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CONTENTS.

	Page
TOPICS OF THE WEEK	405
ARTICLES :—	
Demand for a Moratorium.	409
Agricultural Income Tax.	410
The C. P. and U. P. Budgets.	412
Land Revenue Concessions in Madras. By R. Suryanarayan Rao.	413
Debt Relief.—II. By K. G. Sivaswami	414
Reduction in Provincial Salaries.—II. By Professor B. P. Adarkar.	416
MISCELLANEA :—	
The Sit-down Strike.	418
SHORT NOTICES.	419
BOOKS RECEIVED.	420

Topics of the Week.

Establishment of Federation.

"WE considered in the Joint Select Committee of Parliament all the objections to federation that are now being urged," said the Viceroy in effect in his address to the Central Legislature; "we came to the conclusion that the anomalies complained of must remain now and for all time. We have thus overruled the objections and there is nothing for it now but that British Indians should waive them and accept cheerfully the federation that we have decided to impose upon them." In answer we would only reproduce here what *United India and the Indian States*, a fervent advocate of federation, says to the British Government and to the Princes about establishing federation in India in opposition to the declared wishes of the people in British India—and we may add of the Indian States. It says:

The point we wish to emphasise is that the provincial Governments have the Constitutional and administrative right to be consulted before Federation becomes *fait accompli* and before the provinces are committed to it. If this was not intended it would have been better in our opinion if provincial autonomy was dated to be started after Federation instead of before it. A federation which is to be forced on the provinces against their wishes would be really a negation of political autonomy. If the idea was to force a federation on British India, the autonomy of the provinces should have been made watertight. And as we have already pointed out, it would have saved an undesirable controversy if we had Federation first and provincial autonomy afterwards. As it is, those who are responsible for Indian policy are constitutionally right: because federalism implies consent of the constituent units and from this point of view the provincial administrations certainly have the right, whatever the provisions of the

Act, to be finally consulted before Federation is started. No British Viceroy or Government imbued with the parliamentary instinct and knowing something of federalism can do otherwise.

We certainly would welcome this from the standpoint of the State administrations, because we think it would not be in the interest of State administrations to join a Federation in which their roll will be that of the "allies of Imperialism" as the President of the Congress would say. Is such a kind of Federation worth while? Will it add to the glory or—what is more important in these days—to the strength of the British Empire or even prove beneficial to British vested interests in India? Is it to the interest of Indian Princes that they help to start a Federation which the bulk of the people of British India as represented by the Legislatures, elected on a wide franchise and therefore as representative as the British Government can make it, definitely say they do not want?

"Contrary to Congress Policy."

PANDIT JAWAHARLAL NEHRU, while patting the Congress Ministry in Bombay on its back for having formulated a labour policy which, though not "an ideal one", "represents what can be attempted and done under present conditions and within a relatively short period of time," forgot for the moment that the policy that the Ministry had given effect to so far was what he himself was forced to admit as contrary to the Congress pledge. The proclaimed policy of the Ministry is to interpose a stage of negotiation before matters are allowed to develop into a crisis, but to give, after this intermediary stage has passed without arriving at an agreement, a free field to the workers on the one hand and the employers on the other to have it out,—until perhaps the State considers it necessary to step in.

THE Congress President is very careful to point out that the policy outlined by the Bombay Ministry does not prohibit strikes on the part of workers and does not impose compulsory arbitration on them. He says:

It does not mean that there is compulsory arbitration ending in an award which is finally binding on all parties, whether they accept it or not. Compulsory arbitration of this latter kind has always been opposed by labour; for it strikes at the root of one of their most cherished rights, the right to strike. They also fear, with considerable justification, that in such a compulsory proceeding in a capitalist country, the weight of the State is likely to be cast on the side of the employers and so they would be tied hand and foot, unable to use the only weapon which they possess and which a century of hard struggle has given them. That is not the present proposal, for that would be *contrary to the Congress policy* of recognising the worker's right to strike. That right to strike is fully maintained, but an intermediate stage is provided for to explore avenues of settlement of the disputes.

BUT this policy of keeping in the hands of labour for use in the last resort the weapon of the strike, "the only real weapon of labour," as the Pandit says, remains merely on paper. What the Ministry has done so far, however, amounts to denying to labour its only weapon and to forcing it to accept compulsory arbitration, which the Pandit justly condemns. This is precisely what the Ministry did in the Gokak Mill strike. In the first place the Ministry had no moral right to sidetrack the workers' leaders who were conducting the strike and take things over in its own hands. But if it could give better terms to the strikers, we would not object to its intervention or deprive it of any kudos that it might legitimately win for itself. What we cannot help feeling, however, is that it rushed into a province where it was not called upon to go and messed things up.

THE Ministry's press communique mentions as one of its larger achievements that it got the employers to recognise the Union of the workers if the Union's conduct was based on peaceful and legitimate means, and the communique goes on to say: "The most valuable feature of the settlement is, however, the provision that it makes for the avoidance of disputes and their peaceful settlement in future. The parties have agreed to obtain a solution to any existing or future difference by means of negotiation and conciliation or, failing that, by arbitration." In thus stating the result of its intervention, the Ministry is disingenuous. It gives the impression as if the employers accorded recognition to the Union and the workers agreed voluntarily to arbitration. But the fact is, as will be clear from the terms of the settlement published by us at p. 354 in our issue of 19th August, that the employers offered to recognise the Union only if the workers agreed to compulsory arbitration, which ruled out resort to strike at even the last stage.

THE Karachi resolution and the Election Manifesto of the Congress recognise, as the Pandit has shown in his statement, "labour's right to form unions and to strike." They certainly give no countenance to a policy under which labour would be allowed to form unions recognised by the employers as a condition of its signing away its right to strike even when no other alternative but a strike was left to it. This clause about compulsory arbitration, in return for which the employers offered to recognise the Union, is obviously in flat contradiction to the basic policy of the Congress, and Pandit Jawaharlal frankly admits it, but this is just the clause which appears to the Kher Ministry "the most valuable feature of the settlement"! Like Pandit Jawaharlal, we think that labour should not use the weapon of the strike except when it becomes unavoidable, but this weapon, as the Pandit says, "has to be cherished and preserved and used in an organised and disciplined way with effect when necessity arises." The Congress Ministry in Bombay has deprived the workers in Gokak of this weapon and has done immeasurable harm to the cause of labour.

WITH an excess of liberality, perhaps, the employers were also persuaded to recognise a union of clerks, on condition however, that this union must be distinct from the Union of workingmen already divested of the right to strike in any circumstances.

Indefensible.

THE welcome given by Congressmen to the Kakori case prisoners after their release from prison has revealed a difference between the view-points of the

Mahatma and Mr. Nehru which is significant. The Mahatma did not favour the public reception given to the prisoners. Writing in the *Harjan*, he observed: "If my reading of the Congress method is correct, the large public demonstration that took place on the discharge of the Kakori prisoners was, to say the least, a political mistake. Did the thousands of demonstrators approve of the acts said to have been committed by these prisoners, let me hope, in mistaken zeal? If they did, they have evidently not understood the Congress method." Pandit Nehru, on the other hand, while carefully guarding himself against any implication of having approved their deeds, makes a distinction between their actions and their motives. "They have been welcomed by the public and by Congressmen," says the Congress President, "and we have been asked if this welcome did not signify an approval of violence? That question reveals an ignorance of public psychology and of the minds of Congressmen. The public and the Congressmen alike welcomed them because of the mantle of suffering that they bore."

WE confess that we have been unable to appreciate the fine distinction drawn by Pandit Nehru. Shorn of verbiage, we are entitled to ask why exactly this "mantle of suffering" entitled the prisoners to the respect and admiration of the people. Were they welcomed simply because they had suffered? Then every prisoner convicted of violent crimes is entitled to the same respect and admiration. It gives us no pleasure to rake up old history, but it is worth while remembering that the crimes involved here were not only robbery and murder in the heat of the moment, but deliberate torture. If love of one's country is to be the specious excuse for cruel attacks and sadistic tortures against innocent fellow-men, then we do not see why the Congress President should inveigh against the Nazis and the Fascists who claim the same reason for their brutalities. Crime involving violence done to inoffensive citizens is indefensible at all times and in all circumstances. Repentance for the crime is no excuse for eulogising the repentant for his "mantle of suffering." It does not need an understanding of the Congress method to disapprove of this welcome. It is the basic principle of safety of life on which society is organised. Even revolutionaries, as distinguished from terrorists, reject individual and isolated violence as a weapon to attain their end.

Self-Supporting Education.

IT is reported that at the instance of the Hon. Mr. Kher, the Premier of Bombay, who also holds the portfolio of education, Prime Ministers in all the seven Congress provinces are to meet in conference for the purpose of formulating a common policy and programme for the introduction of free and compulsory education. We have no doubt that the problem on which attention will be concentrated at this conference when it will be held will be whether it is at all possible to make primary education self-supporting. There is no indication at present that any of the Congress Ministries considers that Mahatma Gandhi's suggestion that prohibition should be financed from the savings that would be effected by education in all departments being made to pay its way, can be translated into action. Without being convinced of the feasibility of such a measure, the Ministries have blithely committed themselves to the introduction of prohibition within three years, and having done so, they are now considering whether the whole foundation of this policy will not quickly sink!

MAHATMA GANDHI has promised to produce testimony of experts in favour of a system of self-

supporting education. The experts on whom he relied appear, however, to be very sceptical about it. Mr. Narhari Parikh, whose opinion was solicited, favours the closing down of all Government and aided high schools and middle schools and the stopping of all State expenditure on colleges. To this extent he considers a saving is possible, but he does not think that any considerable saving can be made on elementary education. "In the case of children under the age of ten," he says in the *Harijan* of 4th September, "it does not seem to be practicable to train them to any handicraft sufficiently to enable a net saving to be made by marketing at current prices the work that might be turned out by them. It will be enough credit to the teachers if they can avoid a dead loss." Older children may make a little profit. Mr. Parikh's own experience of the Harijan Ashram of Sabarmati is that the average net earning from spinning by girls of over ten years is about 11 annas in a month. His general conclusion is that primary education cannot be made self-supporting, but that "we must be prepared for increased public expenditure on this head for several years to come. Not only a better salaried staff will have to be provided, but the existing paraphernalia of teaching will also have to be greatly augmented and the number of classes too will have to be increased. All this will mean more expenditure" apparently for the existing school population and much more for the many times more children that have to be brought to school.

