

Servant of India

Editor: S. G. VAZE.

Office: SERVANTS OF INDIA SOCIETY, POONA 4.

VOL. XXI, No. 26. }

POONA—THURSDAY, JULY 7, 1938.

{ INDIAN SUBSN. Rs. 6.
FOREIGN 15s.

CONTENTS,

	Page
TOPICS OF THE WEEK ...	317
ARTICLES:	
A Crisis Averted? ...	320
Landlords Writhe in Agony ...	321
The Cawnpore Settlement ...	323
Clearance of Debt in Hyderabad ...	325
REVIEWS:	
Christendom at the Cross-Roads. By Prof. S. V. Kogekar. ...	327
Principles of Money and Banking. By Prof. P. S. Narayana Prasad. ...	328
SHORT NOTICE ...	328
BOOKS RECEIVED ...	328

Topics of the Week.

Mr. Nehru in England.

NO Indian leader ever visited England at a more opportune moment than Pandit Jawaharlal Nehru at this time. When the Viceroy has gone there to talk things over with the Secretary of State and other members of the Cabinet chiefly on federation, it was necessary that the Indian people should have a representative on the spot to take part, unofficially though it be, in the conversations that would proceed, and India could not have a stronger, trustier and worthier representative than Pandit Jawaharlal. He would surely be given opportunities of saying his say while the saying is good; and we are glad to know that already, within a few days of his going there, his advice has been eagerly sought. He will of course have a very tough row to hoe, and it will do no good to form too high expectations. For nothing less than an entire transformation of the federal scheme will satisfy India. But at least India has been brought on the map; she has at least a sporting chance. India must for the present console herself with the thought that she has an ambassador in England who will exploit to the full the opportunities that will offer.

Labour Troubles in C. P.

THOUGH the threatened strike in Nagpur has been postponed, the labour troubles in the C. P. do not seem to be over. 1,800 employees of Raja Gokuldas Mills had gone on strike in Jubbulpore, following the breakdown of negotiations for a settlement between the millowners' and labourers' representatives. Now the strike there has been suspended, consequent on agreement with Seth Jarnalal Bajaj. There are labour centres at Akola, Hinganghat, Burhanpur and other places of the C. P. It is very difficult to know

what course of action the workers of these centres are thinking of adopting.

THE origin of the recent labour trouble in the C. P. can be traced to the publication of the report of the C. P. Labour Enquiry Committee. Since the days of depression, the mills in the C. P. had introduced wage cuts. The majority report of the committee recommended that the wage cuts be restored by 60% and that where the reduced rates of wages had been introduced since 1933, the reduced rates be increased by 60% of the difference between the old and the new rates of wages.

MR. V. R. KALAPPA, a labour leader, advocated, on the other hand, in his minute of dissent that there should be an immediate restoration of 75% of wage cuts, the millowners undertaking ultimately to restore the old wages. The working class of the C. P., generally speaking, stood by the demands of Mr. Kalappa. Meanwhile, the C. P. Government endorsed the majority recommendations of the committee and appealed to the millowners and workers to abide by its decisions. The millowners of Nagpur agreed to do so, but the Nagpur Textile Union, the most influential of the textile unions in the C. P., felt dissatisfied with the recommendations of the Government. It felt that a full restoration of wage cuts was its legitimate due and that Mr. Kalappa's recommendations erred on the side of moderation. It wanted, therefore, the whole wage cut question to be referred to a third party for arbitration, the decision of which was to be binding both on the millowners and the workers. Both the Government and the millowners refused to submit to outside arbitration.

FOLLOWING this, the Nagpur Textile Union resolved to go on strike from 1st July, unless its demands were conceded by the millowners *in toto*. But, before this date the Congress leaders of the C. P. intervened in the matter and desired that the demands of the workers be submitted to Mr. Gulzarilal Nanda, who would be asked to give his expert opinion on the matter. If Mr. Nanda endorsed the demands of the workers, then the C. P. Congress Committee would make common cause with the workers and would exert all its influence to see that Mr. Nanda's recommendations were accepted by Government.

THERE was another consideration of great importance which influenced the Nagpur Textile Union to postpone the strike. Mr. C. C. Desai, Director of Industries, found, as a result of his calculations with regard to the Empress Mills of Nagpur, that the enforcement of the Government resolution would practically amount to a restoration of wage cuts by 75 p. c. The fact is that, since the wage cuts were first introduced, a large number of new employees have been employed on reduced wages by the

Empress Mills of Nagpur. If the Government recommendations are put into effect, these employees will get an increase in their wages. Taking the Empress Mills alone, this increase in the wages of the new employees will amount to Rs. 2,000 or Rs. 3,000. On the other hand, restoration of 60 p. c. of the wage cut of the old employees will amount to Rs. 9,600. On the whole, therefore, consequent on the adoption of the Government resolution, the wage-bill in the Empress Mills will increase by Rs. 11,600 at least, whereas if Mr. Kalappa's recommendations are put into effect, the wage bill will increase by Rs. 12,000. So it is immaterial to the employees of the Empress Mills whether the Government recommendations are put into effect or the recommendations made by Mr. Kalappa.

WE wonder whether Mr. Desai is justified in making such an assertion. Mr. Kalappa, wanted no doubt that the wage cuts of the old employees should be restored immediately by 75%. This was the point on which he differed from the majority recommendations of the Labour Enquiry Committee. But, certainly, he did not mean that the new employees should be left high and dry and that no steps should be taken to increase their wages. It is obvious that Mr. Kalappa, being in agreement with the majority recommendations with regard to increment in the wages of the new employees, did not think it necessary to make special mention of it. If our reading of Mr. Kalappa's position is correct, then the workers of the C. P. would surely gain more if Mr. Kalappa's recommendations are agreed to by the millowners. Therefore, Mr. Desai's plea that both the Government's and Mr. Kalappa's recommendations will have the same effect on the workers falls to the ground. But it is necessary that Mr. Kalappa should explain his own position in unambiguous terms in order that no room for misunderstanding may be left.

Foreign Experts.

It takes one's breath away to see how responsible posts of great importance are filled by the Government of India. Not long ago the appointment of an all-white Committee to enquire into the conditions of the Railways in India provoked the strongest resentment of the Indian people. Both the houses of the central legislature unanimously condemned the personnel of the Committee. After this one would have thought that the Government would not import from overseas experts unless there were compelling reasons to do so. But this is to underestimate the insensitiveness of Government to public opinion. The Government of India is made of sterner stuff and however much Indians may clamour, so long as they cannot unseat it from power, it will go on merrily flouting public opinion. Its defiant spirit becomes manifest also in its policy of promotions. Capable Indians are treated with scant courtesy. They are superseded and made to retire before retirement is due, only to make room for inexperienced Englishmen. India is made the dumping ground for overseas experts.

WITHIN a period of less than two years, the Central Government has imported more than half a dozen experts and placed them at the head of the departments. The Economic Adviser is a foreigner thoroughly ignorant of Indian conditions. His views against economic planning are too well-known and he has naturally incurred the suspicion that he has been brought in to act against the cherished desires of the Indian publicists. The head of the Department of Public Information is again a

foreigner with no Indian experience. Similarly, an expert has been imported for the Income-Tax Department, for insurance and for the Department of Education. We wonder whether the Government sincerely believes that these posts cannot be worthily filled by capable Indians. If Indians with the requisite qualifications are wanting, they could have been trained to occupy these positions.

