubles. If anyone died in harness, it was he; for he collapsed just when he was addressing a public meeting held in Bombay to ventilate the States' people's grievances. It would take long for the Indian States' People's Conference to repair the loss caused by his death even partially. May his glorious example inspire others to give their lives to a neglected cause!

Madras Budget.

THE Budget for the Madras Presidency presented by the Premier who is also the Finance Minister, Mr. C. Rajagopalachariar, is a model of clear exposition. It does not make any startling proposals, as was of course not to be expected in the circumstances in which the Congress accepted office. But the modest

claim made by the Finance Minister is justified, viz. that "we have been able to give it (the budget) some Congress orientation" and that it has "made an effective start in implementing some of the major parts of our policy." The beginning made by the Madras Ministry must be acknowledged to be on somewhat bolder lines than that made by the other Congress Ministries that have so far presented their budgets.

THE most significant feature of the budget is the introduction of a lower scale of salaries for new entrants into provincial services and of the present incumbents when they will receive promotion—a cut ranging from 2½ to 30 per cent. The Government also proposes to apply for the necessary sanction of the Secretary of State for a similar reduction in the salaries of the present incumbents even when they continue to fill the posts now occupied by them. These cuts are, it is declared, "only a gesture", but a gesture which is worthwhile in creating "a new spirit of hope in the people of a juster distribution of the burdens of the State upon the people of the land." A beginning is made in prohibition which will cost 13 lakhs in the current year, and though no pledge is given to complete the execution of the policy in three years, and indeed the Government says that "it is proposed to proceed step by step and not all at once," the Finance Minister states that prohibition "is not to be regarded as a mere experiment," as the Bombay Finance Minister said, "but it should be understood as a first stage."

THE budget provides for a remission of land revenue of 75 lakhs. No permanent measures to lighten the burden of the land revenue assessment are proposed, but the need is recognised and the public's patience is bespoken while negotiations are carried on with the Central Government for devising alternative sources of revenue which will not add to the burden on the poor. Promise is given that "immediate steps will be taken" to relieve indebtedness, the provision in the current year's budget for this purpose being 30 lakhs. An energetic effort will be made to provide a protected water supply in rural areas and increased allotment is made to beneficent services to the tune of some 32 lakhs. Mr. Rajagopalachariar certainly shows a good grip on the finances of the Presidency and has given indications that his policy will be progressive.

"Extraneous Difficulties."

A BOMBAY journal has stated that, so far as its information goes, neither the Bombay Governor nor the Government of India is opposing any obstacle to the Congress Ministry's removal of the ban on certain workers' organisations and of restrictions on the movements of certain workers who are either open communists or supposed

to be communistically-minded. If this report is correct, then it is obvious that the maintenance of the ban and restrictions is a matter of the Kher Ministry's own choice. But we cannot vouchsafe for the accuracy of the report. It may well be that the Ministry itself is unwilling to give a free rein to communistic propaganda or activities, or that it is so half-hearted about it that it would rather like to shelter itself behind a threatened veto of superior authority, thus going before the public with a plea that it would safeguard civil liberty in every department but is prevented from doing so by the inadequate nature of the constitution under which it is working. The assumption that would underlie such a defence is that the giving of freedom to communists to preach their gospel or to engage in the kind of activities they undertake is not a matter on which a constitutional crisis would be desirable in the present circumstances.

It would appear that in some provinces at least a complete restoration of civil liberties to the people by the Congress Ministries is held in check by the fear, whatever grounds there may be for such a fear, lest the Provincial Governor or the Central Government should intervene and force a political crisis at a time when the Ministries would like to avoid it. For Pandit Jawaharlal Nehru, in a statement in which he grows lyrical about the need for preserving civil liberty, also deems it his duty to ask for a measure of public indulgence for the deficiencies of the Congress Governments in this respect. He says:

The acceptance of office (by the Congress) in the provinces does not vary this policy (of guaranteeing civil liberty), and indeed much has already been done to give effect to it. Political prisoners have been released, the ban on numerous organisations removed and press securities have been returned. It is true that something still remains to be done in this respect, but this is not because of any lack of desire to take further steps on the part of Congress Ministries, but because of *extraneous difficulties*. I trust that it will soon be possible to complete this task and to redeem our pledge in full by the repeal of all repressive and abnormal provincial legislation.

What are the "extraneous difficulties" that he has in mind? Do the Governors interpose their veto or the Government of India? If this is so, is it the case that ways are still being explored to get round the veto, or that, the exercise of the veto being certain, Pandit Jawaharlal considers menace to civil liberty such a trifling matter as not to be allowed to endanger the holding of office by the Ministries? The public has a right to know where exactly the Congress stands.

EVEN if the Ministries think it best to hold on to office in spite of the Governors' or the Government of India's intervention, they have a right, and indeed a duty, to inform the public that if they acquiesce in a continued attack on civil liberties it is because they are not allowed to carry out their desired policy and because they do not consider external interference in this matter to be such a serious encroachment on their power as to justify their resignation. Lord Linlithgow's declaration that the Ministries can make their differences with the Governors known to the public was regarded by the Congress as a great concession to it. In fact there was no reason to view it as something extorted from an unwilling Government, but if it is a valuable privilege, the privilege carries with it an obligation to the public. The obligation is that the Governments must not remain in office if they have yielded to the Governors without informing the public that they have done so. If the "extraneous

difficulties" obliquely hinted at by Pandit Jawaharlal consist of outside intervention, the least that the Ministries should do is to tell the people at large what the precise nature of these difficulties is.

So far as the Bombay Government is considered, we are not quite sure that the Ministry is in earnest about removing restrictions on working class organisations or on workers in these organisations but is prevented from doing so by the Governor. The Ministry itself may be doubtful about the expediency, and indeed even the justice, of such removal. But whatever the case may be, we are entitled to know why the restrictions continue:

(i) whether it is because the Ministry honestly thinks that they should continue, for the reason that communistic activities are a menace to public peace;

(ii) or whether it thinks they ought to be removed and the Governor vetoes their removal;

(iii) and whether it thinks it ought not to press for the removal of restrictions at the cost of having to quit office.

If civil liberty is to be a reality and the Congress Governments are to help in making it a reality, the public must know what endeavour the Ministries are putting forth to make it a reality, both in matters where they succeed and where they fail. A vague reference to "extraneous difficulties" is certainly not enough.

Civil Liberty under Congress.

MESSRS. S. M. JOSHI and S. K. Nigade were convicted in Poona last week under the Press Emergency Powers Act, section 18, for the publication and distribution of an anti-war pamphlet. It is interesting to note in this connection that the pamphlet, which we have carefully gone through, contains nothing but a reference to the Great War and explains that although the ostensible reason why the Allies fought Germany was to protect the rights of a small and helpless nation like Belgium, the real motivating force behind the great struggle was the desire of Germany to capture world markets and of the Allies, like Great Britain and France in particular, to retain them. Had the protection of inoffensive nations been the reason for such a mighty struggle, the pamphlet asks, why is it that today the very powers which waged that war against Germany are engaged either in violating sacred treaty rights, or in aggressive wars of conquest or in tolerating such aggressions and violations? The examples of Italy's conquest of Ethiopia and Japan's unprovoked war against China are cited to support the argument. The pamphlet goes on to advocate that if a similar war should break out and Britain should ask for India's help, we ought not to submit to the old wily arguments about the sacredness of treaties and ought to refuse to be carried away by sentimental hysteria cleverly manufactured by expert propaganda. It urges the people to organise peasants' unions and, what is worth notice, to do so under Congress auspices in order to strengthen the struggle for freedom.

