

The Servant of India

EDITOR : P. KODANDA RAO.

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Topics of the Week.

Tragedy Averted.

AS we go to press, the glad news comes of the unconditional release of Mahatma Gandhi and his consequent breaking of the fast.

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Public Health.

SIR JOHN MEGAW, the Director-General of the Indian Medical Service, deserves the thanks of the Indian public for the investigation he has made into the health conditions of rural India. An advance summary of his conclusions goes to show that India is overpopulated and underfed to an alarming extent. Taking India as a whole, only 39 per cent. of the people are well nourished; 41 per cent. poorly nourished and 20 per cent. very badly nourished. The prospect is even more disconcerting. Says Sir John,

"The outlook for the future is gloomy to a degree not only for the masses of the people who must face intensified struggle for bare subsistence but also for the upper classes whose incomes depend on the production of surplus of crops and other commodities. If the entire product of the soil is needed to provide for the urgent needs of the cultivators, nothing will be left for the payment of rents or revenue, nothing to exchange for other commodities or even for the purchase of railway tickets and the whole social structure of India must inevitably be rudely shaken, if not completely destroyed."

Other conclusions of an equally depressing character are that the average span of life is less than half of what it might be; that one of every five villages has perpetual scarcity or famine, that young girls who ought to be still at school are forced to become wives and mothers and many of them are doomed to die in child-bearing and that epidemics of cholera, plague and small-pox are commonplace occurrences.

The causes of these evils are as much social and religious as economic. The whole

position calls for a radical change. Sir John saw little evidence that the educated classes had realised the full gravity of the situation and thought that they had, in consequence, made no constructive proposals for investigating the problem or working out a plan for its solution. In this Sir John has, perhaps unconsciously, done an injustice to the educated classes. The published proceedings of the Indian National Congress, the Indian Social and Industrial Conferences, of Legislative Councils, central and provincial, and a large number and variety of voluntary organisations prove beyond the shadow of doubt that the educated classes realise only too well the social and economic ills of India. To the extent it was open to them, they have persistently striven to ameliorate the condition of the masses. If the ordering of the finances of the country had been left to them, they would have shown much better results. As it is, they feel that until and unless they get that power, it is impossible for them to attempt any radical measures of reform. The will is there but the means are lacking.

* * *

Federal Subjects in States.

WILL States wishing to join the Indian Federation be required to surrender to it a minimum number of subjects more or less common to all or will they be free to surrender only as many as they like so that the lists of such subjects will vary with each State? This point was raised before the Joint Select Committee by Dr. Shafa'at Ahmad Khan. Sir Samuel Hoare's reply gives ground for the hope that the latter contingency will be avoided as far as possible. He said :

"We contemplate that 1 to 48 (of list 1 in Appendix VI to the White Paper) will be the normal field over which the States will surrender their powers. The actual details of the Treaties must be considered each on its own merits always with this reservation in mind, that if a State attempts to make reservations that would make its entry of no value to the Federation or not of sufficient value to the Federation, then, obviously, we must have the power of refusing to accept an entry upon those terms."

While some slight variations in these lists may be necessary and can be understood, what seems intended is to have "a basic list of the important subjects with which the States who enter the Federation would, as a whole, conform". It is to be hoped every care will be taken to see that this list is reasonably wide.

* * *

No Right of Secession for Units.

THAT the component units of the Federation, whether provinces or States, once they join it, cannot forsake it at their will is a point which has been authoritatively stressed repeatedly beyond the possibility of doubt. But some States still somehow seem

to labour under the delusion that their right of secession could be reserved to themselves and that the contemplated prohibition to leave the Federation was applicable only to the provinces. Sir Samuel Hoare's reply on this point however shows the erroneousness of this view. Asked if a State which has entered the Federation could go out of it when it chose, the Secretary of State replied: "No, not as long as the terms of the bargain remain." Can the bargain be regarded as off when there is a constitutional break-down necessitating the intervention of the Governor-General under the special powers proposed to be vested in him? In such a contingency, will it be open to a State to say "As there has been a break-down, I will secede"? was in fact a question asked by Sir Prabbashankar Pattani. His point was "whether, in the event of a breakdown, when the Constitution ceases to function as the reformed Constitution, would it not be right for a State to suggest that it should also go out of what has broken down?" Sir Samuel Hoare's answer was as clear as it can be. "No, I should hope not. The breakdown would be of a temporary character. The Federal Constitution would remain in being, the clause in the Federal Constitution dealing with the breakdown coming into operation." After this there is no room for any State to hug the delusion that it could leave the Federation whenever it liked.

Counsellors—Two or Three ?

PROVISION is made in the White Paper for empowering the Governor General to appoint not more than three Counsellors to assist him in the administration of the Reserved Departments. These are, as is well known, Defence, Foreign Affairs and Ecclesiastical Affairs. Public opinion has felt that with such a small number of Reserved Departments it is erring on the side of generosity to authorise the Governor-General to have a maximum of three Counsellors. It may be he will actually not appoint the maximum number provided for in the proposals, but will be satisfied with a smaller one. Why then fix the maximum at three and not bring it down to two so as to be in close relation with the requirements of work to be expected of them? That even the Secretary of State himself takes the view that there may not be enough work for three would be seen from the reply he made to Mr. Zafrulla Khan who wanted to know what would be the distribution of the Reserved portfolios in case the Governor-General exercised to the full the discretion vested in him. Sir Samuel Hoare said:

"I think he would certainly require a Counsellor for Defence; I think he would require a Counsellor for Foreign Affairs. As to the small Ecclesiastical Department, that is a different question; it would depend very much upon whether or not he could fit in what would be a very small administrative task into one or other of the Departments."

If as things are Sir Samuel Hoare feels that the Governor-General should be able to carry on with only two Counsellors, there appears to be no point in sticking to the maximum of three. He would do well to accede to the public demand that it should be lowered to two.

Financial Adviser : Tenure and Function.

SOME information was elicited by Mr. Jayakar and Sir Phiroze Sethna in the course of their examination of Sir Samuel Hoare as to the tenure and functions of the proposed financial adviser to the Governor-General. Sir Phiroze Sethna was anxious that as the appointment was necessitated owing to

financial difficulties during the transition period, the life of the post should be limited to five or ten years, its continuance thereafter depending upon the Minister's option. The Secretary of State refused to fall in with his suggestion for the following reason: "One of the main duties, in fact perhaps the chief duty, of the financial adviser will be to watch finance from the point of view of the Reserved Departments, and you could not therefore put a time-limit to an appointment of that kind until you know how long the Reserved Departments are actually going to exist." Could the office be abolished by the Governor-General even though Reserved Departments may continue? was in effect Mr. Jayakar's question. Sir Samuel Hoare explained that the idea is that "as long as the Governor-General thinks that a financial adviser is needed for carrying out his special obligations the appointment will continue." By another question Mr. Jayakar apparently wanted Sir Samuel Hoare to say whether the appointment was or was not "co-extensive with the duration of the special responsibility and the Reserved Departments." The Secretary of State virtually paraphrased his reply quoted above, and refused to be held down to any date.

Cost of Political Department.