THE Central Government is always in want of funds. In fact, it puts forward this plea whenever the Provincial Governments ask for any contribution. But its financial stringency does not stand in the way of its importing experts at fabulous salaries. Clearly, the Government is trampling on public opinion in this matter. All responsible papers and public men of India have joined in a chorus in condemning its policy. Being deprived of distributing Provincial patronage, it is desperately trying to provide for "home-grown experts" in its own sphere, and no amount of criticism will move it from its path. But this state of things cannot continue for long.

The Punjab Press Bill.

THE Punjab Government was thinking of passing a Press Bill intended to tighten its grip over the Press. The statement of objects and reasons of the Bill complained of "a growing tendency noticeable both in the Press and on the platform to give currency to distorted and unreliable statements or rumours calculated to disturb the public peace or to discredit or prejudice public officers in the discharge of their duties." In explaining this, the Premier of the Punjab said that some Congressmen had been carrying on a campaign against recruitment for the Army. Again, some public men had been preaching hatred of the police, calling them snakes and scorpions and suggesting that there could be nothing wrong in killing them. Therefore he thought that a tightening of control over the Press was necessary in the interests of good government.

THE Punjab Bill proposed to add two clauses to the operative section of the Indian Press (Emergency Powers) Act of 1931 in its application to the Punjab. By these the Government is empowered to proceed against newspapers which it believed (a) caused fear or alarm to the public and (b) defamed, within the meaning of section 499 of the Indian Penal Code, any public servant with respect to any matter relating to the discharge of his official duty, in the same way in which newspapers guilty of sedition or any of the other grave offences enumerated in the Act were proceeded against.

THE change which the Bill sought to make in the ordinary law against dissemination of false reports and rumours, etc., was equally retrograde and objectionable. Section 505 of the Indian Penal Code penalises the dissemination of rumours, etc., with the intent to cause any of the mischiefs enumerated above, but in doing so, it expressly provides that "it does not amount to an offence when the person making, publishing or circulating the rumour has reasonable ground for believing that it is true." It is this salutary safeguard which has been taken away by the Punjab Bill. Under the Punjab Bill, no newspaper can publish news unless it can prove that the news was correct. Every journalist knows how difficult it is to keep to this standard. The only result of the Punjab Bill would have been that it would have debarred newspapers from publishing news which they think should be published in the interests of the country. The Premier, of course,

said that the Bill was aimed at that section of the Press which had no sense of "responsibility, decency, morality or honesty." But everybody knows how a law originally meant for the worst offenders is applied against the innocent also if they happen to incur the displeasure of the Government.

* * *

THE Indian Press laws are extremely severe as they stand at present and militate violently against the establishment of an independent press. We wonder how a popular ministry in the Punjab was trying to add to the severity of these drastic laws. It is not much of a surprise therefore that the whole Press in the Punjab unanimously condemned the Bill and the *Civil and Military Gazette* also joined with it. The Journalists' Association waited in a deputation on the Premier and assured him that it would take effective and voluntary steps to persuade and if necessary to coerce the irresponsible and disreputable section of the Press, against which the Bill was directed, to mend its ways. In deference to the wishes of his journalist friends, the Premier simply introduced the Bill but did not proceed with its other stages. He agreed to give his journalist friends six months' time to try their methods and promised his moral help to them in their efforts. We hope that the Punjab Journalists' Association would succeed in reforming the irresponsible section of the Press and obviate the necessity of the passage of a Bill which, if enacted, would cripple and demoralise the Press in the Punjab.

Benami Transfers of Land.

IT has been a long-standing complaint in the Punjab that the restrictions placed on transfer of agricultural land by the Land Alienation Act are fraudulently got round by moneylenders, and when the owner of the land himself colludes in the evasion it becomes impossible for Government, under the existing provisions of the Act, to put him back in possession of the transferred land. The Punjab Ministry has now introduced an amending Bill giving power to the Deputy Commissioner, in benami transactions, to restore possession of the alienated land to the original alienor.

TWO mortgage inquiries were made by the Punjab Board of Economic Inquiry, and it was discovered as a result of these inquiries that 3 per cent. of all mortgages in Ferozepur and 1½ per cent. in Rawalpindi were fictitious mortgages. The usual forms of such benami transactions are described, in the Board's report of an inquiry by Messrs. Brayne and Shiv Dyal as follows:

The general ignorance of the Zamindars regarding the benefits conferred by the Act, coupled with the undue influence and pressure exerted by money-lenders, are the main causes of these benami transactions. The majority do not know how to take advantage of the Act, and even those who are aware of it are so much involved that they do not possess the necessary courage to stand up against the wealthy sahu-kars.

When a money-lender wishes to take the land of an agriculturist on mortgage with possession without any limit of time in lieu of his debt, the benami mutations are made in one of the following forms. The moneylender—

(a) Gets the mutation of mortgage with possession entered in the name of another agriculturist with whom he has made a private understanding to the effect that the nominal mortgagee cultivates the land in question and pays the rent in cash or in kind to the moneylender who at the time of redemption receives the money indirectly.

(b) Arranges to have the mutation of mortgage with possession entered in the name of another agriculturist,

himself retaining possession and holding the land as a tenant-at-will under benami mortgage. Whenever the land is redeemed the mortgage money is received by the sahu-kar.

(c) Has the mutation of mortgage without possession entered in his own name and actually retains possession; the sahu-kar receives the mortgage money when the land is redeemed.

(d) Arranges to have the mutation of mortgage with possession entered in the name of another agriculturist, whom, by a private understanding, he gets to sub-mortgage the land to him for a limited period according to the provisions of the Act. At the expiry of each term he gets the mortgage renewed until the land is redeemed and the mortgage money recovered.

THE report proceeds:

Sometimes a sahu-kar wants to take possession of an agriculturist's land on mortgage with possession and as the mortgagee gets the mutation of such a mortgage for a limited period only, the mutation is rejected and the possession of land remains with him; he cannot be ejected by an ordinary notice until he recovers the mortgage money.

In the instances cited above the benami mortgagee has nothing to gain by the transaction; he is under the influence of the sahu-kar and the latter gets him to execute a fictitious bond for the amount of the mortgage money or enters an equivalent amount as debt in his accounts. Similar fictitious proceedings are sometimes resorted to in case of a mortgagor. In case of a breach of understanding the sahu-kar obtains a decree from the civil courts against the benami mortgagee or the mortgagor as the case may be.

Benami sale mutations are also made under similar circumstances. The sahu-kar obtains sufficient security from the benami vendee either by getting him to execute a bond or making entries in *bahi*. The sahu-kar after some time arranges for the sale of the land to another member of an agricultural tribe and then realises the proceeds.

A Wholesome Convention.

THE *Tribune* is very much exercised over the majority party in the Punjab Legislative Assembly opposing and throwing out some very beneficent and in any case innocuous measures at the first reading. It mentions among the Bills which met with this fate Dr. Gopi Chand Bhargava's Maternity Benefit Bill, which sought to give women workers the right to draw pay when in confinement, Lala Duni Chand's Tenancy Act Amendment Bill, which sought to give tenants the right of occupancy of land, after continuous occupation for a number of years, and Mrs. Duni Chand's Bill, which sought to give the right of separation to a Hindu, Sikh and Jain wife on such grounds as the commission of acts of violence by the husband on the wife, his living an immoral life or suffering from an incurable disease. It refers, in this connexion, to the convention that "no bill should be opposed at the introduction stage, whatever be its character," and says that the Punjab legislature is almost unique in not conforming to this excellent convention. We agree that it is an excellent convention, but it is not as if the convention is being broken in the Punjab legislature only recently or only in the interest of the people now in a majority. We remember when the Money-lenders Registration Bill was brought in by an unofficial Mahomedan member, Raja Narendra Nath and several other Hindu members opposed the motion even for the circulation of a measure which is now about to become law. Nor is the Congress party free from blame in this respect in the provinces where it is in a majority, for it has opposed the first reading of certain bills. We wonder whether the *Tribune* has

noticed such instances, where, to use its own words, the Congress, having the strength of a giant, has insisted upon using it as a giant.

