

The Mysore Economic Journal

A Monthly Periodical devoted to the Discussion of all Economic Topics of Interest

Vol. XIX

FEBRUARY 1933

No. 2

1932—Retrospect and Prospect.

By Dr. Lanka Sundaram, M.A., Ph.D.

When I look back upon the events of the past twelve months, I am irresistibly led to the conclusion that it is perhaps the most crucial year of the post-War era. In the aftermath of that great Armageddon numerous international problems cropped up to the distress of an already panicky-stricken world. Re-adjustment—that was the prime necessity of the past fifteen years. Rectification of territorial frontiers, of maldistribution of the world's output of consumable goods, and of a defective peace psychosis, was attempted piecemeal at various stages, but the net result of this fugitive attempt was that the face and the mind of the world remained as it was without any helpful metamorphosis. 1932 is remarkable for the gathering strength of all of these problems. It would be instructive to survey the co-operative effort in the world to meet the situation, to emphasize its defects and to point out the way for future action.

The previous year opened with the Japanese *guns* booming over the Sungari river in Manchuria. Indeed, the international tension over the Sino-Japanese struggle in Manchuria and latterly over the Shanghai incident did not create any easy atmosphere for world statesmanship to get abreast of the manifold problems awaiting solution. The whole year looked dimmy with prospects of protracted warfare, however sporadic it might be, in the Far East, in which world powers would be compelled to take part, sooner or later. The Lytton Report could not lead the League of Nations towards any specific solution and even after sixteen months since the origin of the Manchurian dispute we do not find any relic in the Far Eastern situation.

One or two other political incidents demand our attention in our present survey. De Valera's success at the polls in Ireland intro-

duced a very disturbing element into the fabric of the British Commonwealth. The success of the Fianna Fail in Ireland had consequences comparable to those of the fall of the Brüning Cabinet in Germany which has unleashed centripetal forces long pent up in the land of the Reich. Hitler and Hugenburg, the Communists and other disorderly elements made even such an intrepid General. Von Hindenburg, shake his fist with a disturbed conscience. To-day Germany is much side-tracked by political turmoil indulged in by party caucuses, to the neglect of economic rehabilitation and progressive international co-operation. In India and in Egypt, the national struggle of the suppressed races is being carried on right into the present year. The Philippines which have put up a noble fight against the Dollar Diplomacy of Uncle Sam for over a generation have just had a ray of hope in the valedictory gift of the past year that they would attain independence within ten years, but still this is only a ray of hope. The South American continent was rent asunder by an armed conflict between Paraguay and Bolivia, and by internal commotion in Nicaragua, Mexico, Chile and other places. Iraq attained membership of the League of Nations, but Afghanistan and Persia, and Palestine seemed to be far from enjoying a comfortable national existence. In the U.S.S.R. the emergence of the State from the first five-year plan and the inauguration of another *NeP* have not guaranteed political tranquillity for the people. Portugal and France, Italy and Spain have had serious trouble in their colonies, Madeira, French-Indo-China, Lebanon, and Spanish Morocco respectively, so that the year of Grace 1932 could not be really called one of real grace. The Italo-Yugoslav tension in regard to Dalmatia is still with us following the precedents of previous years set up by the

Austro-Italian tussle over Tyrol. Thus, everywhere in the world, 1932 was noted for political incertitude which cannot be expected to make way for economic co-operation and reconstruction.

II

On the economic side, which is our chief concern in the present survey, the situation is barren of hope. Everywhere we found the effects of 1931 fully discernible. The collapse of world prices of agricultural commodities, as a sequel to the inequalities in the tariff schedules of several countries, has so reduced the purchasing capacity of the producers that their economic resistance to the incidence of hunger and privation crumbled to pieces in the general progress of the onslaught. Weak countries like India, China, Egypt and even certain Central European countries, have had to suffer privation without murmur, because of the fact that their own individual strength is not sufficient to sustain their efforts to force the way for a better economic order. Even the more powerful countries like the U.S.A. and France have had to bear with this collapse of world prices. American and Egyptian cotton, Argentinian and Brazilian coffee, Canadian and Australian wheat, produced in an abundance never heard of, are allowed to be unceremoniously jettisoned, while millions of hungry and needy throats in China and elsewhere were allowed to be scorched without the slightest compunction. Thus, there was poverty in the midst of plenty, and starvation in juxtaposition to bumper crops.

Even in the case of manufactures, a similar imperfect ratio is allowed to exist between production, distribution and consumption. Processes of rationalization have so remarkably increased the output of industry that to-day there is no one to buy the produced commodity at the price needed and justified. The twin reasons for this unfortunate state of affairs are reduced purchasing power of money and the equally glaring anomaly of prohibitive prices. Even here, do we see traces of uneconomic prices under a ruthlessly competitive system of international industry and trade.

World statesmanship attempted during the previous year to rectify these features of maldistribution. Some pointed out the necessity for the curtailment of national expenditure on armaments, and the Disarmament Force was staged at Geneva for a period of

twelve months which adjourned *sine die* barren of result. Still, the armament programmes of the various world States are being bolstered up with a real sense of efficiency. To-day we find the world armed to the teeth, and compared to pre-War standards an additional shilling in the pound is being spent at the present than before the War. Further, reckless spending is the order of the day, and even such powerful nations as the U.S.A., Great Britain, France, Italy and Japan have faced serious budget deficits during the past financial year. Frantic efforts on the part of these nations to set right their national finances have produced temporary results of a promising nature, but it must be remembered that through these efforts they have only postponed the day of reckoning.

The methodology adopted by these States is worth inquiring into. England supplied the cue to this world brotherhood of frantic statesmanship. Suspension of the gold standard in September 1931 by Great Britain, compelled several friendly nations to follow suit. Next, British statesmen busied themselves with finding means for the "rectification of an adverse balance of trade". Instead of adopting the wholesome method of the physician to generally tone up the system, they have taken recourse to the more temporary and questionable means of applying the lancet to effect a minor operation here and a minor operation there. Indeed, the whole edifice of British economic organization was allowed to go to ruin by this breathless haste in the policy and programme of the British Government of the past twenty months.

Instead of helping the recovery of world trade, they have thrown before the warring crowd the red herring of the Ottawa Conference. It may be pointed out at once that the schedules arrived at Ottawa may or may not help the British Commonwealth to recover lost ground and help the Empire to rehabilitate the various units into an economic block. But the fact remains that by the Ottawa method, Great Britain definitely retarded world economic progress, while unwittingly undermining her own economic stability.

It does not require much reasoning to demonstrate my contention. It is curious how European statesmanship blasphemed the Austro-German Customs Project of 1931 as militating against world, and particularly European morality, and still allowed Great Britain to throw a ring of protectionism over the Empire. So much from the viewpoint

of political morality and economic equity. But one is set thinking hard how England herself could face the world after this *fait accompli*. The most favoured nation clause has been completely annihilated and much hardship has been caused to various states which happened so far to possess favourable or sheltered markets in Great Britain. It is alright for Britain to compel inferior states such as Argentina, Brazil, Denmark, Norway and Sweden to cue up before the British Foreign Office ready to enter into fresh negotiations for reciprocal trade agreements in the wake of the Ottawa resolutions. It is to be wondered, whether there would be any possibility for such agreements when once the Commonwealth has been banged, bolted and barred to the outside world. In the *melee*, India also was traduced into the scheme, with the New Import Duties Act of last year banging over her head, and with the unwilling masses terrorized into submission. This imperial economic *jihad* may congratulate itself in having a discernible effect upon the lesser powers of the world.

That this policy is entirely unjustified and unprofitable has been fully vindicated in another manner. Bigger powers such as the U.S.A., France, Japan and others were totally uninfluenced by the policy of Great Britain, if they have to suffer hardships they are willing to do so, but economic mendacity at the feet of Great Britain they are unwilling to adopt. Despite the prevailing distress and chronic unemployment in the U.S.A. and elsewhere: these powers are willing to fit their national forces against those of Great Britain, and I am led to believe that they have admirably succeeded in their effort. The U.S.A. covered the losses imposed by her protectionism of Great Britain in the hope of her acceded demand for the pound flesh with respect to the war debts issue. As for Japan, a depreciated national currency has given her a unique advantage to torpedo

the Empire's economic ship. Thus amidst superficial collaboration among the world states, an acute and novel form of international trade competition and race for foreign markets has been indulged in, with the result that 1932 has come to be regarded to be one of mistaken moves and lost opportunities.

III

Now, what about the future? This question defies a categorical answer. But I may be permitted to supply it in a series of formulae. First of all, banish the war psychosis and the unequal method of economic imperialism. Then, go ahead with the Disarmament Conference with a purely realistic mind and a sense of mutual accommodation which would certainly pave the way for a lightened burden on the world's tax-payer. Thirdly, restore the world's exchanges to their natural basis, thus removing the opportunity for economic havoc caused by controlled exchanges. Fourthly, let there be a world effort for the negation of mal-distribution in the economic sphere, having recourse to an international system of barter (barteX, as it is now called), if necessary. Fifthly, stabilise the prices, thus relieving the consumer as well as the producer from the incubus of uncertainty and want of economic opportunity to obtain their respective needs. Sixthly, prepare the ground for the projected World Economic Conference, on a perfect and actual basis of real equality between all the nations of the world. Finally, tighten the grips of the growing feeling that politics is the henchman of the chicaner, but a just economic approach, pure and simple, to the problems of the world would transcend all considerations of colour and race and would bring the consumer and the producer into some sort of co-partnership. Until the above, and many other, postulates are agreed to, the current year as well as the future does not hold out much hope for economic recovery in the world.

Kansas believes that its farmers should give more attention to "raising" lakes. A law passed several years ago offers a tax reduction to any land-owner who builds a dam across a dry water-course and maintains a reservoir for the collection and storage of surface water. Many people have already constructed attractive ponds on their farms. The purpose of the programme is to prevent wasteful run-off and floods during rainy periods and to increase the ground-water supply.

"During the first twenty years of life, I learned simple facts like these—common sense, honesty and integrity, doing what my employer wanted in the way he wished it done; doing a little more than he expected; taking it to heart as a personal shortcoming if anything with which I was only even indirectly connected went wrong—never go looking for an alibi when a mistake has been made."—SIR ERIC GEDDES.

War Debts.

By Donald M. Marvin,

Economist, The Royal Bank of Canada, Montreal.

Opposing views covering war debts have been presented by many different authorities and the mere reiteration of the arguments presented by each side has built up emotional barriers which tend to prevent unbiassed consideration of the subject. At the present moment, however, the question has become of such paramount importance that the time seems ripe for a renewed effort toward a dispassionate consideration of the points at issue.