NO Congress journal has, so far as we know, yet supported this idea of self-supporting education, and the *Bombay Chronicle* has openly scouted it. The *Chronicle*, therefore, warns the Congress Ministries that additional taxation must be levied if prohibition is to be achieved. Even so the difficulties appear to it to be so overpowering that it has already converted the maximum period of three years allowed by Gandhiji for the completion of the programme of prohibition into a minimum! It says (September 11): "That period (within which to complete prohibition) cannot be less than three years, and the precise problem now is how to enforce complete prohibition in as few years beyond that limit as possible." Disillusionment has come to our contemporary pretty early!

Save the Poor Teacher.

PREMIER KHER of Bombay made an important statement the other day regarding his Government's education policy. He declared that all the Government high schools would be handed over to private agencies within the next three years. The C. P. and Berar Government also has similar plans for the re-organisation of its educational system from the bottom. The bane of privately conducted educational institutions, with a few exceptions, has been the shabby treatment and starving wages which teachers receive. Added to this, the system of despatching with the teachers' services during the summer holidays and re-employing them thereafter has recently come into vogue. Some schools also follow the disingenuous method of showing higher salaries on the pay-roll and compelling the teachers to sign it, though in actuality they are really paid two-thirds or even one-half of what they sign for. Besides this, it is found that the teachers in a high school have to teach on an average between thirty to thirty-five periods a week in addition to the enormous number of exercise books which they have to examine at home. Low pay, excessive work and insecurity of tenure have reduced the teacher to a serf, without initiative and enthusiasm for his task. No wonder that it is hard to find a teacher who induces in his students a sense of self-respect and efficiency and who can be expected to mould their character on a noble pattern.

WITH the exception of the cramping effect of extraordinary ideas about loyalty to their superiors, the teachers in the Government high schools have been, fortunately, free from these practices. If and when Government hands over its schools to private agencies, it must see that the school-master is safeguarded against these evils. Otherwise, the new orientation of policy will end in creating another problem a few years hence. It is true that the teachers as a class submit to these slavish conditions because of the appalling glut in the market. Yet it is the duty of a popular Government, having the interest of the young generation at heart, to see that the children of the nation are not handed over into the charge of persons who are incapable of instilling in them a firmness of character, a due sense of proportion of their rights and responsibilities and a high purpose of life by their personal example. This task cannot be done by men living in half-starved conditions under the shadow of insecurity.

MR. KHER, it is good to note, is not unaware of these matters and intends to secure both security and sufficiency to the teacher. But something more has to be done if the teachers in the country are to feel that they belong to a noble profession and form a brotherhood. They must be encouraged to form their unions to protect and advance their prospects as well as to provide an avenue for concerted action in their behalf if occasion arises. Along with this, Government must try to interest the parents and guardians of the students in their new schemes. Because the apathy of the parents towards their children has proved the despair of every educationist. If well-organised Parents' Leagues are instituted which will work hand in hand with the Teachers' Leagues, the task of Government, formidable as it is, will be considerably lightened by their co-operation. We are sure the Governments in different provinces which are giving anxious thought to this problem have not lost sight of these facts.

A Bold Scheme.

THE C. P. and Berar Government, according to a report in the *Hutavada* of Nagpur, is considering proposals for a drastic overhaul of the province's local government system. If the reports of the proposed scheme be true, it promises to lay the foundation of what can be nothing less than autonomous little governments under the general supervision of the Provincial Government. To give the local bodies an effective machinery to run their administration and to subject district officers to popular influences and control are the cardinal features of the scheme. Under the scheme, a local body will have a number of committees, the executive officers of which hold posts similar to the county clerks in respect of their departments. Thus a Municipality will have a Police Committee of which the D. S. P. or his assistant will be the executive officer, and a Medical Committee of which the Civil Surgeon will be the executive officer. The Deputy Commissioner will be the Secretary-in-chief of the local body. These officers will carry out the orders of their respective Committees over which the Provincial Government will continue to have control. The Minister envisages that before long there will be separation of executive and judicial functions and that district officials will be free to devote their time to the proper working of Local Self-Government. The scheme also outlines plans for developing a Police and Civic Defence force in every area. Training in the Police Training School and in Civic Defence may be made compulsory and when a contingent is fully trained. Government may dis-

pense with making additions to the personnel of the Police force.

THESE are sweeping proposals and should attract wide-spread discussion not only in the Central Provinces and Berar but outside from those who have been giving anxious thought to the vexed problem of the reorganisation of our local bodies whose administrations have come to be synonymous with inefficiency. The reported scheme makes no mention of the franchise qualifications and the election arrangements which it would embody. One of the defects of the old acts governing local bodies and municipalities in India has been the helplessness of the general public against an unsatisfactory party in power. The hope that inefficiency and corruption will prove the doom of such parties has been found to be misplaced and a system has to be devised which will give the tax-payer some remedy against the continuance of exploitation of his credulity. To this end the introduction of the referendum and recall are twin controls worth trying in a new scheme. Another evil which has crept in on account of the disproportion between the progress of municipal franchise and the progress of general education has been in many places the capture of local bodies by unscrupulous persons hardly qualified to conduct the affairs of such nation-building institutions. In order to prevent this evil, it is necessary that some differentiation is made between the qualifications of a voter and those of the candidate.

THE difficulty felt by public men in India has been the encouragement and strengthening of party organisations, if democracy on British lines is to be successful in this country. Elections to the local bodies provide one of the best opportunities for building up the local nuclei of national parties. The time has now come for popular governments to embark upon bold experiments undeterred by their unfamiliarity or magnitude and one such experiment, it has been suggested, would be to confine elections to parties. Instead of the present system of elections for local bodies and municipalities where the voters vote in territorial constituencies, votes might be recorded all over the area for different parties previously registered for that purpose, every party being empowered to send to the local body members in proportion to the votes secured by it. The election of the president, which is at present left in the hands of the elected representatives, can be made by a general vote cast for that purpose distinct and apart from the votes cast for party representation.

THE question of nominations has always been a delicate and difficult one and no Government, whatsoever its allegiance, can escape the odium attached to it. We have no doubt that popular Governments would desire to abolish nominations altogether. But the necessity for utilising the experience of men who possess talent for and experience of public affairs for the purposes of these nation-building organisations remains and a way has to be devised which will combine the advantages of nomination with the popularity of election. For this purpose the President elected by the whole electorate, it is suggested, might be empowered to nominate a certain number of persons who will go out of office with him, if recalled by the electorate. To prevent indiscriminate use of this power, the qualifications of nominated representatives can be made stiffer. These methods, if adopted, are calculated to give an impetus to better organisation of parties and remove the present unwholesome divisions of the electorate, besides assuring a really popular and proportionately represent-

ed government in control of vital institutions in national life. It is impossible at this stage and in a short note to foresee all the consequences of this rather novel scheme of representation. But its novelty as far as representation on local bodies is concerned need not be a bar to its discussion and consideration by the public and the Governments.

Liberty in Mysore.

AN average Indian State is generally so retrograde in character that a slight progressiveness in administration in any one of them assumes in comparison an importance out of all proportion to its intrinsic value. Under such circumstances, if a State like Mysore sets out to woo its subjects with reforms and concessions, it naturally becomes the object of admiration in this country. But it seems it is as difficult for a State to resist being autocratic and arbitrary as it is for the leopard to change its spots. Mysore seems to have found it so and its recent attitude towards public men and meetings gives an indication of a change for the worse. We note with regret that the State has promulgated an order under section 55 of the Mysore Police Act prohibiting all public meetings and processions in Bangalore and other places for a period of six months. A gag order has also been passed on some leaders like Dr. Hardikar, Mrs. Chattopadhyaya and Mr. Masani.

DR. PATTABHI SITARAMAYYA, President of the All-India States' People's Conference, deplors these signs of repression on the part of this enlightened State in India. While political prisoners are being released in British Provinces, Mysore has found it necessary to gag its citizens and even proceed under the law and deal with some of them severely. Even a simple matter like application for permission to hold a meeting in the city of Banagalore, it is understood, involves the humiliating process of waiting at and visiting the courts to obtain the necessary licence. The Mysore State Civil Liberties Union has taken the matter in hand and addressed an open letter to the Dewan. If the demands of the State people embodied in the letter are scanned, it will be found that they are not such as to cause any great inroad on the powers of the State. Security and freedom for the State's subjects, return of securities to the presses, withdrawal of prohibitory orders against public men, these are some of the modest demands of the people. It is hard to believe that a progressive State like Mysore, whose praises are sung even by great national leaders of India, finds it difficult to grant these elementary rights to its subjects and its reluctance to do so is a measure of the repressive autocracy that rules in other less progressive States. And we are asked to place our fate at the mercy such States in the coming federation.

Indian Scouts in East Africa.

THE scout movement in India affiliated to the Imperial Headquarters and working under the direction and control of the B. P. organisation has suffered from an undercurrent of denationalisation and the public has always looked upon it with indifference, if not antagonism, because of its close connection with officialdom and its reluctance to associate itself with the national life of the country. The thoughtless remarks of Lord Baden-Powell regarding the character of the Indian youth seem to have proved to be the proverbial last straw on the camel's back and there has been a general outburst of feeling, long pent up, against Indian scouting having anything to do with his organisation. How keen the resentment is against

his remarks and how powerful the repressed feeling has become within the ranks is shown by the information now at hand that even the Indian scouts in British East Africa have decided to boycott the B. P. movement and have sought guidance from and affiliation with the Seva Samiti Boy Scouts Association, Allahabad. We feel that it is a matter for regret rather than reprisals that the services which Lord Baden-Powell has rendered to the youth of the world by organising the scout movement should be marred in the evening of his career with unhappy indiscretions. But the respect we feel for him as an individual does not blind us to the fact that the youth organisations of a country, particularly a country under foreign subjugation, must be completely national in outlook and character which the B. P. scout organisation is certainly not. We therefore welcome the move in various provinces to free Indian scouting from its domination.

Articles.

DEMAND FOR A MORATORIUM.