IN his examination of the Secretary of State before the Joint Select Committee, Mr. Joshi raised an important question which related to the cost of the Political Department. At present it is the Governor-General who is at the head of this Department whose expenses are a charge on the Central budget. Under the proposed reforms, however, paramountcy will be completely outside the Federal sphere and will be exercised by the Viceroy—an office which, having no statutory recognition so far, will be so recognised under the White Paper scheme. Up to now, as Mr. Joshi explained, the Governor-General in Council was the head of the Government of India, and he had dealings with the Indian States; but hereafter the Viceroy, as the representative of the British Crown and not as head of the Federal Government, will have relations with the States. In these circumstances, Mr. Joshi's contention was that equity required that the cost of the Political Department should, instead of falling on the Federal Government as suggested, be met either by the States themselves or by the Crown. It cannot be denied that there was substance in his contention. But his point of view failed to commend itself to the Secretary of State who informed him that the expenses of the Political Department will fall on the Federal Government, as being "a legitimate charge upon the Federal budget."

No Lent Officers to be Princes' Nominees.

AS is well known, a number of officers in British service are at present serving in several Indian States, their services being lent to them. If they are included among the States' representatives in the Federal legislature, they would naturally be regarded as an official block. The fact that in this case they would owe their seats, not to the Governor-General, but to their princely masters, no way takes away from the pernicious character of their influence over the deliberations of the Chamber in which they may happen to sit. This aspect of the matter was apparently present to Sir Tej Bahadur Sapru's mind when he asked Sir Samuel Hoare to inform the Committee as to what view he took of it. The latter said that he had "never contemplated that those would be the kind of officials that the Princes would send as their representatives. At the same time, I have always

found a great difficulty in attempting to preclude certain appointments when the choice does rest with the Princes themselves." Sir Tej Bahadur Sapru further pursued the point with the following result:

Question: Am I right in thinking that your expectation is that it will not be from that class of officers that the Princes would ordinarily send up their representatives?

Answer: Yes.

* * *

Insistence on Audited State Accounts.

PROPOSAL 141 of the White Paper contemplates the Federal Legislature imposing surcharges for Federal purposes on taxes on income. While such surcharges are in operation States will be expected to contribute to Federal revenues a sum to be assessed on a prescribed basis. In his examination of the Secretary of State Dr. Ambedkar was anxious to ascertain if any provision was made in the White Paper proposals for meeting cases of defaulting States. Dr. Ambedkar was referred to proposal 129 which empowers the Governor-General "in his discretion to issue general instructions to the Government of any State-Member of the Federation for the purpose of ensuring that the Federal obligations of that State are duly fulfilled." But this was apparently inadequate to the purpose Dr. Ambedkar had in view. He wanted to know whether the Governor-General was to be given any authority to see that the instructions issued by him under proposal 129 were obeyed. In the case of the provinces, as was made clear by the Secretary of State himself, a Governor could disobey the directions of the Governor-General only on pain of dismissal or recall; but no such penalties would obviously be enforceable in the case of the ruler of a State which had failed to carry into effect the directions of the Governor-General. That however does not mean that States could afford to set the Governor-General at naught with absolute impunity. The defaulting Princes would make themselves liable to be dealt with under the powers of paramountcy vested in the Viceroy, as has happened in the past and as was made clear by Sir Samuel Hoare in his reply.

But Dr. Ambedkar's further contention was even more pointed. Cases might arise in which not the will, but the ability to pay, may be lacking, owing to the State coffers being empty. "Is there any provision in the White Paper to see that the Governor-General whose finances would, to some extent, be dependent upon these contributions coming from the Indian States, has power to see that these contributories will be solvent on the day when the contributions fall due?" he asked. To this, so far as can be seen, no reply seems to have been returned by the Secretary of State. But Mr. Zafrulla Khan made the noteworthy suggestion that "the Viceroy might ask the States who are units of the Federation to submit for his information every year audited copies of their accounts." Even if this eminently moderate suggestion is enforced in the case of all the acceding States, it will conduce to a considerable degree to the systematisation of the administration in Indian States, and to the prevention of State revenues being recklessly squandered away.

* * *

Muslims in Federal Legislature.

DISSATISFACTION was expressed by Muslim delegates to the Joint Select Committee that the actual provision for Mahomedan representation in the Federal Assembly did not accord with the declared intention of the British Government to set

apart for that community one-third of the total number of seats to be filled by election in British India. Dr. Shafa'at Ahmad Khan, e.g., took occasion to point out that though the total of British Indian seats in the lower House of the Federal legislature had been fixed at 250, the number of those reserved for his community was 82, and not 83, which was necessary if the proportion of one-third was to be closely adhered to. It might appear Shylockian to many that Dr. Khan should thus be wrangling for the sake of one seat; but he is in fact doing nothing more than demanding fulfilment of the promises made by the British Government. Sir Samuel Hoare's reply was:

"One cannot divide the seats of this kind and the special seats into entirely watertight compartments; one has got to take them into account as well, and I am convinced that under our proposals there is no risk whatever to be run by the Muslim community; they will get their 33 per cent."

In the Upper House too the Muslims have been definitely promised a third of the total British Indian seats. On this basis they would be entitled to 50 out of the 150 seats to be filled by representatives of British India. The election of members of the Upper House is, as is well known, to be made by the members of the provincial legislatures by the method of proportional representation, which, it was contended by Mr. Zafrulla Khan, would secure to Muslims only 46 seats. How did the British Government intend to make good the deficiency? Under paragraph 18 of the Introduction to the White Paper the Government have bound themselves to make suitable modification in this method of election if it should result in the Muslims securing a smaller number of seats than 50 and Mr. Zafrulla Khan held them to this promise. The Secretary of State, without finally committing himself, explained the required modification, which, he said, "should be of a kind to disturb as little as possible the general scheme for electing members of the Council of State," thus:

"In Madras, Bombay, the United Provinces, Bihar and the Central Provinces, that is to say, in all the provinces with more than five seats in the Council of State, with the exception of the Punjab and Bengal, one seat should be allotted in each of these provinces to be filled by election, by the Muslim members of the Provincial legislatures only, all the remaining seats to be filled by proportional representation in the ordinary way as proposed in Appendix I to the White Paper. This should give the Muslims their 50 seats, assuming, of course, that the voting proceeds on purely communal lines."

What are you going to do to see that the same proportion would be maintained among the Princes' nominees? was Mr. Zafrulla Khan's next query. Sir Samuel Hoare's reply was:

"I have had many talks with the representatives of some of the States upon the subject and I have impressed upon these representatives in these talks the great importance of holding a fair balance between the communities in any representation that they might send to the Federal Legislature. I have found them, without exception, very sympathetic to the idea, provided it is left to them to arrange it in their own way and provided that we do not do what would be foolish from every point of view, namely, attempt to dictate to them. I feel considerable confidence myself that we should find in the States' representation a substantial Muslim representation, and I will go on pressing the importance of that point of view upon the States; but, as I say, I have found them in all the talks I have had with them very sympathetic with the conception."

Articles.

AVERT THE TRAGEDY.