* * *

U. P. Tenancy Bill.

THE Congress party in the United Provinces considered the Tenancy Bill at its meeting held from 25th to 28th June and adopted, it is said, the following resolutions :

(1) *Sir* rights acquired under the Oudh Rent Act of 1921 and the Agra Tenancy Act of 1926 should be cancelled, except where the zamindar pays Rs. 100 or less as land revenue.

(2) Every zamindar shall be entitled to have *sir* rights up to 50 acres of land.

(3) If any out of the old *sir* a zamindar has in his actual possession and cultivation 50 acres, this land will continue to be *sir* land, and on the remainder which is sublet the tenants will acquire hereditary rights.

(4) If any zamindar has in his cultivation more than 50 acres, 50 acres will be recorded as *sir* and the excess as *khudkasht* which, if sublet, will become hereditary tenancy.

(5) If any zamindar has less than 50 acres in his cultivation and if he has any *khudkasht* land, then he can convert from his *khudkasht* such portion as *sir* as would complete his 50 acres.

(6) If any zamindar's *sir* and *khudkasht* land is less than 50 acres and if any of his old *sir* is sublet, he can eject for his cultivation his sub-tenant from such portion as would complete his 50 acres.

(7) If any zamindar who pays Rs. 100 or less as land revenue has in his cultivation less than 50 acres as *sir* and *khudkasht* and has not sufficient old *sir* sublet to complete his 50 acres, he can eject subtenants from his *sir* land acquired under the 1921 and 1926 Acts, if any, to complete his 50 acres.

(8) Sub-tenants of *sir* lands not covered by the above provisions shall acquire hereditary rights on the land under their cultivation.

(9) *Sir* land can be sublet ; but the tenant will not be ejected unless the court is satisfied that the land is required for the zamindar's own cultivation.

(10) No ejectment is to be allowed for more than one year's arrears.

(11) After arrears have been due for one year's rental the tenant must pay the full amount of arrears and current dues within one year.

(12) The holding of a defaulting tenant should be sold; but the sale should be effected of only a portion of the holding to cover arrears and other incidental changes.

(13) The sale proceeds of a holding, after deducting the arrears, should be handed over to the ejected tenant.

(14) No distraint proceedings should be allowed.

* * *

C. R. Opposes Separation of the Judiciary.

IN his recent visit to Madura the Premier of Madras, Mr. C. Rajagopalachari, again gave expression to his opposition to separating the executive from the judiciary. At one time he gave the impression that he was in favour of the reform in principle, though chiefly on the ground of expense he would give it a rather backward place in his programme. But he has reverted to his former position and opposed the very principle. The *Indian Express*, a Congress journal, has well stated both his objections and given its own answers, with which all will agree. The paper says :

It would seem as though his objection to the separation is based on his disinclination to share control over the police with the High Court. It would not be possible, argues the Prime Minister, for any Provincial Government to do substantial work in the country if it divided its

authority and work with the High Court. If control over the magistrates was left to the Sessions Judge, and through the Sessions Judge, to the High Court, it would, in the opinion of the Prime Minister, result in his having no control over the police who would be independent of him.

From this, Mr. Rajagopalachari proceeds to conjure up a picture of himself as an impotent Prime Minister, in the event of the executive being separated from the judiciary. There is, of course, nothing unintelligible in the Prime Minister's anxiety. Persons to whom doing good to people has become an absorbing passion, must first possess the power to do so, and extremely public-spirited people are apt to look upon the acquisition and retention of political and administrative power in their own hands as a matter of public and national duty. On the other hand, in the very course of such acquisition, they tend to come into conflict with the spirit of democracy. Democracy delights in checks on the unrestrained exercise of power by the very leaders whom it selects for the responsibility of government, and it is part of the trials of leadership in a democratic age to have to put up with such checks.

Articles.

A CRISIS AVERTED ?

THE temporary suspension of payment announced by the management of the Travancore National and Quilon Bank Ltd. a fortnight ago has had repercussions outside the confines of the Travancore State where the Bank is registered and of South India where the bulk of its business is conducted. During recent years, the Bank has extended its operations to other parts of India; and only lately it opened two branches in Poona. The operations of the Bank had grown to large proportions especially since the merger of the Travancore and the Quilon Banks that was effected successfully some time last year. South India, unfortunately, has been the scene of numerous banking disasters, and, out of a total of 51 banking failures recorded in the year 1935, no less than 10 were from the province of Madras and 9 from the State of Travancore. It was not surprising, therefore, that the action taken by the authorities of the Travancore Bank presented all the features of a banking crisis affecting especially institutes in South India.

If for the time being the crisis has been averted, the credit goes mainly to the ever-vigilant Premier of Madras, who has been able to induce the authorities of the Reserve Bank of India to interest themselves actively in the fortunes of this leading banking corporation in South India. The first impulse of panicky creditors everywhere is to move Courts to take their banks into liquidation; but under well-regulated banking systems, the law provides for timely assistance being rendered in such circumstance, which often results in the threatened disaster being averted. It was with this object in view that the Indian Central Banking Inquiry Committee proposed that the law should permit a temporary moratorium on the recommendation of the Reserve Bank, to prevent timely and compulsory liquidation of a bank which is in difficulties. Accordingly, the Indian Companies

Act as amended in 1936 provides that "a Court may, on the application of a banking company which is temporarily unable to meet its obligations, make an order staying the commencement or continuance of all actions and proceedings against the company for a fixed period of time on such terms and conditions as it shall think fit and proper and may from time to time extend the period."

The Travancore National and Quilon Bank Ltd., according to a communique issued by the Government of Madras, agreed to apply to the Reserve Bank of India to undertake an immediate and thorough investigation into its affairs and to act according to such advice as may be tendered as a result of the investigation. During the period of the investigation the authorities of the Bank undertake, according to the same communique, to carry on the affairs of the Bank subject in every manner to the restrictions and directions that may be given by the Reserve Bank of India. In view of these arrangements, in arriving at which the initiative was taken by the Government of Madras, it may not be too much to expect that the Courts in which proceedings against the Travancore Bank have been instituted will grant stay of the proceedings so as to provide time for the work of investigation to proceed unhampered.

These arrangements represent a signal triumph in a sense. For organized public opinion, which through the popular Ministry in Madras made its influence felt on the course of action that was being pursued prior to intervention on the part of the Prime Minister of Madras. The authorities of the Reserve Bank of India cannot be compelled to go to

the assistance of an institution which, in its opinion, is not creditworthy. At the same time it cannot be emphasised too strongly that a National Central Bank, and a Reserve Bank particularly, can scarcely afford to view its responsibilities like an ordinary unit in the banking structure. It becomes the duty of a Reserve Bank always to direct and guide banking policy and development in such a manner as to prevent banking crises occurring or to assuage the effect of such crises when they do occur. The Reserve Bank is the depository of the balances of scheduled banks and is in constant touch with the affairs of these banks. It has for this reason special responsibilities to the public for the affairs of banks which it takes under its protecting wings. That is the main justification for its being invested with the powers and privileges conferred under the Reserve Bank of India Act. For a time it seemed that notwithstanding our having set up this dominant banking organization—at the cost of immobilizing nearly 15 to 25 crores of the funds of joint stock banks—when a crisis seemed to develop the position of depositors in a bank beset with difficulties was the same as in the banking crises of the past. It is only the intervention of the Government of Madras that has brought a ray of hope to these depositors; and now that the authorities of the Reserve Bank of India have consented to conduct a thorough investigation of the affairs of the Travancore National and Quilon Bank it may be hoped that the crisis that was threatening will vanish and that the Bank will be enabled to reorganise its affairs on well-ordered lines under the guidance of the Reserve Bank of India.