PRESSURE groups are bound to develop in a democracy, and the Congress Ministry in Bombay had to face two such groups on Monday last. About 250 peasants from two or three talukas in Ahmednagar district walked on foot to Poona, some 75 or 80 miles and some 120 miles, with the object of presenting their demands in person to the Premier. They were organised and led by persons who are in the Congress organisation and are entirely loyal to it. At a public meeting held in Poona on the eve of the presentation of the demands, the leaders explained, in order to remove a misconception that had become prevalent in the local Congress Committee and in the Cabinet itself, that their move was not to be considered a revolt in any way, that they were confident that the Ministry would do the right thing by the peasants, and that they had come there only to bring home to the Ministry the urgency of taking immediate remedial action in the matter of some of the more pressing problems of the peasants. The following day the *jatha* marched on the Assembly chamber, met the Premier, told them of their many woes, the crushing burden of land revenue, the helpless condition in which the money-lenders' demands had left them, their forest grievances and so forth. They fully appreciated the Ministry's promise to bring in legislation for revision of the land revenue system and relief of indebtedness and finally made one demand which they insisted must be met immediately—viz. a moratorium for a short time on the recovery of their debts. After this another equally numerous *jatha* of peasants, many of whom were Harijans, appeared on the scene. They also made more or less the same demands and in the same way concentrated on moratorium, which they urged brooked no delay.

The Premier made a sympathetic speech, telling the peasants in earnest tones that *kheduts* would be the first in the thoughts of the Congress Ministry who would do all in their limited power in the interest of the masses and would quit office the moment it was found that they were unable to bring adequate

relief. But a declaration of a moratorium, in which the demands had crystallised, found no response, and the marchers had evidently to leave in a disconsolate mood. The demand, however, is fully justified. The Ministry's own policy makes it inevitable. They have promised to enact legislation in a few months' time to lighten the burden of debt owing to the money-lenders and to make its payment easy. A clear enunciation of such a policy indirectly serves notice on the money-lenders to rush into the courts with suits, obtain decrees and take distraint proceedings. The Premier was warned that the money-lenders had become active, and unless prompt measures were taken to release the debtors from their clutches, he might find that, by the time he had got his legislation ready, there were not many left to save. An essential preliminary of all enactments devised for the purpose of scaling down debts or for reduction of the rate of interest is to stop all coercive processes in the meantime, particularly when the enactments are scheduled to come at a certain time. Money-lenders are knowing people; when faced with not merely a possibility but a certainty of a drastic reduction in the interest and even the principal, they are not likely to let the grass grow under their feet. They are certain to flood the courts with suits and seize the debtors' land or whatever they could lay their hands upon. To pass debt legislation after transfer of land has taken place is to lock the door after the horse has been stolen. A necessary caution is to put a stop to such processes immediately.

Why did Mr. Kher put down his foot rather heavily on this reasonable demand? Is the Bombay Ministry not sincere about its debt legislation? Is it going only to tinker with the problem or is it going to be very dilatory about it, so that if a moratorium is announced it will have to be in force for an unconscionably long period? The peasants at any rate do not think so; they hope for substantial and speedy relief. What is more, the money-lenders believe it too. There is a manifest nervousness among them; it is this fear that they will have to give up, if they wait for any length of time, a good bit of their pound of flesh, which makes them fall savagely upon their debtors. Is the Premier going to tell them that the Ministry will so procrastinate now and ultimately such a diminutive mouse will be produced from the mountain in labour that they might safely put all their apprehensions away and go to their business in normal fashion? If the debt law that the Ministry is contemplating is anything like radical and is to be brought into force in a short time, a moratorium must be the first step to be taken. It does not injure the money-lenders in any way. Their dues will not be abolished; they will only be suspended. In comparison to the sweeping character of the legislation which we assume the Ministry has in mind, a moratorium is an exceedingly mild measure. It only leaves things in a *status quo* and does not allow them to be disturbed to the detriment of either party. Nor does it require any elaborate consideration or any intricate legislation. It is the simplest thing under the sun. We are not sure that some at least of those who met the Premier

in such high hopes were not afflicted with a doubt at the end of the interview that perhaps the promised debt legislation would after all be a poor thing, since he boggled at taking a step which is not only an essential pre-requisite to all worthwhile debt legislation but also easy to the last degree.

A somewhat similar situation that arose in Bihar has been handled by the Premier of that province, the Hon'ble Mr. Shri Krishna Singh, in a better manner. The Ministry of Bihar is contemplating the introduction of a bill in the Legislative Assembly which will make radical changes in the tenancy laws of the province reducing the rental to be paid by the tenants to the zamindars. What is happening in Bombay is also happening in Bihar. As the money-lenders in the Bombay Presidency are busy forestalling the indebtedness legislation of the Kher Ministry, so the zamindars in Bihar are busy forestalling the tenancy legislation of the Singh Ministry. But the Singh Ministry did not turn a blind eye to these activities, as the Kher Ministry does, but has taken full note of them and is trying to avert the disaster that threatens to befall the province. In a communique to the press Mr. Singh says that reports have been pouring in upon him which show that there will be a heavy filing of tamadi suits this year and adjures the zamindars not to pursue such tactics. He says :

It is admitted on all hands that the plight of the tenantry is really sad. Many of them have become landless. Many of them are grinding under the weight of a rental which is high and inequitable. This burden of theirs must be lightened if they are to be allowed to live. It is with a view to this that Government are contemplating to bring very soon in this session of the Assembly a Bill to introduce some urgent changes in the tenancy laws of the province. This has perhaps made the zamindars nervous and it is perhaps in order to save their interest from the effects of the proposed legislation that they intend to rush to law courts with tamadi suits. In my opinion, they will be committing a great blunder if they do so. As a result of these tamadi suits, large quantity of lands are sure to pass out of the hands of the tenants and this will only further worsen the situation. If the present situation is to improve, the zamindars must handle it with sympathy.

It is true that the Prime Minister of Bihar does not proceed by executive action, ordering the suspension

of rent suits, but only makes an appeal to them voluntarily to stay their hands. At least the appeal shows that he is alive to the danger that is imminent. Mr. Kher's refusal to hearken to the peasants' advice on this score forces one to the conclusion that he does not comprehend the situation, charged as it is with very sinister potentialities. Mr. Singh's advice carries with it also a warning that the Government will have to act in case his advice falls on deaf ears, and indeed the *Searchlight*, a Congress journal, says, in its comment on this communique, "In any other country compulsory suspension of rent collection in a similar situation would have been ordered long, long ago."

Perhaps the Bombay Ministry is afraid lest a moratorium be regarded as a revolutionary measure, for it seems clear that it is bent at present on avoiding everything that may even wear the appearance of being revolutionary. We would, therefore, recommend to them perusal of an article contributed by Mr. K. T. Shah in the *Harijan* of 11th September. In this article the writer lists reforms that in his opinion provincial Ministries can carry out within the four corners of the new constitution. Discussing the question of rural indebtedness, he would leave all agriculturists whose estates are of the annual value of Rs. 2,000 or more severely alone and take in hand relief of smaller agriculturists from debt. Even total cancellation of such debts he thinks would be morally justifiable, but if such a sweeping method or any other less drastic methods of debt relief are to be adopted he thinks "suspension of any payments on account of interest or principal on such debts" would be necessary. "A moratorium for a given period of, say, two or three years at most—without affecting the Limitation Law—would afford the necessary breathing space and permit a more logical and scientific scheme being adopted to deal with the entire situation." The Kher Ministry is engaged in hammering out such a scheme; a moratorium is, therefore, necessary not only to give them enough time to evolve a well thought-out scheme, but also to prevent the depredations of the money-lenders to which a momentum would be given by the knowledge that the Ministry is engaged on this task, and engaged in right earnest.

AGRICULTURAL INCOME TAX.

BIHAR is the first province in India to propose an agricultural income tax. No bill has yet been introduced in the legislature, but the Finance Minister, the Hon'ble Mr. Anugrah Narayan Sinha, moved a resolution in the Legislative Assembly last week, which will undoubtedly be passed and will be followed quickly by a bill. The resolution did not disclose any details, either as to the minimum limit of exemption or as to the initial or progressive rate of taxation, but the Finance Minister in the speech with which he opened the budget for the current year has already given the information that the yield of the tax will be between 30 and 40 lakhs. In a province whose ordinary revenue is a little under 5 crores this is an important addition. The Bihar Government proposes that the receipts of this tax will be devoted mainly

to the betterment of the condition of the rural people. If the whole of it goes to augment the social services which are known as the nation-building departments, it will be a very valuable addition. The amount proposed to be spent on these departments in the current financial year is 1,36 lakhs, and if 40 lakhs could be added to this amount the increase would be nearly 30 per cent.

In no province is the need for levying a tax on agricultural incomes more pressing than in Bihar. It has an exceedingly dense population in many parts but has extremely limited resources. The Niemeyer report states that with a population of 32.4 millions its revenue would be nearly 4,70 lakhs, while the Central Provinces, which itself is not in too easy circumstances, has less than half the population

(15.3 millions) and slightly more revenue (4.81 lakhs), and the Punjab, with less than three-fourths population (23.6 lakhs), has a revenue (10.80 lakhs), which is 230 per cent. as much. To state it in different terms the revenue per thousand of the population is as follows: in Bihar Rs. 1,451; in the Central Provinces and Berar Rs. 3,144; in the Punjab Rs. 4,561—not to speak of the heavily subsidised provinces of the N.-W. Frontier Province (Rs. 7,417) and Sind (Rs. 8,026). Bihar of all the provinces in India has the smallest revenue, relatively speaking, and is thus aptly described as the Cinderella of India. It is able to spend much less on nation-building departments than other provinces. The budgeted expenditure on these departments this year in Bihar is, as stated above, Rs. 1.36 lakhs, while in the Punjab it is Rs. 3.10 lakhs. The disparity will be seen in its correct perspective only when measured against the population which the provinces has to serve. While Bihar provides Rs. 420 per thousand of the population for expenditure on these departments, the Punjab provides Rs. 1,314, that is, more than three times as much.

