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Topics of the Week.

Mr. Masani's Passport.

THE confiscation of Mr. M. R. Masani's passport by the Government is a typical instance of their notoriously suspicious attitude towards political workers in general. In every act of a political worker they apparently scent danger. If a man who has incurred their displeasure is abroad and is anxious not to risk his freedom by a return to his motherland they wish for nothing so much as his return home. If, on the contrary, being in India he wants to betake himself to some foreign land and applies for facilities for the purpose, far from welcoming such a request as a god-send and promptly and readily complying with it, they would do everything in their power to put obstacles in his way. And instances in which a passport was refused even though the applicant intended to go out of the country on grounds of health are by no means rare in India's recent history.

WE do not enjoy Mr. Masani's confidence and have not the least idea as to his movements in the near future. But if he wants to leave India, we fail to see why the Government should at all stand in his way. Should he not be allowed the liberty of deciding for himself where to stay—whether in India or abroad—and how long? Should his intentions not be presumed to be harmless till experience proves them otherwise? To restrict his liberty of movement by an arbitrary deprivation of his passport is to reduce even such small modicum of civil liberty as is still left to the King's Indian subjects to a nullity. We hope the Government will know better than to withhold the passport from Mr. Masani.

Mrs. Chattopadhyaya : Ban in Bangalore.

IN the course of an election propoganda tour Mrs. Kamaladevi Chattopadhyaya was due to address a public meeting at Bangalore on Saturday last. But the District Magistrate issued an order forbidding her to address any public meeting not only in Bangalore itself but within a five-mile radius thereof for six months. The Congress having forsworn civil disobedience for the time being, Mrs. Chattopadhyaya would not have been in order if she had broken the order. Indeed such a course of conduct was not left open to her by the Congress President who had expressly debarred her from resorting to direct action in an Indian State without permission from higher Congress authorities.

SO far as the prohibition goes, it will be universally condemned as being most ill-advised and unjustifiable. Mrs. Chattopadhyaya's mission to Mysore was perfectly constitutional and peaceful and there was no reason to fear that her speeches in the State would have resulted in any disaster to it. Nothing untoward is known to have happened in any of the places visited by her before reaching Bangalore and need have been anticipated by the authorities of the State. The District Magistrate was, however, apprehensive that her speeches might bring about hostility between different classes of people in the State. This opinion must obviously have had for its basis ill-informed, prejudiced and one-sided police reports. It is greatly to be regretted that arbitrary official action based on such unreliable evidence should have been taken in a progressive State like Mysore.

Civil Liberties Union At Work.

WE are glad to find that the Civil Liberties Union of Bombay has started its work in right earnest. It has just brought out a small pamphlet in which is given a collection of concrete instances of ill-treatment of political prisoners as distinguished from detenus in some jails in Bengal. The information contained in the pamphlet is either first-hand or supplied to Mr. S. N. Tagore, who was responsible for its collection, by political prisoners who had personal experience of jail life in Bengal. It covers five important jails and its compilation must have caused the compiler no end of trouble and inconvenience. He has doubtless rendered a distinct service to the cause of civil liberty by the publication of the pamphlet.

THE publication is to be welcomed for the reason that it places before the public certain facts which its author knows to be true. These facts, even if a fraction of them were true, are doubtless very damaging to the reputation of the Bengal Government as a civilised and justice-loving Government. There are no vague allegations in the-

pamphlet, but it brings to light some instances of maltreatment by prison officials in sufficient detail to render an inquiry possible, and even to facilitate it, if the Government are so minded. In face of such damaging and pointed disclosures the Bengal Government simply cannot afford to sit quiet. They must institute independent inquiries into all the incidents referred to in the pamphlet and make the results public. If they choose to turn a blind eye to these revelations, they can do so only at their own risk, leaving the public to draw unfavourable inferences from their silence.

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Orissa Capital Issue.

THE Government of India has done the right thing in leaving over to the future Government of Orissa the responsibility of selecting the capital of the Province. As the readers are aware, two Committees, one official and the other semi-official, had gone into the question of the capital of Orissa. The earlier of them had recommended Cuttack and the later one had recommended Rangailunda a village very near Berhampur, purely out of sanitary and technical considerations. The publication of the later report had given rise to bitter discontent and controversy in Orissa, specially in the northern districts which contain a majority of the population of the Province.

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THE report of the Technical Committee was discussed threadbare by the Orissa Advisory Council and the majority of the Council voted against its recommendations. While the majority of the Oriyas were against the recommendations of the Technical Committee, a considerable minority belonging to the two southern districts of Orissa favoured its recommendations through local patriotism. The issue assumed such a great importance that the candidates for the coming Orissa Assembly have made it a part of their election programme. There are two opinions prevailing in the province, one which wants Cuttack to be the capital and the other which wants Rangailunda for the same purpose. Under the circumstances, whatever decision the Government of India would have taken, they could not have pleased all the sections of the public. They would have exposed themselves to all kinds of criticism.

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NOW that the elections are being fought inter alia on the capital issue also, the future members of the Orissa Assembly will have a clear mandate of the Province on the matter. So, when the Orissa Assembly meets in April next, the opinion of the majority of the members can safely be taken as representing the general desire of the people of the Province. If the decision of the Government be based on that, then none among the Oriyas can have any reason for complaint. We congratulate the Government of India on their wise decision.

* * *

Political Zionism.

DR. GEORGE S. DUNCAN, Professor of Archaeology at the University of Washington wrote in November last to the President of the Arab National League in America a letter in which he expresses his opposition to "Political Zionism" and to the so-called "historic rights" of Jews to Palestine. In this he says:

I was in Palestine in 1933 for the third time. While my visits were chiefly for archaeological researches, I looked into the civil, political, economic, intellectual and religious conditions of the Holy Land. I met a good many inhabitants and talked with them. From the knowledge gained by personal observation, I am wholly opposed to political Zionism, i. e. the efforts of certain Zionist groups

to get political control of Palestine. I spent a morning (in 1933) at the Hebrew University in Jerusalem and met the president and certain professors, all of whom have no sympathy with political Zionism. I have numerous influential Jewish friends in the United States who are of the same opinion. My friend, the late professor Morris Jastrow, wrote a book called "Zionism and the Future of Palestine: the Fallacies and Dangers of Political Zionism." This title shows the nature of the work. His arguments are simply unanswerable.

The Zionist Jews make the claim that Palestine is theirs by right of occupation. The facts are wholly against this idea since the Hebrews ruled Palestine only 450 years, from about 1050 B. C. to 586 B. C. We must remember however that the Arabs ruled Palestine for some 1300 years from 636 A. D. to 1917 A. D. Political Zionism is a union of church and state which is a reactionary movement contrary to modern ideas. Modern nations are not built upon similarity of sentiment, religion or race but upon equal religious, civil and political liberty for all people composing the nations. The grand Mufti has said: "The Jews in Palestine should have the same political rights as the Moslems and Christians. Citizenship should be independent of religion, as it is in the United States." The British Colonial Office in 1922 and 1923 issued statements affirming that "National Home" does not "imply political control but rather a home where the Jewish people can enjoy cultural, spiritual and ameliorative conditions such as can be enjoyed by any non-Jewish inhabitants of Palestine." All these facts should destroy, root and branch, political Zionism.