The people of the United States of America are confronted with those adverse conditions which constitute this unprecedented depression. Industrial activity is at a low ebb, unemployment has reached menacing proportions, there are daily demands for a thousand types of aid and relief. Towns, cities, counties, states and the national government itself have found their ordinary sources of income cut off and their expenditures increased. It is a bad moment in history to make an appeal for generosity. The necessity of meeting a national deficit of more than \$700,000,000 outweighs the considerations which might lead to the remission of any large proportion of payments from abroad. Moreover, they dealt generously with their debtors in the days of their own prosperity. At that time the foreign press indicated to them that there was but little appreciation of the liberal concessions which had been made, and now that the United States Government is in trouble there can be no moral obligation to forego payments from abroad. The man on the street has said that the money was hired, let it be paid for; if the debtors cannot make the payments, let them acknowledge to the world that they are in default. No wholesome result will follow upon an attempt to save the feelings of the debtors at the expense of a further increase in the load upon the heavily burdened shoulders of the tax-payers of the United States.

To the peoples of the debtor countries the question has other aspects. Although the major principles of economics have had but little influence upon governmental policy in any country during the last ten years, yet economic law exacts its own retribution. The debts are to an amount greater than the amount of gold in outside countries; payments can be made only in goods. In order to

receive payments a country must expect to import more than it exports, or else continue to make annual loans to an amount which will offset payments of principal and interest and the excess of her exports. There is no other possibility. This principle is as simple as that implied in the statement that two and two make four. It is a bitter experience for the debtors to be told that these statements are philosophic arguments, that they do not have anything to do with the subject under discussion, that they constitute irrelevant arguments brought forward in order to cloud the issue. The great economists of both the United States and Europe have said that these statements are pertinent and that it was the continued effort to circumvent the working of this natural law which was the factor most directly responsible for the depression. It is impossible for a great creditor country to have an export surplus unless it continues to make new loans on an ever-increasing scale.

At the time of the debt settlements, the agreement made with Great Britain was much less liberal than that made with other countries, and the special arguments which concern the British are also worthy of special consideration.

At the end of the war, Great Britain found that the amount due her from her allies was two and one-half times the amount which she in turn owed to the United States. It was the recognition of the potential ill-effects which would follow upon attempts to transfer such huge amounts which led to her efforts to cancel all inter-allied debts. When this policy was rejected by her allies, she proclaimed her own belief in the necessity for action in this direction by announcing a policy of collecting only that amount, including also reparations, which she in turn was required to pay to the United States. For a people who are more heavily taxed than any other in the world, this was indeed a dramatic effort toward world rehabilitation. Yet, the loans had been made to win the war. Close bargaining in regard to their collection was unthinkable. After the Lausanne Conference, when German reparation payments were deferred and largely cancelled, Great Britain found herself faced with payments to the United States beyond her utmost capacity.

In 1923, when the terms of the debt settlement were made, the annual imports of the United States from Great Britain amounted to \$404,000,000. In 1931 these imports had been reduced to \$77,500,000. In these latter circumstances, payments which amount to about \$160,000,000 annually, or to more than twice the amount of United States imports, become peculiarly difficult.

The British realize that the United States made vast contributions to the war. They include in their thought of these contributions the lives lost, the direct expenses of the United States during and following the war, and the loans to the allies. In a certain sense they regard the whole of these monetary costs as a debit against Germany. It is from this viewpoint that they are able to appreciate that magnanimity which led the United States to refuse all share in reparations. It is when all this is taken into consideration that they feel baffled by a demand that payment in full should be made by allied countries whose need is now even more acute than was that of Germany, when Germany, the country frequently represented as responsible for the creation of these debts, is allowed to escape without payment. If the rehabilitation of Germany was a matter of paramount importance, the restoration of Europe is now a matter of at least equal importance to the world.

The Lausanne agreements were made by Great Britain with the expectation that some concessions would, in turn, be made by the United States. There was no country represented at Lausanne which has as great financial interest in the rehabilitation of Germany as has the United States. Germany's post-war borrowings from the United States amount to a total of more than two billion dollars. A course of action tending to assist Germany to meet those payments was in the interest of the investors of the United States. Excessive efforts to meet war debt payments would mitigate against German reconstruction and thus prevent payments on these private debts.

The final British argument might be that made above—magnanimity to an ally or efforts to assist the recovery of an ally should be no less generous than the concessions which are made to a conquered enemy. At the close of the Napoleonic wars the politicians of the victorious powers were eager to collect reparations and to secure cessions. The Duke of Wellington replied that if it were desired that France be devastated it lay within the

power of his armies to do so. He would accept the task, but he would never consent to a policy which was certain to breed another war. In "The Duke", Philip Guedalla quotes the words of the Duke of Wellington as follows:

"In my opinion, then, we ought to continue to keep our great object, the genuine peace and tranquility of the world, in our view, and shape our arrangements so as to provide for it.

"If the policy of the united powers of Europe is to weaken France, let them do so in reality. Let them take from that country its population and resources as well as a few fortresses. If they are not prepared for that decisive measure, if peace and tranquility for a few years is their object, they must make an arrangement which will suit the interests of all the parties to it, and of which the justice and expediency will be so evident that they will tend to carry it into execution."

The author adds,

"Other Allies at the end of other wars have faced the choice between a negotiated and a dictated peace; but the alternatives were not so clearly stated, and the statement did not emanate from their leading soldier."

It is neither our purpose to examine the justice of the debts nor to defend the claims put forward by the debtors, but rather to show that the attitude mentioned above as that of the creditors is not good business; it does not constitute effective realism, it will not lead to the recovery of the greatest possible payment upon these loans which the American people have come to regard as bad debts. Both the debtors and creditors have a series of apparently unanswerable arguments. It must be the part of statesmanship to take a view which is detached, unbiased and fair to both sides: it must be realistic and give due weight to the financial condition of both debtors and creditors. It must overcome irreconcilable disagreements by appeal to higher major principles which can compel the co-operation of both opponents. It is only in the impartiality of its effort to find a basis for agreement that there can be hope for success.

In this, the worst depression in history, lack of confidence in all financial arrangements is the most outstanding difficulty. At this crucial moment there could be no more severe defeat to those forces which are making for reconstruction than to force Great Britain, France and other important countries of Europe into a position which is likely to lead to ultimate default.

To no country more than to the United States is it important that every effort be made to defend the sanctity of contracts. It is the attitude of peoples throughout the

world toward the fulfilment of contracts that constitutes the pillars of capitalism. The default of Great Britain and France would be felt as a blow to confidence in all countries. Quite aside from the fact that a reasonable attitude on the part of the United States as a creditor country is likely to lead to a greater effort on the part of debtor countries to meet their obligations than would be probable if the United States placed many of these countries in a position where default becomes inevitable, there is also the necessity for consideration of the influence of such action upon the relationship of debtors and creditors and the subsequent effect upon world trade. It has been estimated that the annual income of the United States has fallen by about thirty billion dollars in the last three years. Any arrangement which would tend to restore a considerable proportion of this lost income is of more importance to the United States, from a realistic viewpoint, than the collection of a few million dollars in debts. It is probable that in present circumstances, collection of these international debts might produce a loss in 1933 and 1934 much greater than the amount collected. The mechanics of this potential loss are as follows: at a moment when the United States is making every effort to restore a more-normal level of prices, it is of the utmost importance to this policy that nothing be done which will tend to weaken the exchange position of Europe, since each new weakness in foreign exchange has an immediate tendency to produce a further weakness in commodity prices in the United States.

It is the necessity then for restoration of confidence which makes it essential to discover a formula which will win the co-operation of both debtors and creditors. There are a number of factors which might be taken into consideration if both parties were agreeable to finding such a formula. In reality, Great Britain borrowed from the United States wheat, meat and munitions, rather than gold. These kinds of goods are those in relation to which there has been the maximum fluctuations in price in the intervening interval. If Great Britain were allowed to repay the debt with shipments of such goods, or with goods of a value equivalent to the present value of the goods obtained with the original loans, there would be no difficulty about coming to an agreement. Unfortunately, the tariff of the United States prevents payments in kind and no other type of payment in full is possible. When a creditor puts difficulties

in the way of receiving payments, it is time to consider the possibilities of a new agreement.

From an international viewpoint, the paramount objection to payment in gold, or its equivalent, is that this kind of payment will further undermine the credit of the debtor countries and thus reduce world trade to new low levels. This would be a disaster to both the creditor and debtor as well as to such neutral countries as those of South America. To persist in the demand for such payment will certainly tend to give fresh ammunition to the school who believe in the possibility of managing currency without reference to gold. With such a plan once well recognized, the countries which have abandoned the gold standard might well afford to pay out the bulk of their gold, and the resulting inflation in gold countries might finally produce the desired equilibrium. From many directions comes news indicating that industry is being stabilized and strengthened. While it is possible to over-emphasize the importance of war debts the situation is very delicately balanced and success or failure of the war debt negotiations may result in distinct improvement or renewed declines. With political conditions throughout the world as disturbed as they are at the present moment, it is of the utmost importance that every effort be made to keep English-speaking peoples in particularly close accord. The main emphasis should be placed upon the necessity for re-establishing confidence and the desirability of accord of English-speaking peoples rather than upon the justice or abstract rights involved in the contentions of the United States or her foreign debtors. The credit collapse of Germany came before the world recognized the necessity for Lausanne. Is there a necessity for an even more complete disaster before the present perilous position of Europe is generally understood in North America?

The movement for the adoption of rubber on the city streets for road paving is making headway. Those who have frontages on Lombard Street, such as banks and insurance companies, have petitioned the City Corporation offering that when Lombard Street is repaved, they will contribute 30 shillings per square yard towards the total cost of 50 shillings, if improved rubber blocks are used. It has since been agreed that the corporation should first test the blocks in New Bridge Street, where traffic is much more severe.

Equality, its Meaning and the Method of Attaining it.

By Prof. V. G. Kale, M.A.

The problem of the removal of untouchability, which has recently thrown the Hindu community in India into a serious commotion, is essentially a problem of reformers' tough fight against inequality,—religious, social and economic. What more glaring and galling inequality can there be than one which is associated with a social system in which millions of persons belonging to certain castes are practically excommunicated and are regarded as unworthy of even being touched? Children of the same Divine Father, people of these castes cannot worship the Creator in the company of their more fortunate brethren. Much less can they work, eat or drink in association with the so-called higher castes without polluting them. Whatever the origin of this hideous and monstrous inequality and whatever the causes of the age-long continuance of the social ban upon the depressed classes, it is now recognized by all reasonable people that the blot which to-day disfigures the Hindu community has to be washed out in the name of humanity, of true religion and of Indian nationhood. Ancient traditions, old prejudices, habits and ways of life, developed and confirmed through centuries of social history, cannot indeed be changed in a day. But much will have been achieved if the evil of inequality is admitted, the principle that it must be eradicated at any cost and with the least avoidable delay, is accepted and an honest start is made in the work of emancipation, forthwith.