The inevitable result of this meagreness of resources is that Bihar lags behind all the other provinces in the development of beneficent departments. The Finance Minister stated that in the memorandum of the previous Bihar and Orissa Government to the Government of India on the occasion of Sir Otto Niemeyer's inquiry an estimate had been made of the probable increased expenditure that would be required to bring the province up to the level of the other provinces in the matter of the nation-building activities, and the estimate was of 1.55 lakhs a year. Assuming that one-fifth of this would be required for Orissa, since separated, the need of Bihar alone was at the time for 1.25 lakhs, but to this must be added at least 50 lakhs to finance some further schemes which the Congress Ministry has outlined for immediate adoption. While 1.75 lakhs of more revenue would thus be needed, the Government were faced with an imminent fall of revenue of Rs. 1.16 lakhs on account of prohibition which they were pledged to introduce within three years and a certain amount, not at present ascertainable, of stamp revenue "since Government proposed to discourage as far as possible the spirit of litigation amongst the people." Thus the problem before the Congress Ministry is to raise 1.75 plus 1.20 lakhs or 2.95 lakhs of increased revenue per annum, if Bihar is to do nothing more than make up the lee-way of the other provinces in so far as nation-building departments are concerned. Its present revenue is under 5 crores and it must find nearly 3 crores more only to catch up with other provinces, which certainly will have to increase their expenditure at a much quicker rate than before! As the Finance Minister stated the problem, it looks almost desperate; but it is creditable to him that he is going to face it boldly.

Not only is Bihar noted for its dire poverty, but its revenue is peculiarly inelastic. As much as 71 per cent. of its ordinary revenue (4.95 lakhs) is contributed by land revenue (1.35 lakhs), excise (1.17 lakhs) and stamps (1.01 lakhs). As the Finance Member stated,

stamps are a dwindling and excise is a vanishing source of income. For several years during the operation of the Montagu-Chelmsford reforms the solvency of the province depended upon the inordinate receipts from excise. In five years after the commencement of these reforms excise revenue increased by as much as 75 lakhs or by 60 per cent., and while it had previously held the second place it came to occupy the first, excise revenue becoming larger than land revenue. The Government of the time looked upon the growth under this head with mixed feelings, but the Government in power rightly regards the large place excise holds in the financial system with unmixed regret and has decided to abolish it—within three years. For any considerable increase in its revenue, therefore, the only resource for Government is land revenue, but here too it labours under severe restrictions. For Bihar's land revenue as such is, for all practical purposes, permanently fixed, unless the Government decides to abolish the Permanent Settlement brought into effect by Lord Cornwallis in 1799. This settlement covered more than seven-eighths of the land revenue of the combined province of Bihar and Orissa, and with the separation of Orissa, which is a temporarily-settled area, almost all the land revenue of Bihar may be said to be wholly incapable of expansion.

The incidence of the permanent settlement of land revenue is even worse in Bihar than in Bengal. As a report of the local Government says, "In that area which now constitutes Bengal, the permanently-settled land revenue is 2.16 lakhs for 60,000 square miles, but in Bihar and Orissa it is only 1.06 lakhs for 67,000 square miles." "It has been calculated," the report continues, "that if agricultural incomes were liable to income tax and the revenue resulting therefrom were available to the province itself, the result would be an extra income of 70 lakhs; if the province were temporarily-settled and 40 per cent. of the annual assets were taken as revenue, the increase in revenue would be 2¼ crores." "There is no reason to suppose," says the local Government in a memorandum to the Simon Commission, "that the great mass of cultivators and labourers are now deriving any benefit from the permanent settlement or that they are any better off or more able to stand increased taxation than the great mass of the cultivators and labourers in other provinces." In other words, the benefit goes exclusively to the zamindars, and in fact in no province are the peasants so rack-rented as in Bihar. Not only has the permanent settlement robbed the province of 2.25 lakhs of land revenue, but it has also robbed the province of the benefit it could have derived from its large mineral deposits. "Bihar and Orissa produces 70 per cent. of the coal and mica and 90 per cent. of the iron-ore in India. The local Government derive practically no revenue from this source, but on the other hand are put to the expense of policing the areas concerned. In the permanently-settled estates the minerals themselves have been treated, owing to a decision reached by the Secretary of State for India in 1880, as being the private property of the proprietors of the surface, and the minerals occur almost entirely in that area."

The question was often raised before that if the permanent settlement was not to be broken, at least a tax on large agricultural incomes might be levied; and that if the 2,25 lakhs appropriated by the zamindars could not be recovered, at least 70 lakhs might be. But there were legal and, more important still, political difficulties in the way. The legal difficulties have now been swept away. The Government of India Act permits the provincial legislatures to levy a tax on agricultural incomes without reference to the Governor-General. The political difficulties too have been removed by the Congress coming into power. The Finance Minister observed:

The Legislative Council (of old) composed as it was of preponderating elements of landlords of the province, was not expected to entertain any proposal of taxation of this nature. That was the greatest stumbling block in the way of Government putting forward this proposal before the legislature. It was not that Government ever thought that the principle of taxing agricultural income was undesirable or was inadmissible, but the feasibility and the practicability of the measure being carried out by the then constituted Legislative Assembly was doubted and in spite of the Government's desire to impose taxation on agricultural income it could not be given effect to for the reason above stated. What was wanted at this stage was to ensure acceptance of the principle of the proposed levy which had been considered and recommended by many official committees.

The Congress Ministry in Bihar is to be heartily congratulated on the promptness and courage which it has shown in attacking this question to liberate the province to a certain extent from the blighting effects of the permanent settlement, though in an indirect way.

THE C. P. AND U. P. BUDGETS.

I.

IN presenting his budget to the C. P. and Berar Assembly Mr. D. K. Mehta, the Finance Minister, quoted with approval the Brussels Financial Conference which laid down that "the country which accepts the policy of budget deficits is treading the slippery path which leads to general ruin; to escape from that path no sacrifice is too great," and made the courageous and reassuring declaration that:

For the maintenance of the financial stability of the province we cannot look to any one except ourselves. This is not one of the special responsibilities of the Governor, and every province must stand at the bar of financial opinion for its credit. Hon. Members will realise the heavy burden which has been cast on their shoulders. It is easy to advocate all-round relief, but relief which is not commensurate with the purse which is to finance it will soon recoil on us, and that too with a vengeance, if we treated our finances light-heartedly.

This spirit of caution pervades the whole C. P. budget, and the speech of Mr. Mehta should prove a model to others who have to handle the finances of a small and poor province whose resources have been further reduced on account of the considerable debt reduction activities undertaken by the provincial Government in pre-autonomy days. But the poverty of the province has not prevented the Government from starting to implement some of the Congress election pledges. Mr. Mehta, for instance, declared his inten-

tion of undertaking resettlement, the primary object of which will not be, as in the past, enhancement of the revenue, but rather "the equalisation as far as practicable of the incidence of revenue or rent payment." An interesting item is the provision of Rs. 20,000 for the proposed establishment of a contributory provident fund for the village patwaris, the lowest wheel of the revenue administration and perhaps one of the most hard worked but least cared for Government servants.

Mr. Mehta recognises that "a prosperous peasantry conduces to an all-round prosperity" and announced that the aim of the Government would be above all "to help the cultivator to get the best out of his land." But the baffling problem of how to achieve it presents, Mr. Mehta observed, a stone wall and he could "hardly hope to be able to find a way through it in the visible future." An admission which is at once an indication and proof of the delicate position in which Congress Governments in deficit provinces find themselves. They are placed between the Scylla of election promises and the Charybdis of dwindling finances. Mr. Mehta therefore asks us "to temper our zeal with patience." We are not sure whether his electorate would show him the mercy which he asks for and certainly deserves in the peculiar circumstances in which he finds himself.

In spite of this, the budget has a "Congress touch," inasmuch as provision has been made for the total prohibition of liquor in two districts in C. P. and a taluq in Berar, as first steps towards total prohibition in the province. An indication of Government's policy towards education was also given. It is "definitely opposed to lavishing money on higher education." Government, however, has not been able to decide whether it should first undertake compulsory primary education or in preference to it and in view of its meagre finances launch a scheme of adult education. It has been decided, however, to make primary education free and compulsory in all the villages which possess a school today. Government, of course, propose to investigate the possibility of further reducing the scales of new entrants into the provincial services.

Mr. Mehta forecast a number of committees which will investigate the ways and means to implement the Congress promises in actual administrative practice. These committees will determine the course of the public life of the province for more than a decade to come and it is to be hoped that the selection of its members will be given the most careful thought by the Ministry. These committees should command the best talent available in the province and not in the party alone, as is usually the case with committees appointed by the legislatures. There are a number of persons with high administrative and public experience in the province who will place their services willingly at the disposal of the Government for the purpose.

II.

The budget presented by Mr. Pant, the Premier and Finance Minister of the U. P., is an indication of the difficulties inherited by the popular Governments

in the provinces from their predecessors. The revenue receipts are put at Rs. 12.54 crores, and the expenditure totals Rs. 12.66 crores, showing a deficit of Rs. 12 lakhs. Mr. Pant's budget speech is notable for its spirit of prudence. He makes no spectacular attempts to dazzle the public with false hopes about the future. It is a deficit budget, but had the Premier decided just to carry on he could have shown a paper surplus of Rs. 4.5 lakhs. The deficit is due to the efforts made to give an earnest of the Congress Ministry's desire to implement its election promises. The Premier has provided in the budget Rs. 10 lakhs for rural development, Rs. 20,000 for rural libraries, Rs. 20,000 for promoting schemes for supply of pure milk in larger towns, Rs. 12,500 for improving production and sale of pure ghee, Rs. 3 lakhs for supply of good seed to villagers, Rs. 2 lakhs for supply of fertilisers, Rs. 37,500 for development of animal husbandry and stud bulls, Rs. 2,000 fruit development, Rs. 5,000 for potato research and Rs. 31,000 for intensive development of agriculture in tube well areas, Rs. 10,000 have been set apart for research work in *khadi*. Rs. 1,24,000 for development for the handloom industry, Rs. 10,000 for labour welfare work, Rs. 38,000 improvement of manufacturing processes of *gur*, Rs. 25,000 for promoting and subsidizing an industrial credit company, Rs. 25,000 for a marketing company, Rs. 80,000 for combating malaria, Rs. 1,50,000 for improvement of medical relief in rural areas, and Rs. 1 lakh for young men to enable them to establish industrial undertakings.