I was much impressed by another idea by my visits in Palestine. It is that all immigration, Jewish and non-Jewish, to Palestine should be stopped. The approximate population, to-day, is over 800,000 Arabs and almost 400,000 Jews, forming a population of more than 1,200,000. The saturation point is about 2,000,000. This will be reached probably in about 25 years from the births among present inhabitants without any immigration from now on. The serious condition from over-population is seen to-day in Porto Rico. If then political Zionism and all immigration could be stopped, we believe an important step would be taken towards the solution of the Arab-Jewish problem in Palestine.

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Protection of Government Servants

THE Madras Government issued last week a press communique assuring their servants of their protection against any harassment by the public in future. The occasion for such assurance is stated to have been provided by certain threats of reprisals specially against the police reported to have been held out by some Congressmen when the Congress party comes into office. The communique does not clearly specify the sources of such threats which makes it impossible for one to find out whether they were really uttered. But if such reprisals were threatened, as alleged, by any Congressman he must indeed be said to have showed himself woefully ignorant of the comprehensive provisions for the protection of Government servants in the Reforms Act. The same remark holds good in the case of those for whom the assurance is meant. Their clamour for such an assurance betrays a needlessly panicky state of mind, and it is doubtful if even the official assurance now conveyed will set their fears as to reprisals at rest.

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THAT Government servants should be safeguarded against harassment in respect of their official acts done in good faith goes without saying. The Government owe this obvious duty to their servants and must be armed with sufficient powers for the purpose. But what will have to be proved in case of any future complaint against a member of the police force is that

the acts complained of were done by him in good faith and necessitated in the discharge of his duty. It is at least debatable whether all the acts for which the police have recently made themselves responsible will successfully stand this test. The threats of reprisals must be presumed to have reference only to such acts.

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IN such cases punishment would undoubtedly be richly deserved. But would its infliction be as easy as the Congressman alleged to have uttered the threats in his innocence thought it to be? Did he fully grasp the implications of the special responsibility cast on Governors in the new regime for the protection of the interests not of this service or that but of "members of the public services" and their dependants in general? Is it at all likely that this special responsibility would be so exercised by any Governor as practically to throw their subordinates to the wolves?

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Mr. Sastri and Indians in Ceylon.

AFTER completing his work in Malaya, Mr. Srinivasa Sastri reached Ceylon on the 14th inst. On Saturday last he addressed a largely-attended meeting of Indians on the Indo-Ceylonese problem. As our readers are aware, the question of Indian immigration into Ceylon is at present the subject of an exhaustive inquiry by a commission sitting in Ceylon. If the commission were to recommend a solution of the Indo-Ceylonese difficulties satisfactory to both sides, well and good. If otherwise, Mr. Sastri suggested the summoning of a Round Table Conference, as in South Africa, at which the problem should be considered. Said he:

Supposing that at that stage, no solution is in sight which may be satisfactory all round, may I respectfully propose that this remedy of a Round Table Conference, tried in more adverse circumstances with happy results, may be tried between India and Ceylon as well? Upon our side, it should not be difficult for us to send a *Panchayat* of five good men and true who will try to understand the problem and offer a just solution. Do you think that upon your side, it would be difficult to supply five good men and true to meet our men? You could find ten times that number if you allow yourselves to do so. In those days when the sea held more terrors for us, we knew how to agree. Shall we, when the strait has become a mere canal and we cross over this in an hour, when India and Ceylon are linked by mutual relations more intimate in character than ever before, when long centuries of history have taught us the necessity of close understanding, shall we shape a future worse than it was? What a bad name we should leave to posterity!

* * *

I. C. S. Security and Emoluments.

FEARS are sometimes expressed as to lack of security for the Indian Civil Servants under the new dispensation. Sir James Crerar, no enemy of the I.C.S. by any means, who recently spoke in London on the future of the I.C.S., is of opinion that the fear is not well founded. On the contrary he holds that a man who has "his salary as secure as those of the Viceroy and the Commander-in-Chief" has not got much cause to complain. "The statutory safeguards" he adds "could hardly have gone further without the risk of falling by their own weight."

* * *

HE dismisses the misgiving as to the possible inefficacy of these safeguards in the following words:

That, presumably, would occur, in the first instance, in India. Apart from the injustice, as I believe it to be, to

the common sense and common honesty of the effective body of Indian public opinion the Governors and Governor-General in India, who have special responsibilities in these matters, must be supposed accomplices in this conspiracy. Governments in this country must be supposed capable of joining in such a betrayal and capable of surviving it. The ultimate resort is to the people of this country. If public opinion here were ever of a temper to allow such a repudiation of public engagements, much more would be lost on that Mahaboz field than the Indian Civil Service.

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IN the matter of emoluments, Sir James Crerar holds that the average prospects are better than they were thirty years ago. He amplifies his view thus:

The officer of British domicile starts at £540 a year and rises to £2,385 before he is fifty. Many go on, at an earlier age, to such posts as the Commissionership of a division on £2,860 or a Secretaryship to Government, ranging from £2,610 to £3,600. Eight out of eleven Governorships are now held by Indian Civilians.

THOSE, therefore, who say that the I. C. S. in the new regime will have lost its attraction for British youths either do not know their own mind or are talking through their hats.

* * *

Malaria.

OUT of a total of very nearly seven million deaths or nearly 25 per mille in British India in 1934, the largest toll, viz. 58 per cent. was as usual claimed by fevers. The proportion of deaths due to fevers was the highest viz. 65.4 per cent. in Assam, Bengal being a close second with 65 per cent. Even among fevers, it is malaria, as is well known, that generally plays the greatest havoc. The belief is held that one-third of the mortality due to fevers is caused by malaria. The Public Health Commissioner to the Government of India does not consider that this belief at all errs on the side of over-statement.

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SO far as the year 1934 was concerned, 1,300,000 deaths are ascribed to malaria. It must be noted, however, that this figure takes no account of deaths indirectly caused by malaria. Lt. Col. Sinton, Director of Malaria Survey has little doubt that malaria is responsible, directly or indirectly, for at least two million deaths in British India every year.

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BUT the real tragedy of the situation is not that so many people are attacked by malaria but that only a very small proportion of the sufferers from malaria—the Public Health Commissioner puts it at not more than 10 per cent.—receives treatment in hospitals or dispensaries. Can anybody deny that this fact constitutes an eloquent commentary on the adequacy of provision for medical relief in this country? If this test is applied to the malaria mortality in 1934, it is clear that the number of malaria cases in British India in that year must have been over 13 millions. This may appear staggering but is not an exaggeration by any means. According to Col. Sinton, at least 100 million people suffer from malaria in British India alone every year and this, he says, is "a moderate estimate." "In addition to these, there is an indirect morbidity predisposed to by this disease which may be between 25 and 75 million cases."

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IT is obvious that a disease which takes such a heavy toll in human life needs to be fought very

energetically, and one would expect that vast sums are spent for that purpose every year. But from the figures of expense on anti-malaria measures incurred by provincial Governments which are given in the report, one cannot help saying that the provincial expenditure is a mere drop in the ocean. In saying this we do not lose sight of the fact that 26,244 lbs. of quinine, 18,886 lbs. of cinchona febrifuge and 20 lbs.

of totaquine were distributed gratis. Even so it is impossible to think that the Government's anti-malaria campaign can be looked upon as at all adequate to the needs of the situation. If the Government are really keen on the suppression of the malaria menace, what they must do is to make quinine so inexpensive that it could be had almost for the asking by anybody in need of it.