Much assistance will be rendered in the understanding of the essence of the problem by a careful study of an extremely thoughtful and thought-provoking work from the pen of Mr. R. H. Tawney on the subject of equality. (*Equality*—Halley Stewart Lecture, 1929—by R. H. Tawney—George Allen & Unwin Ltd.). The conditions in the West with which the author mainly concerns himself are certainly different from those which confront reformers in India. Still, the history of equality and the account of the prevailing inequality in the industrially advanced nations of the world, which he has given, with a keen insight into basic principles and a wealth of illustrative information, are full of important lessons for us in this country. Orthodox and reactionary critics among us may be disposed to remark that an unnecessary fuss is being

made in India over the question of untouchability when even the so-called civilized and advanced nations of the West have their own inequalities! But in truth, to compare the economic inequality characteristic of the industrial society of the West with untouchability peculiar to Hindu community, is to compare white with black. And if the former inequality is found to be intolerable, how revolting must the latter appear! We cannot, therefore, contemplate the problem of untouchability with the complacent idea that every nation has its inequality and that there is nothing specially reprehensible about the position of the depressed classes in the Hindu community over which one need go into hysterics. Untouchability in India is, in fact, the worst form that inequality can take.

After a prolonged struggle, Western nations have secured, for all, equality in matters religious, political and civic; and equal freedom of thought, worship and action is now common property. Privileges of a feudal character and serfdom have been swept away, and democracy has completely triumphed. But the development of modern industrialism has become the fruitful source of a new kind of inequality as formidable and detrimental as the old one: and the working and middle classes—which means the bulk of the population in Western countries—find the odds heavily against them in the struggle for existence. Under the prevalent domination of individualism, the liberty and the so-called equality of opportunity provided to them, have proved illusory, and the masses do not possess and control the means of safeguarding and promoting their own well-being. An exclusive oligarchy of wealth owns and manipulates the machinery of wealth production, and the community is at their mercy in the matter of the provision of employment and the necessities of life. The author of the book under review traces the growth of the new economic inequality explains its implications, examines the arguments that are advanced in its defence and points out how equality may be steadily achieved by intelligent and beneficent action on the part of the State. He does not ignore the existence of natural and personal inequalities and does not want that society should be reduced to a dead level without opportunities

for individual initiative and enterprise. With regard to individual differences, which are inevitable, he says:—"But their existence is no reason for not seeking to establish the largest possible measure of equality of environment, and circumstance, and opportunity. On the contrary, it is a reason for redoubling our efforts to establish it, in order to ensure that these diversities of gifts may come to fruition." Large-scale production with the help of machinery and power has tended to make birth and riches the source of opportunities for securing material, moral and mental happiness, which are denied to common people, and the problem is, how to correct and ultimately to abolish this inequality.

At one time, social inequalities were justified as the creation of Providence; and later, they were defended as the necessary and beneficial result of the spontaneous play of economic forces. The question asked by Mr. Tawney is, is such inequality necessary and socially beneficial? His answer is that it is neither, and he gives telling illustrations to show how "the paradox of rising pecuniary incomes and deepening social misery" has arisen and how it works in England. The ways in which the inequality is being steadily mitigated by communal action, and which are suggestive of the further action that is called for, are (1) expenditure on the improvement of the environment, (2) the development of free services, (3) the creation of supplementary sources of income, and (4) progressive taxation. Funds of the community are now being expended, on a growing scale, on the promotion of the education, health and housing of the poorer classes; and the author urges that the principle underlying this policy ought to be further extended. The organization and control of industry and the direction of wealth distribution are no longer matters which may be left to the sweet will of a favoured few individuals. Wealth and power are really a social trust, and the community cannot allow the existence of avoidable inequalities which make slaves of millions. Mr. Tawney does not advocate a utopia and makes out a case that is well argued and reasonable. He wants that society should "so plan the lines of its industrial structure that authority is associated, not with property, but with function, and rests on conscious consent, not on the power of wealth"; and wishes that communal resources should be so distributed that "an ever larger proportion of the surplus, which, thanks to science and invention, modern industry yields, is employed not for private

gratification, but for the common advantage."

The author recognizes that inequality is easy since it means floating with the current, while equality is difficult as it involves swimming against it. In his words, attempt at equality "involves material sacrifices by some, and not a less painful surrender of sentimental claims by others, and on the part of all, sufficient self-control and public spirit, sufficient respect for themselves and appreciation of their neighbours, to prefer what Wordsworth called 'joy in widest commonalty spread'—a high standard of general well-being and a wide diffusion of the means of culture and civilization." It is essential that we, in India, should learn the lessons which experience in the West is calculated to teach us. The inequality inherent in the position of the depressed classes of this country, is appalling. Their untouchability is hereditary; they have no freedom of choice as to occupations they may follow: they are excluded from the enjoyment of the commonest necessities and amenities of social life, and that exclusion amounts to degrading tyranny; they have no opportunities for education, adequate and sanitary housing and for obtaining decent means of livelihood. In these days of self-government and democracy, inequality in the eye of the law can no longer be maintained, and it is neither possible nor desirable to persist in the continuance of other inequalities which will be intolerable to their humanity and the humanity of the higher Hindu castes. The inequalities described and prescribed for by Mr. Tawney in respect of Western society, are pin pricks compared with the disabilities of the untouchables in India, and a reading of his book will not only reveal to readers in this country the dark patches in the economic system of modern industrial organization, but ought to inspire them with a desire to put their hands to a social reform which is overdue and which is imperative in the interest of humanity, social justice and national well-being and advancement.

When you hear a man talking about capital and labour he is a back number. The great issues of to-day in industry are management and machinery. These two things would do more to rehabilitate the industry of a country than anything else.

All men are not equal, and any democratic conception which strives to make men equal is only an effort to block progress. Men cannot be of equal service.

Democracy in India.

By the Marquess of Lothian.

Nobody knows where Western civilization is going. Nobody would like to prophesy what the condition of Great Britain would be in twenty or thirty years' time; but I, for one, do not believe that Democracy in the West is a lost cause. One is entitled to hold the view that the present-day difficulties of Democracy are not due to the electoral system of returning representatives to Legislatures, but to the fact that the governmental system of the whole world is hopelessly out of date. It is no longer possible to run the affairs of a world, which economically has become a unity, by dividing the world into sixty-five water-tight compartments. What makes Democracy so difficult is the political divisions of mankind, which find expression in Armaments, Reparations, War Debts, Tariffs and things of that kind. It is not Democracy which is wrong, but division: and in practice the Autocracies are not making a much better job of things than the Democracies. Not until there is a better international order will the progress of democratic institutions be resumed in the way in which its early promise suggested.

In that belief, I think the decision contained in the declaration of the Government, of August 20th, 1917, in the Montagu-Chelmsford Report, in the Simon Report, and in the Round Table Conference Reports, to proceed along the lines of Responsible Government, is sound. Democracy, apart from the international difficulties referred to, has, on the whole, proved to be, within its own field, the most successful form of Government that mankind has yet contrived. It is successful because the Government functions more or less in response to the needs of the people. What is even more important, Democracy tends to develop a new and better type of citizen. Obedience is a good virtue, but responsibility is a greater virtue, and Democracy does tend to develop in the people the power to act and think for themselves and not merely do as they are told. That is precisely what India needs and what her noblest citizens, from the extreme Left to the extreme Right, want to develop—an emancipated type of Indian citizen, capable of taking decisions on his own responsibility and of standing in a position of equality alongside the rest of the world.

Fundamentally, that aspiration is right,

but the difficulty of carrying it out is enormous all the more so, because international factors are making the successful functioning of any form of Government extremely difficult. India is going to be launched on a system of Responsible Government under conditions of unprecedented difficulty. But that is no reason for not going on steadily with the process which has been begun in 1917. The only alternative is to go backwards, and that will inevitably lead to chaos. It is impossible to restore the Government of India of the Victorian age. One finds people who still think that it is possible, though it is more rare to find people who think it is possible to fight modern wars with the implements of the Victorian age. Anyone who tries to fight a modern war without machine guns, aeroplanes, and the modern technical paraphernalia will be instantly defeated. Those who wish to try to maintain an autocracy in India, and that is consciously or unconsciously the aim of those who oppose democratic progress, must evolve three new instruments, as all modern autocracies have been driven to do. They must control the appointment of every professor in every university and dismiss any teacher who is not governmentally minded: they must control every newspaper and every agency for the dissemination of news, and only allow to be published what the Government approves: and they must see to it that, if there are any legislative institutions, only the Government party shall be elected. It is impossible to leave the instruments which create opinion in the hands of your political opponents and keep the instruments for repressing the consequence of that opinion in the hands of an Autocracy. To try to do this can only lead to an explosion. Where autocracy is functioning to-day, as in Russia, in Italy, and in other countries these three functions are wholly controlled by the Government.

Does any one suggest that we should adopt this course in India to-day? Can anybody contend that in India, where the English system of education and English theories of Government have spread throughout the country since the days of Lord Macaulay it is possible to control every professor in every university, every newspaper and news agency and to return only Englishmen or governmentally-minded Indians to the Legislatures?

return to the 1880 Autocracy is only a practicable policy if the British are prepared to do these things. If they are not prepared to do these things, then the only alternative is to continue along the lines which have been followed since 1917, in the hope that India will produce leaders capable of governing, when the responsibility for Government is in her own hands, and when the people who care about India are able to get into the Legislatures and begin to reform their own country.

Just as Great Britain has to look ahead with fearless eyes and hope that somehow or other she will find her way out of the present international morass, which is certainly no less menacing to Western civilization than is

Democracy to India, so must India be allowed to look ahead and find her way out of her own political problems. In this process we can help one another. If we approach the problem in that spirit there will be hope of communal appeasement, ordered government, and continued co-operation. In giving to all classes, including the poorest, some hope of being able to influence the Government in their own interests, the Franchise Committee has laid the best foundation for a sound Indian Constitution which is practicable in a very difficult and troubled world.*

*Part of a speech delivered at the Institute of International Affairs, London.

India and World Economic Conference.

By Chunilal B. Mehta,

Director, Bombay Bullion Exchange.

Fifteen months have passed since the present monetary crisis commenced and the several currencies of the world still continue to fluctuate in terms of gold. Commodity prices also in terms of gold still continue to decline and unless the international trade broadens there is less likelihood of improvement. Since the Hoover moratorium of June 1931 the world vainly expected several times for the tide to turn which never materialized.

During the post-war boom owing to abnormal relations between production and consumption of goods, prices went up abnormally high although the stock of monetary gold did not proportionately increase. The same amount of gold was artificially made to perform a greater function than before. Economy in the use of gold was explored and the ratio between gold and notes in circulation was made loose.

THE CRISIS AND AFTER.

This change in ratio between gold and note issue after the War explains how the real functional value of gold came to be minimized. If at all the present crisis has taught anything to students of monetary science it is that gold and gold alone can be the ultimate measure of international prices, and greater the attempt made to flout this fact the greater will be the difficulties. Solid gold must be the basis of any sound currency and as long as this is ignored and the elementary laws of monetary science are mutilated and distorted by human

ingenuity there can be no stability in world economic conditions.