The provision for certain items is by no means enough in view of the needs of the province for ameliorative work,—work which has been neglected so far to a great extent. The Ministry has to pay for a series of bad financial years and indifferent management in the past. At the time of the introduction of the Montford Reforms the province had an opening balance of Rs. 252 lakhs and the Meston Award estimated that it would have, in addition, something above Rs. 15 lakhs of spending power. This expectation was belied by events and the U. P. came to be in such straits that a number of retrenchment committees had to be appointed to seek avenues of economies. These committees failed to achieve any improvement. On the other hand, the expenditure and debts of the province have gone up during the last decade and this increase has not shown any proportion to the increase in the public services of the province which registered a meagre rise of only Rs. 72 lakhs. The Niemeyer Award did nothing to improve this state of things and in recounting this inglorious legacy, Mr. Pant deservedly castigates that award as "more inequitable and unjust than that of Lord Meston." The budget has to be criticised with this background in view. The Finance Minister has done his best to steer a way through these difficulties to the goal of financial stability and ameliorative national service. By reducing the travelling estimates by Rs. 6 lakhs, by effecting economies in the various departments to the extent of Rs. 14 lakhs and some other economies and revision of the budgetted items which yielded an increase in revenue, the Premier arrived at a figure

which would have left a small balance of Rs. 4.50 lakhs but for the new items of expenditure on nation-building services.

In his speech Mr. Pant gave expression to certain views which may not find unanimous support among economists. He said:

Progressive governments as a rule these days make provision for their current expenditure out of loans, which is what a deficit budget ultimately means. Considering the vast magnitude of social amelioration and constructive work that lies ahead of us we may have to do likewise, and I think that I, for one, will not shrink from this course if it becomes imperative. Expenditure on well-conceived projects of genuine social progress is, within limits, worthy of being financed by loans, as for example expenditure on schemes for the construction of canals, roads and buildings, precaution being taken, of course, that not a pie is misspent or wasted.

While no one would dispute the soundness of the principle of meeting the cost of nation-building projects out of loans, we are afraid there would be few who would go so far as to support incurring debts to meet the *current* expenses of such projects.

The U. P. budget, like other budgets in the Congress provinces, is an indication of the prudence with which the Congress Ministries everywhere are approaching their difficult task. The U. P., being a landlord-ridden province, presents formidable problems to a progressive Government and its present budget has to be viewed not so much to find what the Congress has done today, but for the indication it gives of its future budgets. From that standpoint, the budget is hopeful, although one feels that it would be many years indeed when the Congress will be able to give the agriculturists relief in adequate proportion to its promises during the elections.

LAND REVENUE CONCESSIONS IN MADRAS.

THE Hon. the Premier of Madras has announced that the estimates of revenue provided for land revenue concessions in the current fasli to the extent of 75 lakhs. Compared with the amount provided for such concessions in previous years, there is no doubt that it is greater than has been given in any previous fasli. In spite of this provision he announced that owing to various circumstances, the estimated increase under the head of land revenue would be 15.5 lakhs. The public hope that the anticipations entertained will be realised and that the Government will be enabled to carry out the ameliorative measures contemplated. The Premier stated that the Government had not yet decided on the manner in which the grant of land revenue concessions should be distributed this year. But to those who looked forward to real relief to the small ryot he sounded a note of warning and said any material assistance to the individual small ryot would involve dislocation of the budget of the province. How far this fear is justified requires examination.

The latest Land Revenue Settlement Report for fasli 1345 gives particulars of the holdings, assessment, etc., which should enable the Government to arrive at decisions calculated to give relief to those who need it most. Remission of a flat rate irrespec-

tive of the extent of holdings, which was the procedure followed in previous years, was not considered as a satisfactory arrangement even by Sir Charles Souter and his only justification for its continuance was that he could think of no other method. If it is once conceded that a distinction should be made between the poor and the rich landholders and that remission should be given only to the poor, the Government can find a way out for giving effect to these ideas. In fasli 1345, there were 6,169,582 single and joint pattadars holding a total extent of 27,557,238 acres and paying assessment ranging from rupee one and less to over rupees one thousand. Of these 3,411,219 pattadars or about 55 per cent of the total were assessed at rupees ten and less but over rupee one, the gross assessment paid by them being Rs. 1,40,03,855 and the average area of their holding and assessment paid work out to about 3 acres and Rs. 4 respectively. It is also necessary to note that the bulk of the land covered by these holdings is mainly 'dry'. In the case of these pattadars relief is absolutely necessary. Then there are 732,355 single pattadars and 592,699 joint pattadars paying an assessment of rupee one and less, the total assessment involved in their case being Rs. 7,46,020. Even if the principle that the first charge on the produce of a cultivator should be the minimum needs of his family is not fully recognised, there is no denying that it is almost cruel to compel these small pattadars to pay assessment when the extent of the holding is in most cases less than an acre and the yield is hopelessly low. In their case agriculture is followed more as a 'mode of living' than for profit. So it will be a great boon if the whole assessment in their case is written off and they are given real relief which they deserve. It is right in principle and fessible in practice also. Out of the balance relief may be given to pattadars paying rupees ten and less but over one rupee, the rate being different in the case of dry and wet holdings. As already stated, the average extent of the holding of these pattadars is about 3 acres, hardly enough to maintain a family. It would be an ideal method if the whole assessment in their case, at least in the case of dry holdings, is written off. But the amount involved will be so great that such relief is not possible without disturbing the financial stability of the province. So the next best method is to give them relief to the utmost extent possible. The other pattadars may not be given any relief this year as such concessions as are given may not materially benefit them. Some other method of giving adequate relief in respect of other classes of pattadars should be devised and if the recommendations of the Marjoribanks Committee are given effect to, they will receive some benefit ultimately. But to distribute the concessions to all classes of pattadars out of 75 lakhs provided in the budget will not afford adequate relief to any class and it will only result in depriving the State of its revenue if Government yield to the importunities of the vocal section of the landholders.

Another point which requires consideration is to see that the benefit of the remissions reaches the actual cultivators and not rent-receivers. It is a well-known fact that land is passing into the hands of rent-receivers and the number of landless labourers is in-

creasing. The relief suggested will prevent this and indirectly prevent increase in unemployment. How the principle that the first charge on the produce of the cultivator should be the minimum needs of his family, can be given practical effect also needs examination. It is hoped that these and other points relating to Land Revenue administration in this province will receive the early attention of Government. Meanwhile the relief suggested to small pattadars should be immediately given and they should be saved from utter ruin.

R. SURYANARAYANA RAO.

DEBT RELIEF.

II*

REFERRING to the importance of exempting from attachment, a minimum amount of produce necessary for subsistence and cultivation it should be noted that the N. W. F. Province had fixed such a minimum at half the gross produce and the U. P. at one-third in the year 1932. The exemption might be limited to small ryots whose production amounted annually to Rs. 300, on the basis of multiples of land revenue.

Attention might also be drawn to the legislation in C. P. and U. P. fixing maximum rates. The principles underlying such legislation should be that the rate should include a fee for the use of money and cover risks of its employment. The rate should be the rate of interest at which the Local Government could borrow plus a percentage fixed in law. The rate of interest for decrees should be the same rate as that at which the Local Government borrows. The interest due should not exceed the principal in the case of past loans, and accrued interest should not exceed the principal in the case of future loans. All provinces had legislated revising the Usurious Loans Act and giving power to the courts for reopening an account, judging whether a transaction was fair and reducing usurious rates of interest. The Deccan Agriculturists' Relief Act gave full power to the courts to take into account the actual principal lent, and to reduce interest to a reasonable figure. It empowered the court to investigate the truth of a bond or a mortgage, even setting aside the Evidence Act. In view of the unconscionable methods adopted by money-lenders, laws had been recently enacted to protect the debtors against them.

The lasting remedy for the problem lay only in raising the self-respect and improving the education of the debtor. But during the transition stage some curative measures had to be undertaken. A creditor should maintain accounts and supply the debtor with a correct statement of accounts. A debtor should have the right to sue in order that he may know how his account stands. A creditor should be penalised for entering in books a sum larger than that actually lent and for not giving receipts. A loan taken in kind may be paid by the debtor in kind or cash at a rate of interest about which, if there is a dispute, the Collector's decision shall be final. A debtor may deposit the whole or part of the amount due in a court, and interest shall cease from that date. A copy of the document for every loan shall be given to the debtor (U. P. Relief Act.) The civil law does not recognise repayments by a debtor out of court on a decree unless they are so certified by the decree-holder.

* This is a summary of the second lecture delivered by K. G. Sivaswami at the Gokhale Hall in Poona on August 16, 1937.

This rule has been deleted under the Punjab Relief Act. The burden of proof of consideration lies on the money-lender in the case of those who cannot sign their names unless the document is a registered instrument.

With a view to preventing harassment of debtors, the C. P. Act makes it penal on the part of creditors to obstruct or molest them in their free movement. Registration of money-lenders has also been provided for a period of four years under the C. P. Act. The purpose of such a registration should not merely be to control accounting and make some income for the State but to regulate rural credit. Money-lenders doing regular business should be compelled to get registered. Audit should be provided so that their business may be conducted on sound principles of banking. The State should also induce them to get registered by giving them exemptions from those fees and taxes from which co-operative societies are exempt. This would be one method of slowly bringing the rural credit system in contact with the larger banking operations in India.

Along with these measures a definite agricultural policy should be adopted by the State for financing agriculture, supplying requirements, promoting joint farming, marketing produce, improving livestock and developing subsidiary industries.

It is only when credit is regulated on these lines and when an agricultural policy is ready for application that it would be useful to undertake liquidation of past debts. The principles underlying any scheme of liquidation are many. In the first place, it should be conciliatory. Conciliation will be possible only if the creditor co-operates. If a creditor does not submit all documents, they shall not be admissible in evidence in a court as against the debtor or his successor. If a creditor does not submit his statement of debts within the specified date, the debtor's statement should be taken as valid. Supposing the creditor joins in the conciliation as a result of such measures, he may not agree in the settlement unless those who agree have some preference in the matter of recoveries.

The Bengal Act provides that if an offer is not accepted by a creditor, the debtor may be given a certificate under which he cannot be sued up to ten years. Wherever a debtor and a creditor amicably settle, the Board shall give an award in that respect. Where creditors to whom there is owing not less than 40 per cent. of the total debt are amicably settled, they shall get an award and if it is not accepted by other creditors, they can only sue the debtor after the amount settled in the award has been recovered. Whenever the original principal is reduced, at least 60 per cent. of the creditors should agree. The Bengal Act provides for the recovery of the settled amount as an arrear of land revenue and for the sale of land in case of default of payments of instalments. In the case of an insolvent debtor, his debts will be reduced to an amount repayable in 20 years from half the surpluses of a debtor after setting apart a portion of produce for his maintenance. Where this is not desirable, his lands will be brought to sale and an extent of land, not more than one-third, necessary for the maintenance of the debtor, and not less than one acre where he owns three acres, and also his dwelling house will be exempt from sale for the debt. These are the provisions of the Bengal Agricultural Debtors' Act.