LANDLORDS WRITHE IN AGONY.

ONE of the measures of relief which the Shri Krishna Sinha Ministry of Bihar intended to give to the cultivators of the Province is to return the lands that had been sold in decree on account of the tenants' inability to pay rents during the depression, on payment by the tenants of half the sale price. These lands are called *bakasht* lands, and the Restoration of *Bakasht* Lands Bill provides for the restitution to the tenants of such lands as they lost owing to their default in the payment of arrears of rent between 1929 and 1937 "by reason of the unprecedented fall in prices". No one will pretend that the emergency is not grave enough to call for an exceptional measure to relieve the distress of the tenantry. The *Secrchlight* does not exaggerate when it says: "For over six years the *kisans* were bled white, compelled to bleed through the nose. They had perforce to meet their obligations without any extenuation whatsoever, despite a reduction of as much as 60 per cent. in their resources as a result of depression. Thousands and thousands of acres passed out of their hands, whole villages were deprived of the means of livelihood. Women and children were, as it were, thrown on the streets to starve, and because the relentless landlords insisted on their pound of flesh from skeletons

deprived of every ounce of blood. To prevent this kind of serfdom was a public duty of the highest importance. To ensure land on reasonable terms to the landless thousands in as legitimate a manner as could be possible was an obligation that no Congress Government could have disregarded." That in a province where landlords wield enormous power it is attempting a measure of bare justice to the as yet unorganised and feckless tenantry reflects great credit on the Sinha Ministry.

The proposed restoration of *bakasht* lands is hedged round with certain conditions. The tenant must pay, as stated above, 50 per cent. of the amount mentioned in the sale proclamation and 50 per cent. of the expense incurred by the landlord in resuming possession of the land. That the scale of payment is by no means niggardly is proved by the fact that the Maharajahdiraj of Durbhanga has voluntarily instructed his circle officers to return the lands to the tenants on their paying only 25 per cent. of the amount for which the lands were sold. Again, the so-called petty landlords are exempted from the provisions of the Bill, and the definition that has been adopted of a petty landlord is generous enough in all conscience. All landlords who are not assessed to agricultural income-tax, i. e., whose total annual

agricultural income is only up to Rs. 5,000, or who are liable to pay local cess only up to Rs. 375 a year are regarded as petty landlords, and they will not be compelled to restore the bakasht lands to their tenants, the only condition attached being that the lands should be in the landlords' cultivating possession. Again, those bigger landlords will be exempted who have erected a building or made a garden of fruit-trees or excavated a tank and so changed the value of the bakasht lands that, in the Collector's opinion, it would be unfair to return them to the tenants. Further, if the bigger landlords have settled the bakasht lands with others, they will similarly not be required to return the holdings so settled. Moreover, only partial restoration is provided for in the case of nakdi lands (i. e. lands whose rents were not commuted or enhanced at any time since 1911) unless the area of such holdings is 6 acres or less, the extent of restoration being one-half in the case of holdings between 6 and 15 acres, one-third in the case of holdings between 15 and 30 acres, and one-fourth in the case of holdings over 30 acres, subject to a minimum of 6, 7½ and 10 acres respectively. It will be admitted that these conditions fairly meet the requirements of justice to the zamindars.

The cloven hoof of the Bill consists in the time it allows to landlords to make settlements of bakasht lands on third parties, in which case no recovery of the lands by the tenants is possible. In the case of lands sold at the onset of depression such settlements must have already been made. Only lands recently sold can be still available for restoration. And if restoration is to take place on any appreciable scale, a stop should have been put to settlements immediately the policy was decided upon. The policy of restoration has been under discussion for a considerable time; it was finally agreed to by the landlords in December last year; and a Bill was introduced in the legislature three months afterwards. During these three months landlords must have been very busy selling the lands or making bandobast about them with third parties. This ought to have been prevented, but it was not. On top of this, further delay has occurred in passing the Bill, with the result that if and when the Bill passes it will probably be evacuated of all its content and will do little good to those for whom it is meant. This is the opinion of competent observers. For instance, Mr. Jamuna Karjee, in his minute of dissent attached to the select committee's report, says: "The Bill is the result of a compromise which was effected in December, 1937. Since then a large number of holdings which were sold for arrears of rent and were purchased by the landlords have been settled by them. All such holdings should be restored to the kisans whose lands they were." Several members expressed the same opinion in the Legislative Assembly. The *Searchlight* says:

It is obvious that the zamindars are far from happy over the agreement (between themselves and the Congress). Having made virtue of a necessity, they are doing all they can to assail it by both word and deed. There is great deal in the complaint of our Kisan Sabha friends that the

utility of the Bakasht Bill has been already frustrated to a very great extent, thanks to the timely precautions taken by our zamindar friends. We fear that by the time the law is ripe for execution, the bulk of the bakasht lands will have been settled with people of their choice.

Again, referring to the obstructionist tactics of the zamindars on account of which the consideration of the Bill has been postponed, our contemporary writes:

Many of the smaller landlords will escape its (the Bill's) operation; and the bigger landlords have been busy arranging things in such a way that they will have precious little left to restore to the rayats after the Bill has been enacted into law. The fact of the matter is that the good the Bill might have done has been largely nullified by the clever, almost unscrupulous, manipulation of the time-factor by the zamindars.

Indeed, the Prime Minister himself said: "With the Bakasht Bill time is of the essence; because complaints have been pouring in that with the advance of time lands which should have come within the purview of the Act have been settled. I do not know how far these complaints are substantially correct; but because these complaints have been coming in, Government are anxious that this Bill should become law as soon as possible." Yet, much against his own wishes, he felt constrained to agree to a postponement in order to have the whole Congress-landlord agreement reconsidered by Maulana Abul Kalam Azad as the Congress representative with zamindar representatives.

The fate of the whole agreement is involved in these conversations because the landlords' complaint, which was voiced in the Assembly by Mr. Chandreshwar Prasada Narain Sinha, is that their demand for a cheap and speedy mode of realising rents, which would determine their attitude to the general tenancy policy of Government, had not been met and therefore they refuse to give their acceptance to the Bakasht Bill, although to its provisions they had agreed before. Their point of view is succinctly stated in Mr. C. P. N. Sinha's dissenting minute to the report of the select committee on the Tenancy Bill and was elaborated at great length and with great force by him in his speech on the Bakasht Bill in the Assembly. In the dissenting minute he refers to the concessions made by the landlords thus:

With provision for sale of a holding at a price fixed by the court and not at a price secured at open bid; with provision for tawan or damage being deleted; with interest having been cut down by 50 per cent.; with provision for attachment and sale of houses and detention of the judgment-debtor in prison having been done away with; with provision for selling in execution of a rent decree the portion with encumbrance only if the decree was not satisfied by the sale of the unencumbered portion; with similar provision about moveable property; with new legislation providing for return of sold lands for a sum 50 per cent. lesser than the sale price; with provision for remission of arrears of rent; and with provision for sub-division of holdings being made on the landlords, there is hardly any incentive left to the tenant to pay. As such we are of opinion that some effective provision must be made for timely realisation of rent.