WE fail to understand how this case did not come to the notice of the Congress Government in the Bombay Presidency. It is nothing but a shame that two devoted followers of their own party should suffer for being rather enthusiastic in propagating views which the present Congress Governments in the provinces have always held as a fundamental part of their political philosophy. It may be argued that the

conviction did not involve either of the accused in any substantial suffering, they being asked to pay a nominal fine. But the important fact remains that even a Congress Government could not find its way to stop its followers from being punished for propagating views which it is their duty to propagate as members of the Congress. The Faizpur resolution against war is unambiguous on this score. It adjures Congressmen not only to carry on propaganda against war but to resist preparations for war in whatever guise they may be made. As the law stands today, the court but did its duty, but that cannot be said of the Congress leaders in the Presidency, who should have considered it their first charge to repeal all repressive Acts at the earliest possible opportunity, Acts against which they themselves have incessantly fulminated inside and outside the legislatures. In any case the present prosecution could have been withdrawn. To say that India should not help the Britishers in a war in which she herself is not interested, or even to preach that England's difficulty is India's opportunity has been one of the trite arguments of political agitators even under the old regime and, as far as we can understand the pamphlet, it says nothing more than that.

WE have taken such long notice of this small case not only because it involves an important principle of public policy and civil liberty but because we fear that if the Congress Government is capable of turning the blind eye to inconvenient facts concerning their own followers, they will be far more callous when non-Congress groups or persons are hauled up for exercising their right of free expression and free association. It is a pity that, in spite of the matchless strength behind them, the Congress Ministers seem to be unable to control the bureaucratic fervour of their minions in the service. Or perhaps they are themselves cold to the cause of civil liberty.

Army Arguments.

THE Central Assembly recorded sharp disapproval of the Government of India's expenditure policy, particularly in connection with the Army, by carrying by a majority of 19 votes Sardar Sant Singh's resolution for economy in the central expenditure to enable Government to give more help to the Provincial Governments for their nation-building activities. The replies from Government side were blunt and it is not surprising that they were so, seeing that the Opposition fire was concentrated particularly on Army expenditure. Two Government spokesmen, Mr. C. M. G. Ogilvie, the Defence Secretary, and Col. A. E. B. Parsons, the External Affairs Secretary, replied to the attack. The Defence Secretary sought to make out a case for the Government by quoting figures to show that the per head expenditure on the Defences in India is far below that which obtains in Great Britain. The statistical accuracy of his figures may not be questioned, but his argument would have been more convincing if he had given statistics pertaining to the proportion the expenditure bears to the minimum living cost in each of these countries, as well as to the return in national services which the tax-payer gets for his money.

MR. OGILVIE maintained that the organisation, equipment and administration of the Indian Army has to be on a par with the present-day standards of efficiency in the British Army so that when the Army in India had to co-operate with the British Army on any occasion there might be no dissimilarities of organisation which might render co-operation difficult. This is a plausible excuse to force not only British methods

of Army organisation, but British troops and officers on India, but it does not stand the test of logic. The argument which Mr. Ogilvie advances for organisational similarity between the Army of Great Britain and the Army of India can well be advanced for similarity between any two friendly nations which enter upon a defensive and offensive pact and where co-operation between two armies belonging to and controlled by two different nations becomes necessary on occasions. But it is quite well-known that no such similarity can exist or is claimed when any such pacts are entered into. A dissimilarity which does not affect either efficiency or effectiveness of co-operation between the armies of two independent and sovereign nations suddenly becomes an insurmountable difficulty when the question of the re-organisation of the Indian Army according to her national needs and capacities is discussed! No, that argument will not wash.

Wholesome Advice.

IT seems that even the very moderate proposals embodied in the Bombay Government's budget have aroused the landed interests in the province to opposition. At a meeting of the Sardars and Inamdars Central Association, the President delivered an address which shows that this privileged class forgets nothing and learns nothing by the passage of time and the history of events in the past. The proposals of the Bombay Minister for Finance were condemned as unjust, harsh and inequitable. The idea of graded agricultural taxation came in for particular condemnation, for obvious reasons. The class of people which represents this obstinate mentality were given some wholesome advice by Lord Brabourne, the Bombay Governor, at the Sardars' Darbar of September 3. The Darbar was held within a week of the meeting of the Association referred above and we have no doubt that the views expressed at the Association must have been before Lord Brabourne when he penned his address.

REFERRING to the privileged position of the Sardars, the Governor observed that its basis has been "partly statutory and partly customary". The statutory rights, he hoped, would not be affected without legislation in regard to which they would have the fullest opportunities of expressing their views and influencing the legislatures. Their customary status, however, stood in a different category and Lord Brabourne gave wholesome advice to the Sardars in regard to the maintenance of their status and dignity. Said the Governor:

As a result of the constitutional changes, it will depend very largely on you personally whether you are able to maintain these. It has been the experience in all countries that, with the growth of democracy, involving the enfranchisement of large numbers of people of small means, the landed aristocracy can only hope to maintain its position if its members realise that they must be dependent upon their own ability rather than upon their hereditary position. I therefore appeal to you, as a body, to take a far more practical interest in public affairs and the questions of the day than some of you do at present.

Lord Brabourne made pointed reference to the small number of members of the Sardars class which seeks election to local bodies and which shows a reluctance on the part of the privileged class to seek the suffrages of the people. This reluctance is a clear indication of the fact that these interests are as yet unwilling to offer themselves for public scrutiny, by no means a healthy attitude and certainly not one to lead to safety in the long run.

COERCION AND CONSENT.

I.—THE INDIAN SCENE

THE Government of India has made it clear that in the feverish negotiations that it is carrying on with the rulers of Indian States the people of British India will not be allowed to have a look-in. Mr. Satyamurti's short notice question on the subject the Law Member declined to answer; a question sent in after the usual notice elicited the brusque answer that it is not proposed to consult either the central or provincial legislatures; and an adjournment motion tabled to discuss this unsatisfactory answer was disallowed. All which shows that the British Government will proceed with negotiations with Indian Princes and thrust federation on British India in despite of the wishes of its people. In the meantime the legislative assemblies in Congress provinces (and in Sind too) are passing resolutions condemning the whole constitution and the Congress Premiers are denouncing federation in no uncertain terms.

Mr. C. Rajagopalachari, the Premier in the Madras Government, almost on the first business day in the Legislative Assembly of the province, explained in detail what the Congress objection to federation was, in moving his motion on the constituent assembly. He said:

The heads of Indian States who refuse to give any form of responsible government to the people of their own States and who are autocratic and who do not have any experience of any kind of parliamentary or democratic institutions are now to come in, in the proportion of their area, population and salute of guns, and placed in a dominant position of statutory authority over the provinces in the sphere of legislation, administration and finance. . . . This arrangement about the federation is essentially bad and unworkable as a mixture and even if worked, will be intolerable. It is possible to conceive of an alliance for military and defence purposes between wholly different States; it is possible to conceive of Germany entering for defensive and military purposes into an alliance with England or Italy, but it is impossible to conceive of a Parliament at London to which the heads of Germany and Italy can send representatives to sit together with the members of British Parliament and run a common civil government for England, Germany and Italy. That is exactly what is sought to be done under the Federation that the Act contemplates. The objection of the Congress to federation that I point out here—I do this so that there may be no misunderstanding on the point—is not to the idea of Indian unity or an Indian central constitutional authority, but to this grant of authority to irresponsible Rulers of States to administer our affairs. As and when each Indian State advances to the level of responsible government of at least our own provinces, we may admit responsible representatives of those States to a share of federal authority; but not until then.