The U. P. Act provides for fixing the instalments for repayment and creating a charge on land until they are repaid. The instalments will be for 20 years calculated at the net profit from land according to post-slump prices. Government will issue bonds to the creditors for the amount covered by instalments at $3\frac{1}{4}$ per cent. and recover the

same from the debtors at $4\frac{1}{4}$ per cent. In the case of lands that are transferred or sold, their pre-slump value will be calculated. In the case of small agriculturists with debts below Rs. 1,000 the Act provides in case of decrees that the total of the instalments shall not exceed 40 per cent. if the interest rate is 24 per cent. and above, and 50 per cent if it is below that rate, provided the debtor deposits 25 per cent. of the amount in advance. The number of instalments shall not exceed five and no interest will be charged on the instalments. The C. P. Adjustment and Liquidation of Debts of Industrial Workers Act provides that debts should be recovered in 36 instalments in three years and the amount shall not exceed the assets and six months' average income of a worker having more than one dependent.

The Debt Conciliation laws should be revised and effectively operated for liquidating debts. The Boards should fix the original principal and a reasonable rate of interest. They should determine the amount to be paid as a result of conciliation or in the alternative on the basis of a fair offer. A fair offer will take due note of the pre-slump value of the land, and the capacity of the debtor to repay and a reasonable rate of interest. For the amount so fixed, Government should issue bonds and pay the creditor where instalments are repayable by a debtor. Or they should grant a mortgage up to 20 years. If the land is sold or taken by a creditor, it should be for its pre-slump value. When debts cannot be recovered except by selling the family farm, the provisions of the U. P. Act will not be helpful. The poor man cannot find 25 per cent. of his dues to be paid as deposit. The debt is a heavy load of past years. While we may allow future debts to be repaid within 10 years from half the surplus of family farms so that he may be enabled to have credit, on no account should he be asked to repay the old debts. The U. P. Act annuls debt which cannot be repaid by the small man in 5 annual instalments. This will amount to 3 years' agricultural produce, if we deduct about a half for subsistence. Government should relieve and liquidate the depressing load of debt on the land to this extent. The value of 3 years' produce, fixed in the U. P. Act, will be roughly 12 times the land revenue.

A subsistence farm will not pay more than Rs. 15 or Rs. 20 as land revenue. It should be noted that by calculations on the basis of present prices and a reasonable rate of interest, debt will be reduced by 50 per cent. The only hope lies in the liquidation of the amount determined as due by the State paying that portion of it which is equal to three years' produce and annulling the rest. Bonds equal to such amount may be issued at $3\frac{1}{4}$ per cent. to the creditors. Calculating roughly the amount for which bonds should be issued, it would be about 20 to 25 crores in Madras, and 10 to 15 crores in Bombay, working to an annual charge of Rs. 80 and 40 lakhs respectively on the basis that about a crore of rupees is paid as land revenue in Bombay and Rs. 2 crores in Madras by small ryots paying a land revenue of Rs. 15 and below. Considering the relief to the ryot, the vital need of releasing him from his mental depression and thereby his full energy for the national economy of agriculture, the number of families that will be benefited by a scheme of liquidation of debts, and the duty which the State owes to the small ryot who has been contributing to its support out of his slender resources, this increased expenditure in the budget by way of annual charges should be considered no bar in the way of granting relief, which has been long over-due.

K. G. SIVASWAMI

REDUCTION OF PROVINCIAL SALARIES.

A REJOINDER.

II.*

THE array of public service salaries in India looks preposterously lavish if we begin at the top and consider the salaries of the Governor-General, the Governors, the Chief Commissioners and Commissioners, Members of the Viceroy's Council, the Secretaries, the Imperial Service men who have reached their highest grades and such-like. Principal Gadgil's admirable brochure I take to be a reasoned attack on this and I am prepared to go with him thus far. But for reasons which I have given already, I do not agree that the salaries in the intermediate Provincial range are really too high, in view of the international and internal comparisons. To some extent, therefore, we are not quite *ad idem*, as the lawyers say; for, I am speaking of the present programme of reduction of Provincial salaries, which largely belong to the intermediate range, and Principal Gadgil has at the back of his mind the wider question, discussed by him in his book, of overhauling the salary scales from top to bottom in all the services in India. The question of salary reform, however, is admittedly of a *long-period* nature. Circumstances are not inconceivable under which the present disparity between the top and the bottom may have to be drastically corrected. But does this necessarily mean that we must make violent reductions in the salaries of those who have *already contracted* for definite incomes and who, further, have *committed themselves to responsibilities* both of a private nature and of a public importance? There need be no hurry and there is ample opportunity—that is, supposing Principal Gadgil's proposition, that the present salary scales, even in the intermediate range of, say, Rs. 200 to Rs. 1500, are uneconomically high, is really correct,—to make essential and permanent changes in such scales for service contracts with *the new entrants* of the future. The new entrants will then be accepting the lower salaries offered after full consideration and knowledge of possible alternatives. At a time when the Imperial Services (which perhaps are the real villains of the piece) are beyond the reach of the reduction "axe", and when the "economies" effected are likely to be of an insignificant magnitude, to single out the present incumbents of Provincial posts for a bolt-from-the-blue kind of attack on their salaries is almost an unwarranted breach of faith. Sacrifices have, indeed, to be made by all and sundry to enable the State to achieve the common purpose and to realise the common weal. But such sacrifices must be based on some equitable theory of taxation. If we once admit that the present Provincial salary scales are not "uneconomic" in the comparative sense of the term, it follows clearly that reductions of the order of 25% or 50% or even 10%, which are not equally shared by receivers of similar incomes in other walks of life, boil down to being a highly iniquitous form of taxation.

Principal Gadgil tells us that "the present scales of salaries all round act as a great hindrance in the way of a rapid extension of national welfare activities," and that "if reform hits a few who are specially fortunately placed to-day, it may be the means of benefiting a large number of today's unfortunates." I can assure Principal Gadgil that it is not the salaries which are standing in the way of a rapid expansion of our national wealth, but it is partly a legacy of past administrations, which have always lacked in constructive vision and which have always overlooked

the nation's interests, partly the outcome of our own narrow outlook and our own hand-to-mouth conceptions of public policies, and partly the result of the mishandling of the fiscal, financial and monetary weapons by the Central Government. "The rapid expansion" would be a matter of a couple of decades, when India attains her full status as a national economic unit and wields her trident of fiscal, financial and monetary autonomies with unfettered freedom. It is an optimism born of either innocence or connivance of the orders of magnitude in this case to say that the "savings" effected in salaries would be benefiting "a large number of today's unfortunates."

Let us now discuss the fundamental or "real" economics of the reduction proposals. Principal Gadgil thinks that my criticism is based on "a palpable misconception"; however, it is clear from his own arguments that he has done hardly any justice to what I had to say under this head. If he has insufficiently understood me, it must be my own fault in that I did not (in my article, mainly for reasons of space) clarify all the theoretical and practical issues in this connection. I regard the contractionist argument as the plinth of my whole criticism. I propose, therefore, as briefly as possible, to dwell on this argument here. "Economy" of money is something which the lay public understands more readily than economy of wealth; and although masters of political economy from Adam Smith downwards have protested against this confusion, even professors of economics are constantly getting into the same error over and over again. I have nothing whatever to say against the positive programme of loan development proposed or to be proposed by the Congress, which might be of an expansionist character, except that it is *utterly inadequate*. So long as 3 to 5 crores of persons are either unemployed or are stalking through the land as destitute beggars, the country is annually losing wealth to the tune of Rs. 500 to Rs. 1,000 crores! It is to this loss of wealth that I would like to direct the attention of our rulers to-day. Instead of saving this wealth, they are worried over two-penny economies to save the nation from poverty! It was the humble purpose of my article to reiterate that, in this case, the economy of money, especially as it was going to wipe out deficits or to grant relief of taxation elsewhere, was likely to be contractionist in its nature, and I gave the stoppage of hill exoduses as one more instance of unthinking contractionism. Reductions, retrenchments, abolitions, and *harta's* are the offspring of contractionism, whereas they everywhere destroy the existing channels of employment and production of wealth without making the nation's position appreciably sounder in other ways.†

As I see it, the Congress policy today is one of orthodox virtuosity and the Congress politicians are following the ordinary and superficial precepts of "economy at all costs." I am convinced that this orthodoxy is going to inflict an unnecessary degree of privation and misery upon a large number of people not directly concerned with high salaries, etc. The hill-stations are to be abandoned, grants to public institutions are to be reduced, whole departments are to be amalgamated, resulting in severe retrenchment of

* The first article appeared in our issue of September 9, 1937.

† It may interest Principal Gadgil that as early as 1933, I protested against retrenchments and *harta's* in the columns of the SERVANT OF INDIA (see issue of February 9, 1933).

of posts, both the cadres and salary scales are to be drastically cut down and numerous judicial and educational institutions are proposed to be closed down. Owing to their tenancy legislation, Land Revenue bids fair to be a falling head of revenue; owing to prohibition "in three years," Excise promises to be a dwindling proposition; measures calculated to reduce litigation are bound to end up by making Stamps a worthless source of revenue to the Governments. In view of all these things, I fail to see where the Congress will be getting its funds to carry out the "enormously increased nation-building economic activities" on which, according to Principal Gadgil, they have been insisting. On the contrary, practically every one of the measures so far proposed by them, such as abolitions, reductions, retrenchments and amalgamations, is going to cause a direct and indirect unemployment in the country in a cumulative manner. It was with this background in my mind that I pronounced against the salary cuts, as I have little doubt but that the money "saved" in the present case is intended for reducing deficits (which will be greater and greater in the future), relieving taxation and such other negative things. But, on the other hand, in so far as the money is applied in a positive "nation-building" way, I am not convinced that the net gain to employment or production would be of an order that would justify all the ado.