In spite of the assurance that some machinery for easy, cheap and speedy realisation of rent will be introduced, the provision in the select committee's report leaves the

position unaltered. So far as the zamindars are concerned, this was a vital part of the agreement which remains unfulfilled yet.

And for this reason the landlords are going back not only on the provisions of the Bakasht Bill, but on the whole agreement. The Advocate General in a lengthy speech showed how all that could be done had been done, in deference to the landlords' demands, to facilitate expeditious recovery of rent. It is unnecessary to go into all the details here. But the present position is that the whole agreement has been thrown into the melting pot and Government have to reckon with renewed opposition of the zamindars.

The agreement, it is clear, is partial to the landlords; many concessions have been made to them which, but for the prospect of preserving harmony and peace, no one would have made. If the landlords are so shortsighted as to tear it, the tenancy reform need not tarry on that account. The *Searchlight* well says that, in accepting the agreement at first, the zamindars, "far from obliging the Government or the kisans, have obliged themselves most;" and it urges the Ministry to stand firm and make no further concessions, when already too many have been made. Our contemporary says :

The Government would do well to realize that there is a real danger of the Congress paying too heavy a price for the doubtful privilege of placating the zamindars. The impression is deepening into a conviction that the latter have been too clever for the Congress leaders and that, as a result of a combined policy of intransigence and cajoling, they have managed things so well that while the gains to the rayats are at the best moderate and hedged round by reservations and conditions, they have been able to safeguard their interests but too well. . . . Already the good that might have accrued as a result of the agreement has been lost and the petty higgling in which evidently the zamindar needs must persist has not helped to improve matters. Psychologically, the agreement is already a failure. We for our part, are not afraid of the future. The kisans will come into their own sooner than later. The totality of the effect of the tenancy legislation will have undoubtedly a profoundly salutary effect. But the Government would do well to take note of the prevailing tempo of public feeling and make it clear to Maulana Azad that any further concession to the zamindars will have disastrous results for the Congress organization.

It is time Government put their foot down and told them (the landlords) that if the measures are acceptable, they can jolly well please themselves. Further concessions would mean betrayal of the interests of the millions whose claims on the Government are far greater than those of zamindars who would even to-day register themselves as the standard bearers of British Imperialism.

THE CAWNPORE SETTLEMENT.

THE long-drawn struggle between the textile workers of Cawnpore and their employers is at last over. Contradictory reports regarding the termination of the dispute and the settlement of the strike appeared in the papers to the last minute and everything seemed to be in a state of flux. The happy news, however, has come that a settlement has been reached "between the Employers' Association and Government on the one side and between Government and the Mazdoor Sabha on the other." Now the question is whether the settlement is satisfactory, considering the sufferings undergone by more than forty thousand workers and their families during the last six weeks and more.

The trouble arose over the recommendations of the Cawnpore Labour Enquiry Committee appointed by the U. P. Government in November 1937. The Committee published its report by the end of the third week of April 1938 and recommended therein, among other things, the raising of the general wage level in Cawnpore by 10 to 12 per cent. The effect would have been, in the Committee's own words, only "to prevent the disparity between Bombay and Ahmedabad on the one hand and Cawnpore on the other being further widened in consequence of the interim recommendations of the Bombay Enquiry Committee." After quoting the comparative figures for Cawnpore and Bombay the Committee admits that the differences in wages of workers in Bombay and Cawnpore are "most glaring." Under these circumstances one would have expected the employers readily to accept the recommendations of the Committee which were none too liberal and, in fact, considerably below the expectations of the Cawnpore workers' organization, the Mazdoor Sabha. But, far from indicating their

willingness to abide by the recommendations of the Enquiry Committee, the Employers' Association of Northern India denounced the report as a whole without even waiting to see what the Government's attitude in the matter was going to be. It was this hasty and premature denunciation of the report *in toto* that was entirely responsible for the general strike at Cawnpore. The strike decision was taken by the workers themselves, and, what is more, this was done contrary to the advice given by the Mazdoor Sabha and the Congress. This event demonstrably refutes the usual allegation brought against the so-called labour extremists that such strikes are due chiefly to their nefarious activities.

The recommendations of the Enquiry Committee, though conservative in nature and not completely satisfactory from the labour standpoint, were cheerfully accepted by the Cawnpore workers. Their demand for wage increase, therefore, cannot in any sense be regarded as wild or utopian, which are the usual adjectives used by the employers in similar context. The demand was reasonable and practical as it was backed up by a responsible Enquiry Committee and subsequently ratified by the U. P. Government. This circumstance alone, among others, is enough to point out that the workers were on strong ground and it is the employers who were responsible for the suffering of workers and the loss to industry caused by the strike.

Despite the tense atmosphere inevitable on such momentous occasions the workers of Cawnpore were completely peaceful. Whatever violence was committed was due to baton charges of the police. The workers maintained a strictly and admirably non-violent temper though they took all the

necessary precautions to prevent blacklegging and to keep up their own grim determination to fight for their just cause. The attitude of Government was, however, somewhat puzzling. They need not have promulgated the notorious section 144 of the Cr. P. Code, thus crippling the normal activities of the workers. During the continuance of a trade dispute this move on the part of Government always amounts to throwing their weight on the side of the employers indirectly, but nonetheless definitely. Unfortunately in India a strike is automatically followed by the use of section 144. It is high time our new Provincial Governments revised their policy in this matter.

The following were the chief demands of the Mazdoor Sabha :

- (1) Withdrawal of the discharge notices served on workers after the publication of the Labour Enquiry Committee's Report ;
- (2) Increase of wages as suggested by the Committee ;
- (3) Recognition of the Mazdoor Sabha ;
- (4) Setting up machinery for hearing appeals of dismissed workers.

These are all very reasonable and moderate demands, and the employers gave their grudging and belated consent to concede, under certain stipulations, three of them barring the one regarding the recognition of the Mazdoor Sabha " as the proper authority to negotiate with the millowners and carry on collective bargaining in the interest of workmen." The employers are unreasonably adamant on this point and apparently want to transform the Mazdoor Sabha out of recognition before they recognise it as a body competent to deal with them on behalf of the workers. The attitude of the Mazdoor Sabha, on the other hand, was not uncompromising. They have, even under the storm and stress of the tension, changed their constitution so as to meet, as far as possible, the requirements of the employers. In a letter addressed to the Secretary of the Industries Department, U. P. Government, the representatives of the Sabha say :

The millowners insist on the reconstitution of the Mazdoor Sabha in order to safeguard themselves against unauthorised strikes. In this connection we submit we are prepared to agree to the following terms : Membership of the Sabha will not be less than 20 per cent. of the total labour force in the industry ; secondly, 15 days' notice of a strike shall be given ; thirdly, before a strike is declared the opinion of the workers, including non-members shall be taken by a secret ballot ; and the strike shall be declared only if 60 per cent. of votes are polled in favour of it. This is possible only if standard conditions of service are laid down and 15 days' notice of change in the working conditions is given to the Mazdoor Sabha.

In this connection we would draw the attention to certain provisions in the Bombay Trade Disputes Bill, which, if approved, would cover the ground.