WAR DEBTS.

It is being said that the question of war debts is mainly responsible for the fact that gold standard is unable to function as smoothly as before the War. Much to her credit Britain has paid the December instalment promptly. But several countries in Europe have not met their war debts instalment, including France which holds a huge amount of gold. In these circumstances America will have to settle the war debt question however much they may oppose it at present. But even assuming that all war debts are wiped out and the different countries of the world revert to gold standard it is certain that unless they have a favourable balance of payments it will be very difficult for them to maintain the gold standard.

STERLING STABILITY.

A few days ago in the Legislative Assembly Sir George Schuster is reported to have observed that sterling was more stable than gold. Sir George Schuster said, "Some people pin their faith on gold but you cannot eat gold when it is no longer the basis of currency. Since the British Government decided to unlink their currency from gold, sterling has become the reliable standard of value in the world. To-day it is the sterling that is stable." Evidently Sir George Schuster has not recognized the fact that the stability of sterling in

terms of commodity prices has been due to fall in gold prices of commodities combined with the strenuous efforts of the British Government not to allow the cost of living to go higher. But this cannot last long. The financial editor of *Manchester Guardian* wrote on 23rd November last as follows:—"The British have had great luck with the fact that so far food prices in depreciated sterling have remained relatively stable through the fall in gold prices, but they cannot be expected permanently to escape the effects of monetary depreciation upon the cost of living especially with a newly imposed tariffs on food stuffs. The possible emergency is that the paper pound may be forced down with the help of speculation, and that prices in this country may rise alarmingly at the very moment when other countries are urging discussion of an unconditional general return to gold as the first act of reconstruction. At that moment the only effective action would be to put a stop to the rise in prices and to proclaim that the paper pound is stable in the sense that chiefly matters. Can we and should we rely upon a further and perhaps precipitate fall of gold prices to spare us that experience?"

From this it can be seen that the stability of sterling in terms of commodities has been a coincidence only, and Sir George Schuster's basic conception that sterling is more stable than gold is erroneous. We trust that Sir George Schuster will not say that it is no longer necessary to have gold in the Paper Currency Reserve or Gold Standard Reserve as it cannot be "eaten".

RESTORE GOLD STANDARD.

It is recognized even in Britain that restoration of gold standard is absolutely essential if London is to become one of the important monetary centres of the world. Regarding this subject the "Statist," London, wrote on 12th November last as follows:—

It seems inevitable that if real international financial leadership is to return to London, it will have to be a co-operative leadership shared at least with New York and perhaps with Paris. It is really desirable that it should be so, because it is unlikely that we shall in any conceivable future command that large surplus in our international balance of payments which would be essential to our resumption of the role of sole international clearing centre for the world. It is even questionable whether we could fulfil single-handed that function for the important group of countries which are now off gold. Joint

leadership can be conceived only on the assumption that a universal basis of monetary values has been restored. It will, therefore, be to our advantage and to that of the whole world to return to the gold standard. We must clear our minds of the fallacious arguments which have sought to make the gold standard a scapegoat for the recent crisis. Speaking for the world as a whole to-day we may safely say that nine people out of ten do think the gold standard the best that is available. Let the authorities, therefore, do their utmost to render that standard as effective as smooth in its working, and as elastic as it can be made." It can thus be seen that gold standard is the only stable standard.

RESERVE BANK PROPOSAL.

It is necessary to dwell at length on this matter, because in a very short time the whole country will be engaged in discussing the question of the establishment of a Reserve Bank of India. According to press reports, it appears that at the last week-end the Committee of the Round Table Conference at London discussed the establishment of a Reserve Bank of India, which may be set up even before the actual inception of the Federation. The rupee ratio which the Reserve Bank will be asked to maintain must necessarily be stated in the relevant bill. In January 1931 Sir George Schuster said in the Legislative Assembly that they had not adequate gold reserves for a Reserve Bank of India. Since September 1931 there have been excellent opportunities for the Government of India to acquire gold but they totally ignored it. Public opinion in India want that there should be an embargo on gold exports and that Government should buy all available gold. Instead of that Government actively support the export of gold.

LOST OPPORTUNITY.

It should have been possible for the Government to acquire gold by this time to the value of about Rs. 100 crores (1,000 millions). The Government of India have lost the best opportunity to secure the necessary gold for a Reserve Bank. Therefore, in absence of sufficient gold, if at all the Reserve Bank is to come into existence, the rupee might be compulsorily linked to sterling for all time. Public opinion in India should stoutly oppose any such proposal. Further it is reported that as a measure of financial safeguard, the Reserve Bank is to be run in a way approved by the Bank of England. This means

that financially India would become permanently linked to the chariot wheel of the Bank of England. This is not the type of Reserve Bank which we want to have.

It is likely that after some months there will be the World Economic Conference where-in monetary problems will be a prominent feature. The question of the rupee and the monetary problem of India have a large bearing on world rehabilitation and it is, therefore, necessary that true Indian opinion should find expression in the Conference and for that purpose it is necessary to depute an Indian delegation commanding the confidence of the Indian commercial community.

INDIA AND SILVER.

There is no doubt that the question of rehabilitating silver will also come up prominently for discussion at the World Economic

Conference. America is much interested in this question. In the course of the latest message to the Congress Mr. Hoover said: "A larger use of silver as supplementary currency would aid stability in many quarters of the world." But it appears that there is no co-operation from Europe in this matter. At any rate the attitude of the British Government towards silver is not at all friendly and it does not give any hope of rehabilitating silver in one form or other. The action of the Government of India in continuing to demonetize silver and sell it, is a positive act of non-co-operation for the rehabilitation of silver. Even a month ago Government of India shipped about 4 million ounces to London for sale and there seems to be no end to it. They do not want silver. They do not want gold.

Dangers of Land Alienation Act.

By Dr. D. L. Dubey, M.A., Ph.D.

One of the recommendations adopted by the U. P. Agricultural Debt Committee whose report has been published in the *U. P. Gazette* dated the 10th September, suggests that restrictions should be placed on the alienation of all ancestral land which has been defined as follows:

(a) land forming a mahal or share in or a portion of a mahal which has been owned continuously from the first of January 1886, or for fifty years and at least by two successors to the proprietor who acquired it;

(b) land conferred by the British Government as reward for the services to the State; or

(c) the interest of a holder of grant or assignment of a land revenue conferred by the British or any other former Government.

The protection will take the form of making sales of ancestral land invalid except when sanctioned by the Collector.

The following views expressed by Prof. D. L. Dubey, before the Agricultural Debt Committee, represent the dangers of placing restrictions on the free sales of agricultural land:

One of the proposals recommended as a measure of relief to agriculturists is the extension of a modified form of Land Alienation Act provisions to the Meerut, Agra and Rohilkhand divisions, with power to the Government to extend them to any other local area. These provisions prohibit all sales of land in the future whether ordered

by courts or arranged on a voluntary basis (except when it is done with the previous permission of the collector). There are grave objections to such a piece of legislation.

EXPERIENCE OF PUNJAB.

Such an Act was first passed in the Punjab in 1900. Many competent authorities now doubt whether it has achieved the economic object it was intended to do. For instance, according to the *Punjab Land Administration Manual* "the measures that were adopted by the Government to prevent the intrusion of aliens into village communities by the purchase of land were held by some of the ablest officers to be open to the reproach of economic unsoundness on the ground that the prospect of agricultural improvement by the attraction to the soil of the capital of the moneyed classes was being sacrificed to the paramount necessity of political stability. It was recognized that an unlimited power of alienation of land was an essential feature of proprietary right and a necessity of economic progress."

CENTRAL BANKING COMMITTEE'S OPINION.

On pages 174-76 of their Report, the Central Banking Enquiry Committee have discussed the effects of the introduction of such provisions in the Punjab, Central Provinces, Bundelkhand and some Centrally Administered areas. They are not at all enthusiastic about the virtues of these provisions, and, on the other hand, positively urge for their modification.

It is clear from their observations that wherever restrictions on the alienation of landed property have been imposed, credit has been reduced and land values have fallen. Though wasteful borrowing has been partially curtailed, the rates of interest charged by money-lenders have risen, and a new class of agriculturist money-lender has come into being who has thrived at the expense of his smaller brethren and sought to make more investments in the purchase of land rather than in introducing land improvements. The necessity of protecting the small peasants has been felt. Such Acts have perpetuated the backwardness of the protected classes. *The report observes:* "Where land is transferable without any legal or customary impediments it will naturally form a valid security, but when the policy of the State has placed impediments against such transfers, the credit of the cultivators is adversely affected." On pages 707-08, the foreign experts of the Banking Committee comment much more strongly on the existing practice of placing restrictions on the free transferability of land.

According to another competent authority Mr. Darling of the Punjab, the time has come to consider whether the Act should not be amended. He thinks that Land Alienation Act "incidentally illustrates how difficult it is to cure economic evils by legislation." The author goes on: "In the Punjab the Land Alienation Act was passed to remedy the evil; but men cannot be saved by Act of Parliament, and something else was needed to free the cultivator from his bondage and to replace the village community which had partially protected him in the past." He points out that rural indebtedness had increased in the Punjab by Rs. 16 crores from 1893 to 1902, by 9 crores from 1903 to 1912 and by Rs. 30 crores from 1913 to 1922. The Punjab Banking Committee now reports that it increased by no less than Rs. 45 crores from 1921 to 1929. These figures show that the Punjab Act could not decrease rural indebtedness although it has been in operation since the year 1900.

As regards protection of ancestral lands in the United Provinces, the case for placing restrictions on the free alienation of land rests on the following theories:—

(a) that the old landowning families on the whole understand a landlord's duties better than an outsider;

(b) that it is easier for them to maintain

loyal and friendly relations with their tenants than a newcomer can do;

(c) that they are more congenial to the existing members of the landed class; and finally,

(d) that landlords as a class desire to be protected in their existing possession from intrusion.

U. P. BANKING COMMITTEE'S OPPOSITION.

Before I meet these arguments, I would submit the following two extracts from the consideration of our committee from the Report of the United Provinces Provincial Banking Enquiry Committee which was presided over by the distinguished president of our own committee who is unfortunately absent to-day. Discussing the land alienation provisions, the Committee observe on page 205 of their Report: "We are not prepared to go so far as to recommend its repeal though some of us are inclined to suggest that the possibility of repealing it be examined. On the other hand we are certainly not prepared to recommend the extension to any other part of the province." Again they observe on page 207: "In short we hold strongly that there is no case for introducing a Land Alienation Act in any other part of the province. It is not warranted by the figures of transfer between agriculturists and non-agriculturists and in the circumstances of the province it would have most undesirable and even dangerous results."