AMENDMENT OF COMPANY LAW.

THE Managing Agency system assumed such importance in the debates on the Company Law Amendment Bill that it eclipsed the existence of many other provisions of the Bill which were of a salutary and desirable character. Sir N. N. Sircar complained with some chagrine that the Managing Agency system did not constitute the whole Act, and that there were other provisions in the Act of an important character which deserved the close attention of the members of the legislature. The remarks of the Law Member had ample justification. There are a large variety of provisions in the Act which effect a great improvement on the present state of things. These provisions can be grouped together mainly under six heads. Firstly, the question of the prevention of mushroom companies and that of the suppression of fraudulent ones. Secondly, the question of better disclosures to the shareholders and that of giving them additional powers. Thirdly, providing for check over what was called the autocracy of the Directors. Fourthly, prevention of the abuses of the Managing Agency system. Fifthly, provisions relating to the Banking Companies and, lastly, provisions relating to the winding up of Companies. Of these six subjects, that relating to Managing Agents has been discussed at length. We shall make a brief survey of the five other subjects.

Under the old Act, the fixing of the minimum subscription was left to the Directors. The Directors used to fix it at a very low figure. Thus the floating of mushroom companies was widely prevalent. These mushroom companies used to borrow more than their assets could justify. Ultimately they used to come to grief. Thus not only the shareholders but the creditors of the company were being ruined. Under the present Act, the floatation of such mushroom companies will become impossible. The law has provided that certain matters must be taken into account and, in order to fix the minimum subscription, the Directors have to provide for the matters mentioned in sub-clause (2) of clause 55. This will prevent one of the great abuses practised so far. Again, in the old Act, there was nothing to prevent the Directors from using the money of the prospective shareholders even before a company had come to function. Now, all this money should be deposited in a bank and should not be used until the certificate for the commencement of business is obtained from the Registrar of Joint Stock Companies. By section 89, the Registrar of Joint Stock Companies is authorised to put in petitions for the winding up of companies which are found to be unable, on investi-

gation, to pay their debts. This also prevents the formation of mushroom companies. Under the old Act, apart from the ordinary remedies available under the Penal Code, there was no provision for the investigation and detection of frauds practised by companies. Under section 77 of the new Act, the Registrar is authorised to investigate into cases of fraud brought to his notice by any creditor or contributory. After the investigation, the Registrar is directed to make a report to the local Government. Under section 79, the local Government in proper cases should launch prosecution at its own expense to bring to book persons guilty of the offence. Any officer or Director so convicted is debarred from taking part in the management of a company for a period of five years. Section 42 prevents people who have been unsuccessful in their own affairs from acting as Directors until they obtain discharge from their bankruptcy. These provisions are directed against fraudulent companies.

In this connection, it would be well to take notice of a lengthy discussion which was initiated in the upper house with regard to the nature of the minimum subscription. In the original Bill before it was referred to the Select Committee, it was laid down that no company could commence business unless at least 25 p. c. of the authorised share capital had been received in cash. This provision in the Bill was dropped out by the Select Committee. Mr. Hossain Imam argued that the deletion of this provision would lead to the floatation of mushroom companies. But, as against this, it can be pointed out that no company could start working unless it had provided for the requirements detailed in sub-clause 2 of clause 55. The requirements of a company varied with its nature and there was no point in insisting that an invariable proportion of the authorised capital should be got together before any company could start its business. Secondly, the difficulty with regard to procuring capital can well be raised here as a matter for consideration. It was admitted on all hands that the Ahmedabad mills were under-capitalised concerns. They lived more on loan than on capital. But supposing their functioning had been prohibited by the minimum subscription rule, as demanded by Mr. Hossain Imam, then surely Ahmedabad could not have become a centre of industrial activity that it is to-day. Mushroom companies should be prevented from functioning by every means possible. But the check put on them must be of such a nature as would not lead to the strangulation of industrial enterprise in India. The framers of the Act were faced with both these difficulties and the method they have adopted

will succeed in checking mushroom companies without strangulating industrial enterprise.

As regards disclosures to shareholders and giving farther powers to them, the new Act has provided that the prospectus of a company should contain more detailed information than it used to do before. Where Managing Agents are to be appointed, not only their names and addresses, but agreements made with them by the company should also be disclosed. In the case of the under-writers, the Directors must issue a statement proving the ability of the under-writers to act as such. In case properties are purchased by the company their previous prices must be mentioned by the Directors. Where a business is purchased by a company, its previous profits must also be disclosed. In the case of the going concerns, the prospectus must contain a report by their auditors specifying the dividends paid by the companies during the three preceding years. In the matter of accounts, the new Act provides for much greater details such as particulars of reduction of capital, assets, good, bad and doubtful debts, details of loans and investments which would enable the average shareholder to judge fairly accurately the financial condition of the company. Sections 69, 70, 71, 72 provide for the compulsory compilation of a profit and loss account, a Directors' report as to the affairs of the company, a report by the auditors on the documents audited by them and for compulsory circulation of the said documents amongst the shareholders of the company.

As regards the shareholders' meeting, everybody registered as a shareholder has been given the power to exercise his voting rights. Prior to the new Act, some Directors used to nullify the voting rights of a shareholder by putting in the Articles of Agreement a provision to the effect that a shareholder may not exercise his voting rights, unless his name was on the register for a definite period. Now, all those restrictions have been completely swept away. Again, every company is compelled to maintain a register containing the particulars of contracts entered into between the company on the one hand and any of the Directors of the company on the other. The shareholders are given the right to inspect this register. Section 15 of the new Act, compels every company to give material information about the changes in the personnel of the Directors and the Managing Agents and the dates when they took place. Thus much greater facilities have been afforded to the shareholders to have an intimate knowledge of the affairs of the company.

As regards additional powers given to the shareholders, under the old Act, companies under Managing Agents had oftentimes more than 50% of the Directors chosen by them. But under the new Act, this nefarious practice has become impossible with regard to the new companies and will become so for the old companies after a period of twenty years. Under the new Act, not more than one-third of the Directors can be chosen by the Managing Agents, the rest of the Directors will be chosen by the shareholders, leaving some representation to the debenture-holders or other special interests as the case may be. Under the old