In spite of all this the employers said they were not satisfied with these " paper amendments " of the constitution. They were reported to be willing to accord recognition to the Mazdoor Sabha "only when it is definitely reorganised to their satisfaction, but not as a condition precedent to the workers' resumption of work." In fact the employers wanted the Mazdoor Sabha to be a Company Union. This will in practice

amount to a complete paralysis of the independent activities of the Sabha. This is very undesirable and must not be allowed to happen as the Mazdoor Sabha is the only effective workers' organisation in Cawnpore. Curiously enough, the Government of the U. P. are reported to have agreed with the employers that the Mazdoor Sabha shall be recognised only after resumption of work by the strikers and after the Sabha has fulfilled " certain principles " of reorganization. Evidently these " certain principles " are not those enumerated by the representatives of the Mazdoor Sabha in their letter to Government referred to above. If the Government want the constitution of the Mazdoor Sabha to be changed according to the sweet will of the employers they may be told that they are not only doing grave injustice to Cawnpore workers but are also doing great harm to the Trade Union movement in their province. The U. P. Government is a Congress Government and there are half a dozen other Congress Governments in this country. They are likely to be influenced by this piece of labour policy of the U. P. Government. If all the Congress Governments decide to adopt similar policy with regard to the recognition of trade unions, the Indian Trade Union movement will be severely injured. It was absolutely necessary that the U. P. Government should have appreciated this aspect of the situation and realized their consequent responsibilities. In this particular case the Government very well knew that the strike was forced on the workers by the rash action of the employers in totally rejecting the recommendations of the Cawnpur Labour Enquiry Committee. Under these circumstances the Government should have used all their influence with the employers to induce them to recognise the Mazdoor Sabha in the interests of all concerned.

The nature of the settlement will arouse mixed feelings, as the issue regarding the recognition of the Mazdoor Sabha has not been decided in favour of the workers. A Labour Commissioner for the United Provinces will now be appointed and the Sabha will be recognized after this officer, " subject to certain conditions," satisfies himself that it has been properly reconstituted. It would have been well if these " certain conditions " had been clearly defined. During the negotiations for the settlement of the strike the Mazdoor Sabha was, for all practical purposes, recognized not only by the Government but also by the employers. The only thing that remained for the employers to do now was to grant recognition *de jure* where recognition had been granted *de facto*. The Mazdoor Sabha had accepted most of the known conditions under which the employers were willing to recognize it. If, even under these circumstances, the employers chose to remain immovable one wonders whether it would be uncharitable to think that the " certain conditions " under which the Mazdoor Sabha may be recognised are such as may not be acceptable to the Mazdoor Sabha. It is regrettable that Government should have been unable to persuade the employers to recognize the Sabha before the strikers went back to work. We are afraid the Mazdoor Sabha will have to wait for its recognition longer than it suspects.

CLEARANCE OF DEBT IN HYDERABAD.

SAVING OF AGRICULTURISTS' LAND.

AS in the Punjab the Ministry is going to take measures for the prevention of expropriation of cultivators by agriculturist moneylenders, so in Hyderabad State the Nizam's Government also has decided to take similar measures. In the Punjab the method proposed is that of treating all moneylenders who will be registered under the Moneylenders Registration Act as non-agriculturists, whether they belong to tribes notified as agricultural or not. In Hyderabad a different method will be adopted to achieve the same purpose: cultivators will not be allowed to part with all their land even to agriculturists but will be required, while selling their land, to retain a certain minimum holding.

Two years ago the Nizam's Government introduced the Land Alienation Regulation modelled exactly on the Punjab law on the subject, in two districts, viz. Osmanabad and Aurangabad. This Regulation, like the Punjab Act, assumes the tribal organisation of the people and prohibits the sale of land by members of agricultural tribes to those of non-agricultural tribes without the sanction of the talukdar. It also provides, in the case of loans by non-agriculturists to agriculturists, for a usufructuary mortgage, with automatic redemption, of the maximum period of 20 years and for a mortgage in which the debtor himself remains in cultivating occupancy of the land as an *asami shikmi* under the mortgagee, subject to payment of rent not exceeding double the land revenue assessment. The Nizam's Government considers this Regulation "to be the foundation stone of all measures for agriculturists' relief" and has found by experience that it is a great success. "Over 1,500 applications for permanent or temporary transfer of land were made during the last two years, of which more than 1,000 were settled. As a result a good deal of agriculturists' land which would have gone out of the possession of the hereditary agriculturist class has been protected." Further, "the number of civil suits filed in the civil courts of Osmanabad and Aurangabad during the last two years was greatly reduced in number."

Encouraged by this experience, the Nizam's Government has decided to extend this Regulation to all the Dewani ilakas and intends to extend it to the Sarfekhas areas (the private estates of His Exalted Highness), Paigahs, Jagirs and Samsthans at an early date. A detailed investigation was recently made in 312 villages in the State. It was found that of the total 10,27,675 acres of occupied land in these villages, 2,90,012 acres (or 26 per cent.) were in the possession of non-agriculturists and of these 1,06,454 acres (or 10 per cent.) passed from the possession of cultivators into the possession of moneylenders, both agricultural and non-agricultural, during the last 15 years. What proportion of these lands was acquired by agriculturist moneylenders and what by non-agriculturist moneylenders is not known, but it is certain that cultivators need as much protection from moneylenders drawn from one class as from the other.

"Agricultural moneylenders are almost as numerous as non-agricultural moneylenders. Hereditary agriculturists and agricultural moneylenders belong to the same category and their lands have till now been protected in entirety. It is discovered that big landlords who are in the protected class frequently buy out small agriculturists and cultivators of the same class or group after lending them money at usurious rates of interest. Some of these petty agriculturists and cultivators have become *asami shikmis* or tenants on land which was originally their proprietary land; others have become landless labourers." In order to prevent gradual expropriation of small landholders by big landlords, the Land Alienation Regulation will be amended so that, "after alienation and transfer of land from a member of a protected class, land with an assessment of at least Rs. 30 per annum should remain in possession of the alienor." No agriculturist will be allowed without the First Talukdar's permission, to sell or transfer his land so as to reduce it to a holding below this limit. In his report on "Agricultural Indebtedness in H. E. H. the Nizam's Dominions," Mr. S. M. Bharucha, Additional Revenue Secretary, shows that restrictions on sale of land are not an exceptional feature of land legislation. He says: "The American Homestead Law... reserves from alienation a certain area, usually about fifty acres for the support of the family. In France, a law was passed in 1909 under which property not worth more than 8,000 francs cannot be alienated at the instance of a creditor during the life-time of the owner or till his children come of age. In Belgium also it is provided by statute that a certain proportion of his land should never be mortgaged by an owner."

There is another amendment that will be inserted in the Land Alienation Regulation. At present all members of agricultural tribes, however strong their economic position and however large their holdings, are supposed to belong to the protected class. They are forbidden to sell any part of their land to non-agriculturists without the talukdar's sanction, and the Regulation is so worked that even big landlords who have much surplus land are not allowed to sell such land to non-agriculturists. It is proposed hereafter to take such landlords out of the protected class and to release them from the disability that now attaches to them in the matter of the sale of their land. For this purpose those landlords who pay over Rs. 500 assessment will be regarded as big landlords. "The restriction of permanent alienation of the land of the protected classes will be limited only to the extent of holdings assessed at Rs. 500. All land above that limit in the possession of a person of a protected class can be alienated freely under the ordinary law as before and the holders of such estates will, so long as their holding is not less than Rs. 500, be classed as non-protected."

REGISTRATION OF MONEYLENDERS.