MAHATMA Gandhi has once again gone on a fast. He commenced it on the 16th in the Yerawada Central Prison and was on the 20th removed to the Sassoon Hospital for better medical attendance. Soon after his arrest on the 1st inst. at Ahmedabad he wrote to the Government hoping that he would be allowed the same facilities for Harijan work which he was allowed before his last fast. The facilities consisted of permission "to see freely visitors and equally freely to receive and send letters, to have a typist and to receive newspapers, magazines and other literature." On the 14th inst., after Mr. Gandhi had sent four reminders and threatened to fast, Government, who took time to consult Simla and Whitehall, permitted him to receive newspapers and other literature, to send contributions to the *Harijan* thrice a week, to receive a limited number of letters from other correspondents and to have a convict-typist at his disposal and to receive not more than two visitors every day. He was however to give no interviews for publication in the press. Of course, these facilities were to be confined to strictly Harijan work. Government subsequently explained to him that "letters so far as they dealt with Harijan matters would be delivered" to him, apparently waiving the limitation on their number. After momentarily accepting these conditions, the Mahatma changed his mind and considered them "so far short of the original orders of the Government of India and of my requirements" that he declined to break his fast. He went further and said, "As I have made it clear in my previous correspondence and as the Government of India have admitted, permission to render that service (to the Harijans) is implied in the Yerawada Pact, to which the British Government is a consenting party in so far as its consent was necessary." Here the Mahatma seems to say that the Government had admitted that he had a right, which they have now taken away. The full implication of the Mahatma's assertion will perhaps be apparent when the correspondence to which he referred is published and we trust that it will immediately be released. But there is nothing in the Poona Pact or in the British Government's acceptance thereof, as far as we can make out, which committed Government to admitting any special right of the Mahatma to carry on Harijan service from the jail. It is true that the Government permitted him to carry on Harijan propaganda "without let or hindrance," as the Mahatma acknowledged. In doing so, they did well and all social reformers and humanitarians are grateful to them for it. But that concession did not create vested right, which they may not take away now.

Nor can it be maintained that the facilities now offered by the Government were inadequate for the purpose of Harijan service, though they are not as free and unfettered as before. The

Mahatma could meet two visitors everyday and his writings in the *Harijan* would certainly be reproduced in most of the Indian papers: he could have a typist and have access to papers and books. Even if the facilities are not as full as they may be, it cannot be said that he could not effectively carry on Harijan propaganda with them. At any rate, his self-immolation is not likely to promote the cause of anti-untouchability any better. For by no stretch of imagination can it be maintained that his present fast is, on the strength of his own statement, a protest against untouchability; it is due to a difference between him and the Government as to the adequacy of the facilities given to him—too small a matter to stake his precious life on. This is the most indefensible of all his indefensible fasts. And it is not surprising that there has been a great landslide in public sympathy for him.

What is surprising is that the Mahatma should have expected or desired facilities for Harijan service to be granted to him again. He knew the Jail Rules and that he was not entitled to such privileges. He even asked to be treated as a third class prisoner and claimed no privileges which other prisoners similarly situated could not claim. Even in his statement to the trying Magistrate he made no reservation regarding the privilege to carry on Harijan service, though to a press correspondent he said that he expected the privileges would be given to him. It was Government which refused to take him at his word and put him in A Class, treated him as a special case and gave him facilities not shared by others of his class. And they did well.

Perhaps it was not so much the inadequacy of facilities that drove the Mahatma to the agony of the fast—he had at first accepted them—but his disappointment at the attitude of the Government. They gave the facilities "grudgingly." "I miss the Government's response to the meticulous care with which I am endeavouring to observe jail discipline and as a prisoner, to tender co-operation, which, as a citizen outside the prison walls, I consider it a religious duty to withhold." But more than this, the Government, as it were, discounted his statement that he could interrupt Harijan service only "at the peril of his life;" that life ceased to have any interest to him if he was not allowed to carry on the service without let or hindrance by pointing out that when the Mahatma was free, he did not devote the best part of his time to Harijan work but to political work. This, we guess, has hurt the Mahatma very sorely. He is one who would gladly surrender a great deal if only his honesty of purpose and unimpeachable character are freely acknowledged. He would have accepted even the diminished facilities if they had been given readily, freely and with right goodwill. Accompanied with aspersions on his sincerity, they were wholly unacceptable to him.

Government may well have withstood the temptation to sneer at him; they could have been chivalrous and generous and magnanimous. Not unoften has a victorious general returned the sword to the van-

quished foe and treated him chivalrously and with the utmost consideration and respect. Government could afford, out of their very strength, to be generous and magnanimous to him. They have acknowledged that the Mahatma wished to be engaged in work which they cordially approved; it was a noble cause. They also recognised that his case was unique; they made an exception in his case and gave him facilities not extended to others. Government did not accuse him of having misused the special privileges he was accorded when last he was in jail for Harijan work. Where then was the need to curtail them on this occasion? The fact that he is not now a State prisoner is wholly unconvincing. There is nothing to prevent the Government from giving him now the facilities they gave him when he was a State prisoner. As a matter of fact, they have already gone out of the way to give him facilities which other A Class prisoners do not get. Government resorted to the Ordinance Act, not because they did not want to treat him as a State prisoner but merely to save themselves the odium of imprisoning him by executive action but to claim that he was convicted after trial under the ordinary law of the land passed by the local legislature. If the *durbars* he held in the jail on the last occasion were disturbing to the jail discipline and a strain on the jail authorities, Government could have interned him in another place and made him his own jailor, with perfect confidence that he will be more strict than any jailor.

But all this disquisition on the merits of the dispute seems almost irrelevant and even callous when it is considered that every moment a tragedy is slowly but surely creeping to its crisis. Centuries are available to decide the relative merits of the case; but there is a strict time-limit to the duration of the fast. The Mahatma may be wholly wrong and the Govern-

ment wholly right. But is he to be allowed to die over a slight quarrel? Petulant children are humoured and indulged and not allowed to bang their heads against a stone wall. It is not a judicial question that is under consideration but a political and human problem. The Government cannot view with equanimity the Mahatma's death and its repercussions on Indian politics. Whatever be his faults, the Mahatma is still the hero of the nation in a very special sense. To sacrifice him or allow him to sacrifice himself on a comparatively small dispute would be a most unforgivable tragedy. We hope that the Mahatma will be persuaded to see the unreasonableness of his staking his life over a small trifle and that the world and his special concern, the Harijans have a claim on his life and he is not free to destroy it. The Government would have done well to have given him in the first instance all the facilities which they allowed him on the former occasion. They knew the person they were dealing with and the embarrassing magnitude and importance a dispute with him would attain. Even now it is not too late to be generous and merciful. After all, he is a great man; he is engaged in a great cause; he asks for full facilities for carrying on the work. He has not misused his former privileges. He does not challenge the supremacy of the Government. Then why not restore the facilities to him and him to India and the world and earn the gratitude of India? Let not India plead for the Mahatma's life in vain. Government will lose nothing, certainly not in prestige, by granting the request. They need not admit a claim but they can grant a boon. Will Government condemn to death a saint who does not imperil their rule but simply asks for unfettered freedom to serve the untouchables of India?

THE RESERVE BANK. A FETTER OR SAFEGUARD?