Principal Gadgil asks me if I think that "the taxable capacity of the Indian people is so great that we can well afford to ignore possibilities of finding an extra crore or two?" I really do not know (in spite of Professor Findlay Shirras and Professor K. T. Shah): what the "taxable capacity" of India or any other country is and how it is to be measured. I am no supporter of "waste," but it is so difficult to say what is "waste" and what is "economy" with any degree of certainty in Public Finance, that I do not share Principal Gadgil's naive belief that by just cutting down salaries and transferring the money thus saved to other sections of society, we could either improve the "taxable capacity" or raise the standards of life of any section of the community in the country. It is a very common misconception to regard the national income and "taxable capacity" of a people as something that is so fixed and immutable for all time, that we can only rob Peter to pay Paul, or, in the words of Alice in Wonderland, that "the more there is of yours, the less there is of mine." I maintain that this is not merely a matter of transference but that owing to fundamental alterations in the standard of life of one section there might be considerable and irreparable damage done to the section that is intended to be benefited, in so far as the latter's living standards themselves largely depend upon those of the former section. The main fact at which we cannot afford to wink is the fact of the poverty of the people as a whole, and mere tinkering with salaries, or transferring of wealth from the rich to the poor is not going to make any palpable contribution to the solution of this basic problem. Even if we nationalise the wealth of the country and divide it equally amongst India's citizens, still we shall be on the verge of destitution. Under a socialistic regime, however, it may be perfectly feasible to make large one-sided transfers of wealth without destroying the existing channel of employment, because in a socialistic State, the agencies of production and employment being nationalised, the standard of life of the community as a whole and production and employment can be kept at a maximum level by direct State action. In India, we are neither here nor there at present.

§ I have dealt with this question in my book on *Federal Finance*, pp. 200-11.

This was the general argument which I advanced against proposals of a contractionist nature, such as reduction of salaries, retrenchment, abolition of grants and institutions and amalgamation of services. Principal Gadgil asks me: "Is not Professor Adarkar, while pointing a warning finger to the vicious spiral of increasing unemployment, ignoring the opposite danger of an inflationary spiral concealed in this simple panacea?" It is here that I think Principal Gadgil has either missed my point entirely or given to slovenly thinking. In the first place, the "inflationary spiral" would result, if at all, if an increase of salaries of public servants is advocated, which has never been my proposal. Even if, however, there is an inflationary spiral owing to measures of a positive kind,—such as the raising of the wage level in the country (by Minimum Wage legislation), or new public investment in various channels designed to stimulate economic activity directly and indirectly,—I would not regard it as a calamity but a very desirable contingency. The Indian economy provides an example of an economy which is suffering from a chronic low-blood pressure, brought about by numerous causes (such as the adverse monetary and fiscal policies of the Government of India). As a matter of fact, India is a land of perennial depressions and presents a state of affairs which can only be remedied by a comprehensive programme of development financed by loans rather than taxation. Moreover, the inflationary evil will be a real issue only after "full" employment is achieved. For the rest, any degree of inflation or what I prefer to call "reflation" is of no consequence at all. Any tiro in public finance can tell us that economic *welfare* will somewhat improve if the rich are taxed and the revenue is employed in providing amenities for the poor; but this elementary proposition does not warrant a further conclusion that by such a procedure the economic *wealth* and its production could be advanced to any appreciable extent. The cut in salaries is a form of particularised taxation—a very iniquitous one at that—in which we single out a section of the community, viz. public servants, for a drastic penal treatment which will not be shared by other men of equal calibre deriving equal or greater incomes in other walks of life. Theoretically there is no difference between the public servant who renders his services through the Government intermediary and the professional men who render theirs directly to society. If, then, there is to be taxation, let it be as uniform and equitable as possible. Existing taxation falls, more or less, equitably on all, and, what is more, although taxation *prima facie* falls in the same category in regard to the contractionist argument as any cut, it does not make any alteration in the existing channels of employment. The problem arises, if at all, in the case of new taxation. However, if the new taxes are so devised as only to fall in small proportions and marginally upon each taxpayer, there need not be any sudden dislocation by dismissal of servants, etc. In any case, it will cause less heart-burning.

But taxation and expenditure, however well devised, can do little more than maintain the *status quo* so far as the permanent problem of our national wealth is concerned. This brings me to the question of the gain to employment and wealth resulting from such measures. In the first place, I am not so sanguine (as I was when I wrote my first article) that the savings due to the graduated cut of Provincial salaries in the six Provinces would really be of the order of Rs. 1 or Rs. 2 crores. A larger proportion of the total salary bill is covered by the lower grades in the services which presumably are to be left out of account here. If the higher salaries only are touched, the savings in the Congress Provinces will not come to more than 25 lakhs. But let us not quarrel

about figures. My main point is that this reduction will be responsible for a direct and indirect unemployment in the existing channels of a certain definite magnitude. If the funds saved are not used merely to wipe out deficits or to give relief of taxation but to finance positive investment, I grant they would cause an equivalent employment elsewhere. Instead of giving employment to men in luxury trades, perhaps men will be employed in the "necessaries" trades but they will not be the same men, and, at any rate, it is a meagre solace to the men displaced to be told that there are other men employed directly and indirectly elsewhere. This will be the consequence of a drastic reduction of incomes in any particular section of the economic system. After all is said, therefore, I do not think that the net gain to employment and production would be of any consequential order. *So long as the ideal of full employment is not achieved*,—and we are still a long way off from that goal,—it will not do to disturb existing channels of economic activity, howsoever wasteful they might appear *prima facie*. Bloated salaries, hill exoduses, New Delhi capital constructions, duplicate posts and such-like things may appear wasteful, but so were the pyramids which enriched the Egyptian nation. The savings effected by reduction of salaries, at any rate in the Provincial scales, are small and iniquitous in nature; if welfare finance is the end, let us progressively tax the richer sections as a whole, in fair and equitable proportions. As regards the investment programme, there are different categories of investment, some directly more useful, some less. I do not regard New Delhi as preferable *per se* to building schools, hospitals, or industrial housing, or road construction, or the scores of other investment projects which are awaiting execution. But I, for one, would oppose the abolition of existing channels of investment like hill exoduses (on which the fortunes of hundreds of people, including shop-keepers, carriers, porters, etc. depend) so long as the new projects have not created opportunities for the *fullest employment* for nearly all the labour and capital in the country. Moreover, to increase the wealth and welfare in the country, I think, we should concentrate more on positive and direct measures, such as Minimum Wage legislation designed to raise the workers' standards of life, fresh and increased taxation of the nature of welfare finance in various possible ways so as to touch the pockets of all rich people equitably, and, lastly, progressive investment of an ever-widening scope designed to increase employment and production directly and indirectly. It is my firm conclusion that instead of creating unnecessary discontent amongst a few sections of the public singled out for penal treatment—both the money saving and the net gain from which are likely to be almost insignificant—the responsible Congress Governments might more usefully direct a frontal attack upon the problem of poverty itself by means of expansionist measures, as outlined above. In the meanwhile, it will be best for them to let well alone and to refrain from the wild-goose chase of false economies.

B. P. ADARKAR.

Miscellaneous.

THE SIT-DOWN STRIKE.

As sit-down strikes are being organised in India, the following discussion as to the ways in which they should be dealt with and the way in which they should not be dealt with will be of interest.

WITHOUT pretending to exhaust so difficult and complex a subject and recognizing that it is one on which there may be wide differences of

opinion among people of good-will, the National Council of the Fellowship of Reconciliation submits the following suggestions on problems raised by the sit-down strikes.

Above all, we believe attention must be fixed upon the reason why workers resort to sit-downs and the result they seek to achieve. That result is not social or political revolution. Workers in basic industries are striking primarily in order to establish the right to organize and to bargain collectively through representatives of their own choosing.

I. Collective Bargaining—The Basic Issue.

All the churches—Jewish, Catholic, Protestant—have long since held that the worker in our modern industrial set-up has no real freedom and can exercise no effective influence in determining the conditions of his work which so largely affect his material and spiritual welfare, save through organization and collective bargaining.

During recent weeks many of our greatest industrial enterprises such as United States Steel, General Electric, General Motors, Chrysler, have entered into collective bargaining relationships with unions. All the arguments which make collective bargaining valid today were also valid a generation ago. Yet for decades many employers, especially in our basic industries, have pursued a policy of bitter anti-unionism, discharge of workers who joined a union, labour espionage, the use of private gunmen, tear gas, and machine guns in industrial disputes. Society and in particular employers cannot expect, in a moral universe, to escape paying some penalty for such policies.

We are convinced, nevertheless, that speedy and general recognition of unionism and acceptance of the policy of collective bargaining by American industrial leaders would put an end to the epidemic of sit-down strikes. In the long run no other policy will bring stabilization of labour relationships and a substantial measure of industrial peace. The order and peace which have prevailed in the railroad industry in the United States under a regime of collective bargaining furnish eloquent testimony for this contention.

The fact that sit-downs may occur for a time after collective agreements have been made need cause no surprise or alarm. They may be individual leaders or subordinates on both sides who wish to sabotage the new relationship or who lack faith in its possibilities. Under the most ideal conditions, it must take time to work out the details of the new relationship between men and management where such tremendous interests and such large numbers of people are involved.

There are some jurists of standing, though not many, who hold that the sit-down is illegal. Nothing is gained, in our opinion, by contending that when workers who have long worked in a plant, who have contributed skill, experience and labour to the prosperity of an industry, sit down peacefully in a plant pending the adjustment of grievances, they are simply "trespassers" like the man who occupies another's home against the latter's will.

When people participate in, or condone, or fail earnestly to protest against, the gross inequalities in distribution of income which exist in our country, refusal of employers to recognise the right to organize, labour espionage, the use of gas and machine-guns against strikers, lynching, war, and preparation for war and then suddenly become indignant about sit-down strikes, truth compels us to remind them of Jesus' saying about those who "strain at a gnat and swallow a camel."

II. A New Conception of Rights.

The attempt to meet and solve the sit-down problem on the basis of legal technicality or in a spirit of hysterical denunciation can end only in disaster. As William Allen White, adviser to Governor Landon in the recent presidential campaign, has pointed out, we are faced with issues not clearly covered by existing laws: "We may be approaching a new phase, a new conception of the rights of property in industry." Until we understand that a new social problem born out of new facts and relationships in industry is before us, "the country will not go far towards solving the current industrial situation."

We believe that it is likely to prove easier to prevent open violence in connection with the sit-down than in connection with the more common forms of picketing. We note with satisfaction the high degree of discipline which sit-down strikers have imposed upon themselves and the scrupulous care of property which they have exercised.

As labour leaders as well as others have pointed out, grave dangers lurk in a possible irresponsible use of the sit-down method. It is our earnest prayer that excesses on the part of labour at this critical hour may not develop to give an excuse to elements which might seek to institute Fascist measures in the United States.