In his reply to the debate on the motion the Madras Premier further explained and justified the Congress attitude to federation thus:

He would make it perfectly clear that the federal structure was wholly retrograde and could not be accepted by the people of India. Because they had agreed to try the experiment of taking up office in the provincial sphere, it did not mean that the whole Act was experiment-worthy. This was the real object of the resolution. Congress acceptance of office in the provinces did not in the least imply their acceptance of the sea-worthiness of the federation scheme. Himself and his party were as convinced as ever that the federal structure was absolutely ridiculous.

No member opposite had come forward to defend the introduction of the autocratic Indian State authority for the first time in the government in this country, into the administration of what might be called purely British provinces. One member said, "Do not please end the constitution, but please begin it." No doubt it was a beautiful antithesis; but he would ask in turn, "Why should I agree for the first time that Indian States who refuse to give representative institutions or responsible government to their own people in their own States should be allowed to make experiments in ruling us over such important civil matters as have been reserved for the centre in addition to the defence of the Empire?" He could understand that different Governments might combine together for the common military defence of the country. But why should the States which did not have any representative or responsible government in any sense of the word, be allowed to govern income-tax, criminal law and such other subjects of administrations of the country where a higher degree of democracy had been reached? This, he said, no member had attempted to defend, because apparently the position was indefensible. Even the Leader of the Opposition touched merely the fringe of the problem and merely stated that even as they experimented with provincial autonomy, they could try the experiment of federation. That certainly was not enough reason. If they had the courage to take certain risks, it did not mean that they should take risks of a wholly different kind—more dangerous and of a larger magnitude.

Finally, he said:

Unity is a good thing; all India unity is a good thing. I want to unite with a tiger. I want to make it a watchdog. But I cannot afford to walk into its mouth to make experiments. I can say that the experiment with the autocracy in India is very near to walking for the sake of unity into the stomach of my friendly tiger.

In the Bihar Legislative Assembly the Prime Minister, Babu Srikrishna Sinha, made a long speech in moving a similar motion and stressed two points with regard to federation which made it incumbent on the Congress, according to him, to reject the federal scheme *in toto*. These two points were the nominated bloc of the Princes and the power of *liberum veto* granted to them under the constitution. On the first point he said:

Now, Sir, what is that legislature which we have got? It is not the legislature which will be able to give free scope to the desire of the people of India. We have a Legislative Assembly where 63 per cent. of the members are to be elected and 33 per cent. of the members are to be nominated by the rulers of Indian States. British statesmen cannot tire of telling the world that India has been given self-government and at the same time we have got in this Act a provision for having a nominated bloc in the Council of State and in the Legislative Assembly. Now, Sir, in these democratic days the rulers of Indian States stand as solid rocks against which ideas and sentiments arising from democracy have been beating in vain and the people of those States have got no rights. Now, Sir, these rulers are to nominate one-third of the members of the Legislative Assembly and one-third (two-fifths) of the members of the Council of State.

On the second point, Babu Srikrishna Sinha said:

There is one clause in the section by which it has been arranged that these rulers of Indian States may, if they like, form themselves into a permanent stumbling block in the path of India's progress. Sir, all the provisions of the Government of India Act are divided into two classes. There are certain provisions which can be amended without affecting the accession of the States to the federation. There are certain provisions in the sections of the

Government of India Act which cannot be amended without affecting the Instrument of Accession. If the Princes stand up and say, "Here is my Instrument of Accession, here is the Government of India Act, you cannot amend these things without our consent," they cannot be amended. In Schedule 2 are given those provisions which cannot be amended without affecting the accession of these States. It is a long Schedule and I do not like to tire the patience of the House by reading the whole. So, if these rulers take it into their heads to stand against the proposal, they can stand up and say, "You cannot make over external affairs to the people of India." It was a very acute British politician who has said that according to this section no progress of India to full responsible self-government can be had by these rules when Indian rulers will be standing in their way. Sir, this is as regards the legislative side.

The *Tribune* does not approve of the formation of a constituent assembly, but approves of the motion on the subject, because, according to it, the main object of the motion is "to condemn the federal part" of the constitution. Indeed, Mr. Rajagopalachari said so. The paper has put the salient points exceedingly well, and remarks that if in spite of the unanimous condemnation of federation by all political parties, the British Government brings it into operation, the Government will have no moral authority behind it. The paper says:

There can be no such thing as a federation of autonomous provinces with autocratic Princes. The thing is, on the face of it, unnatural. And when the autocratic Princes are brought in, as they have been brought in in this case, with the sole, undisguised object of neutralising the democratic elements contributed to the so-called federation by the provinces, this unnatural arrangement becomes positively dangerous. To say, as some people do, that responsible government in the States will come in the wake of federation is to put the cart before the horse. It is federation that ought to come in the wake of responsible government and not *vice versa*. Had the British Parliament either known its duty or meant business it would have given India a federation immediately consisting only of the autonomous provinces, but with provisions for enlarging its scope so as to include any and every responsibly governed State as time passed and as the States began to enjoy responsible government in their own affairs.

By creating an all-India federation consisting of autonomous provinces and autocratic Princes, the authors of the new constitution have not only not laid the foundation of responsible government in the country as a whole, but have effectively barred its advent. . . . The autocracy of the Princes is strongly entrenched by their being placed in a position of authority in the central Government from which it will be possible for them to prevent or suppress any move towards the democratisation of the States. Lastly, the advance of India as a whole to the status and position of a self-governing Dominion on a level with Canada, South Africa and the Irish Free State is effectively obstructed by giving not only the Princes as a body but every single one of them a sort of veto in respect of any proposal calculated to improve the position of India *vis a vis* the British Government or the British Parliament.

The last point that the *Tribune* makes, viz. that the Princes have individually and collectively an all-pervasive veto power and the further fact that a federation, once formed, cannot be brought to an end even if the experiment proves a dismal failure forbid any light-hearted experimenting with federation.

II.—THE S. AFRICAN SCENE.

While the British Government seems bent upon foisting upon British India a federation

which in constitutional theory will be perpetual and can never be terminated and in actual practice can never be improved, in spite of uncompromising opposition declared through all possible channels by the British Indian people, it holds out firmly against the transfer of the South African Protectorates—Swaziland, Bechuanaland and Basutoland—to the Union Government of South Africa except with the consent of the people of the Protectorates. The contrast in the attitude of the British Government towards these two questions is most glaring.