THE purport of the Reserve Bank Committee's Report has been published and we confess that it fulfils the worst apprehensions of Indian nationalist opinion. The Committee profess to proceed on the principle that the Reserve Bank should be free from any political influence. With a view to give effect to this principle it is proposed that the capital of the bank should be held entirely by private shareholders and that eight out of the fifteen members of the Board of Directors should be elected by the shareholders. With a view to secure 'proper representation of the economic life of *India as a whole*' the country is to be *divided* into five Areas (our italics), the Indian States finding their proper place in one of these according to their geographical location. These five areas with their respective headquarters are: Western Area, Bombay; Eastern Area, Calcutta; Northern Area, Delhi; Southern Area, Madras; and Burma, Rangoon. The proposed capital of five crores of rupees is to be distributed among shareholders originally registered at these five centres. The minimum holding is to be of a fully paid up share of five hundred rupees, and the holding of two shares

will qualify for one vote. No restriction is proposed on the maximum individual purchase, though the highest number of votes that can be exercised by a single shareholder is limited to ten.

Besides the eight directors elected by the shareholders, two from each centre except Madras and Rangoon, which will elect only one, the Central Board is to consist of four nominated directors, the Governor, one or two deputy governors, and an official of the Government of India. The Deputy Governors and the Government official are to be non-voting members only. The Committee are not unanimous as to the method of appointment of the Governor and Deputy Governor. The majority propose that the Governor-General in his discretion should be the appointing authority, though in practice they would expect the Governor-General to consult the Board of Directors before making an appointment. The minority holds that these appointments should be made by the Board of Directors themselves subject to the sanction of the Governor-General. It is proposed as a compromise that the Governor-General should make the appoint-

ments after taking into consideration the recommendations made by the Board of Directors. Whatever the final arrangement may be as between the Governor-General and the Board of Directors the Federal Government has no *locus standi* in the matter of making appointments either to these posts, or to the four seats reserved for nominated members. The Governor-General will exercise this authority at his discretion, that is, without being guided by the Federal Government. The four nominated members must within six months of their appointment become qualified shareholders of the Bank. Other directors must have been holders of shares for at least six months before their election and they must not be members of any legislative body during their tenure of office and for six months before election. Service under Government and connection with a banking concern also constitute similar disqualifications.

For purposes of the election of directors to the Central Board all shareholders registered in an Area will elect a Local Board, which in turn will select its representatives on the Central Board. The Local Boards are to be purely advisory bodies, excepting their electoral duties and such other functions as might be delegated to them by the Central Board. It is not proposed to restrict dealings in shares to their respective Areas as transfers from one Area to another are contemplated.

As originally planned in the Blackett Bill of 1928, the Issue and the Banking Departments of the Bank are to be separately maintained. The Committee record their faith that in the present troubled condition of the world's monetary systems the only sound course for India is to remain on the sterling standard. This statement, we are told, is intended to convey an assurance that the establishment of the Reserve Bank will not by itself lead to a reopening of the currency problem. A very large majority of the Indian members specifically record their conviction that when the international monetary position has been clarified it will be necessary for the Federal Government and Legislature to reconsider the ratio and allied issues. For the present it is proposed that the Reserve Bank should be placed under a statutory obligation to sell and buy sterling transfers at appropriate rates, to be incorporated into the Act after further consideration by the Government. The Bank should be required to maintain a minimum gold holding of 35 crores and the ratio of its gold and sterling reserves to issue obligations must never fall below 40%. It is recommended that usually the Bank will be well advised to maintain a ratio of 50 per cent. and that at the outset of its career it would be advisable to hold even larger resources. The Bank's dividend is to be subject to a maximum of 5 per cent. at present, and the limit is to be gradually raised to 6 per cent.

The Committee endorse the proposal of the Blackett Bill that the Imperial Bank of India should be the sole agents of the Reserve Bank wherever the latter has no branch of its own and the former happens at present to have a branch. Without expressing an opinion on the alleged disappointment of

expectations on the part of the Imperial Bank of India, the Committee recommend that even if a compensation to that bank is agreed upon it should not be in the shape of assured shares in the capital of the Reserve Bank. Other means of offering compensation might be considered, the grant of which should be subject to the Imperial's affairs being transacted on a sound basis. It is suggested that any agreement entered into with the Imperial Bank should be limited to a shorter period than twenty-five years, as originally proposed. The Committee have also endorsed the proposal to require that specified banks should maintain minimum balances with the Reserve Bank.

Those who have in recent years given some thought to this all important problem of the future control of Indian currency and finance will not have a moment's hesitation in condemning almost all the main features of the scheme adopted by the Reserve Bank Committee. It is a matter of great surprise that the Indian members of the Committee, with the notable exception of Lala Rausaran Das, should have brought themselves to subscribe to the report, forgetting the considered judgment of the elected members of the Indian Legislature five years ago. The rival merits of a State and private bank were then discussed very exhaustively both within and outside the legislature, and it was so obvious that the majority of informed Indian opinion preferred the Reserve Bank to be a State institution that the then Finance Member offered under certain conditions to accept that view. The Reserve Bank Committee do not attempt to justify their departure in so vital a matter beyond stating that the best device which the practical experience of other countries has evolved for excluding political influence from the Reserve Bank is to raise its capital from private shareholders. Had the members of the Committee taken the trouble to study for themselves the history and theory of central banking they would have expressed themselves with greater caution.

For the most part it is an historical accident that the great banks of issue in some of the older countries happen to be private corporations. They have been practising the business of banking since the times when the wider national and international importance attaching to the control of currency, credit and finance was not sufficiently recognised. By a process of adjustment they came to evolve an outlook of a semi-public nature and by their intimate dependence on the State they were made amenable to the direction of the Government in matters of important appointments and vital policies. In modern times reserve banking institutions have been established in many cases with state capital and in many more cases with state control. The resolution of the Brussels Conference to the effect that banks of issue should be freed from political pressure was intended primarily for the bankrupt ex-enemy nations and other small nationalities whom the bigger and successful nations could afford to browbeat. If by politics is meant the introduction into the work-a-day business of the bank of

factious political interest it is certainly true that all central banks should be free from such influence. But if it is the role of politics to guide the policy of the nation in matters that affect the vital interests of the community then no reserve bank ought to be free from politics. The Reserve Bank, it must be grasped, is a favoured corporation created by the State, it has the control of State funds, it is the agent of Government's financial operations, it has special powers of regulation over other banks and its activities form the very life-breath of the functioning of the economic organisation of the community. To say that such a body should be free from political influence is a heresy only less pronounced than that the State itself should be free from politics.

Doctrines which it is possible to enforce upon vanquished and bankrupt nations can have no application to India. The financial position of this country is as sound as that of England itself and the constitution of the Reserve Bank is being professedly decided by deliberation and not by British dictation. It might be a fact that British politicians insisted upon having a private bank as a condition of further constitutional reform and used Britain's creditor position to enforce that view. That appears to be the only explanation of a most unexpected change of front on the part of some leading Indian members of the Committee. If it is so, we consider that they have been misguided in their scale of values and that in the very formative stages they have allowed politics, and British politics at that, to colour their views about the Reserve Bank. If the nerve centre of the future economic life of India is not to be dominated by British influence, acting through the Governor-General of India and the Governor of the Bank, we must insist that both in the matter of capital and control the Reserve Bank should be under the control of the Federal Government responsible to a popular legislature.