The Committee reported less than two years ago. What is the new material in the light of which it is now proposed to reverse these decisions?

A WRONG ASSUMPTION.

This brings me to the four points mentioned above.

(a) I think the assumption is wrong that the old landowning families understand a landlord's duties better than an outsider. "The large landowner," says a district officer of the province, "has in this country more than in any with which I am acquainted failed to justify his existence."

"The history of nearly every large estate is a series of rakes' progresses suspended and renewed in every generation by a period of Court of Wards Administration." I do not think that by any stretch of imagination the present landlords could be said to be understanding their duties well. While in all other countries the equipment of land has progressed so much, in India the agricultural industry continues on much the

same lines as before in the absence of any initiative, pioneering work or readiness of zamindars to invest capital in the land.

Although a respectable proportion of what the State receives out of the rental income of the landlords, goes back to the land in one form or another, practically next to nothing is restored to the soil out of the landlord's share.

(b) As regards the ability of the old landlords to maintain loyal and friendly relations with their tenants, I would submit that the existence of the various Tenancy and Rent Acts is a solid proof of the fact that they are as much governed by considerations of self-interest—enlightened or narrow—as any other class of persons. If past figures of litigation can be an index to the relations between the landlords and their tenants, I find that the existing landlords who number about 3.3 lakhs, filed nearly 6 lakh suits against their tenants in 1922-23, about 7 lakhs in 1923-24, over 5½ lakhs in 1924-25, over 4½ lakhs in 1925-26 and a similar number in the following year. When I worked out detailed figures for several years from the Land Revenue Administration Reports, I came to a very remarkable conclusion, namely, that landlords are more litigious in the particular divisions where they are being sought to be perpetuated (Rohilkhand, Meerut and Agra) than in the rest of the Province generally. It is interesting to recall what the Blunt Committee recorded on this point: "The landlord who is dispossessed generally belongs to one of the higher castes whose degradation is due entirely to his own extravagance, and deserves little sympathy on that account. He is always himself a poor cultivator, and as often as not a bad landlord. The non-agricultural purchaser could scarcely be a worse, and in practice is very often a much better landlord." At another place they say: "We repeat that the exchange of a non-agricultural for an agricultural landlord generally, perhaps more often than not, means a substitution of a good for a bad landlord."

(c) I do not think there is much force or truth in the argument that the present landlords are more congenial to the existing members of the landlord classes. A competitor is always a sore in the eyes of one who is well-entrenched in a comfortable position.

FANTASTIC ARGUMENT.

(d) But the most fantastic argument is that landlords as a class desire to be protected

in their possession from intrusion. Suppose money-lenders put forward a claim to-morrow that legislation should be undertaken by the State to prevent the growth of the alternative sources of the supply of credit, will such a demand be conceded? Protection is granted to an industry if it makes out a case, not merely on the demand of vested interests.

Vested interests sometimes base their demand on very narrow considerations. For instance, a collector said, "I have not been able to obtain information of any value from conversations with zamindars, as the local zamindars also have no experience or knowledge of the Act (Land Alienation), and the replies they give to questions on the subject depend merely on whether they are indebted or not." It would hardly be fair to meet the demand of the landlords when their object is only to expropriate their creditors. The remarks of the foreign banking experts are very trenchant on the point. Discussing the Punjab Land Alienation Act and other restrictions on the free transfer of property, they say: "Many laws have been framed to save the debtors from the money-lenders. It is not inconceivable that this may be one of the reasons why money-lenders are forced to charge what would appear to be excessive rates of interest. Where undue protection is given to the unscrupulous borrower, the psychological effect must be harmful. The great majority of borrowers are honest people intending, if possible, to pay their debts. By the introduction of safeguards this class suffers. A high standard of business integrity can never be fostered by protecting the rogue. We suggest that the time is ripe for an examination by competent authorities of existing laws. We are not satisfied that they are working to the advantage of the country as a whole." (Page 708, Central Banking Enquiry Committee Report.)

ECONOMIC GROUNDS.

The arguments put forward in the note are therefore very weak. They do not stand examination. On general economic grounds too, I am opposed to anything in the nature of a Land Alienation Act for the United Provinces or any part thereof. The conditions are dissimilar in the Punjab and the United Provinces. Another collector writes in his note: "In the Punjab the problem of debt has been treated almost entirely with respect to the zamindars and this in itself makes the Punjab Act a dangerous analogy in the United Provinces."

All agricultural land has twofold importance to the society: (a) on account of the produce that it yields. (b) on account of its value as a national asset. Actual cultivation of the greater portion of the land in the United Provinces is in the hands of the tenants. As the collector puts in his note, "the peasant in the Punjab is the zamindar, in the United Provinces he is the occupancy tenant." In his opinion "in relation to agricultural progress the Act weakens those whom it protects."

If, therefore, society is interested in the better cultivation of land, there would appear to be a case for declaring the tenancy right to be stronger and less encroachable than now, so that ownership may have as little influence on the agricultural operations of the privileged tenants as possible. Something of this sort was done by the amendment of the Punjab Land Alienation Act in 1907.

A COLLECTOR'S WARNING.

From the social point of view an asset should have increasing and not decreasing value. There is absolute unanimity among all shades of thought on the point that this measure will result in decreasing land value and bring about a contraction of credit. It will shake the confidence of the money-lender who supplies the bulk of credit at the present time. Credit has already been contracted by 50 to 75 per cent in many parts of the province, and it is indeed a grave problem if we can afford to take any positive measure that will further contract it to smaller proportions. "The last thing that we can afford is the contraction of credit." That will create endless difficulties even in the collection of land revenue and other State obligations. I endorse the view of another collector, therefore, when he says in his note that it is "necessary to guard against the possibility that the money-lender may have reasonable ground for considering that any legislation that may be undertaken is unfair or amounts to expropriation. If he has reason to think that a zamindar Council, guided as it is at present by officials, has made up its mind to treat him unfairly, he will be justly apprehensive of what will happen under provincial autonomy and begin to curtail agricultural credit at once. I consider it of the greatest importance that the spirit of 'down with the Bania' which seems to have inspired to good deal of the Punjab legislation should be kept out of the present controversy in the United Provinces."

LANDLORDS TO BE NO BETTER THAN OCCUPANCY TENANTS.

According to the United Provinces Banking Committee Report, 55 per cent of the landlords are indebted and the remaining 45 per cent are not. Right of sale is one of the most important incidents of ownership of property. If this is gone, everything will be gone, and all landlords—indebted or debt-free—will be reduced to the position of occupancy tenants who have heritable but not transferable rights. The British Government made land a transferable asset by their judicial system, they will take away that right for all practical purposes if the proposed legislation prohibiting free sales is passed. The value of the mortgagable right will also be very little in actual practice when it would mean mere right of rent collection—by no means a pleasant job in these hard times—and not actual possession of land for cultivation as in the Punjab. It is just possible that such mortgages, wherever made, might actually mean greater oppression of the tenantry, and squeezing out of as much from the latter as possible in the limited mortgage period.

It is just possible that at the moment many indebted landlords will be swayed by the consideration that the proposed piece of legislation will virtually make them debt-free by one stroke of the legislature and release their estates of all the existing encumbrances, but when they come to their own they will realize that perhaps a repayable debt was wiped out at the expense of their very right of ownership.

UNFAIR TO CREDITORS.

Most of the existing debts of the landlords are due to extravagance. They are not strictly agricultural debts. It will be unfair to the existing creditors who loaned out money on the basis of existing conditions, if undue protection is thus given to the borrower who did not render any service by his expenditure either to the State, to the community, his land, his tenants, or even to himself. If any particular community is suspected of encouraging the no-rent campaign, it will recoil on them if the free transfers of land are made in their favour. As some communities appear to be more heavily indebted than others, the proposed legislation will become in the nature of class legislation.

DANGER OF STAGNATION OF AGRICULTURAL INDUSTRY.

Perpetuation of the existing landlords will lead to the absolute stagnation of the agricultural industry. Such restrictions on free sales will be undemocratic in character. In no other country in the world can the landlord be maintained as a separate interest on the land and nowhere is he so dependent upon the produce of the land as in India, without making any effective contribution towards its better exploitation. He has not at all adapted himself to changed conditions. He neither develops his asset nor takes to some alternative professions to earn a livelihood. This brings him into debt. If now he wants to be entrenched in a secure position this is nothing short of a "dog in the manger policy". At a time when we are faced with an acute competition in the field of agricultural production with those who have already capitalized and mechanized their agriculture, when large amounts of capital are required to be attracted to make the use of hydro-electric energy in agriculture successful, when we are on the threshold of an era of the development of big sugar estates, with the prospect of cultivation, extraction and refinement of sugar on modern lines, it will indeed be a calamity if prospective sellers of landed property and incoming capitalists are thus disabled by the proposed legislation of a restrictive character. Such spoonfeeding of the landlord will only stave off his collapse till a really democratic constitution comes into being.

If, however, the State thinks that on

administrative grounds it is expedient to secure the protection of ancestral landed property, a wider and more effective use can be made of the existing weapons in the armoury of the Government. Under Hindu law it is difficult to part with ancestral property, while the Waqf Act empowers a Muslim practically to entail his property. There are settled Estates Acts both for Agra and Oudh which can protect old zamindaris. Similarly the Court of Wards Act can also fulfil the same purpose. It is remarkable that the proposals give protection to those who hold land since 1886 and not to those who are at present owner cultivators. I think the latter class has deserved much more of the State than the extravagant aristocracy.

BLUNT COMMITTEE'S STRONG VIEWS.

Under these circumstances, I irresistibly agree with the recommendation of the Blunt Committee when they say: "In such circumstances, we cannot regard ourselves as justified in recommending an extension of the Bundelkhand Land Alienation Act to the whole or any other part of the province. So far as the transfers have been to agriculturist purchasers, the change was almost certainly for the better. So far as the transfers were to non-agriculturist purchasers the change was not necessarily for the worse. Considering all the circumstances, there may be, we think, cause for a further and fuller inquiry with the object of obtaining later and more complete figures. But beyond that we are not prepared to go."

I entirely endorse the remarks of the Blunt Committee in this statement.

Unemployment in Bengal.

By Sir Daniel Hamilton.

In his speech at Saint Andrews dinner, His Excellency the Governor of Bengal said very truly that the peace of the Province depends primarily not upon Government, but upon the fibre and quality of the people of Bengal and the prosperity of the Province depends upon the same fibre and quality. Fifteen years ago I preached the same doctrine in an address to the students of the Scottish Church College, and I have been preaching it ever since.

On that occasion I took as my text a quotation from Ruskin's little book "Unto This Last" which is a favourite of Gandhiji. The quotation is "nevertheless, it is open,

I repeat, to serious pondering, whether among national manufactures that of souls of a good quality may not at last turn out a quite leadingly lucrative one." In other words there is money in goodness and Sir John is looking round for money with which to attack the problems of the future but has some difficulty in finding it. The object of my paper to-day is to help him in the search.