Act, the shareholders could not remove a Director out of time unless it was laid down in the Articles of Association. Now the right is given to the shareholders to remove an undesirable Director before the expiry of his term. One of the most important rights given to the shareholders is the power to control the Managing Agents. Under the new Act, the shareholders are given the right to control the appointment, dismissal and the fixing of terms regarding the Managing Agents. By section 87 (b), the appointment of a Managing Agent, his removal and the variation of the terms of his contract are to be determined by the shareholders at a general meeting. The consent of $\frac{3}{4}$ of the shareholders is necessary for increasing the remuneration of the Managing Agent. Thus, the shareholders have been given very considerable powers. Only with regard to two provisions in the Act, there was a great deal of opposition put up by the Congress party and though the Congress party did not gain its points, it cannot be said that its opposition was without force. The first objection of the Congress party related to the power of the Directors to refuse to transfer fully paid-up shares. The Law Member argued that it was essential for the Directors to be vested with these powers, as otherwise a few mischief-mongers getting possession of some shares would create trouble for the Board of Directors. Secondly, he said, the Directors were using this power so rarely and cautiously that there would be no occasion for the shareholders to be maltreated by Directors. Thirdly, when people purchase shares knowing that it is within the power of the Directors to refuse to recognise transfer, they will have nothing to complain if that power is exercised. Fourthly, even in England this right to refuse transfer has been given to the Directors and therefore there is no reason why there should be opposition to it in India. As against these arguments advanced by the Law Member, it can be pointed out that a mere handful of shareholders can create no difficulties even if they be bent on mischief. On the other hand, there is a grave danger of this power being misused by the Directors. The Directors themselves might be so incompetent or the affairs of their company so bad, that they would be unwilling to accept even reasonable shareholders, lest their defects may come to light. Secondly, impediments on free transfer of shares will cause a lot of difficulty to the ordinary shareholders. People invest money against hard times. But if they do not get money, when they are willing to sell their shares, then of what use will the shares be to them? It is very easy for the Government to argue that as the shareholders know the restrictions their enforcement will not be resented by them. But can this be an argument for imposing restrictions at all? All are unanimous that the people of India do not take kindly to investing in shares. Is this the way to draw out investments from them? India is in the infancy of industrial enterprise and the methods adopted in England cannot always be suitable for her. One fails to understand why India in every case should look up to England for guidance in these matters. The Canadian Company Act passed

after the English Acts places no impediments at all on the free transfer of shares. Why not follow the Canadian example? Again the Reserve Bank of India has allowed for a free transfer of shares. Can there be more competent Directors in any company than can be found for the Reserve Bank of India? Then, why were the Reserve Bank Directors not given the power of refusing the free transfer of shares? It is difficult to appreciate the arguments of the Government. It seems certain that the incentive to investing in shares will be reduced by reason of this restriction. The Congress party pointed out again and again the harmful effects of this provision. But the Law Member stuck steadfastly to his guns and carried his point with the help of the official and the capitalist members.

The second objection of the Congress party related to the system of voting by proxy. It was argued by the Congress members that those shareholders who voted by proxy were not very sincere about their voting rights. They authorised the Directors to vote for them and thus the Directors obtained a number of votes which they could use at any time in their favour. Some members suggested that the shareholders might be allowed to select the Registrar of Companies or the auditors as their proxies. But this motion was strongly objected to by the Law Member. In the second instance, Pandit Gobindballabh Pant tried to limit the proxy rights to a period of six months. But this attempt again was opposed by the Law Member. It must be admitted that the Congress party did not act in a tactful manner. It ought to have concentrated its attack on the accumulation of the proxy rights on the Directors. If the Directors get the proxy rights of the shareholders, then the shareholders' meeting loses much of its reality. Though the absence of the shareholders from meetings cannot be avoided, still they may be forbidden from vesting their proxy rights in the Directors. But the Government did not take any steps in the matter. So the capitalists scored a victory over their opponents.

As regards the provisions relating to the Directors, the new Act sees to it that they do not become autocrats. Section 86 (b) of the Act forbids the assignment of offices by Directors unless the same is approved by the shareholders. But to avoid inconvenience, appointment of alternate or substitute Directors is authorised by statute provided the Director is out of his headquarters for a period of three months. The European group wanted to reduce this period to fourteen days only. But the Congress party took strong exception to the matter. The Congress party, in fact, did not like the idea of substitute Directors. A Director was elected, it argued, either because he was able or because he was popular. If a Director was empowered to nominate his substitute, then the whole purpose of election was nullified as it were. Therefore, it objected to the appointments of substitute Directors. The Law Member saw the strength of Congress arguments and refused to empower Directors to nominate their substitutes for very short periods. But, in exceptional cases, when a Director would be absent, he was given the power to nominate his substitute. However, this

power was to be exercised only when the Director was absent for a period of three months. So far the Directors resorted to a number of subterfuges to render themselves immune from the evil consequences of their actions. But the provisions of the new Act no longer make it possible. By section 86 (c), conditions in the Articles of Association, relieving the Directors from liability in respect of negligence, breach of duty and trust, were declared void. By section 86 (d), Directors are prevented from incurring loans in case of companies except in case of banking companies. Section 86 (e) prevents a Director from holding offices of profit other than those of a Managing Director etc., without the express consent of the shareholders. By section 86 (g), Directors could not enter into contracts with the company without the consent of the Board of Directors. The Congress party wanted to make, in this case, the consent of the shareholders obligatory on the Directors. But Sir H. P. Mody pointed out that, in the question of contracts, prompt action might be required on the part of the Directors. A company cannot function if, in every minor case, the Board of Directors were to consult the shareholders. Secondly, the Board of the Directors being the trustees of the shareholders, there was no reason why they should not be relied on in this matter. The trusteeship of the Directors had little fascination for the Opposition. But it was felt that, in view of the desirability of prompt discharge of work, this power should be conceded to the Board of Directors.

By section 86 (h), Directors are prevented from selling or disposing of the undertakings of a company without the consent of the shareholders. They cannot remit the debts due by a Director without taking similarly the consent of the shareholders. By section 86 (g), the shareholders are given the right to remove a Director even before the expiry of his term. By section 86 (i), the office of a Director is to be automatically vacated, if he fails to obtain his qualification shares, becomes a lunatic or is adjudged an insolvent. Similar results will follow if he fails to pay dues of share money or if he accepts a place of profit in contravention of the provisions of the Act. He is also required to vacate office if he absents himself from the meeting of the Board for a length of time fixed by statute.

By section 47, a Director interested in a contract is forbidden from participating in a meeting where that contract is being considered. By section 68, the duty of keeping proper books of account is cast on him and the contravention of this would lead to a heavy fine. By section 46, the duty of keeping a proper register is also cast on him. Undesirables such as undischarged bankrupts are debarred from acting as Directors of a company.

Attempts were made to limit the number of concerns over which a person could act as a Director. To this the Government did not give any quarter! They argued, in the old way, that it was improper for the legislature to circumscribe the activities of a particular individual. This attitude of the Government was most unfortunate, for cases have arisen where the old *laissez-faire* policy has led to disasters.

The Directors are not expected to be a class of angels. They are likely to over-estimate their powers and undertake responsibilities which they have no power to shoulder. The result in that case would be a disaster for the companies. Inefficient Directors would ruin not only the shareholders of the company but would bring to grief the creditors as well. We wish the Government had appreciated the force of this argument. As it is, many of the Directors are likely to abuse their powers.

Similar attempts were made in the legislature to compel a Director to disclose his dealings in the shares of the company. This, it was argued, would lead to the prevention of speculation in the shares. But if a dishonest Director wanted to speculate, he could speculate still through a *Benamidar*. So, no good would have resulted by the inclusion of this measure. It would have succeeded in irritating the Directors without at the same time benefiting the shareholders.