As a central bank is not principally a profit-making institution, public interest ought to be given a decisive place both in its composition and control. The need of placing the Reserve Bank under effective State control is even greater than that of restricting its share capital. The interest of the shareholders in a bank like the Reserve Bank is only a small fraction of the totality of considerations that must weigh with the management in regulating its policy. For this reason even if the capital is privately subscribed, the composition of the Board should be predominantly under State influence. This the Reserve Bank Committee's proposals do not secure, as out of thirteen voting members of the Central Board only five including the Governor are to be nominated by the Governor-General. In making it further necessary that even the nominated members must become shareholders an almost complete abdication is made to private capitalistic influences, British and Indian. As these appointments are outside the scope of the Federal Government and are vested in the Governor-General at his discretion, even the semblance of a healthy national influence is removed from the policy and operations of the Bank. An institu-

tion which will use the public funds, will guide public borrowing, will operate on the volume of currency and credit and will hold the fortunes of national economic life under its control is to be handed over to the good graces of British politicians and financiers. A few Indian capitalists might in the near future benefit by such a course, but the Indian nation will refuse to recognise the justice of any such arrangement.

The principle of private capital and control must be unreservedly condemned. It is utterly inapplicable to the nature of reserve banking business and is unsuitable to the political and economic conditions of India. It might be argued from certain foreign analogies that so long as in the appointment of the chief executive and technical officer, as also in the composition of a substantial minority of the directorate, the Government has adequate control, the mere form of the Bank does not matter much. Without accepting the validity of this reasoning we would point out that such an attitude of compromise can only be justified if the authority to act on behalf of the State is vested in the responsible part of the Government. The Committee has completely let down public opinion in India by agreeing to the proposal that the appointments to key positions should be made by the Governor-General and not by the Federal Government. How very complete is the surrender of legitimate national interests to British economic imperialism will be made further apparent by a most significant portion of the evidence tendered by the Secretary of State before the Joint Parliamentary Committee.

Mr. M. R. Jayakar: Then in Proposal 39, p. 46, you require the previous assent of the Governor-General to any legislation dealing with coinage and exchange?

Sir Samuel Hoare: Yes.

Mr. M. R. Jayakar: You remember, Sir Samuel, that this condition was agreed to, if at all, at a stage of the R. T. C., when it was considered that some temporary arrangements should be made pending the foundation of the Reserve Bank, and one of these temporary arrangements to which some part of the Indian opinion was agreed was, that pending the foundation of the Reserve bank, legislation dealing with coinage and exchange would require the prior assent of the Viceroy. Do you remember that stage, Sir Samuel?

Sir Samuel Hoare: Yes, I remember that stage.

Mr. M. R. Jayakar: Having regard to the fact that you have now made the foundation of the Reserve Bank as a precedent condition to the coming in of Federation, and having further regard to the fact that under proposal 119, p. 69, the vetoing power is in the Governor-General and also H. M. the King, do you think there is any necessity for requiring the previous sanction of the Governor-General for legislation dealing with coinage and exchange?

Sir Samuel Hoare: Yes; I think it is necessary to have this power. Mr. Jayakar reminds me of the previous discussion on the subject, and that we had some quite long discussions upon this particular point. The previous sanction is necessary, in my view, mainly to avoid speculation and a great slump in the exchange or a great boom in the exchange, as the result of a Bill being introduced.

It will be seen from the above extract how very tenaciously and relentlessly the British Government is holding to the control of economic policy in India. To try to justify a previous censorship of currency

legislation on the ground that the introduction of a currency bill would promote speculation is, to those who know the ubiquitous nature of speculation, as plain a denial of argument as words can make it. It is necessary that progressive nationalist opinion in India leaves no ground for a misunderstanding of its position on this all important issue. We want that the Reserve Bank should be a State institution with appropriate safeguards to place the day-to-day working outside the interference of factional politics. We claim that the powers vested in the Government either of appointment or of control should be exercised by the responsible part of the administration. Finally, we insist that no special restrictions should be placed on the discretion of the legislature in matters of currency and exchange. Any legislation that runs counter to these wholesome principles will fail to secure popular support in India.

D. G. KARVE.

NEO-SOCIALISM IN FRANCE.

ECONOMIC problems have been given a more and more prominent place in international deliberations,—and rightly so. But in the meanwhile political ideas have evolved considerably during the last fifteen years, and we are only beginning to realize how much the various national developments have altered the usual state of things and what the consequences are likely to be.

Italy has lived for almost fifteen years under a new regime, which has invited criticism as well as admiration, but, as a matter of fact, it is under fascism that Italy has come to prominence among the great modern nations.

Germany, through a more recent and also more brutal evolution, has realised administrative unity, "the violence of the party in power having melted all political opinions in one unique crucible," as M. Etienne Fougère expresses it in *L'Européen*.

The United States, after a number of oscillations, seem inclined to follow a course which offers striking analogies with the German and Italian methods of government.

Russia is pursuing her communistic experiment upon which the future alone will be entitled to pronounce a fair judgment. But the expected collapse has not come yet, and the international position of Russia is stronger every day, thanks to her judicious foreign policy.

Even in a small country like Austria, innumerable difficulties have favoured certain tendencies to national socialism.

It is only very recently that a movement of the same kind has become perceptible in France itself, especially on the left side of the political horizon. It is a sign of the times and must attract attention. Those people who still believe in the ultimate return to ancient political and economic formulas please themselves by thinking that these symptoms are but negligible passing waves. Is it not more reasonable to realize that society is undergoing gradual transformations, and to try and understand the nature and significance of this evolution? It does not seem very surprising either that after so many failures of ambitious world-wide schemes, each nation should deem it wiser to contribute to universal harmony by putting its own house in order first.

National tendencies are also noticeable in the right wing of our political life, but French Neo-Socialism

has recently been given special prominence through the somewhat sensational declarations of several young Socialist members of Parliament during the Socialist Congress which took place at the end of last month. Articles in the Press, speeches emanating from personalities prominent in economic and political circles, indicate that while the question of altering the political régime in France does not yet at all arise in practice, it is discussed theoretically, among equally passionate partisans and opponents.

What are the origins of the new movement, and what are its chief characteristics? Rumours and tendencies indicating a desire for a change in the system of government have been manifest for quite a long time. But anything that is likely to develop in France is bound to be essentially French, and can in no manner be assimilated to Fascism, much less to Hitlerism. Yet such accusations have been formulated, especially in the foreign Press, and in spite of the fact that the neo-socialist movement precisely claims to aim at preventing the introduction of fascism in France as well as guarding against other menacing dangers in Europe.

The need for something new owes its origin for a large part to the failure of the present methods in use and the ensuing discontent. Moreover, one experience after another has proved that lack of rapid decision has been a very great handicap to France, both at home and in the international field. These regrettable delays are the result of endless consultations, party wranglings, and parliamentary discussions. The decisions finally reached savour of compromise and simply postpone the solution of difficulties instead of dealing squarely with them. Authority is weak because it is divided; it belongs to everybody, but no one can wield the weapon and take responsibilities.

This is perhaps why the idea of power has played such a prominent part in the recent polemics. A need has been felt for a more effective executive, invested with the necessary authority to ensure rapid decisions and concentrated action, in all questions concerning national welfare.

Thus we read in *La Volonté*: "The question of granting plenary powers to the present government is being more and more widely discussed, and rightly so. Government represents the majority in Parliament, which in its turn represents the majority in the electoral body. Events are marching at a swift pace. Public opinion as well as parliamentary opinion are awakening to the necessity of a powerful executive power able to decide and act rapidly."

And in *Le Matin*: "In the first place authority must be restored to the executive... Parliament need not interfere in cases where decrees are sufficient."