General Hertzog, the Premier of the Union, has been pressing His Majesty's Government hard for the last twelve years to hand over the Protectorates to the Union Government, but the British Government has so far successfully resisted his pressure and declared its determination to resist it in future till the natives of the Protectorates have been consulted and have expressed their willingness to the incorporation of the territories in the Union. General Hertzog raised the question first in 1925, again the following year on the occasion of the Imperial Conference, and similarly at all the three successive Imperial Conferences. Particularly during the last two years the question is represented as being most urgent, and now General Hertzog has held out a definite threat of creating a crisis in the relations between the two Governments unless transfer of the Protectorates is speedily effected. The British Government, however, is adamant in its position that the transfer cannot take place against the wishes of the people concerned.

When the Union Act was passed in 1909, the question of transfer was considered comprehensively by the British Parliament, and the conclusion arrived at was that while transfer could not be permanently ruled out, it could be considered a practical proposition only when a guarantee was forthcoming that the interests of the natives of the territories would not suffer by the change. In the debate that took place in the House of Commons on 29th July, Mr. Creech Jones gave a bit of past history of this legislation. He said:

When the Act of Union was passed the whole question of transfer was tied up with the whole question of native policy. It was partly because we could get no satisfaction, in the negotiations at the time of the Convention and subsequently, that reservations were made in the Act both in respect of South Africa itself as well as the Protectorates. Lord De Villiers said at the time that Great Britain regarded itself in a special sense as the guardian and trustee of the natives of South Africa, and that if a settlement of the native franchise question was regarded by us as unsatisfactory, the Protectorates would not be considered for transfer. A little later Lord Selborne said that the obligations of His Majesty's Government to the tribes inhabiting Basutoland and Bechuanaland Protectorates were obligations of honour of the greatest possible weight, and that in respect of Swaziland the obligations were only different in degree. It was partly because of this disagreement that the Schedule was made to the Union Act. It was made permissive and so strong was the feeling in this House at the time, in regard to the possibility of transfer, that the Government spokesman, when the Bill was going through the House, declared that it did not bring transfer an hour nearer; in fact it made it more difficult.

Thus Section 151 was inserted in the Union Act, which says:

The King, with the advice of the Privy Council, may, on addresses from the Houses of Parliament of the Union, transfer to the Union the government of any territories, other than the territories administered by the British South Africa Company, belonging to or under the protection of His Majesty, and inhabited wholly or in part by natives, and upon such transfer the Governor-General in Council may undertake the government of such territory upon the terms and conditions embodied in the Schedule to this Act.

Transfer has become difficult now, because the Act contemplated that even if transfer took place the administration of the Protectorates by the Union Government would still remain subject to the reservations mentioned in the Schedule, but it has since been found that, on account of the Statute of Westminster passed in 1929, these reservations would be inoperative when once transfer was permitted. That is to say, the Protectorates must be handed over to the Union Government lock, stock and barrel or not at all.

General Hertzog has made transfer of the Protectorates a question of prestige, a question of South Africa's political status. But apart from this there are certain reasons which make incorporation of the territories in the Union a matter of urgent practical importance. Mr. Jones suggested that the reasons were as under :

First, it seems obvious that the Union Government want a great source of labour supply for their farms, their towns and mines, and the Protectorates offer a considerable labour reservoir which can be drawn upon, and is being drawn upon in some respects to a degree which has very severe social consequences in the Protectorates. It is obvious that in the days to come the Rand will call for more and more labour and that the transfer of the Protectorates to the Union would bring these reservoirs of labour completely under Union control. It is unfortunate that a great deal of this Protectorate labour when it enters the Union is used to depress the wage standards of the native people belonging to the Union. It seems to me that the Union is pressing its claim partly because of the results of its own native policy. That policy has been vigorously pursued in the Union and there is a great demand for land by the natives, a demand which cannot be satisfied, and the only hope of satisfying that demand is by incorporating the Protectorates and putting more natives on to the land in the Protectorates, because such lands cannot be found in the Union itself. I wonder whether another factor in the claim of the Union for transfer of the Protectorates may be the suspicion that there is mineral wealth in certain lands of the Protectorates which cannot be alienated.

But the very reason which makes acquisition of the Protectorates a matter of vital importance to the Union renders such acquisition impossible. It is the unsympathetic and repressive native policy of the Union Government that makes the Government cast its longing looks on the Protectorates, and it is just this policy which strengthens the opposition of the natives in the Protectorates to a possible transfer.

For, ultimately, the transfer is contingent upon the natives themselves consenting to it. On this matter an agreement was arrived at between the British Government and the Union Government, and it was embodied in an *aide memoire* of 15th May, 1935, which said :

The policy of both Governments for the next few years should be directed to bringing about a situation in which if

transfer were to become a matter of practical politics it should be effected with the full acquiescence of the populations concerned.

This of course involves far more than a pledge that "the transfer will not take place until the local populations have been consulted." If consultation with the natives results in their giving consent, then only can transfer take place. The Dominions Secretary was urged in the Commons debate to say explicitly that native consent was a pre-requisite of transfer, and if Mr. Malcolm Macdonald refused to do this, it was only because the *aide memoire* agreed to by both Governments had stated specifically that transfer could be effected only "with the full acquiescence of the populations concerned." Further, General Hertzog had himself stated that the Union Government would not wish transfer to take place unless the inhabitants of the territories "are prepared and desire to come in." The British Government, while making "the full acquiescence of the populations concerned" a condition precedent to transfer, agreed two years ago that the two Governments would co-operate in creating a position within a few years which would permit transfer with the goodwill of the populations. Accordingly instructions were sent to the officials in the Protectorates to implement this policy of securing native goodwill, but General Hertzog understood this undertaking on the part of the British Government to mean that it would issue such instructions as would result in forcing the natives of the Protectorates unwillingly into the Union, and he makes a serious complaint of it when the British Government tells him that if it were to issue instructions of the kind that he would like, it would be "accused of using the officials in the territories for exercising improper compulsion on the natives under their control"!

General Hertzog is hot with indignation at the delay in the transfer. Last year he held out a threat to the natives; now he holds out a threat to the British Government itself. He declared last year: "We must say to the natives that the longer they decide to remain out the more they will have to pay." He declared this year, on 6th July, immediately on his return to South Africa from England after the Imperial Conference: "In these circumstances it is inconceivable for me to believe that there should be much further delay in the transfer of the territories, or that the Union Government should be compelled to have recourse to the South Africa Act to request the King, by means of a decision of Parliament, to accede to the transfer." General Hertzog's threats must not be taken as a result of a mere petulant outburst, for he is known to be as good as his word, and he may in fact move the Union Parliament to proceed by address to the King-in-Council, as provided for in the South Africa Act. The consequences of this would be very serious to the future of the whole Empire, for an issue would then arise in which the King would be advised by his British Ministers in one way and his South African Ministers in another way. Such an issue has not yet arisen in the Empire, and it would clearly be to the interest of the British Government not to provoke an open controversy on it.

Yet, the Dominions Secretary was quite firm about it. He repeated that transfer would not take place until the wishes of the local populations had been very fully ascertained and until Parliament had the fullest opportunity of expressing its views. He said: "The Government regard them as most solemn pledges. We abide by them without any qualification at all. . . . Neither in this country nor in the Union are these territories regarded simply as pawns in some game between the Union of South Africa and the United Kingdom. We must consider not simply the interests of the Union or the interests of the United Kingdom. We have to consider in this matter very seriously the interests of the population, both European and native, in the territories concerned."