Many other attempts were made by the Opposition to effect changes in the position of Directors. The most important of these related to their election. The Opposition wanted the election to be conducted by the principle of proportional representation. Mr. Satyamurti suggested the system of single transferable vote and Mr. Pant suggested the system of single non-transferable vote. The greatest opposition to this kind of election came from some of the Congressmen themselves. Mr. N. C. Chunder, a Calcutta solicitor, opposed the measure on the ground of practical difficulties. "It is all very well", he said, "to say that when there is a deliberative body, the minority can get properly represented in that body by the principle of single transferable vote, but when you come to a business body, a body which has got to work, an executive body—not even in the Indian Congress do you accept this principle" He, then, went on to show as to how the Working Committee of the Congress was nominated by the President. A Cabinet, he said, was nowhere constituted by proportional representation. Mr. A. C. Dutt, the Deputy President of the Assembly, expressed the same views. Mr. Pant's arguments, however, took a different turn. He wanted election by proportional representation, not to ensure the representation of the minority, but because he believed that election by proportional representation would admirably suit an executive body. "I wish to impress it," he said, "on the house that every Cabinet is in reality formed in accordance with the principle of proportional representation. It may not be so in form. The members of the Cabinet are never elected by the majority party." Assuming for the sake of argument, that the Cabinet, in every case was formed in accordance with proportional representation though not in form, one fails to understand why Mr. Pant was so very anxious to introduce the form in the election of the Directors of a company. Mr. Pant, argued that the members of the Cabinet were never selected from the majority party. How absurd this statement sounds when we look to the formation of the Cabinet in England! Secondly, there might have been

sufficient reason to propose this system, when the majority of the Directors were elected by the Managing Agents. But now their power has been considerably reduced. The shareholders have been given statutory power to elect two-thirds of the Board of Directors. Then, how can their wishes be flouted by the Agents? It cannot be doubted that in a heterogeneous body, there would be a lot of disagreement and friction and smooth and prompt working would be considerably hampered. These arguments are not merely theoretical in nature. The practical working of the French and Swedish Cabinets constitutes a complete justification for these arguments. Mr. Pant was wrong in referring to the Indian Cabinet to strengthen his argument for proportional representation. The members of the Indian Cabinet are taken from different parties but none of them is elected by any particular party. Such homogeneity as is to be found in our Cabinet is due to the fact that members take their cue from one person. It cannot be argued seriously by any body that proportional representation is necessary for the smooth working of the executive. The statement seems to be *prima facie* absurd. Again Mr. Pant demolished the case for his amendment when he admitted that the interests of the shareholders were one and the same and so there was no question of minority representation. It is good that the Assembly voted down the measure. Its introduction would have led to a lot of friction and would have seriously hampered the efficiency of the Directors.

The next move of the Opposition related to the foreign concerns. Every company working in India was required to have half of its Directors Indians. This was evidently an insupportable measure which would have taken away the rights of the shareholders.

Another move of the Opposition relating to the foreign companies was of a desirable and reasonable character. The Opposition suggested that the foreign companies should be placed on the same footing with the Indian companies with regard to the submission of the balance sheet and the other books of account. Foreign companies worked at such a distance from the Indian shareholders that it was very difficult for Indians to know their affairs. The balance sheets etc. which they sent to their shareholders were prepared according to the requirements of their Governments and the Indians understood very little from them. It was therefore in the fitness of things that they should be required to submit to the Indian conditions. The urgency of doing so was all the greater, because the number of the foreign companies was a legion in India—about 900. Their high prestige and financial solvency attracted much Indian investment. Many of them relied mainly on Indian support. It was therefore incumbent on them to cater for the requirements of their Indian shareholders. The Law Member unnecessarily pleaded for them when he argued that they would be put to difficulty. This attitude was characteristic of the Indian Government which was over-sympathetic towards the foreign exploiters. If 900 odd companies could be granted exemption because it would

be difficult for them to meet our requirements, one fails to understand why the Central Bank of India, the only Indian concern in England, should be made to submit to British requirements. Evidently the British Government has not that sympathy for Indian concerns in England which our British masters possess towards British concerns in India. Secondly, are there no foreign companies working in England? Will they not be put to difficulty if the English Company Law is applied to them? Yet, the British Government have shown no tender feelings towards them. They have compelled them to submit to British requirements. One fails to understand the solicitude of our Government for foreign companies working in India. It is most unfair that foreign companies should be exempted from the restrictions imposed on our indigenous concerns. But this is not the only difficulty. As Mr. Pant clearly pointed out, this provision would encourage the flotation of companies outside British India. Companies would be started at Goa or Chandranagar to escape the rigours of the Indian Company Law. What will the Government do then? It must be ready to forego a lot of income because of its solicitude for foreign companies. It was very wrong for the Government to have retained this provision. Not only will it result in an unfair discrimination against Indian companies, but it will lead to a shifting of industrial concerns from British India which no government can view with indifference.

SHYAM SUNDAR MISRA.

Review.

GUJARATI VAISHNAVISM.

THE VAISHNAVAS OF GUJARAT. By N. A. THOOTH, (Longmans, Bombay.) 1935. 22cm. 489p. Rs. 15.

ACCORDING to the author, "this work is an attempt at studying, with reference to a definite region" (namely Gujarat), (1) how far man's life is moulded by his habitat, and how far he moulds it, and (2) the extent to which man's life and his environment are affected by cultural factors, both native and alien." Not only in accordance with this definition, but also in view of the actual treatment of the book, it could have been more appropriately styled "The Gujarati Speaking People" or simply "The Gujaratis"; for, though the author has excluded even Kathiawar and Cutch in his regional definition and professed to study only the Vaishnavas of Gujarat—strictly-so-called, he has not, as he could not have, been able to distinguish between, on the one hand, the Vaishnavas of Gujarat from those of Kathiawar and Cutch (or even, to a certain extent, of Rajputana and U.P.), and on the other the followers of Vaishnavite deities from the followers of other Vedic gods and from Jains etc., except to the extent that he has described in detail only the Vaishnava institutions.

The study, so far as it goes, is a very creditable attempt; and, when we take into consideration that the author, being a non-Hindu, must have encountered several handicaps in his pursuit, the detailed information that he has obtained of the several sects, social institutions, art and literature of the Gujarati

Vaishnavas and the broad survey that he has made, makes his work more valuable still. Indeed, we get here not only a detailed record of several Gujarati institutions which are now rapidly dissolving, but we also know how they react upon a sympathetic but, nevertheless, critical non-Hindu Gujarati.

It is not, therefore, to depreciate the value of the book that I venture to offer some criticism; but, if possible, to invite further research-study of the subjects handled in this work. For I must frankly say that I do not agree with the author on several points. He has made certain assumptions, which, in my opinion, themselves require proof; some of his conclusions seem to me to be more general than the premises warrant; though his method of enquiry, so far as it goes, is sympathetic, yet he has certain preconceived notions regarding right and wrong, with which all may not agree. Then some of the features and developments of the present-day life described by him are common to all the people of India all the country over, and Vaishnavism can hardly get credit or discredit for them.

It would require an independent thesis or, at least, a series of articles to discuss all these points seriatim. It is not possible for me to undertake that task. But I shall mention a point or two by way of illustration.