Along with this measure for the purpose of protecting small cultivators from being bought out by agriculturist moneylenders, the Nizam's Government

has introduced legislation for the registration and licensing of moneylenders, regulation of their accounts and limitation of the rate of interest which they could charge. This law is intended not only for the benefit of agriculturists but of all classes. Five years ago the Government brought into force a Regulation to prevent usury, which empowered courts to go into the history of a debt up to 12 years and to see that the principle of *damdupat* is followed in calculating interest. *Damdupat* is meant here, not in the sense of the Bihar Moneylenders Bill or in the Madras Agriculturists' Indebtedness Act, but in the usual signification of that phrase, viz., that a sum greater than the principal of the loan be not decreed on account of arrears of interest. This provision is retained in the Moneylenders Regulation now promulgated; but further restrictions are imposed on the maximum rate of interest. "The ruling rates of interest in villages vary from 10 to 36 per cent. in cash loans and from 20 to 50 per cent. in case of loans in kind. The interest is moreover compound interest in most cases; that is to say, at the end of every year the arrears of interest are included in the principal sum and the rate of interest is charged on this artificially enhanced amount, which is called the new principal amount." The Moneylenders Regulation now provides that the rate of interest shall not exceed 9 per cent. simple interest in case of secured loans and 12 per cent. simple interest in case of unsecured loans. The provision will apply as well to loans in kind as to loans in cash; the importance of including the former kind of loans in the scope of the Regulation will appear from the fact that they form about 75 per cent. of the total amount of loans. The levy of compound interest as well as charging of expenses incurred by moneylenders in respect of loans is entirely forbidden.

The Regulation requires moneylenders to be registered and to take licences for carrying on the trade, to maintain regular accounts and furnish to every debtor once a year with a statement of accounts in which the principal and interest are shown separately and to give receipts for payments made by debtors. The court will summarily reject suits filed by unregistered and unlicensed moneylenders and disallow costs. If the court finds that the moneylender has not maintained the accounts regularly, it will either disallow whole or any portion of the interest due as may seem reasonable to it and may disallow costs; or if the court finds that the moneylender has not furnished the debtor with a statement of accounts, it will, in computing the amount of interest, exclude the period for which the moneylender omitted to furnish the account. The court will have power to fix instalments for repayment of the decreed amount. "The Regulation will apply to all moneylenders, great or small, including Rohillas, Pathans and Arabs." The extension of the law to these three tribes is very much appreciated. The *Hyderabad Bulletin* says: "The three latter classes have often been the nightmare of the debtors who have fallen into their clutches. The methods adopted by this class of creditors are extremely callous and

cruel, not rarely culminating in violence. Often while advancing a cash loan, they appropriate a good margin to themselves, including it at the same time in the principal. Sometimes they make the borrowers sign receipts for double and treble the sums they have actually taken, so that even the courts would be rendered powerless to stop their inordinate profiteering."

DEBT CONCILIATION BOARDS.

The Nizam's Government has also introduced a Debt Conciliation law for the benefit of agricultural debtors. As under the Land Alienation Regulation landholders paying land revenue exceeding Rs. 500 are taken out from the protected class, so under this Regulation the benefit of debt conciliation will not be extended to such landlords. This will be the upper limit, and the lower limit will be those agriculturists whose debts equal Rs. 100. The normal procedure of Debt Conciliation Boards will be followed. They will attempt settlement on a voluntary basis; but the usual small element of coercion will be there. For it is provided: "If there is no settlement the application is dismissed, but the Board may issue a certificate to the debtor that the offer made by him to the creditor was, in its opinion, fair. In such cases the creditor will not get the cost of his suit when he files a suit in a civil court or any interest on the principal amount due to him, in excess of simple interest of 6 per cent. per annum, after the date of such certificate." An agreement of creditors whose loans amount to a certain proportion of the total debt of the debtor is not required as a condition to the grant of a certificate by the Conciliation Board, as is the case in British Indian provinces. But probably such a condition will be inserted in the Bill when it is drafted for introduction in the Legislative Council. To start with, it is proposed to set up Conciliation Boards in five districts and to take up two talukas in each one of them. The Boards will consist of moneylenders and agriculturists and will be presided over by gazetted officers of Government. "The main work of the Debt Conciliation Boards will be to bring about agreements between debtors and creditors for repayment of debt in 8 to 20 annual instalments from the assessed surplus produce of the land."

The Hyderabad Government is also contemplating the establishment of a Central Land Mortgage Bank at Hyderabad with branch banks at the headquarters of the districts. Funds must be provided if Debt Conciliation Boards are to work successfully and the full benefit of reduction of debt is to be secured. If a Land Mortgage Bank is established, it can advance to a solvent debtor money enough to pay down in cash all his conciliated debt, which he can repay in twenty years. A Bill is to be introduced for the purpose, and it is unnecessary to give any detailed description of its provisions. They follow the lines on which such Bills have been passed in some provinces of British India and in some States. It would be enough to say that "the principal of, and the interest on, debentures issued (to raise the bank's capital) will carry the guarantee of the

Government to such maximum amount as may be fixed by the Government." A difficulty would be experienced in the successful working of such a bank in an area where a Land Alienation Act applies. It is felt in the Punjab and has been foreseen by the authorities of Hyderabad State. Mr. S. M. Bharucha, who has drafted the Bill, says in his report: "The bank should have the right, without resort to civil courts, to sell agricultural land through foreclosure on default of payment of the instalment of the loan." Accordingly,

The penal section of the Bill provides that if any instalment payable under a mortgage executed in favour of a Mortgage Bank or any part of such instalment has remained unpaid for more than one month from the date on which it falls due, the Board may apply to the Registrar for the recovery of such instalment by distraint and sale of the produce of the mortgaged land, including the standing crops. If within fifteen days the defaulter does not pay the amount for which the distraint is effected, the distrainer may sell by public auction the distrained property and the surplus, if any, shall be delivered to the person whose property has been sold.

The Board or any person authorised by such Board shall have power to bring the mortgaged property to sale without the intervention of the court. Where a sale of mortgaged property has become absolute, the sale officer shall grant a certificate specifying the property sold.

RURAL INSOLVENCY.

But no legislation for the relief of agricultural indebtedness will be complete unless it includes a Rural Insolvency law. For, after all, however much an agriculturist's debt is reduced, whatever funds are made available to him, however stringent be the restrictions that are placed on money-lending transactions, nothing will save him from indebtedness, if, after these measures are taken, he is not placed on a solvent basis, on the basis of a surplus economy. But some cultivators have perhaps already passed beyond that stage, and there is nothing to it but to write their debts off. This most important aspect has not escaped the attention of the Nizam's Government. For we read in a press communique: "They are also contemplating enactment of a simple law of Rural Insolvency so that the bankrupt cultivator can be freed from his debts and may not be harassed in future." It is satisfactory to note that Government are attacking this problem from all sides, and one only hopes that they will take vigorous measures to carry out their well-planned attack successfully.

Reviews.

CHRISTENDOM AT THE CROSS-ROADS.

THE CRISIS OF OUR CIVILIZATION. By HILAIRE BELLOC. (Cassell.) 1937. 22cm. 249p. 8/6. EUROPEAN civilization has during the last four hundred years advanced so rapidly on its material side that, unless its victories are secured on sure moral foundations, it is in peril of total destruction. At no time did that danger seem so imminent as it is today. This crisis of Western civilization Mr. Belloc sets out to analyse from the point of view of the Catholic Church. For it was the Catholic Church which, according to Mr. Belloc, gave Western civilization its true tone and colour. It was, further, the break-

down of the Catholic religion which drove that civilization to its present crisis. And it is only through the acceptance anew of the Catholic tradition that Christendom will save its distinctive culture from the advancing tide of materialism. That is Mr. Belloc's thesis.