The first step in carrying out the pledges is to consult the natives, but they are not likely to agree to transfer. They have repulsed every advance made by the Union Government to cultivate their good opinion, though such advances are none too many. For instance, they refused the Union Government's offer of £33,000 to the Protectorates last year chiefly for water-boring and the prevention of soil erosion, though the British Government advised them to accept it, just because they feared that it would be made the basis of a claim for transfer. It is contended by some competent judges that materially the Protectorates will not suffer by transfer. This may be true although those who put forward such a contention do not give due credit to what the British Government is doing, wholly inadequate as it is, to improve their condition in accordance with the recommendations of Sir Alan Pim's report. The British Government is at present carrying out, as Mr. Macdonald informed the House of Commons, a scheme of combating soil erosion in Basutoland at a cost of £160,000 and of improving water supply in Bechuanaland at a cost of £140,000. In addition, an expenditure of £566,330 has been approved by the Colonial Development Fund Committee on development works in the three territories. But, assuming that incorporation in the Union would bring material benefits to the Protectorates, the natives want something more than such benefits. As the *South African Outlook*, of Lovedale says in its issue of 2nd August:

The native people, however, are convinced that even were material benefits to result from incorporation, the losses in other directions would more than outweigh the gains. They look over their borders into the Union and they see a policy of repression, of race discrimination, economically, politically and in the dispensation of justice. They see colour bar laws, pass laws, liquor laws, and a host of other enactments which are weighted heavily against the Bantu but do not apply to the white man. In their territories to-day the inhabitants of Bechuanaland, Basutoland and Swaziland have a measure of freedom, an ease and a comfort of spirit which they value and treasure. But they see lying over the native areas of the Union the shadow of years of legislation which has been inspired by fear and has in turn inspired fear. In addition, the Protectorate Bantu are afraid that incorporation would mean the use of their territories by the Union Government as dumping grounds for the surplus of native population evicted from the towns under the Native Laws Amendments Act, or for the settlement of poor whites,

"Let the Union Government first adopt a liberal and progressive native policy in its own area", say the natives; "and we shall then consider whether it would be better for us to go over to that Government. As it is, we had best remain where we are and press the British Government to hurry on with its development programme." Anyhow, it is clear that they cannot be forcibly placed under the Union Government's control; such a change must be voluntarily accepted by them.

III.—THE CONTRAST.

The contrast between the methods adopted by the British Government in India and South Africa will leap to the eyes even of the most casual observer. In South Africa it stands firm that the natives cannot be handed over to the Union Government without their consent. There may be some difference of opinion as to how their opinion can be ascertained. A plebiscite is supposed to be impossible among them, but anyhow it is agreed that they must be fully and patiently heard, and no change adopted unless the natives in their communal assemblies or otherwise express themselves decidedly in its favour, particularly because transfer to the Union Government, if once effected, will be both complete and irrevocable. In India, the measure now proposed is still more irrevocable because it will never become possible by constitutional means for the people in this country to extricate themselves from the deadly coil of federation. They must use direct action for this purpose, and yet the British Government is thrusting federation upon them and thus indirectly driving them to direct action. The people with one voice have declared themselves to be totally and categorically opposed to it. The Government, however, still goes on gaily with its plan, which it knows will effectively counter their advance to democratic self-government. If it were to do in India what it has done in South Africa, it would allow the States' people's voice to be heard, whatever the legal technicalities may be, and allow it to prevail, apart from treating the British Indians' voice in a similar way. In fact, not only does it not want to know what the States' people's feeling on the subject is, but it is willing also to set aside the declared views of the people in British India. It may perhaps be that in adopting different ways in dealing with the two countries the British Government consults its own interest. Whatever that may be, it cannot escape from the charge that while it stands for Free Consent in South Africa it stands for Naked Coercion in India.

DEBT RELIEF.*

THE rural credit system to-day is in the hands of various types of money-lenders. At the one end is the small cultivator who has saved a few rupees in his wages and at the other end the local banya, and between the two come in different grades of moneylenders. Agriculture requires credit for a

* The above is a summary of the first of the two lectures delivered at Gokhale Hall in Poona on 22nd August.

larger period for the realisation of produce, credit in seasons of failure of crops, credit for purchase of cattle, and credit for farm equipment and land improvement. The cultivator's family is helped with provisions on credit by the grocer. The trader advances him loans on pledge of crop or produce. His needs are the opportunities of the creditor for making profits. The evils of a disorganised credit system can be eradicated only by the substitution of a well-organised credit agency. Without it, legislation controlling money-lending cannot achieve much. The courts may regulate recoveries, but only when the creditor or debtor applies to the court. The flow of credit in rural areas is due more to the inherent goodness of the ryot to pay all he can and less to the facilities offered by law and modern administration. It is due equally to the ignorance of the money-lender who knows only the crude method of investment in a rickety ryot and has neither knowledge nor the assistance of the State to employ his capital better. Attempts may be made to give relief by exempting certain necessities of life and occupation from attachment by a court of law, but no debtor will dare stand on law when his moveables are attached, so long as he feels he ought to repay his obligations to the creditor. You may reduce interest rates, but the money-lender will realise what he considers his due by increasing the amount of the principal in the bond. You may restrict the period of mortgages. The money-lender will get a sale of land made in his favour. You may exempt land from attachment unless specially mortgaged. The money-lender will convert loans on personal security to loans secured on mortgage. Understanding these various limitations, the following proposals for the legal protection of debtors are made.

The law on the subject is not very definite. In order to give relief to agriculturists the Civil Procedure Code exempts cattle and seed grain from attachment but leaves it to the discretion of courts. It exempts the house of an agriculturist, but courts have interpreted the law so as to make it applicable only to houses attached to non-transferable holdings. It exempts a portion of agricultural produce to be determined by local Governments. Very few Governments have taken action on it. It exempts wages of labourers, but the judgments exclude the wages of the so-called skilled labourers. It exempts tools of artisans, but the oil mill of a Teli can be attached. Local Governments are empowered under Section 68 to notify that execution of decrees by sale of lands be transferred to the Collector in a local area. It empowers a Collector to stop sales by a court and to arrange for temporary alienation. The Code also makes provision for the maintenance of the judgment-debtor's family during the execution of decrees of sale of property, if the court thinks fit. The insolvency law, again, permits the court to make provision for the same. The Deccan Agriculturists' Relief Act provides for summary provisions for insolvency, giving every relief to the debtor. But owing to the indefiniteness of the provisions and the discretion given to courts, control of

credit and relief to the debtor have not been achieved to the extent intended by the framers of the law.