The author has assumed and treated Vaishnavism as a rival to or revolt against Shaivism. While it is true that there is an hostile attitude towards Shiva in one or two Vaishnava sects, and while it may also be true that at one time in Hindu history there was sharp and bloody antagonism between the Vaishnavas and the Shaivas, these religious feuds had come to a practical end even before Vallabhacharya (although in his particular sect there is declared hostility towards Shiva) and several *acharyas* and saints of both the sects definitely laid down and taught the fundamental unity of Vishnu and Shiva and deprecated in no uncertain terms the attitude of those who, out of greater regard for one of them, spoke ill of the other. Neither Tulsidas nor Narsimha Mehta, in spite of their unbounded devotion to Rama and Krishna respectively, are wanting in their respect for Shankara; and Swaminarayana, the last of the great Vaishnava teachers of Gujarat, has laid down his injunctions in the following words:

Those of my Brahaman disciples, in whom there is a family tradition to put the *Tripundra* mark and wear the *Rudraksha*, must not give them up on any account. They must regard Narayana and Mahesha to be identical, as both of them have been declared as Brahma in the Vedas." (Shikshapatir, 46-47)

In my opinion, the real protest of Vaishnavism has been not against the worship of Shiva or Shakti, but against the view that the authority of the Smritis is supreme, that is, against the staunch Smartas. If one looks into the life and teachings of any celebrated Vaishnava teacher or saint of any part of India whatever, one will invariably find him protesting against and even offering civil resistance or disobedience to the uncompromising, hard and narrow injunctions of the Smritis against the general masses—'त्रियो वैश्यास्तथा शूद्राः'—(the women, the Vaishyas and the Shudras). The reader of the Jnaneshwari will easily call to mind the poet accusing the Shrutis as miserly, in not laying open their doors of knowledge for the benefit of all men. The Vaishnava Acharyas have every one of them, though in varying degrees, made breaches into the Smritis and, so to say, widened the religious and social franchise of the people. The pro-

* त्रिपुण्ड्ररक्षाश्रुतियों स्यात्स्वकुलगता ।
तेस्तु विप्रादिभिः क्वाऽपि न त्याज्या सा मदाश्रितैः ॥
एकात्म्यमेव विज्ञेयं नारायण महेशयोः ।
उभयोर्ब्रह्मरूपेण वेदेषु प्रतिपादनात् ॥

cess started from Buddha and Mahavir, and has not stopped yet. But there have been also Shaiva Acharyas and saints who have done the same things; e. g., the Lingayats.

But the author considers Vaishnavism to be a rebellious child of Shaivism, and, as such, the inheritor of Shaivite tradition (p. 354). Thus he regards that the family organization of Kula and Gotra, the Varna system and "all-powerful" and "ever-present grip" of Dharma, which binds the Hindu (including the Vaishnava) are all Shaivite institutions. I do not think that this proposition is correct. I feel that both the Shiva and Vishnu worships have existed parallelly from Vedic times, and both have undergone vast changes during all the centuries that have passed since then, and that the institutions of Kula, Gotra and Varna and the loyal allegiance to the sense of Dharma are the common inheritance of all the Hindus.

The author is prejudiced against the word *dharma*. He considers that the "*dharma*-organization" is "a menace to society."

But, he adds, such is not the opinion of the Vaishnavite. For him no act or thought or word, no act of life should be without the bounds of *dharma*-sanctions... Even his occasional revolts against the existing *dharma*-sanctions are undertaken in the name of *dharma*. *Dharma* is the breath of life; the universe exists because of *dharma*; without it the world would be no world, it would be chaos. Such is the unshaken belief... which animates the entire life of a Hindu. (p. 368)

When the author found that even such a Vaishnavite as Mahatma Gandhi, whom he has chosen to describe as "the latest of His devotees, the last of His avatars", does not share his view that *dharma* is a menace to society, surely it ought to suggest to him that, perhaps, there was some fundamental difference in the meaning of the term *dharma* as understood by the Hindu and as understood by him. Most of the writers, habituated to use Western phraseology, take the word *dharma* as a synonym for the English word *religion* and restrict its connotation to the latter term. The word *religion* is almost synonymous with the word Church, and implies adherence to *theistic* creeds, *ritualistic* observances and rules of moral conduct approved by a particular sect or *sampradaya*. The Hindu word *dharma*, in its widest sense, means a rule of correct conduct or method in any matter whatsoever. Thus a rule that a driver (in India) must keep to the left, or that a doctor must sterilise his instruments before use, or that he must not advertise himself beyond a particular extent, or that a writer or reader must keep light towards his left back, may quite properly be called *dharma*s in the Hindu sense, though none of them are rules of religion in the English sense. When such rules of conduct are faithfully and as a matter of course and discipline observed for a long time, they almost become a second nature with the observer, and the observance may become a point of honour with him. When such a thing happens, we say, even in English, that he has a religious regard for those rules. This is not confined to the Hindus. Thus a cultured Englishman never enters a car first, if there is a lady accompanying him. That is a rule of conduct, which has almost become a second nature with him and he has almost a ritualistic regard for it. It is *dharma* with him, though it has nothing to do with religion, i. e. a Church. The breach of rules mentioned in this paragraph do not always bring on disaster, but still no driver or doctor or gentleman may break them without becoming liable to censure or even punishment. A simple person might just reason, "I have so many times wounded myself with instruments and objects not only unsterilised, but positively dirty, and still have been quickly healed. The doctors are quite

unnecessarily and tediously fastidious:" and, if a child inquirer pursues him with questions on the point, the only wise answer that he, like the author's grandfather, would be able to give would be, "Oh, they are doctors, it is in their *Dharam!*" And, certainly, it is *dharma* with them, and they ought not to transgress it. The harm is not caused by calling such rules of conduct *dharma*, but by forgetting that they require to be revised from time to time in the light of further knowledge and experience, and that the failure to do so may, and often does, become a serious hindrance to progress. But can there be any doubt that it is *Dharma*—i. e. Law, and Rules of Right Conduct that make the world, a world and not chaos, and that whatever chaos there is in society, it is due to the non-fulfilment of that great thing—*Dharma*?

The author's view that the Hindu is firmly caught into the "all-too-powerful *dharma*-grip" is largely responsible for his opinion that the Vaishnavas of Gujarat are a "psycho-biological" or "synnomic" people, and not a "bio-psychological" or "syntelic" people. These formidable words mean that they are not a people "in which the life of individuals... and of the community itself is regulated by ends or ideals resulting from a conscious selection of principles and standards of life", but one in which "the social organization... admits of little opportunity to the individual to ponder on his environment and find out new ways" (p. 427). He says that he has "arrived at this conclusion after sifting of evidence". Let some other scholar independently examine the evidence and test the conclusion.

I have already transgressed the limits of a newspaper review, and I must stop. But before concluding, I must refer to a personal reference to Mahatma Gandhi. At p. 279, the author says:

In spite of his considerable indebtedness to western thought and method Mahatma Gandhi is perhaps most influenced in his inmost being by the teachings of orthodox Hinduism in general, and by the teachings and activities of the Swaminarayana Sampradaya above all.

A co-worker and myself were doubtful about the correctness of this statement. At least, we were not aware of the extent to which Gandhiji had been influenced by Swaminarayanism. I therefore referred the statement to Gandhiji. He replied to the following effect: There may be some truth in the statement, but it is altogether improbable that orthodoxy, as the term is generally understood, had any influence upon him. From his very childhood, he did come into contact with the followers of Swaminarayana, and, consciously or unconsciously, he may have been influenced by them; but, as has been often acknowledged by him, his life has all along been influenced by individuals rather than by a *sampradaya* as such. So also, in respect of his indebtedness to books.