And in *Vu*: "In critical moments, a strong government is needed, which will act as a sovereign arbitrator in the conflicts of private interests... The expression of popular opinion needs an elected assembly; but it is important to discriminate between the powers of control entrusted to this assembly and the powers of initiative and direction which belong to the executive."

There is certainly a tendency on the part of the masses to turn to the State in critical moments, as an instinctive gesture of preservation or defence; Government ought to respond to the expectation and be able to solve the most urgent problems, or at least to alleviate the most pressing needs, e. g. to decide for or against the creation of new industries, to fix the level of prices, the hours of work, the devaluation of money or the defence of its present standard, etc.

The new movement emphasises the necessity of a strong government in view of realising a national economic plan. This plan should be devised to meet the requirements of the masses, including the middle class, which forms the bulk of the French nation.

Realism, absence of sentimentalism and a strong desire to save the nation are characteristics of the neo-Socialist movement. "We cannot ignore facts," its adherents will say, "in the present confusion of ideas and in the face of certain excessive expressions of nationalism, the nation must be our principal concern..." Order and a balanced budget are necessary to the reign of justice.

Another feature of the new movement is its comprehensive character.

"The nation," says M. Albert Bayet, in *La République*, "must not only organise production... It is her right and her duty to control labour-agreements and salaries, to rescue the producers from the grip of speculation, to watch over the evolution of prices, to be attentive to profits and to take her share in super-benefits. The idea is not to break or to hinder private initiative; the nation should on the contrary stimulate and utilise them in the interest of 'the community.' But instead of allowing them to disperse or fight among themselves anarchically as they do at present at the country's expense, she must discipline and organise them."

This may sound revolutionary; yet is it not rather the logical outcome of a gradual evolution, which any lucid observer can retrace at a backward glance? The State has already repeatedly interfered to control women's and children's labour, prices of certain goods (wheat for instance); certain benefits have been subjected to special taxation; private initiative has been encouraged and granted endowment. The chief difference is that intervention was practised more or less at random, according to circumstances; what is wanted now is a general programme inspired by a comprehensive view.

"The new state of things," says M. Bayet, "will become manifest when the nation openly proclaims its sovereign right and its thoughtful will to make general interest prevail over private interest in every field; then, rapid action can be organised and conveyed to the "ensemble" of the economic life of the country directive principles and a moral significance."

"If you do not act, you will be swept away by events," said M. Déat, one of the most prominent protagonists of the new movement, speaking at the Socialist Congress. And further, "These congresses are no use unless they bring a solution, a programme for action... We must make an effort now... We are tired of resignation, we want to change the world. This is our state of mind. I am speaking in the name of all those who want to act."

"We must not allow liberties to be threatened, and we must not fear to conduct this action into all the details of parliamentary schemes. Ours is a programme of immediate action in every field."

"Dictatorship has an unpleasant meaning in France; we shall give it a new interpretation. We want no other dictatorship than that of the masses."

Neo-socialism, however, has not met with pleasant comment in all quarters. For instance, M. Herriot writes in the *Dépêche de Toulouse*: "We shall deliberately fight against this snobbism of dictatorship that is coming into fashion. There is no greater peril inside the country for our political liberties, and outside, for peace."

And M. Léon Blum: "Adopting a fascist ideology cannot destroy fascism, but will, on the contrary, only strengthen it. One cannot expect to

rejuvenate socialism by destroying all its organic principles and methods of action. It is not possible to save liberties by authority; it amounts to acting like Ugolin who devoured his children to keep them a father."

But M. Blum's weak point is that he refuses to co-operate with government so that his attitude is bound to remain critical, negative and sterile for all practical purposes. The Second International, which he wishes to defend, has been destroyed, for different reasons, in Russia, in Germany and in Italy. If England and France also decided to adopt a similar course it would be completely dead.

What will be the future evolution of French neo-socialism? It would be presumptuous to prophesy at this early stage.

To no small extent the new socialist tendency has been stimulated and brought into prominence by the purely negative and platonic attitude of the orthodox socialists such as M. Léon Blum. Another determining factor has been the failure of that international socialism which was preparing for a great battle with international capitalism. As a matter of fact fascism and Hitlerism have adopted a great deal of the socialistic programme and have succeeded consequently in conquering the sympathy and collaboration of the mass of the population in their country. These reasons, together with the general economic depression, have increasingly favoured national concentration, while international socialism faded away into utopian realms, or at least was postponed to a much more distant future, where it could find a more solid basis on the various organised national socialisms.

Neo-socialism has broken with orthodoxy not only by its national character, but also by welcoming the middle classes inside its frame. We believe that its ultimate success will largely depend upon the measure of support that it is likely to get from this section of the population, which is undoubtedly the most influential and the most active in France. "Appealing to the middle classes," says M. Déat, "is fighting capitalism on its own ground."

What will be the repercussions of the socialist dissensions on the present Government? Much depends on the amount of sympathy and the number of adherents that the new socialism will be able to secure, both in the general public and in Parliament itself.

The originators of the movement practically all belong to the socialist parliamentary group. They have had a painful experience of the restrictions imposed upon their action in Parliament by the excessively strict orders from their party. (The divergences between the Blum and Renaudel groups have already been dealt with in this paper when writing on the vote of the budget).

"For the socialist parliamentary group," says M. Déat, "as well as for the whole socialist party, it is a duty not to be reduced to passivity under the shelter of traditional and symbolical affirmations. Socialism must act upon current events, using the political influence that it enjoys in this country."

Up to now the socialist parliamentary group has been a constant and important factor in the majority which has supported the Daladier ministry. A divided socialist group is not likely to serve the same purpose. Yet it is perhaps excessive to talk of a break in the socialist party since M. Renaudel writes in an open letter to M. Blum (29th July): "We do not want a secession... It will only take place if you and your friends render it inevitable." It is only at the opening of the parliamentary session in October that things will shape themselves clearly.

One must bear in mind that M. Blum still commands an important majority in the Socialist Party, as the last Congress has proved. Although his rigid policy of opposition has proved sterile, it is certain even now that his disciples by obedience will refuse to vote the budget. (They are more to oppose the proposed cuts in civil service wages for instance).

M. Renaudel's friends have up to now generally supported the Government, because they knew well that if they helped to overthrow it, the chances were for a Government of the Right coming into power. They will no doubt continue to support M. Daladier, but even if they unite with the Radicals they may not constitute a sufficient majority. It is therefore natural to suppose that this will compel M. Daladier to seek for complementary supporters in the Right wing of Parliament. All this may have grave repercussions on the financial debate which will have a particularly serious character owing to the remaining deficit in the budget and the economic depression.

Paris.

L. MORIN.

Our London Letter.

(BY AIR MAIL.)

(From Our Correspondent.)

LONDON, August 11.

A NEW CHARTER.

MAHATMA GANDHI'S arrest and imprisonment, followed immediately by those of a few of his faithful followers, close one chapter of the modern Indian political history, and begin a new one. The recent events have caused little comment here, partly because they happened to coincide with the opening of the holiday season, when men's minds are diverted to the less serious things of life, and they are inclined to resent having to concentrate upon unpleasantness of any kind, especially when it has the appearance of being far off and not directly affecting their welfare. Even the demands of the Income-Tax Collector are treated at this time of the year in a spirit of levity by large numbers of people who have succeeded in paying the mid-year instalment and see the New Year demand loom only in the far distance.