Tracing the history of the rise and growth of Christendom, Mr. Belloc dwells at length on the benign influence of the Catholic Church on the unity and stability of European society till the advent of that disruptive movement called the Reformation. What with the frailty of the human constituents of the Catholic Church and what with the rise of national consciousness, forces were set in motion towards the close of the fourteenth century which gave a rude shock to the security of Christendom. Status was replaced by contract and usury was legitimized, giving rise to unhealthy competition. The inevitable result of that competition coupled with a growing control over material resources was the rise of a vast proletariat living on their wages and on the hatred of the social system which brought them up. Once the proletariat were made conscious of their strength, communism could not fail to make its appeal as the only saviour of mankind in distress. But communism rather than save Christendom from its peril would only hasten its doom. For it can be established only by murder and terror. And, once established, it can continue to exist only by denying the liberties and dignity of man. In its extreme materialism it does away with any common moral authority, leaving men to their own unguided or misguided judgment. All this is extremely antithetical to all that is best in the Catholic tradition, in which Western civilization took shape.

But something may yet be done to save Christendom from going down the precipice of communism. The most fruitful way is to reconvert the world to the Catholic faith and, fortified by the Catholic philosophy, to proceed to change the present social organization. The changes indicated by the Catholic view of life are mainly three: better distribution of property, public control of monopolies, and re-establishment of the Guild.

Such, in brief, is the outline of Mr. Belloc's argument in support of his thesis. To its elaboration he has brought to bear his remarkable gifts as a historian and literary artist. But the book is not merely a historical narrative. It is written to support a particular thesis and its treatment is not quite as objective as the author claims it to be. Mr. Belloc is a devout Catholic himself, and his faith often gets the better of his historical insight. For how could an objective view of Western civilization lead one to condemn outright the Reformation which set men free from the hide-bound life of the Middle Ages? The spirit of inquiry, of adventure once aroused by the daring heresies of a few brave men could not be curbed by threats to happiness in this world or to salvation in the next. But that was precisely what the Catholic Church tried to do. In that it failed. The Reformation was successful. Its success was partly necessitated as a response to the changing economic foundations of European society. Of course, it would be unduly rash to assert that there is a definite time sequence in which economic, political and spiritual changes come about in human society. These movements are very closely related when they are not merely different aspects of the same social phenomena. But Mr. Belloc asserts, with a confidence which it is hard to justify, that

Political change invariably comes prior to economic change; economic change could not take place but for the acceptance of laws and a machinery of government which allows the new economic conditions to function. First

comes, in every great revolution of European affairs, a spiritual change; next, bred by this, a change in social philosophy and therefore in political arrangement; lastly, the economic change which political rearrangement has rendered possible (p. 122).

Does Mr. Belloc not know how the work of the League of Nations, the establishment of which is an important political change in European affairs, is hampered because economic relations between nations have remained much as, if not actually worse than, they were prior to its establishment? Or does he think that the League will still set in motion changes so as to bring the economic order in conformity with the political? Whether one turns to Geneva or, as Mr. Belloc would want, to Rome, one will only do so to turn away in despair unless one has set the economic order on a more rational basis. The crisis of Western civilization cannot be averted by faith as a Catholic country like Mussolini's Italy has made abundantly clear. For the crisis is largely due to man's unwillingness to use his Reason. Once Reason reigns supreme, it is immaterial whether one turns to Rome or Geneva. But so long as even Mr. Belloc recognises the important role of the secular state in human affairs, Geneva is likely to have a far wider appeal than Rome.

S. V. KOGEKAR.

PRINCIPLES OF MONEY AND BANKING.

PRINCIPLES OF MONEY AND BANKING. By N. K. KATIHA. (Gaya Prasad & Sons, Agra.) 1937. 20cm. 137p. Re. 1-8-0.

THE book is prepared with a view to meeting the requirements of Intermediate students preparing for examinations in Economics and Commerce. It is divided into two parts, part one dealing with the principles of money and currency and part two with credit and banking. Of these, the latter part seems to be the more useful, specially the descriptive part of the practice of banking. It is difficult to say the same thing about the chapters dealing with the principles, the treatment of which seems to need improvement before the book can be advantageously used by the students for whom it is intended. The treatment of many of the topics discussed in this part is scrappy and is often little more than a catalogue of points whose elucidation is hardly attempted, e. g., the following :

Gold is the basis of monetary system everywhere. The adoption of gold standard establishes an international standard of value. Expansion of currency and credit and movement of exchange are automatically adjusted to each other under gold standard (p. 35).

The crucial part in the teaching of economics, explaining the 'how' and 'why' of these phenomena, is left to be surmised by the student himself—a method whose utility is open to doubt even when it is a question of teaching in intermediate classes. An idea about the distribution of emphasis may be obtained from the facts that about ten lines are devoted to a description of the gold bullion standard (p. 36), about a dozen lines to a description of a bank cheque book (p. 68) and a little more than a whole page is devoted to saying what are all the things that have been used as currency from furs and couries to gold and paper (pp. 5-6). The language bears evidences of haste in preparation as when he writes :

All contracts for deferred payments become mere gambling if the settling medium is *inconsistent* (inconstant?) in value (p. 9).

or as when he defines the Gresham's law thus :

Bad money drives out good money out of circulation, but good money cannot drive out the bad (p. 39).

—a negligence which is to be deplored when it creeps even into his equation of exchange, which he writes more than once as $\frac{MV \times M'V}{T} = P$, with a

multiplication sign instead of the usual *plus* in between *MV* and *M'V*. The statements not infrequently err on the side of the dogmatic as when he says of the purchasing power, parity, theory, which still remains as a valid illustration of the fundamental principles of foreign exchanges, that

To-day very little beyond some academic importance has been left to it (p. 137),

or as when he lays down that—

neither rising, nor falling, but steady prices are the best for the community as a whole (pp. 51-52).

And lastly by trying to put as many points as possible within the narrow compass of the intermediate standard the author seems to have produced a book which may be too advanced for elementary students and too elementary for the advanced classes.

P. S. NARAYANA PRASAD.

SHORT NOTICE.

DIRECTORY OF THE MADRAS LEGISLATURE. (The Madras Legislature Congress Party, Congress House, Madras.) 1938. 22cm. 560p.

THE Congress Party of the Madras Legislature deserves to be congratulated on the publication of a directory of the members of both the Legislatures in that Presidency. The directory is divided in four parts and contains a short biographical sketch of each member of the legislature with his portrait, besides information about the A. I. C. C., its Working Committee and the office-bearers of the Provincial Congress Committee. Part II of the directory contains the Congress election manifesto, resolution on fundamental rights and other matters. Part III contains the various Acts passed by the Madras Legislature since the Congress party came into office. Part IV deals with the work of the Madras Ministry. It is surprising that in a publication by the Congress Party, the famous prison at Poona should be spelt as "Erwada." at page 155.

The book is well got up and profusely illustrated. Students of public affairs will find this book useful.

S. R. V.

BOOKS RECEIVED.

INDIAN FINANCE YEAR-BOOK, 1937. Ed. By P. R. SRINIVAS. (Editor, 20, British Indian Street, Calcutta.) 1938. 27cm. 420p. Rs. 5.

LIMITS OF LAND SETTLEMENT. A Report on Present-Day Possibilities. By Various Authors under the direction of ISALAH BOWMAN. (Council on Foreign Relations, New York.) 1937. 24cm. 380p. \$3.50.

HOW ENGLAND GOT ITS MERCHANT MARINE, 1066-1776. By HENRY C. HUNTER. (National Council of American Shipbuilders, New York.) 1935. 23cm. 369p. 15/-

HUMAN AFFAIRS. An Exposition of what Science can do for Man. Planned and Ed. By R. B. CATTELL, J. COHEN and R. M. W. TRAVERS. (Macmillan.) 1937. 23cm. 360p. 10/6.