That Gandhiji's institutions "have the flavour of Swaminarayanism" must be, if at all, explained on grounds other than the direct influence of that sect upon Gandhiji. The Swaminarayanite institution was itself influenced by contemporary Vaishnava and Jain institutions and was an improvement upon them; and it is possible that the Jain opinion is that Gandhiji has been more influenced by their institutions than by Vaishnava institutions. I personally think that, while there may be and are points of similarity in the Swaminarayanite and Jain institutions on the one hand and the Gandhian institutions on the other, all of them have been products of their times and the character of the Hindu people. As a matter of fact, although Gandhiji accepted the ideals of *ahimsa*, *brahmacharya*, *aparigraha*, *asvad* etc., in common with the former, he refused to accept, without clear proof of necessity, the rigid rules of conduct framed for fulfilment by the former institutions and evolved new rules from his own

experience and experiments. Besides, though the words are old, he has given a newer and wider meaning to each one of them, and his institutions have a social, economic and political application, which is altogether new.

But here I must stop. I repeat that the above criticism is not to be regarded as a disapproval of the book. Far from it. It is an enjoyable, thought-provoking and inquiry-demanding reading, and must attract other students of sociology to undertake similar studies. Some of his chapters will be read with pleasure more than once.

K. G. MASHRUWALA.

SHORT NOTICE.

THE DAIRY INDUSTRY AND THE A. A.

By JOHN D. BLACK. (Brookings Institution, Washington.) 1935. 21cm. 520pp. \$3.00.

THE book is essentially a discussion of the economic phases of the dairy industry, a history of some of its problems and an outline of the development, past, present and future, of its marketing machinery in the United States of America. More specifically it is a discussion of the various methods for the control of production and marketing of dairy products. The book is complete as a record of the dairy activities of the Agricultural Adjustment Act.

Dairy products were made subject to all three provisions of section 8 of the Agricultural Adjustment Act, milk and its products being considered the basic agricultural commodity. The objective of the Act is the relief of the existing national economic emergency by increasing agricultural purchasing power. The declaration of emergency refers to the disparity between the prices of agricultural and other commodities and its effect on the purchasing power of farmers. The intent of the Act is to establish pre-war purchasing power of agricultural commodities.

While the author presents a fair and complete discussion and argues neither for nor against any proposal, the assumption runs throughout that some form of federal or state control is essential. In this he fails at times to recognise the difficulties inherent in price-fixing and in public utility regulation.

The book is well-worth studying by every student of the marketing of dairy products. It should also be of value to those dairymen who are interested in this subject and desire to come to a well-considered decision as to what will best conserve their interests as producers. The condition of dairy industry in the United States is illustrated by means of a map showing the distribution of the number of animals and the proportion of dairy income to gross farm income. The book is well balanced and is explanatory rather than argumentative.

S. G. NAVATHE.

GOKHALE INSTITUTE OF POLITICS & ECONOMICS. THE FOUNDER'S DAY CELEBRATION.

Mr. D. R. GADGIL'S STATEMENT.

The first anniversary of the death of Rao Bahadur R. R. Kale, the founder of the Gokhale Institute of Politics and Economics, was celebrated in Poona under the auspices of the Institute on the 17th inst. On this occasion Mr. D. R. Gadgil, M. A., M. Litt. made a statement giving a history of the Institute and outlining its lines of work. He said :

IT will be not considered inappropriate if I should take the opportunity of the first celebration of the founder's day to give a brief account of the foundation of the Institute and the work it has been doing during the last few years. The Institute was founded on 12th June 1930 on the 25th Anniversary Day of the Servants of India Society at the Headquarters of the Society at Poona. This was made possible by the offer, for the purpose, of a donation of over a lakh of Rupees to the Society by the late Rao Bahadur R. R. Kale, our founder, whom we commemorate to-day. His aim in founding the Institute was the association of some whole-time academic workers with the Society for the purpose of a careful study of public questions, to which Mr. Gokhale attached very great importance. Rao Bahadur Kale hoped that he was by this donation helping to form the nucleus of an institution which with the help of other donors may in the future develop into a full-fledged Institute of Politics and Economics.

The objective of the Institute is thus the study of and research into the various economic and political problems of India and the training of workers for such study and research, all such study and research being scientific in its attitude and character but ad-

ressing itself chiefly to problems of immediate practical import. Stated thus broadly, the field of our activities is seen to be extremely wide and the initial problem was to map out a field in which our limited resources could make some impression. It was decided at the outset only to work the economics branch of the Institute. But even in this branch we are confronted with a number of possible alternative lines along which we could develop our activities. We spent a considerable time in preliminary planning and experimenting and finally decided in favour of concentrating our energies on the work of regional fact-finding surveys. The broad features of India's economic life have been fairly accurately outlined during the last two decades, especially by reports of the numerous official commissions and committees. And a considerable amount of library research is carried on in Indian Universities and Colleges. Detailed local surveys of particular problems have by comparison not received adequate attention. Hence we thought that it would be best for us to devote ourselves primarily to the unattractive but none the less useful work of field investigation. Not only is the work undertaken by the Institute chiefly investigational but research projects given to students are also mostly of this type. How the research work of students could thus be made to fit into the general pattern of the Institute's activities is shown by our latest publication, Mr. Joshi's Survey of Bombay Deccan Urban Handicrafts.

The present sphere of our activities is (apart from its teaching and training side) (i) fact-finding investigations which should cover the whole range of

economic life of the nearby tract and (ii) studies, largely statistical, of general problems of current interest. The one will, we hope, provide the basis for the planning of economic policies in the future and the other forms our contribution to important current controversies. The investigational work was begun tentatively in the second year of the Institute's existence with a study of the "Marketing of Fruit in Poona". It was only in the third year, however, that the full resources of the Institute began to be utilised by the appointment of a second investigator. The present resources of the Institute permit the undertaking simultaneously of only two investigational projects and we have thought it proper that one of these projects shall always be from the field of agricultural economics. The first project in this domain was the study of fruit marketing. Since its completion we have on this side devoted our attention entirely to the central field of farm business studies. Here we have been struck by the necessity of gathering a large amount of data cheaply and expeditiously and of the adaptation, if possible, of what in other countries is called the "Survey Method". After some work on this problem we felt sanguine of success but a trial of this method to be convincing had to be made over a large area and this the resources of the Institute would not allow. We, therefore, applied for a grant-in-aid of this project to the Imperial Council of Agricultural Research and it has after some inevitable delay only recently been partially sanctioned.

On the non-agricultural side the first survey undertaken was that of motor bus transportation. The second survey was originally planned as a survey of small scale industries in Poona but fortunately it was possible to enlarge this project into a complete economic survey of Poona because of the active financial help so kindly granted by the authorities of the City and Suburban Municipalities. Thus two investigations have been completed and their reports published and we have on hand two investigations of even wider scope and greater importance than those previously undertaken.

The Institute has during the last five years put forth five publications: two reports of investigations, two pamphlets dealing with important current questions and one an extensive survey and study by a student of the Institute of the problem of urban artisan industry, the importance of the work of the Institute can be judged from the titles of its publications, the opinions that have been expressed regarding them and the use it has been possible to make of them. We would merely draw attention to a few important facts. The pamphlets on Salaries and Imperial Preference attacked problems of urgent topical importance and the former will continue to be important as long as salary reform is not grappled with as a whole. The marketing survey was undertaken by the Institute long before the recent marketing survey project was launched by the Government of India and was absolutely the first work of its kind in India. The same description may truthfully be applied to the survey of road transportation which is a contribution of considerable importance towards the solution of the problem of road traffic control and co-ordination. And

it is not necessary to-day to emphasize the importance of the study of the artisan industry. It has always been our aim to achieve outstanding work of a pioneering nature. Hence the agricultural investigation that we have now in hand is concerned with the testing and establishing of the survey method in farm business studies, a work which has nowhere yet been undertaken in India. And the other work in hand is a comprehensive economic survey of Poona City, somewhat on the lines contemplated by Messrs. Bowley and Robertson in their report, but not yet attempted elsewhere in India.