A further reason why the closing of the doors of Yerawda Jail upon Mr. Gandhi's external activities, or most of them, has not disturbed most people's equanimity, is the fact that the change from mass civil disobedience to individual civil disobedience has failed to convince even friendly people here that it contains any of the elements of reality or that it can possibly succeed in achieving within any historic period the end that its votaries have set out to accomplish. People have begun to reconcile themselves to the fact that the Mahatma as naturally resorts to civil disobedience as a duck takes to water, and as in his last statement to hand by the incoming air mail, he makes it appear that for him and the few that think like him Purna Swaraj can be achieved only by this method, and that he regards it as the shortest way in the long run for attaining that vague and distant ideal. They are wondering on the one hand how he has made it conform to the spirit of what is understood to be his frequent prayer "One step enough for me," and on the other hand how many of his countrymen he is likely to lead into the wilderness and how long they would be willing to stay there with him. They recall that, badly as

India needs a Moses, the historical Moses took with him into the desert his entire people, who accepted the immediate direction of the Lord Jehovah (though some of them did turn aside to worship the Golden Calf for which the entire community, a very small and compact one, was sternly reprov'd and severely punished). Even then, with that limited objective, the children of Israel dwelt in the desert for forty years, at the end of which a new generation that had never known the bondage of Egypt had grown up, and that burst into the Promised Land and conquered and dispossessed the inhabitants thereof only after a long period of fighting. The Captain himself never entered that Promised Land but for his impatience had to content himself with a vision of it from afar. Lookers-on, therefore, who realise the difference between a small, compact, and well-disciplined group of people having a limited objective and an unconquerable enthusiasm, and a vast heterogeneous multitude of people divided against themselves to whom the flesh-pots of Egypt are not only tasty but have received a certificate of naturalisation, who are uncertain of their objective, who are disunited as to their method of reaching it, and who are far from unanimous as to the leadership that they desire, and the direction in which they will allow it to take them.

THE IMMEDIATE FUTURE.

Notwithstanding the groans and the growls, the rumbles and the thunder from reactionary quarters, there seems to be a general feeling in well-informed circles that the prospects of the White Paper proposals being substantially adopted by Parliament are very fair. Mr. Lloyd George is very unlikely to attack them for the same reasons as Mr. Winston Churchill, and therefore to make common cause with him. He would have nothing to gain from it and such a coalition would have few if any charms for the redoubtable Welsh wizard. On the other hand, it would not be unnatural if he would oppose the question—and in this he would probably have the support of a considerable diehard section—"unless you are assured behind those proposals of a body of people that can deliver the goods and would be willing with a sufficient backing of public opinion to work the reforms, what is the use of going on with a scheme that is otherwise bound to be rejected and left high and dry." It will be a shrewd question, and those who are now inclined to look the official gift-horse somewhat closely in the mouth, may well consider whether it would not be worth the country's while to establish the necessary alliances and accommodations among individuals, groups and parties, so that when the time comes to examine the official proposals as embodied in a Bill, with all the coolness, the foresight, and the restraint that the circumstances will then require, they may then consider with a full sense of responsibility whether, notwithstanding the obvious temptations of the scheme, it would not be better to extract the maximum from it, with a view to the establishment of an irresistible claim for further constitutional advance at the earliest possible date, and with the minimum of restriction and limitation rather than throw the whole question of constitutional reform once more into the melting-pot, and bring about once more a condition of political stalemate. These considerations are thrown out by distinguished friends here for what they are worth, and in the interests of the preservation of friendly relations between the two countries. It is always to be remembered that no political situation has elements of permanency in it in which there is a strong element of unstable equilibrium. What cannot be accomplished now may very well be more feasible in five years' time, when the product of the present state of flux in the economic situation and in world

affairs generally has begun to reveal itself. It is not necessarily true, as the French proverb puts it. "The more things change, the more they remain the same." The political and the economic situation is changing all the time and no one today can predict, with any certainty, what will be the state of affairs five years hence, when men's passions have cooled or have been otherwise affected by the changes that are meanwhile taking place. It is surprising how easily people can reconcile themselves to considering objectively things that when considered subjectively, have in the past thrown them off their balance.

Ten years ago who would have supposed that the British Press would have treated as calmly and indifferently as on the whole they are now doing Mr. De Valera's legislative projects for a unilateral elimination from the Irish Constitution of all reference to the King, and for the virtual setting up of a Republic in the Free State in all but the name. Ten years ago such an event would have been regarded as a declaration of war and would probably have been treated accordingly. To-day it is looked upon largely with indifference, especially in view of the fact that a state of civil war in the Free State appears to be imminent. People away from the scene of action are usually loath to get excited at the prospect of other people cutting each other's throats or shooting each other up. Whilst the parallel between Ireland and India is an unsafe one, it is also to be remembered that whereas in India there is a great deal less unanimity and unity than in Ireland, there is in this country on the whole a much greater volume and quality of good will towards India than is realised in the heat of a political contest. The process of educating the British people has hardly yet begun. It has to be proceeded with energetically by appropriate action both in India and in England, and unless that task is taken in hand earnestly and without delay, the diehards will continue to declaim more effectively than need be the case if the proper effort on the Indian side is made to extend the area of friendliness that already undoubtedly exists in this country among people who realise in an increasing degree that an unhappy India is a humiliation to the Empire, and that an unfriendly India will be harmful to the Empire so long as she is within and that her instinct will be to leave it at the earliest convenient opportunity.

Miscellaneous.

SERVANTS OF INDIA SOCIETY, POONA.

REPORT FOR THE YEAR 1932-33.

(Continued from our issue of August 17, 1933.)

TEMPERANCE.

Mr. Dube was the Secretary of the Quda Temperance Federation and of the Lucknow Excise Licensing Board. At several meetings at various places he condemned the change for the worse in the excise policy of the U. P. Government and wrote in the press occasionally about it. Mr. Suryanarayana Rao was one of the Secretaries of the Prohibition League of India.

RELIEF WORK.

Mr. Suryanarayana Rao was the Secretary of the Malabar Distress Relief Committee which gave relief to those affected by the cyclone last year. The Society promptly advanced a sum of Rs. 500 to the Committee for the purpose of relief. Mr. Suryanarayana Rao was also the Secretary of the Moplah Aid

Committee which helped to settle down some 1,500 prisoners who were released. Mr. Nayanar assisted him in this work.

Mr. Venkatasubbaiya toured the famine affected areas in the Bellary district in August last and reported on the conditions prevailing there. The Government started test works, but ere long rains happily set in and obviated the need for relief.

THE LAHORE POOR HOUSE,

Mr. Haradatta Sharma continued to be in charge of the Lahore Poor House, which afforded shelter and substance to the poor, the aged and the orphans. The income of the House was Rs. 3,000 and the expenditure Rs. 2,400.

MUNICIPAL ADMINISTRATION.

Mr. Sharma was the General Secretary of the Lahore Central Rate Payers' Association, an organization of over 200 members belonging to all communities and representing various interests, which carried on vigorous agitation for the reform of the municipal administration of Lahore and stimulation of public interest in it. A special and detailed survey of Lahore municipal roads was made with a view to evolving a scheme of road construction, which was published, and it materially influenced the decisions of the Lahore Municipality in this respect. The Association was able to raise nearly Rs. 1,000 for carrying on its work through paid agency.