The civil law at present does not help towards sound banking methods. A mortgagor is not permitted to repay the loan in advance of the period fixed. This should be remedied as provided in Section 15 A of the Deccan Agriculturists' Relief Act. The provision of instalments is the first principle of agricultural banking, and it should be made obligatory on courts to provide them when passing or deciding decrees except in exceptional circumstances. (U. P. Agriculturists' Relief Act Sections 3, 4 and 5.) No sound bank would like to be converted into a Court of Wards managing an estate. It will try to avoid getting lands in lieu of money. As the extension of mortgages to more than a generation is almost a sale of land, their possession should not be permitted for more than a generation. When the court therefore passes a decree it should revise the term of mortgage to 20 years. When a mortgagee applies for redemption, the Collector should have power to revise the period after making a summary enquiry. (Punjab Land Alienation Act, Sections 7, 5 and 9, 2; U. P. Act, Sections 9 to 17 and Redemption of Mortgages Act, Punjab.) If a loan cannot be repaid either in instalments or by handing over possession of land up to 20 years, the court should transfer the decrees to the Collector for execution in the case of small holders. When all the saleable property other than land has been adjusted to debts and when there is a balance of debt to be repaid, the Collector should determine the amount of land to be let for 20 years or to be transferred to the creditor or charged during the period when the debtor repays the instalments. In so determining the minimum, whatever land necessary for the support of the debtor and his family should be set apart. The letting value will be twenty years' net profit from the land with due provision to extend the period to cover years of agricultural calamity. (Sec. 25 U. P. Encumbered Estates Act.) Where the debtor defaults in instalments or the creditor wants the land to be transferred to him or sold, its transfer value will be fixed. The transfer value will be a certain multiple of the land tax or net profit. If the creditor refuses to take the amount of land so determined, the land will be brought to sale. (Section 28.) And if it brings a price less than the amount of the decree, the decree should be deemed to be discharged. If the transfer value of the amount of land determined is less than the amount of debt to be repaid, the creditor is free to adopt any remedy open to him for the balance not covered by the transfer value. (Section 7, U. P. Regulation of Sales Act, 1934.) The Collector may also fix the instalments for 20 years as a charge on the land where instalment value has been determined and ask the debtor to repay it at $4\frac{1}{4}$ per cent. Where he defaults on two consecutive instalments, the whole amount will be recovered. Where instalments are fixed, Government will give bonds at one per cent. less than what is paid by the debtor to the creditor as interest which will not be more than $4\frac{1}{4}$ per cent. (Section 27 and 30, U. P. E. E. Act.)

Where the debts decreed against a debtor exceed the transfer value of the minimum holding for maintenance, he shall be declared an insolvent and all his assets other than the minimum holding and the dwelling house shall be rateably distributed. The debtor shall also repay up to half the surplus from his lands up to a period of ten years and from any other sources of non-attachable incomes. There shall be no appeal in these cases in regard to small holders. (Sections 29 to 37, Deccan Agriculturists' Relief Act and Section 22 Bengal Debtors' Act.) All these restrictions will impose an upper limit on borrowings but they may be evaded by voluntary sale. The law should therefore provide some restrictions on sale to examine whether the transferer has other means of income, whether the transferee is a cultivator, whether he wants to take to any other occupation, whether the holding is hereditary or acquired, etc. It is also necessary that a minimum subsistence should be provided for an agriculturist and a rural worker so that either of them might not be hampered in the pursuit

of his occupation. In the case of small agriculturists paying a land revenue of Rs. 30 and below, his dwelling house, a minimum produce worth Rs. 50, cattle fodder to the value of Rs. 50, implements and materials of husbandry such as seeds and matured cattle, sheep and pigs necessary for husbandry and his wages should be made non-attachable. (Ajmere Court Regulation, 1877, Section 30.) His raw materials and other livestock kept for subsidiary industries shall be attachable only to the extent of the lien on them provided for the creditor who gives loans for such specific purposes. In the case of the rural worker who makes less from land and more from other work, his tools, his raw materials and finished produce to the value of Rs. 25 and cattle required for one turn-over shall be non-attachable for debts, subject to the proviso that a creditor will have a lien on the produce of raw materials and on cattle for which he has lent money.

K. G. SIVASWAMI

REDUCTION OF PROVINCIAL SALARIES.

A REJOINDER.

I

IT was with considerable interest, if not profit, that I read my friend Principal D. R. Gadgil's article on "The Salaries of Public Officials in India" in the SERVANT OF INDIA of August 19. Even his criticism flatters me, for if there is one person in India who has made this subject entirely his own and who is qualified to speak upon it, it is he, and there is much of importance in his brilliant brochure on the subject with which I fundamentally agree. My Cassandra croakings, however, regarding the *present* move of the Provincial Congress Ministries to reduce the *existing* salaries of the Provincial officials, were inspired by a reasoned pessimism about the necessity, the expediency and the supposed benefits of the Congress proposals. In voicing those croakings, I am not aware that I "dared other economists to challenge" my conclusions; however, on such a question of public importance, I do not think any apology is necessary for the threshing out of issues by two professional economists like Principal Gadgil and myself. In what follows, therefore, I shall be concerned, firstly, with answering Principal Gadgil's objections against my views on the present salary problem; and only secondarily, with the clarification of my own position, for I feel that I overstressed (in my article on the question) certain points such as the moral and political consequences of reduction, while more vital arguments of an economic purport, such as contractionism, the net gain of the measure to society, the choice of other alternatives, etc. remained somewhat undeveloped.

Before attacking the main problem, therefore, I shall begin by clearing up certain side issues raised by Principal Gadgil. He contends that the twin principles of Gandhian simplicity and socialistic equalitarianism, which I read into the Karachi re-

solution and the present proposals, are not a proper interpretation, but that the resolution was "just progressive or reformative" in character. I do not wholly agree that the Rs. 500 limit is "not of a leveling character," but if Principal Gadgil would only read more reform or progress into the resolution, he is entitled to his own view. However, Pandit Jawaharlal Nehru's utterances after the Congress declarations and Mahatma Gandhi's reported dissatisfaction with the Ministers' acceptance of the very maximum of salaries laid down, point towards a conclusion favourable to my interpretation. As regards Principal Gadgil's proposition that Rs. 500 is or should be the focal maximum of salaries or incomes in India, I reserve my judgment at the moment. The philosophical basis of the resolution is, however, a minor issue.

I am glad that Principal Gadgil would at least respect "in a proper degree, contractual obligations," although he would not attach any significance to the investors' expectations. State policies, however, are not "acts of God," and cannot be pleaded as extenuating the breaches of contract, express or implied, unless the social gain in doing so is overwhelming. I agree that circumstances are possible where no obstacle would be too great and no sacrifice of sectional interests would be too enormous, where social reforms of overwhelming importance are involved. Still I am not convinced that the revision of the moderate ranges of the provincial salary scales, which have been already reduced once (and, rightly, for the new entrants) and which alone are relevant at present, is such an urgent and socially indispensable reform; nor that the net gain resulting from a reduction of such salaries—i. e., supposing that the funds saved are more usefully employed in other directions and are not swallowed up by existing deficits,—is of such a high order of magnitude. There is hardly any

doubt that there is a moral contract between the Governments and those among the provincial employees who invested enormous amounts on their education, at home and abroad, in expectation of rewards offered for such qualifications. Principal Gadgil's passing note, that the salary cut of 1930 and the Karachi resolution were themselves "sufficient warnings" to the investors, does not hold water, because the former was an admittedly temporary measure, while both the 1930 cut and the Karachi resolution are of too recent occurrence to serve as warnings to a majority of investors who had already committed themselves, as it is, the years prior to 1930 which one would expect to be more relevant here. Without prejudice to my earlier statement, to which I still adhere, that salary reform in the topmost scales, of Imperial services in particular, may be urgent and productive of certain beneficial results (subject to or even in spite of the contractionist argument developed by me), and without prejudice to a further conclusion that a reduction in those quarters will not unduly disappoint expectations, I maintain that there is no extenuation available for the present proposals of the Congress Ministries on this ground.