One hundred and fifty years ago money was as scarce in Sir John's native land as it is in Bengal to-day and the people just about as troublesome. And what was it that turned the barbarians into good citizens? It was education based on religion, and

money. And where did they get the money? It was manufactured out of the fibre and quality of men who had none.

GOLDEN IMAGE.

Fifteen months ago, a great thing happened. The great golden image, erected by the Bank of England in 1844 for all the world to worship, was thrown down in England, was knocked off the gold standard on to the Scottish Man Standard known as sterling which is simply paper money based on fibre and quality, or character.

Sir George Schuster, in his Ottawa debate speech, in the Assembly described it in these words: "Since the British Government decided to unlink their currency from gold, sterling has become a reliable standard of value in the world to-day. It is sterling that is stable; it is gold that is soaring about in heights, unrelated to any reasonable value in terms of commodities. It is not merely in India's direct material interest to be a member of the British group, but India being in that group, would add strength to the group, and help the world recovery from present evils." Well said, Sir George.

THE RAIYAT.

For India is three-fourths of the Empire, and when the three-fourths are strong, the whole Empire will stand strong against any storm which may blow from the east or the west, from the north or the south. But India is not strong, India is the raiyat, and the raiyat is India, and the raiyat is weak. The raiyat is a small man but organise his credit and his labour, multiply him by 300 millions and he becomes a giant able to move India, and the Empire, and the world.

In explaining how the Scottish credit system helped to develop the character of the people, Dunning Macleod says:—

"Scotland's system of banking has been of infinitely greater value to her than mines of gold or silver. Mines of the precious metals would probably have demoralised her people. But her banking system has tended immensely to call forth every manly virtue. In the character of her own people, in their steadiness, their integrity, their honour, Scotland has found wealth infinitely more beneficial to her than the mines of Mexico or Peru."

BANKING SYSTEM.

And the same will happen here when the people have been given a banking system

which will develop their fibre and quality, and tend to call forth every manly virtue. And the only system which can do so in a land where tens or millions of small men who are beyond the reach of any joint stock bank, how ever powerful, and who are perishing for want of finance, is the co-operative credit system. Co-operative credit is the natural development of the Scottish cash credit, the difference being that, instead of the borrower being backed by one or two friends only, he is backed by the ten, or twenty or thirty friends who form the village society.

I know that Scotland and Bengal are not synonymous terms, but I know also that human nature has much in common everywhere, and its fibre and quality are capable of improvement everywhere. Twenty-five years ago, when national feeling was running strong over the partition of Bengal, a well-known nationalist newspaper described the Bengali as the Scotsman of the east: and proved it, when calling for money to support the national cause, by remarking that 'it is always painful to part with money but, we must do it sometimes in emergencies'. Be that as it may, it was by the development of the people's credit by the issue of the £1 note based not on gold or silver but on the fibre and quality of the people and the goods they created that Scotland was raised from poverty to prosperity.

THE WAY OUT.

And in no other way, but by the development of the fibre and quality of people monetized by the Government of India's productive paper currency, based on souls of good quality, will the downgrade movement of Bengal be stopped, and the upgrade movement begin. I know it is easier to slide into hell than climb into heaven. I know there are difficulties to be overcome, but difficulties are the raw material out of which fibre of good quality is produced, and good souls manufactured, and 'to him that overcometh will I give to eat of the tree of life which is in the midst of the Paradise of God'. The masses of Bengal would like a few mangoes from that tree, and a four pice seat in that paradise.

THE ANNUAL FLOOD.

To drop from the paradise of the future to the downgrade Bengal of the present, where are we to find the men required to grow the fibre, and manufacture the souls of good quality, without which a sound banking system

for the people cannot be developed? We shall find them among the young men who are themselves on the downgrade, 'the annual flood,' to use His Excellency's expression, for whose energies no legitimate outlet can be found.

And His Excellency may find the problem not so very difficult after all, if tackled in the right way with fibre of good quality. And if he will turn his five years of office as Governor into a five years' plan of constructive effort which will harness the annual flood to the work of nation-building, he will leave Bengal a happier and more contented place than he found it; and will earn, and get the gratitude of millions.

ROOTS LIE DEEP.

The present unrest is not a tree of recent growth. It has been growing for many years, its roots lie deep in unsound economic conditions which are due, chiefly to the want of a Banking system for the great industry of the country—agriculture; and it has been watered by the bitter flood of unemployment among the young Bhadrilogue, as His Excellency sees clearly.

There are wider gaps to be bridged than the two crore deficit in the Bengal Government budget. There is the hundred crore gap between the raiyat's bankruptcy on the one side and his solvency on the other, with its bitter annual flood of 50 crores usury which rolls between, and there is the widening gap between Government and people.

It was to show how these gaps could be bridged and employment found in nation-building for thousands of young men, by the development of the co-operative movement in the manner suggested by the Royal Agricultural Commission, that three years ago, I went up to Delhi to see Lord Irwin and Sir George Seluster. Both were extremely kind, and alike eager to find employment for the young Bhadrilogue who were standing idle in the market place, because there was no man to hire them and Sir George asked me to send him a scheme for the more rapid development of the movement, which I did.

THE TWO SCHEMES.

The result was that two years ago he wrote me to say: "I now understand that you will discuss with the Bengal Government both schemes, viz., (a) The establishment of a training institute for co-operative workers in conjunction with Doctor Rabindranath Tagore, (b) the development of a

new estate on corporative lines in the Sunderbans. I have already assured you that if you can work out the details of these schemes in consultation with the Bengal Government to their satisfaction, then your application for financial assistance from the Central Government, on the scale which you have suggested which was 3½ lakhs, will receive speedy and sympathetic consideration. I trust you will now get to work with the Bengal Government, and I shall wait their communication after you have done so.

I have submitted three schemes to Government—the last modified in accordance with its own suggestions, but I have failed to get the Government machine in work.

TWELVE MONTHS AGO.

I again saw Sir George at the Viceregal garden party at Belvedere twelve months ago, when he again assured me that, so far as he was concerned, there was no difficulty about the money as soon as he heard from Mr. Marr it would be forthcoming. And Mr. Marr assured me at the same garden party that as soon as he heard from the departments concerned, he would push the thing through, which I understood had been done in part when he announced publicly in his farewell budget speech, that he had provided a lakh of rupees for my Sunderbans colonization scheme.

Now this money was intended for more than a mere colonization experiment. It was one of the most important financial experiments ever suggested for the benefit of India, its object being to prove that by organizing and monetizing the labour of the people, co-operatively Government would find all the money required by the people and itself for the work of nation-building under the new constitution.

Research into the manufacture of artificial rubber which has been carried out by the Du Pont Co., of America, has resulted in the production of a new paint, as the same compounds formed during the synthetic production of the substitute are merely dissolved in naphtha or xylene. The resulting paint hardens by polymerization, instead of by the absorption of oxygen from the air. The chemical change is completely finished in 48 hours, when it will withstand temperatures up to 200° C., and is unaffected by any combination of solvents. It dries dustfree in 60-90 minutes.

Madras Since the British Conquest—XV.

By The Editor.

Discontinuance of Depot at Poonamallee.

To resume the story of military reductions. On 25th November, 1835, a notification was published in the *Fort St. George Gazette* directing the discontinuance of the depot at Poonamallee as a Government command. It was ordered "that from the 1st January 1836 the duties shall be conducted by the Senior Officer for the time being assisted by the staff officer and paymaster". The establishment was otherwise disposed of by the Commissariat Department, both for King's and Company's troops, being also abolished as from the same date. Other minor reductions of establishment were also ordered, down to the detail of "Scavengers' cart" and "Store-lascars". Evidently the "axe" was briskly at work in Madras at the time.

RECRUITMENT OF PARIASHS.

One or two minor points of interest may be noted. The prejudice against the recruitment of Pariahs was lifted. On August 20, 1834, the *Madras Gazette* announced that "it was in contemplation to do away with the order against the enlistment of Pariahs as sepoyis." It warmly defended the proposed measure. "The exclusion of these men," it remarked, "has never struck us to have any great justice in it." It said that "there was little distinction between them and their masters", i.e., the castes above them and added that the only difference between them was that while they were "low and poor", their "white-faced fellow-castemen are rich and powerful". It wound up, with justice, thus:—

"Look at the gallant conduct of the Pioneers in Burmah. Most of these were Pariahs, and yet they did their duty as soldiers, and looked at death and all its terrors in the face like men."

It does not appear, however, that there were any rules in existence actually restricting recruitment to the higher castes of Southern India. In 1821, when Sir Thomas Munro was both Governor and Commander-in-Chief, the head-quarters of the Madras Army was distinctly inclined to discourage the enlistment of men of low caste. Certain reductions in the Madras militia, Indian infantry and Military depots, were being ordered at the time and the opportunity was sought to be taken to give effect to this desire. The following extract from the remarks on the inspection

and review of the first battalion of the 3rd Regiment (of Indian Infantry) early in 1821 shows this:

"There are not less than ninety six Christians and Pariahs in the Palamcottah Light Infantry. The Commander-in-Chief directs that the opportunity offered of getting rid of them by the reduction of the strength of the corps may not be lost sight of."

Colonel Wilson, the historian of the *Madras Army*, suggests that the object of this restriction was "to improve the appearance of the native army, the low caste men being, as a rule, shorter in stature, and darker in complexion than those of better caste, but the expediency of the measure has been questioned, both at the time and in later times." (*History of Madras Army*, IV, 285-286). Colonel Welsh, when describing the composition of Native Infantry, in his *Reminiscences* (I., 15, published in 1830), speaks thus of the Pariahs:—

"Brave, active, and attached as they were to their officers, and the service, with a few European failings, such as drum-drinking, and eating unclean meats, have of late years been excluded from the line in order the more fully to consolidate the higher classes. . . . They are now enlisted only in the pioneers (represented by H.M.'s Sappers and Miners) and as artillery, and tent makers. The former corps, one of the most useful in the army, is composed almost entirely of this degraded class than whom there exists, not in all India, a braver, more efficient, or zealous body of troops."

The Court of Directors were in favour of the enlistment, for all regiments of native infantry, of a larger proportion of low caste men, but this opinion was not sufficiently pressed upon the Government.

The credit of giving effect to the declared intentions of the Court should be set down to Sir Robert O'Callaghan, who by his high-minded action set an example to his successors.

IMPORTANCE OF THE ARMY IN INDIA.