LITERARY.

Mr. Kaul wrote a book on "Russia" in Urdu, which is expected to run into 350 pages when printed, Mr. Sahu arranged for two Oriya literary conferences.

MISCELLANEOUS.

Most members have one or two lines of work to which they give their primary attention, but these do not exhaust their activities. Mr. Devadhar presided over the Ahilyabai Holkar celebration, was elected president of the Sayajee Satkar Samarambha Mandal in Poona and as such offered the felicitation of over 75 institutions in Poona to H. H. Sir Sayajee Rao Gaekwar during his last visit to Poona, contributed an appreciative article on Sir Sayajee Rao in the "Sayajee Gourava Grantha" published on the occasion of the 71st birthday of His Highness; presided over the 75th birthday celebration of Prof. D. K. Karve of the Indian Women's University. Mr. Bakhale organised a programme of visits to various places of labour interest for Mr. C. W. H. Weaver, head of the Colonial section of the I. L. O. made representation to Government for the relaxation or cancellation of orders passed against certain individuals and public bodies under the Ordinances; and was able to secure partial redress; attended as a member the meetings of the Bombay Social Service League, the Bombay Branch of the Indian Red Cross Society, Bombay Vigilance Association and the Bombay Social Hygiene Council. Mr. Sahu published a pamphlet in Oriya on the problem of prostitution in Orissa. Mr. Venkataraman was the Jt. Secretary of the Madras Vigilance Association. Mr. Sharma arranged a party of the leading citizens of Lahore to meet the members of the Indian League Delegation, and Mr. Kodanda Rao did a similar service in Poona. Mr. Dube was a member of the U. P. Christian Council and of several of its sub-committees. He attended the annual convention of the Y. M. C. A. as a fraternal delegate from the Servants of India Society. He addressed meetings of Christians in several towns in the U. P. advocating joint electorates for Christians in the place of the separate electorates imposed on them in the Government's Communal Decision. Messrs. Sharangpaul, Negi and

Nayanar helped to arrange and check the books in the Society's Libraries in Poona and Bombay. Mr. Patwardhan was a member of the Council of the Poona Seva Sadan and of the Deccan Agricultural Association.

BUSINESS CONCERNS.

Some of the members devoted part of their time to the management of the business concerns of the Society. Messrs. Patwardhan and Barve attended to the supervision and management of the Arya Bhushan and Dnyan Prakash Presses. Mr. Patwardhan had during the year to attend to the Bombay Vaibhav Press as well and negotiate with some of the workers who had gone on strike. Messrs. Dravid and Gupte were in charge of the Hitavada Press in Nagpur. Mr. Limaye was in charge of the management of the "Dnyan Prakash."

G. I. P. E.

The report of the work of the Gokhale Institute of Politics and Economics done under the zealous and able guidance of Mr. D. R. Gadgil, M. Litt. (Cam.) follows and need not be dilated upon here. The Society appeals to the generous public to enable the Institute to enlarge its work by endowing it liberally.

FINANCE.

The finances of the Society showed some improvement during the year. The income was Rs. 76,887, which left a surplus of Rs. 3,820. As stated in the last report, the allowances of members were cut down on a sliding scale, which averaged 10 percent. This cut enabled the Society to admit three probationers last year. The income from donations amounted to Rs. 17,592. A list of donations is included as an appendix to the report. The Society tenders its grateful thanks to all those generous donors who, in spite of the economic depression that overcast the land, came to the rescue of the Society by their handsome donations. It appeals for generous public support in an ever-increasing measure in order to enable it to continue and expand its service to the nation, rendered in a spirit of humility and devotion to its best interests, as it sees it.

REPORT OF THE G. I. P. E., 1932-33.

The question of the recognition by the Bombay University of the teaching side of the Institute was at last definitely decided towards the beginning of the year under report. A reference had been made previously to the Chancellor of the University and the ruling given by the Chancellor while barring out the possibility of affiliating the Institute to the University, made it clear that the University could recognise teachers even outside the affiliated Colleges as post-graduate teachers. The Syndicate of the University accordingly recognised Mr. D. R. Gadgil as a post-graduate teacher and it is now possible for the Institute to enrol post-graduate students in economics and send them up directly for University examinations. The total number of students in the Institute during the year was 48 of whom 4 were research-students. The inter-collegiate arrangement of lectures for the M. A. students in politics and economics continued as during the last year. Mr. P. N. Driver, a scholar of the Institute, submitted his thesis on the "Cooperative Movement in the Bombay Deccan," for examination during the year under report. His thesis was approved for the M. A. degree

and he was placed in the first class. The Institute scholars this year were Mr. B. B. Pattani and Mr. P. A. Padhya. Mr. A. J. Sonone, a student belonging to the Depressed Classes, was awarded a freeship as a special case.

While the work of collecting data regarding conditions of the marketing of fruit in Poona was completed by July 1933, the work of collating the material and writing out the report has taken a longer time than was previously expected. It has not yet been possible to send the report to the Press; it is, however, expected that publication of the report will take place early during the ensuing year.

The Ottawa Conference having attracted considerable public attention, Mr. D. R. Gadgil devoted some months to a special study of this problem and wrote as a result a brochure on the subject of "India and Imperial Preference." This was published as Publication No. 2 of the Institute. The brochure was published in time for use in the Assembly debates and copies of it were sent to members both of the Assembly and the Council of State. It was mentioned in the Assembly debates and had also a very favourable reception from the Press. A large number of copies of this publication were freely distributed; the remaining copies have been sold out and the publication is now out of print.

According to the decision recorded in the report last year, another investigation was undertaken by the Institute from July 1932. The subject chosen was the "Economics of Road Transport in the Bombay Deccan." The Problem of road transport has become very urgent during recent years and it is expected that the results of our investigation will materially assist in the solution of this problem. The area chosen for survey covers the Districts of Poona, Ahmednagar, Sholapur, Satara, Kolaba and Ratnagiri and the Southern Maratha States. Mr. L. V. Gogate, B. S. (N. Carolina) has been appointed in charge of this work and he has already toured through the greater part of this area. We are glad to record that in this investigation also we have received full co-operation from public authorities and private individuals whom we have approached for information, etc. Special mention has to be made in this connection of the police authorities of all the above mentioned districts and the various District Local Boards and Municipalities within the area.

Mr. D. R. Gadgil was re-elected to the Bombay University Senate during the year by the College Teachers' constituency. He has also been elected by the Senate this year to the Academic Council of the University. Mr. Gadgil has been acting throughout the year as Secretary to a recently formed Maharashtra University Working Committee and was a member of the deputation which waited on H. E. the Governor of Bombay on behalf of the Committee. He continued to deliver a series of lectures on "Comparative Local Self-Government Constitutions" to students of the class conducted locally by the Local Self-Government Institute.

A new departure in the activities of the Institute was made this year by the inauguration of a series of popular lectures to be delivered on behalf of the Institute in the city (in Marathi) on the economic questions of the day from time to time. The first lecture in this series was delivered by Mr. D. R. Gadgil in the Gokhale Hall, during the month of October 1932 and dealt with the Ottawa Agreement.

(Concluded.)