I shall now deal with some of the other non-economic arguments, on the "cumulative evidence" of which I relied in my article. These arguments were advanced by me, not in the capacity of an economist, but in that of one who takes an intuitive grasp of the situation as a whole at arriving at practical conclusions. One such argument was that of the moral fabric of the services. Principal Gadgil attempts to put me on the horns of a dilemma by quoting me against myself that "a large percentage of public servants" have their "price" and using this quotation to tell me that "there is no salary so high that it will keep a man from accepting a bribe if he has the will and the chance." Corruption, therefore, in his view, cannot "be cured by keeping up the salary scales at a high level. I do not admit that the evil of bribery depends "very little on the absolute level of pay." The principle of associating high salaries with positions of responsibility and power is a well-recognised one in the remuneration of civil services all over the world. In India, entire districts which may be as big as the Provinces of France and the Lander of Germany, and taluks, which may be as large as some of the English counties, are entrusted to men whose remuneration must be the vital concern of Governments; for, *other things being equal*, the salary is an important factor. I quite agree that corruption can be "dealt with in other ways." But so long as these ways are not devised and steps are not taken to cleanse the Augean stables, the fact of bribery and its further possibilities cannot be lightly disregarded. For, my position is not that corruption can be "cured" by keeping salaries high, but that things will definitely worsen with reduction in salaries, and even public servants, who have been above corruption so far, will go in for bribery with a vengeance, especially because they will now try to maintain the standard of life to which they have been accustomed for years. Principal Gadgil will, I hope, grant that this is a different proposition.

That brings me to the argument of political discontent. I am not aware that I insisted that reduction of salaries would "cause discontent among the middle classes" as a whole; my contention was that it will alienate an important *section* of the intelligentsia. It may be no compliment to any section of the community that it can and does think in terms of its own interests: even the support of such a section may, as Principal Gadgil avers, not be "worth seeking by any great political party"; but I am speaking of men of the earth, earthy, of such sod as they are constituted. When cuts of the order of 25 to 50 p. c. begin to cut holes into the pockets of public servants, necessitating drastic steps and painful economies, such as the forgoing of the schooling of children, the dismissal of servants, etc. there will be few who can continue to cherish any "love" for the reduction policy. The probable discontent amongst the provincial officials and their consequences are bound to be somewhat out of proportion to the imagined benefits resulting from the alternative application of the funds saved. It must not be forgotten, moreover, that these same will be the men through whom the Congress will be putting its various programmes in force. A discontented body of public employees is hardly the right stuff for buttressing new and revolutionary policies.

We shall now turn to the important question, whether the present Provincial salaries are unduly and uneconomically high. I have most carefully gone through the data collected by Principal Gadgil in his brochure regarding salaries in India and other countries and I have also made some independent investigations myself. From these, I have no doubt, that Principal Gadgil's preference for Rs. 500 as the limit, is a mere value-judgment and cannot necessarily arise from the available statistics. The principle criteria in deciding whether salaries are economic or not are, in my opinion, two: one of international, the other of internal significance. In making these comparisons, we have, of course, to take into consideration such factors as the national incomes, the wage levels, the degrees of inequality, etc., but we must not neglect other factors such as the degree of power and responsibility, the geographical extent over which the power is exercised, the population, its quality and quantity, and the general level of incomes in other walks of life. Applying these considerations, I feel that the salaries in the topmost grades in the L.C.S., I.M.S., I.E.S., I.P.S., I.S.E. and other Imperial services, not to mention those of the Viceroy, the Governors and so on, are pitched too high. I see no reason, however, to admit that the Rs. 200 to Rs. 1,500 range, which is the focal range of most Provincial salaries today, barring, of course, the salaries of borrowed Imperial service officers, is uneconomically high. On the other hand, I admit that there is a great disparity between the lower and the highest grades. This is partly due to the [excessive pyramiding of grades, necessitated by geographical considerations and the numerical strength of the services. But the proper course, I believe, for redressing this is the scaling up of the salaries of clerks and of the wages

of manual workers. To quote Principal Gadgil himself (his brochure, p. 41), "We must, therefore, in recasting service scales proceed rather from the bottom than from above."

Indeed, in certain countries, like Japan and Turkey, the salary levels are low as compared to other countries of the world and India. This is merely an historical accident; for, it might well happen that just as in some countries salaries are unduly high, in others they might be unduly low, with the result that the services might not attract men of the best calibre or they might remain inefficient, or they might be prone to bribery. No data are available to decide these issues. For these reasons, among others, international comparisons are apt to be somewhat unreliable guides in deciding either maxima or minima of remuneration. The safer course, in my view, is to consider the "parity of incomes" internally within the country itself. An "economic" wage or salary can be determined by inquiring what is the scale of payment which corresponds to a particular type of labour of identical calibre in various alternative occupations open to such labour. We are not concerned here with "the great disparity" which Principal Gadgil points out, "in the economic future of a candidate who just manages to secure an official post and an equally good man who just fails to get in." There are bound to be failures in the various occupations owing to competition, and where, as in the civil services, only a few candidates are to be selected it will be foolish to insist that all should succeed. We must, thus, compare incomes, in so far as they are comparable at all, amongst men who have actually succeeded in securing posts or establishing practices. The fact that at present there is a glut owing to unemployment in the markets for both the services and the professions, must be conceded as being common to both sides. In comparing incomes as between the various avocations, there are certain difficulties of averaging, etc. However, it is not necessary to fall into the error of paying undue attention "to a few exceptionally high incomes" in the legal or medical professions. Principal Gadgil opines that, on the whole, lawyers and doctors are not so well-off as the service men; this conclusion, on the other hand, is undoubtedly based on the very same error of "paying undue attention" to topmost incomes in the services. It is common ground that there are clerks, school teachers and workmen in the lower grades of the services who pay no income tax very much like their *confreres*, the taluka pleaders and the village doctors. On the other hand, the topmost incomes in law, medicine, engineering and commerce are everywhere enormously higher than the topmost incomes in the services. There is no reason to suppose that the incumbents of such incomes in professions are less numerous than those in the services; nor is the excess adequately explained by the "average" idea, for service men also start with low salaries in the beginning; nor is that excess a measure of the uncertainty prevailing in professions. Whether you look at the top, or at the bottom, or in the middle, everywhere incomes in professions such as law, medicine, commerce and engineering, are very much higher than those in the

services today. Principal Gadgil asserts that the pace of these incomes has been set by the official salaries, as the Government has been the biggest employer in the country. This might have been true in the beginning when the professions had not come into their own; but today it is hardly correct to say that governmental salaries are the determining factors of professional incomes. The present-day emphasis on Government employment is not necessarily due to the higher awards available, but is a mere reflection of the prevailing unemployment and of the tradition of regarding Government service as the most secure proposition.

B. P. ADARKAR.

(To be concluded.)

LICENSE FEE ON CLOTH-DEALERS.