The *Madras Herald* of 13th April, 1836, thus summed up the importance of the Army in India:—

"The vital importance of the military to the existence of our supremacy in India may be gathered from the almost hourly demand for its service in some one quarter or another. On the slightest show of opposition, troops are in immediate requisition, of which we have examples in two very distant and opposite directions, Jhond (in the Punjab) and Goomsoor (in Cauchim). These and numerous similar instances prove, that at present our Government is solely one of superior power, and unsupported by any opinion of its legitimacy

or of the benefits conferred on the governed. The wisdom which dictates the prompt interference of the military is unquestionable, but it is to be regretted that the measures are not of a more comprehensive and decisive nature, and the strength of the force such as to render even the shadow of resistance hopeless. A single petty district, if allowed to continue in rebellion, would soon become the nucleus of all the numerous discontented of the surrounding country. The slightest victory would quickly extend their fame and augment their numbers: hence, the necessity and propriety of sending at once an overwhelming force on every occasion."

That is a correct enunciation of British politico-military policy in force in India nearly a century now. It has its good as well as its inconvenient sides.

ASSASSINATION OF COLONEL COOMBS.

An event which cast a melancholy gloom over the military was the assassination of Colonel I. M. Coombs, which occurred on 10th October 1833. The *Madras Herald* thus reported the matter in its columns on the 14th October:—

"It would be difficult to describe the sensation of mingled indignation and horror, with which the Presidency was agitated, on receiving the account that Lieut.-Colonel J. M. Coombs, the Brigadier Commanding the Force at Palaveram, had been shot by a Havildar of the Rifle Company of the 3rd Regiment. The details we have learnt are these:—The brigade was returning from an inspection by the General Commanding the division in ball-firing. It was then dusk but not dark, and the Brigadier, ere turning off to his home, had stopped to see the brigade pass. He was then about ten paces distant from the rifle company of the 5th, when a shot was suddenly fired. The unfortunate Brigadier reeled in his saddle; and, attempting to dismount, staggered and fell into the arms of Lieutenant MacKenzie, the Adjutant of the Regiment (who had galloped up to his assistance), exclaiming "that he was shot!" He was immediately conveyed towards his house; and while on the road, asked for a mouthful of brandy and water. This was given to him, and, in the act of swallowing it, he expired! The men of the Company had in the meantime secured and disarmed the person who had discharged his piece, and who proved to be Havildar Emam Ally. He was subsequently taken to the guard-house by Captain Minto, his conduct while on the way thither confirming the opinion that the wretched man was under the influence of opium. To assign an adequate exciting cause to the dreadful deed appears impossible. Our military readers will readily remember the man who, in the Malacca campaign, behaved with such intrepid and resolute courage in saving the life of his officer Lieutenant Wright, and who gained thereby the public approbation of Government in G. O.'s and promotion to a Havildar's rank. This same man, Emam Ally, had always, we learn, been an especial favourite of his ill-fated victim, who on every occasion had shewn him the greatest kindness and interested himself greatly in him, even to the extent of giving him money on his marriage. We have heard a tale of his having been up the previous night at a ceremony to which he is also supposed to have gone

during the day of the fatal deed, where intoxicating drugs are supposed to have created a temporary aberration of mind, the only state under which it can well be conceived that the commission of the outrage could have taken place. The Havildar, we understand, subsequently declared his intention to have shot Major Winbolt, the Commanding Officer of the 5th Regiment: not finding him, he, under the influence of the evil-enticing drug, sacrificed the first person he knew, and Colonel Coombs became his victim. The last direct cause, which, acting upon a mind already under violent excitement, may be supposed to have exercised a most baneful effect, is said to have been a remark made to Emam Ally, by the unfortunate Brigadier, on seeing so excellent a shot miss the target, in the ball-practice: and, in consequence of his general conduct during the firing, the Officer of the Company reported him to Major Winbolt, who directed the Adjutant to cause his attendance at his quarters the following morning."

A Court of inquiry followed and the man paid the extreme penalty for his atrocious deed. It is melancholy to have to reflect that he was the same person who behaved so gallantly in the Malacca War as to win the approbation of his officers and the Government.

Lieutenant-Colonel John Monckton Coombs belonged to the 10th M. N. I. and was at the time he met his fate, Commandant of Pallavaram Cantonment. He had had by then an honourable career of thirty-three years in the Indian Army, during which he had been frequently employed on the Genera Staff and confidentially under Genera McDowell, Sir Robert O'Callaghan, the Commander-in-Chief, and the Hon'ble William Petrie, Governor of Prince of Wales Island (now called Penang). His premature death was widely lamented. He lies buried in St. George's Cathedral Cemetery, Madras. An account of his murder will be found in Bevan's *Thirty Years in India* (l. 147) by the story as given in it and in the epitaph of Colonel Coombs is substantially the same as set out above.

SUSPECTED ACCOMPLICES.

It would appear from certain remarks made by the *Madras Gazette* in its issue of November 2 (1833), that the attempt of Colonel Coombs was not altogether unpremeditated. A sepoy at Pallavaram, who had been taken up for writing a threatening anonymous letter to his adjutant and officer commanding gave it out, it would seem, that "there were two other bullets at Palaveram and that the adjutant and commanding officer would act wisely to be cautious in their conduct." The assassin himself made no such disclosure whatever as to any accomplices he might

have had. The day after the murder, the house of a sepoy who had been regularly sentenced to be punished by a court-martial for using disrespectful language to his superior European officer, was searched and a sabre and an old musket were found on his premises. But the *Herald*, though it urged a thorough investigation as to the origin of the anonymous letter and the bringing of the authors of the same to "a just sense of their duty" entirely discounted any general sense of ill-feeling in the Indian rank and file. It thus remarked explaining the two cases mentioned above:—

"As we do not and cannot believe that anything like a spirit of mutiny is among the troops, we conclude that, in one case, the man was labouring under the influence of that peculiar species of mania which is the consequence of intonation, and that, in the other, the sepoy had come in possession of the weapons for the security of himself or his family."

DEATH OF GENERAL McDOWELL.

Another event which caused considerable sorrow among the military of the time was the death of General Sir Andrew MacDowell, K.C.B., who had, after half a century of continuous service in the Madras Army, just retired and settled in Madras. He was, as has been mentioned before, one of the most gallant veterans of the Madras Army. Only in the preceding year the Jubilee of his fifty years of service in the Army had been celebrated by his friends by a dinner. The *Madras Herald* of May 17th, 1834, which chronicles the "melancholy" news, states that he expired at his residence at Guindy, on the night of the 15th instant, at the advanced age of seventy-three! It remarked:—

"Contemporary with the oldest, and in his late high situation still in contact with the youngest officers of our army, an uninterrupted period of service, extending over above half a century, had made him the acquaintance, while his military talents had gained him the respect and his private virtues the friendship of all; and it is amidst a sentiment of universal regret that, after a long, useful, and honourable career, the gallant old soldier has sunk to his final rest."

There was no exaggeration in this summing up of the *Herald*. Born in 1761, Sir Andrew entered the East India Company's Madras Establishment (in his 22nd year in 1783). He took part in the same year the siege of and capture of Pondicherry. Then, in the war against Tipu, he was engaged in the reduction of several of the Sultan's forts. Next, he was in service in 1789 in the defence of the Travancore lines. He was next with the forces under Lord Cornwallis and General Medows at Seringapatam, during its siege

in 1791-92. He took part in 1799, in the final war against Tipu, being present in the action in Malvalli and at the siege of Seringapatam. He took part in 1801-03, in the settlement of the Ceded Districts. Fifteen years later, he commanded a brigade under Sir Thomas Hislop, Commander-in-Chief, at Mahidpur (1817). In 1818, he commanded a detachment in Khandesh and took several forts including Rajdevi, Trimback, Mulligam, Anulhair, etc. In the following year, he took part in the siege of Asirghar, in which he commanded the 2nd Infantry Brigade in Brigadier-General Doveton's Division. He had been made a C.B. and a K.C.B. (1831) and had earned by his distinguished services the good-will and affection of the whole community in Madras. He retired as a Lieutenant-General.

A DISASTER AT THE FUNERAL.

His funeral, which took place on May 16, 1834, was evidently an imposing one but was marked by an unfortunate disaster. During its progress, through the oppressive heat of the day, about fifteen men of H. M. 63rd Regiment fainted. From the same cause, one sergeant and two corporals of that Regiment were on the following day laid in their graves! In recording this "simple but appalling fact" as the *Herald* called it, it sought to add to it an echo of the public demand, "what necessity there existed for marching these men out at the early hour of four—of their being ordered under arms at a still earlier period?"

The *Herald* did not mince matters. It wrote thus on May 20th (1834):—

"It has been observed by the oldest inhabitants of the place, that the severity of the land-winds during the present season is greater than has been known for many years past (the *Courier* of May 16 states that "Seldom until the arrival of the *Doctor*, has the thermometer been below 90° in the shade"); yet, notwithstanding this, the men of H. M. 63rd Regiment, recently arrived from New South Wales, were marched from the Fort St. George's Church, a distance of about three miles, at four o'clock in the afternoon of Friday last, to meet the corpse of the late Major-General Sir A. McDowell, and that, as the natural consequence of such an unnecessary exposure to the inclemency of the weather, and at a time of the day when the heat of the sun is much more powerful than in the forenoon, ten or more men sunk under the duty thus required of them; of which number three expired and were buried in the following evening. We also understand that from ten to fifteen others were taken ill on their return home. We dare not trust ourselves with saying all we feel on the present occasion; but we may be permitted to ask, if the life of a British soldier is of so little value, that he shall be ordered upon a duty of mere

military etiquette and ceremony, at a time and under circumstances which shall place his life in jeopardy, if not deprive him of it altogether?"

Sir Andrew was buried in St. George's Cathedral Cemetery, his tombstone being marked by a brief inscription. It is curious that there should be any doubt about the spelling of his name, which appears in the records of the period as *McDowell* and *Macdowell*. The latter is the form given by Wilson in his *History of the Madras Army* (see IV, 14, 85, 132, 138, 145, 146, 171 and 384), and followed by Mr. C. E. Buckland in his

Dictionary of Indian Biography (page 261), while the former is the form in which it is found spelt in the Madras newspapers of his time and on his tombstone. The spelling on the tombstone should be correct. Buckland gives the date of death as "May 15, 1835" which is a slip for "May 15, 1834".

Colonel Wilson notes an interesting fact about Sir Andrew. From his fondness for Arab horses and the large number of them he always kept, he was known in the Army by the sobriquet of "Arab Mac".

Elementary Education in Mysore.

By D. Venkataramaiya, B.A., L.T.,

Deputy Director of Public Instruction in Mysore (Retd.),

Chairman of the School Board, Bangalore District.

Perhaps a word of explanation is necessary for my presence here as Chairman of the Reception Committee of this year's Conference.* Happening to be the Chairman of the School Board for the Bangalore District I could not well refuse this position when offered by the Local Education Authority. It is evident, therefore, that it is an accident of an accident that I am standing before you in this capacity. My foremost duty in this connection is to tender to Rajakaryaprasakta Dewan Bahadur M. N. Krishna Rao, our Dewan, the grateful thanks of the Reception Committee for kindly acceding to their request to open the Conference. In January 1930 when the Conference under the auspices of the Elementary Education League held its first session in Tumkur he was good enough to send a Radio Message through the broadcasting apparatus of the Indian Institute of Science. This year's Conference is even more fortunate to have secured his very presence in its midst and to listen to him direct, and not, as he wirelessly last year, as if we were in the midst of the gathering. The large number of teachers who are foregathered here, will, I am sure, value highly words of advice from one whose love of Mysore and all that Mysore stands for, is so genuine and whose wholehearted devotion to duty and singleness of purpose are matters of common knowledge.