Unhesitatingly, however, we deprecate any attempt on the part of public authorities or of private individuals or organizations to solve the sit-down problem by violence and bloodshed. As in every other sphere, so here, violence will solve nothing, but will make a real solution more difficult. If violence is resolutely kept out, every other problem will be easier of solution, all real values, including even physical property, will in the end be better protected.

We likewise deprecate any hasty legislation against sit-downs, for more stringent regulation of labour organizations, etc. The movement to stabilize labour relationships must have for its first premise the general and whole-hearted acceptance of labour's right to organize and bargain collectively, and for the rest must depend on free consultation among the representatives of management, the unions, and the government, as is already the case on the railroads of this country.

III. The Better Way.

The sit-down strikes as they have been conducted in the United States are far from fully exemplifying the spirit of non-violence. There is far too much readiness on the part of strikers to resort to violence, when this appears "necessary" and likely to produce "results." Sit-downers have depended in large degree on physical possession of property and physical coercion of non-strikers. Employers and workers and their respective organizations and all other groups in our society think too much in terms of warfare.

It is this same spirit of domination, will to power, violence—trust at last in the sword rather in reason and love, in the power to hurt rather than the power of sacrifice—which characterizes all of us in all our relationships. Two decades ago this spirit led to the slaughter of thirty million human beings and all the other horrible harvest of the Great War. There is a better way. There is a power in the spirit, symbolized by the Cross, which suffers for a cause but will not inflict suffering, a power in non-violent resistance, greater than all other power. Ultimately we must build life on fellowship and meet social changes in the spirit of love even for the enemy and of faith in the processes of reason and good-will. We believe that this can be done and we call on all men and women

of good-will to join us in thinking out the practical ways of doing it.—*Unity*.

SHORT NOTICES.

THE MUSEUMS OF INDIA. By S. F. MARKHAM and H. HARGREAVES. (The Museums Association, London.) 1936. 26cm. 229p.

THIS is the last publication in the series of Surveys of the Museums of the British Empire conducted by the British Museums Association with the help of grants from the Carnegie Trust. It is, therefore, a thorough and scientific survey competently written, beautifully produced and profusely illustrated. The Survey is divided into two parts. The first part contains a general survey of the present state of the museums in India under such headings as finance, functions, administration, etc. The second part contains a directory of the 105 Indian museums giving detailed information about each of them. The publication should prove of first rate importance not only to those connected with the conduct of museums, but to a much wider public of educationists, antiquarians, etc. The conclusions that the authors of the Survey reach disclose a serious state of affairs. Museums as a whole in India are, it would seem, underfinanced, badly housed and badly managed. This is so, not only as compared with museums in Europe, and America but also with those in Ceylon or Java. From the report it is clear that the museum movement has as a whole suffered a setback in India and is suffering from undeserved neglect. Not only do the authorities responsible neglect the museums, but the curators themselves are ill-equipped for their work and afraid to use their hands. And this latter defect is much the more fundamental. For, an energetic curator who takes a personal interest in his work can build up a worth-while museum even within limited resources. It is gratifying to note that the Survey specially mentions the Poona Reay Industrial Museum as among the few smaller museums of this type. We hope this publication will receive wide attention and will mark the beginning of an active period of museum reform in India.

D. R. GADGIL.

THE MAHABHARATA. SRIMAD BHAGAVATA.

By A. M. SRINIVASACHARIAR TRS. by Dr. V. RAGHAVAN. (Natesan.) 17cm. 495, 447 p. Rs. 1-4-0 each.

HERE are two great national works condensed in the poet's own words and accompanied by lucid translation. The importance of such valuable contributions to what might be termed the "People's Library" can hardly be overrated. As Dr. V. Raghavan, the learned translator puts it, the Mahabharata is not merely the epic tale that chronicles a great upheaval of the Arya race, but it is more. It is "the Cultural Encyclopedia of the Hindus." The very extent of the Mahabharata is staggering, so much so that very few even among Sanskrit scholars can say with pride that they have traversed through its weary and interminable books from cover to cover, with whatever that is best in it filtering through long passages of the mediocre and the commonplace. The books under review have been admirably condensed, so as to enable the general reader to have a first-hand acquaintance with these national treasures and to replace the vague feeling of pride they take in them by a genuine sense of elation that the pride is justified.

The Mahabharata has for all time been a spiritual and ethical guide to millions of Hindus, and inculcates in its vivid depiction of the struggle of clash-

ing volitions and of the great passionate crises of existence when duty and inclination come nobly to the grapple, that, vain as all life is, where "wanting is more woe than too much having" man's supreme duty is to act and persevere in doing good and show others how to be good. In the emphasis which it lays on self-less work, in its elucidation of the noble Dharma, in its insistence on love, and faith in the Supreme Lord who is love, it practically deals with the problem of conduct whose solution is a pressing need for man if he is to live without that inner discord which arises from ignorance of the true ideal of life or its meaning.

The Bhagavata also reinforces the same teaching, but it is manifestly more devotional in tone and demonstrates how the Lord Himself is the embodiment of the three principles of Dharma, Jnana and Vairagya. "Knowledge, Action and Devotion—Jnana Karma, Bhakti—as envisaged by the Bhagvata are neither exclusive of each other nor contradictory. To know truly is to love Him; and devotion can be of the best form when it is informed by knowledge. Knowledge and Love must express themselves in acts of Devotion. But the path of Devotion is the best for us, for it is suited to those who are attached to various interests in life on earth and yet have some spiritual yearnings".

Here are two of our great national treasures both in their original and in very lucid translations, and we must be grateful to the publishers for the nice get-up and the cheap price at which they are made available to the public.

C. R. DEVADHAR.

INCOME-TAX (IN RELATION) TO ACCOUNTS

By FRAMROZ R. MERCHANT. (4th Edn.) Ed. by Maneck P. Mistry. (Taraporevala, Bombay.) 25cm. 164 + 61 + xxxi p. Rs. 4-8.

WITH lucid explanations, instructive illustrations and masterly treatment Mr. Merchant has indeed succeeded in bringing the highly technical subject of income-tax within easy grasp of not only the student of accountancy but also of the ordinary tax-payer. Income from business, trade, etc. (Chapter V) has especially been so ably treated that an ordinary trader will, with this book by his side, be easily able to dispense with the services of the Income-Tax expert and yet find himself better off. I think that the pages allotted to reprinting of prescribed forms could have been better utilised. I also wish to draw the author's attention, since he has desired it in the preface, to the only mistake or rather a misprint which has occurred on p. 26 of the book: in line 8 from the top Rs. 13.225 should have been Rs. 134232.

A digest of important cases at the end has, no doubt, added to the utility of the treatise as expected by the Editor in his preface; but he should not have reproduced such decisions as have become obsolete on account of subsequent amendments in law, e.g. the case of Sir Ali Imam. The case law in Income-tax is fast developing and the Editor will do well, therefore, to arrange this part of the book so as to make it more useful to those for whom the book is intended; at least a resume of all the Privy Council decisions should be given.

I recommend this book to all students of Income-tax and to tax-payers who are ordinary traders and property owners.

A CRITIC.

ON SOCIALISM. By LEO TOLSTOY. Trs. from the Russian by LUDVIG PERNO. (Hogarth Press.) 1936. 18cm. 24cm. 1/-

THIS is the last article that Tolstoy wrote only a few days before his death. He was requested to write on Socialism and his views have an interest even today.

He is too profound a believer in free-will to believe in the materialistic determinism especially when it is put into a cut and dried plan which communists expect to achieve through 'violent' means. Again, he believes that differences are bound to arise in fixing any particular plan and these may well be serious enough to stop the work of progress. He hates violence whether it is used by the few against the many, or by a few in the names of the many against the rest. He would rather ask each one to arrange his life and not meddle with those of others.

He concludes by exhorting young men to save themselves from the superstition that they can know the social order of the future, from too implicit a faith in patriotism, or what is given out in the name of science and from the belief that religion is a spent force. His advice to them is that they should follow the moral law of non-violence, and leave everything else to take care of itself.

Some of the possibilities which he has introduced into this brief article curiously anticipate the vicissitudes of the Bolshevik regime and add a peculiar interest to its re-publication at the present time.

R. H. KELKAR.

BOOKS RECEIVED.

- MALWA IN TRANSITION OR A CENTURY OF ANARCHY, THE FIRST PHASE, 1698-1765. By RAGHUBIR SINGH. (Taraporevala, Bombay.) 1936. 21cm. 391p. Rs. 5.
- THE BIG FELLOW, A LIFE OF MICHAEL COLLINS. By FRANK O'CONNOR. (Thomas, Nelson.) 1937. 21cm. 303p. 10/6.
- RAW MATERIALS. Population Pressure and War. By NORMAN ANGELL. (World Affairs Books No. 14.) (World Peace Foundation, New York.) 1936. 20cm. 46p. 75 cents.
- PHYSICIANS AND MEDICAL CARE. By ESTHER LUCILE BROWN. (Russell Sage Foundation, New York.) 1937. 20cm. 202p. 75 cents.
- POOR MAN'S BREAD AND PRINCIPLES OF LIFE. By NAND KAVI. (Seva Mandir Series.) (Seva Mandir, Post Box 31, Yodobashi, Tokyo, Japan.) 1936. 20cm. 100p. 2-50 Yen.
- THE STORY OF THE AMERICAN NEGRO. By INA CORINNE BROWN. (Association Press, Calcutta.) 1936. 20cm. 208p. 5/-.
- DYARCHY IN PRACTICE. By A. APPADORAI. (Longmans, Bombay.) 1937. 20cm. 431p. Rs. 5.
- ECONOMIC PLANNING AND INTERNATIONAL ORDER. By LIONEL ROBBINS. (Macmillan.) 1937. 20cm. 330p. 8/6.
- THE LEGACY OF INDIA. Ed. By G. T. GARRATT. (The Legacy Series.) (Oxford University Press.) 1937. 20cm. 428p. 10/-.
- RURAL WELFARE IN INDIA 1936. By C. F. STRICKLAND. (Oxford University Press.) 1936. 16cm. 54p.
- GOLDEN RESOURCES. A Guide to Health, Wealth and Happiness. By L. V. NARASIMHA RAO. (G. A. Natesan & Co., Madras.) 16cm. 207p. Rs. 1-4.
- PANCHAYATS IN INDIA. By J. C. DRUMMOND. (Oxford University Press.) 1937. 17cm. 60p. As. 8.