It may be emphasized that we work with extremely limited resources, our total annual budget being less than Rs. 8,000. With its present resources the Institute cannot hope to undertake really big projects or to put forth more than one publication annually. It may be remembered that even the scale on which our two latest investigations are undertaken has only been made possible by small grants-in-aid by two authorities—one local and the other imperial. But we claim that the Institute has been able even with cramped resources to put forth work that is really worth while.

Of the Founder I shall not speak at length. The prominent part he played in the public life of this Presidency, his large-hearted charity, his devotion to duty, his steadfast faith—all these are yet well remembered. There are many present in this Hall, who knew him over a much longer period of time than myself and who could do much greater justice to his qualities. I may, however, claim that his large-heartedness, his breadth of vision and his public spirit were nowhere better exhibited than in the founding of the Institute. Being himself cast somewhat in the scholar's mould research studies made a strong appeal to him; and the early powerful imprint of Ranade's thought and his own experience later in public life convinced him of the urgent necessity of providing for the systematic study of public questions. In conceiving of an institution of this character he exhibited an exceptional freshness of outlook and in the very process of founding it he showed in the highest degree some of his characteristic qualities. The post-humous giving away of a large part of one's fortune is rare enough; the parting with it during one's own life-time is much rarer still. But this Rao Bahadur Kale did with an eagerness and readiness which was truly remarkable. I am divulging no secret when I state that it was proposed originally to name the Institute after Rao Bahadur Kale and that it was entirely at his own express desire that the Institute was given the name it bears to-day.

PROGRAMME OF ECONOMIC UPLIFT.

MR. SIVASWAMI'S SPEECH.

Mr. K. G. Sivaswami, Member, Servants of India Society, recently delivered a lecture at Trivandrum on the above subject. Following is a summary of his lecture.

MR. SIVASWAMI described by comparative statistics the low position which India occupied in the output of labour per head, the national income, the extent of land-holding among the agriculturists,

the expenditure on primary education, and on the other hand the high place in its percentage of births and deaths and the proportion of the agricultural population to the total population, and said that the problem was one of developing character and capacity to that degree which could thereby successfully bear the stress and strain of modern competition. Travancore was fortunate in one sense that the spread of modern education had there created a large middle class with a rational outlook, and the hold of the mediaeval institutions of the priests and the caste leaders over the daily life of people had almost crumbled. While in the British Provinces the problem was one of establishing a sense of equality and recognition of the value of all human beings to national progress among the agricultural communities dominated by caste leaders, that in Travancore was one of reconciling the growing human consciousness and disciplining it for corporate action. The work of liberating the masses from thralldom to mediaeval institutions was almost over and even the last vestiges were disappearing with the recent amendment of the Jenmi Kudian Regulation, the State undertaking the fixing and the collection of rent in the place of the Jenmi, on the one hand, and paving the way for rapid disappearance of social disabilities of the people in consequence of the recognition of a higher status through the Temple Entry Proclamation.

Now what was required was only the vigorous drive of an economic programme which would bring along with it a sense of better living. It had come to be recognised under existing conditions by all progressive parties that bold and far-reaching measures were necessary in this direction. Legislation was in the first place necessary for the liquidation of the existing debts of the agriculturist. This should take the form of summarily cancelling all debts which could not be repaid in 20 years, providing in such cases a minimum holding for living, repaying the creditor in all cases where debts were settled by conciliation boards and realising it in 20 instalments from the debtor, and providing for conciliation boards to decide all cases referred to them and settling the amounts even in cases of court decrees and pending cases.

In addition, the non-attachability of agricultural income below a minimum for debts should be provided for and in the case of uneconomic holders, tenants and labourers, debts which could not be repaid from net incomes within three years as recommended for industrial labour by the Royal Commission on Labour should be summarily cancelled. One had to go further still as recommended by the preliminary survey of the Reserve Bank that the Mortgage Bank alone should provide real credit, that private money-lenders should be restricted to lend on the same principle and borrowing should be limited to a single agency for short term credit. Village money-lending should equally be regulated. The Aundh State in its recent scheme had gone even an additional step, namely that it would take over the debts of ryots and that it would promote their earning capacity and prohibit credit dealings other than through co-operative societies. With these schemes should be promoted co-operative farming societies with state aid and control for promoting joint purchases and marketing of produce. Co-operation would not prove the panacea for the ills of the small holder unless aided by legal compulsion to bring to reason the recalcitrant. Efficient staff, larger volume of business, and a close-knit connection of the ryot with central wholesales would be necessary if agriculture was to be efficiently organised on a large-scale basis.

These reforms might benefit the small holder. The tenants and labourers formed another 40 per cent. of the agricultural population. The only corrective against the self-interest of human nature exhibiting itself in the class mentality of the landlord was peasants' unions to promote better working conditions. Land settlement boards to cultivate cultivable areas definitely undertaken with sufficient finance and provision of expert assistance would improve the lot of new settlers. A comprehensive scheme of poultry, cattle and sheep breeding would increase the income of the peasant class. A survey of possible cottage industries, a supplementing of factory work by home industries, the starting of agricultural industries like jam making, exploitation of forest resources and the promotion of factories for leather tanning and bone collection were possible directions of industrial assistance.

The lecturer concluded that any work of rural development should not be piecemeal but that liquidation of debt, agricultural organisation for credit, production and marketing, land settlement boards, regulation of money lending, live stock improvement and agricultural industries should all go together. The scheme should comprehend large masses of people, voluntary agencies should be fully utilised for organisation, and the State should use judiciously even certain dictatorial powers as and when necessary.

HARIJAN COLONY AT ALLAHABAD.

WE congratulate Munshi Iswar Saran on the success he has so far achieved with his project of a Harijan colony at Allahabad. The foundation of the institution was laid on Sankrant day by Pandit Hirday Nath Kunzru, the president of the United Provinces branch of the all-India Harijan Sevak Sangh. In his speech on the occasion Mr. Kunzru, as would have been expected, did full justice to the importance of the subject as well as to the services rendered in the furtherance of the cause by Munshi Iswar Saran with concentrated purpose. The support that this scheme has so far received both from the Government and the public is distinctly reassuring. Every one will hope to see the Harijan colony full of self-respecting and aspiring young men of a section of the community which has for long been sadly neglected. But still more support is required and we appeal to our countrymen, particularly in the United Provinces, to render it ungrudgingly and in generous measure. — *The Leader*

BOOKS RECEIVED.

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- METHODS IN SOCIAL SCIENCE. A CASE BOOK. Ed. by STUART A. RICE. (University of Chicago Press.) 24cm. 822p. \$4.50.
- ZONING. The Laws, Administration, and Court Decisions during the First Twenty Years. By EDWARD M. BASSET. (Russell Sage Foundation.) 1936. 23cm. 275p. \$3.00.
- ECONOMIC DEVELOPMENT IN MODERN EUROPE. By CLIVE DAY. (Macmillan.) 1933. 23cm. 447p. 10/6.