WHILE introducing the Budget, the Hon'ble the Premier and the Minister for Finance of Madras Presidency announced the provision of a grant of 2 lakhs of rupees for assistances to the hand-spinning movement in order to revive effectively a lost industry, which could again become a source of supplementary income to the agricultural workers of the country. In doing so, the Hon'ble Premier also stated that the Government propose to impose a small license fee on all cloth-dealers in the province, exempting those who deal exclusively in hand-loom products. Whether the license fee is meant to be imposed as a measure of protection to hand-spinning and hand-loom products or as a measure to raise revenue was not made clear, though his mention of the fact that this fee would bring in some revenue which, it is expected, will cover at least a part of the grant intended for the subsidy to hand-spinning, makes one feel that the license fee is meant to be imposed for revenue purposes also. Whatever may be the objective, there is no denying the fact that it is bound to have a 'protective' effect. What form this license fee should take to obtain not only some revenue but also to afford real protection to the lost industry is a matter for consideration.

It may interest the public to know that in South India in 1935 nearly 2,000,000 yards of cloth were prepared on hand-looms with hand-spun yarn for sale apart from that produced for consumption. In the same year the hand-looms produced 315,000,000 yards of cloth and more than 300,000 hand-looms were at work. The production of cloth in the mills in South India in that year was only 75,000,000 yards. Comparatively the percentage of increase in the production of either khadi or of hand-loom cloth has not been as large as that of the mill cloth if figures for each year are examined from 1910-11. Nor has the production of these two kinds of cloth been either in proportion to the growth of the weaver population or commensurate with the demand for cloth supply due to increase in the general population of South India. All the same, it cannot be denied that they help to solve the clothing problem of the Presidency. The factors which affect production of cloth from hand-spun yarn may not all be the same as those affecting production of hand-loom cloth. While the disabilities as regards weaving are common, the cost of production in the case of khadi is higher as the cost of raw material must necessarily be more while the cost of production of hand-loom cloth is comparatively lower though the price of yarn the weaver has to pay is inordinately high and mostly due to circumstances over which he has no control. The protection afforded to the Indian spinning mills has resulted in increase in the price of yarn by considerably reducing the imports. It is stated that the price of cloth produced in the Indian mills has not risen to the same extent as the yarn and that they produce cloth from the same counts of yarn as those used by the

hand-loom weavers and sell cloth at cheaper prices. In spite of this and other disadvantages it is remarkable to observe the tenacity with which the hand-loom weaving industry has been pluckily fighting against the competition of machine-made goods and has been consuming more yarn and producing more cloth though the pace of progress has been slow. One method suggested which, if adopted, would have benefitted both the hand-spinning and hand-loom weaving is the mills undertaking not to weave cloths of counts upto 40s. This topic was the subject of a Conference held in 1936 at the instance of the Hon'ble Member for Industries. But the deliberations resulted in no agreement and it is feared that no such agreement will ever be possible. The only possible method of protecting the hand-loom weaver and incidently hand-spinning is to levy a cess of 3 pies or more on every pound of yarn consumed by the weaving mills in the production of cloth. In addition the local Government should levy a terminal tax of 3 pies or more on every pound of cloth brought into the Madras Presidency. It may interest the public to know that in 1935 nearly 180,000,000 yards of cloth came into this Presidency from other provinces. The local Government should also restrict the installation of additional power-looms until the required quota of hand-loom production is obtained.

The proposed license fee on cloth-dealers except those who deal exclusively in hand-loom products, is not workable in practice. There are cloth-dealers doing cloth business whose turn-over differs considerably. In the case of small dealers, it will create hardship while large dealers get an advantage if a flat rate is adopted. If the license fee is to be based on the turn-over, it necessitates inquisitorial proceedings. Moreover, almost all cloth shops deal in mill cloth, both Indian and foreign, and in hand-loom products. It is hardly possible to find a cloth-dealer dealing in hand-loom products alone, including the many swadeshi shops all over the Presidency. If instead of a license fee, a cess as already suggested is imposed and other measures proposed are adopted, the hand-spinning and hand-loom industry will receive sufficient encouragement and the Government also will secure good revenue. The Government should also take power to regulate the class and count of cloth to be produced on power-looms.

Those who believe that it is impossible to increase the demand for hand-loom cloth have only to study the figures of increased consumption of yarn by hand-looms and note the fact that in spite of all the adverse circumstances the production of hand-loom cloth has increased. If these adverse factors are removed, the prosperity of hand-spinning and the hand-loom industry is assured. To this end the imposition of a cess and a terminal tax is far more efficacious, scientific and capable of producing the desired effect than a license fee. It is also necessary to realise that hand-spinning and hand-loom weaving go together, that they are complimentary to each other and that in supporting the one or the other both are benefitted.

S. SURYANARAYANA RAO.

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DOMINION STATUS AND INDEPENDENCE.

TO THE EDITOR OF THE SERVANT OF INDIA.

SIR,—Your article on "Dominion Status and Independence" was most illuminating. You have tried

to show in your article that Dominion Status is not a whit inferior to Independence. But how to get Dominion Status? I think India cannot get Dominion Status unless the same is conferred on her by the British Government, while for getting Independence no such Parliamentary enactment would be necessary.

Secondly, you have not shown the positive advantages which India may enjoy under Dominion Status as contrasted with her position as an independent State. When Dominion Status is claimed as the goal, it will not do merely to say that Dominion Status is not inferior to Independence. We must go further and say that Dominion Status confers some advantages which Independence does not. If both Dominion Status and Independence are the same, why not have Independence as the goal?

Thirdly, you yourself have argued in the previous issues of your paper that we must fight not against foreign exploitation alone but also against indigenous exploitation. This, if properly executed, will mean the establishment of a Socialistic State in India. Will Socialism and Dominion Status square well together? I hope that in the next issue of your paper you will kindly enlighten me on these points.

—Yours, etc.

September 2.

S. S. M.

[Our correspondent seems to agree with our thesis that Dominion Status is not inferior, in the quantum of actual power it confers, to Independence, but wants to know in what respects it is superior or more advantageous in the existing conditions of India. We deliberately omitted to stress the positive aspect of the question, first because it is not likely in the present temper of the country to be appreciated at its proper value and secondly because for our immediate purpose it was unnecessary. Self-government on the level of that which obtains in the self-governing British Colonies or Dominion Status has been our goal. Those who argue that no change should be made therein need go no farther than to prove that the proposed change will not be an improvement. It is for those who plead for a change to make out that it will be an improvement.]

How to get to Dominion Status? We have not tried to underrate the difficulties in the way, but how does this help those who stand for Independence unless they show that Independence is easier of achievement than Dominion Status? Our correspondent surely does not suggest that he has done as much when he says that Dominion Status requires a Parliamentary enactment while Independence does not. On the contrary he will admit, we think, that Independence is at least as difficult to accomplish as Dominion Status. In this matter the onus clearly lies on those who desire a new orientation of policy to prove that it will lead to more substantial, quicker or surer result.

It is true we wish to stop all exploitation, both by foreigners and by the privileged classes in our own community. But prevention of native exploitation has no relation either to Dominion Status or Independence, for both Dominion Status and Independence will give us power to order our affairs as we like, and we can use the power under either regime either to entrench the privileged classes or to put them in their place. Socialism is certainly not inconsistent with Dominion Status as the example of New Zealand shows; nor does Independence necessarily connote the reign of equality. We need hardly point to independent countries in which social equality is not only not achieved but not aimed at.—Ed., S. o. I.]