At the very outset I may state that this organization is still in its infancy, and has

*Address as Chairman of the Reception Committee of the Mysore Elementary Education League Conference, 21st December 1932.

not had sufficient time for full development. Its aims and objects are, however, clearly laid down as may be gathered from the proceedings of the last Conference. They are:—

1. To achieve professional solidarity by means of a League Journal, a circulating Library, Lantern lectures, and Annual Conferences and Exhibitions.
2. To improve the conditions of work in all Primary and Middle Schools.
3. To improve the material conditions of the teachers.
4. Generally, to take steps to make Elementary Education efficient.
5. To adapt Elementary Education to local needs.

Committees have also been appointed to carry out these objects in view: and in due course it may be hoped that the League will be able to present at the annual conferences reports of tangible work done by the central and associated bodies.

At its inauguration in Tumkur the Conference was opened by Rajamantrapravina K. Matthan, Member of Council, and Professor Wadia, the then Director of Public Instruction, presided over its deliberations.

Now the Conference meets here at the joint invitation of the Bangalore District Board and the City Municipal Council. The exhibition which is an important adjunct of the Conference will be opened this afternoon by Mr. S. P. Rajagopalachari, Member of Council, for whose kindness in readily accepting to perform this function, the Committee feel highly grateful. The three days' programme which has been drawn up by the several

working committees will be carried out under the distinguished presidency of Mr. N. S. Subba Rao, our Director of Public Instruction, and we may rest assured that with his able guidance the Conference will sift thoroughly many a knotty problem, and conclude a successful session. Mr. Subba Rao is an eminent educationist. His thorough grasp of the present-day educational needs is a great asset to the Conference. At no time was Education in such close alliance with Economics and Sociology as now. A master of the Science of Economics and a discerning critic of our Social institutions that Mr. Subba Rao is, he is best fitted to occupy the Presidential Chair.

To you, ladies and gentlemen, who are attending the Conference as delegates, I offer a hearty welcome on behalf of the Reception Committee. I assure you that both the District Board and the Municipal Council deem it a privilege to meet such a large concourse of men and women who are engaged in the arduous, yet noble, task of upbringing the country's children. They trust that you will benefit by your stay here, all too brief it be, and return home with your outlook enlarged.

I need not reiterate the *raison d'être* of holding such conferences. A poet who is now out of fashion has said that man never is, but always to be blessed. This saying is in a marked sense applicable to Education. The problems of education never are, but always are to be, solved. Both in content and method, Education goes on changing and it is, therefore, absolutely necessary to effect from time to time re-adjustments to meet the demands of the new environments. One of the main objects of holding such meetings is to create a common platform to those engaged in the education of the young for correlating and co-ordinating their experiences. Moreover, you meet here as fellow-workers to take stock of your past achievements and to adumbrate new ideals and new plans for your future guidance. How far you succeed in this task of yours, depends mainly on the earnestness with which you grapple the problems that confront you.

You have a most strenuous programme before you and if I may venture a suggestion you will do well to focuss your attention on some of the major problems and examine them in all their bearings. The most pressing problem, it is conceded on all hands, is that of Elementary Education. It is a difficult problem and has baffled hitherto

all attempts at a satisfactory solution. That the mass of Indian humanity remains illiterate and ignorant is a slur upon our civilization. In spite of the fact that modern conditions came to exist nearly a century ago the state of the proletariat has remained almost stationary. The educational statistics in this connection are most significant. According to the latest census, less than 9 per cent of the total population of India is literate, among males the percentage is 14 and among females only 2.3. The averages for Mysore are approximately those of British India, namely, males 14.4 and females 2.0. It is only in advanced states like Travancore and Cochin, the figures are 38 and 17.3 and 31.7 and 11.5 respectively. Taking the school-going age as from 6 to 11, the percentage of boys of that age at school was 42.1 in 1927 and of girls 10.4. For Mysore, the latest figures are 50.7 for boys and 12.7 for girls. From these figures it is evident what an amount of illiteracy there exists in the land. Mysore is slightly ahead of British India in respect of school attendance but below Baroda, Travancore and Cochin. While all leaders of thought are agreed that mass education is a *sine qua non* for economic and social advancement one wonders what steps they have taken to remedy this deplorable state of things. No doubt the number of Primary schools in our State increased tangibly after the imposition of the educational cess. But that resource having been exhausted there has been for some years a lull in the situation. Again, for the attainment of literacy, it is necessary that children should at least go through the four classes of the Primary school. But, either owing to most of the children leaving school before completing the course or owing to the retardation in the first and second year classes there is a huge wastage of effort and the financial loss also is considerable. The Hartog Committee which has essayed the problem of mass education in India in all its details has calculated the wastage at 60 per cent of the total expenditure on Primary education for the four years from 1922-23 to 1925-26. Now where is the solution? It is usual, nay, it is the fashion, to hold the villager responsible for all the ills that beset him. He is superstitious: he is ignorant: he is the great obstacle in the way of any advancement, educational progress included. May not the villager turn round and say—well, what have you, who accuse us of apathy, superstition and so forth, done to enlighten

us and lead us on the right path? The annual Administration Reports repeat the same tale without indicating in any way the means by which illiteracy and apathy can be combated. For my part, I refuse to take refuge in this comforting doctrine. Push literacy forward—that is the first and foremost duty. No proper educational structure can be built without a broad foundation. In our eagerness to develop higher branches of education we have woefully neglected the primary education. The whole of our educational edifice has been compared aptly to a pyramid standing on its cone. Much as we would like to equip our schools with modern teaching appliances and provide them with costly furniture, we have to take the conditions as they exist. Our problem is one of the removal of illiteracy. Let us first bring all the children of the State within the ambit of Three R.s. Then there will be time for introducing costly experiments. We must make it possible for all people irrespective of the stratum of society to which they belong to get into touch, as some one has said, with the printed word. This is the great task ahead of us: and it requires the combined efforts of the people and of the Government for its fulfilment. Obstacles there are, and will continue to be. But if we are not to remain at the heels of advanced nations we must surmount them. The stain of illiteracy must be clean washed out. No modern government can, with the least shadow of justice, allow the masses to grow in ignorance. I have already referred to the progress made in Elementary education in our State as the result of the augmentation of funds from the levy of the educational cess. But this has proved inadequate, there being a real need for a rapid increase in the number of schools. Government have recently brought into force the Elementary Education Regulation Act with the object of enlisting the co-operation of the local bodies like the District Boards and the major Municipalities. The main object of this Regulation is to ensure within a reasonable time the progressive expansion and development of Elementary education within the State. Ten years is the maximum period within which this consummation is expected to be reached. The newly constituted School Boards are now engaged in drawing up a ten-year programme. The funds that would be required should come partly from Government and partly from the local bodies. The only feasible way by which the Local Education Authorities can find

funds for the immediate expansion of Primary education is by agreeing to the levy of additional educational cess. No doubt, the times are hard. But this is a problem which cannot be postponed. Literate population is a great asset to the country, particularly so when power is gradually passing into their hands and their voice will prevail more and more in the councils of the State. I appeal to all local Education Authorities to bestow their serious thought on this vital problem and bring about the desired end. Other countries are tackling this problem of mass education in all seriousness. The Soviet Russia has a five-year Elementary education plan for a population of 150 millions. Can we not complete our ten-year plan for a population of 6 millions? Turkey which is showing such activity in her task of nation-building has made Primary education compulsory, accepted co-education in schools of all grades and has a nation-wide adult school system.

If the District Boards and Municipalities should succeed in shouldering this sacred responsibility they will have done their duty by their countrymen. I have full hopes in them and I visualise the time when each District Board will have under its management (1) all Primary education spread over 6 years, (2) a normal school for the training of its own teachers, (3) an Inspectorate including provision for medical inspection of schools, (4) a net-work of adult schools. I believe I have said enough in defence of universal Primary Education.

I refrain from dilating on our Lower-Secondary or Middle Education. I may just refer to one or two topics germane to the subject. We are hovering between two ideals: the purely Vernacular Middle School and the English Middle School. It is left to this Conference to decide whether we should have this dual system or not; and if both are retained, how to link them up. At this stage there is also the question of providing different courses of studies to suit different localities and different aptitudes; in other words, we have to decide whether a stereotyped curriculum should be followed, or one admitting variety. There is a strong feeling that unless the content of instruction in this stage is materially altered, its value will be very much minimised in so far as the pupils who stop with Middle Education are concerned. Doubt is also entertained in many quarters regarding the utility of the Middle School Examination; and it is urged that it may altogether be abolished.

These and other problems will, I am sure, engage your earnest attention in the Conference deliberations.

The need of the hour, however, is the village-uplift, which should be subserved by the instruction imparted within the four walls of your school room. The times seem to be propitious. People are everywhere waking up from their age-long slumbers. The demand for education in rural parts is incessant and it is up to Government and the public leaders to do all that lies in their power to realise this aspiration. The teachers' part in his uplifting process is no less important. He must shake off most of the notions which pedagogic tradition has handed down to him. He must react suitably to changing conditions and his chief concern must be with the people amidst whom he is working and he must wholeheartedly enter into the task of renovating rural life. He must realize too the value of the school as a social centre. It has been truly remarked that the problem of the school roadens into the problem of Society. Therefore, it is incumbent on the part of the teacher that he should establish an intimate contact with the village folk. The teachers' test will, in future, be determined not so much by the number of his pupils who succeed at

the Public examinations as by the answers he is able to give, when questions like these are put to him.

(1) Have you done anything to remove the ignorance of the villagers by holding, say, special classes for adults, reading newspapers and so forth?

(2) What steps have you taken to interest the parents in the well-being of their children?

(3) Do you mix freely with your pupils in their games?

(4) How far have you dispensed with autocratic discipline and substituted in its place child's self-expression and self-direction?

Gentlemen and lady delegates, before I conclude, let me once again offer you our sincere welcome to this Second Elementary and Middle School Teachers' Conference and trust that you will fully participate in its functions. Among these, lectures and talks by educationists who have attained high proficiency in the art and theory of education form the chief items. No less important is the Educational Exhibition which is, in the main, an objective demonstration of day-to-day school work. Provision is also made for dramatic performances.

The Outlook for Molasses.

By Har Sahai Gupta, B.A.,

Member, Sugar Committee of the Imperial Council of Agricultural Research.

The real problems of the sugar mill industry will have to be faced now when it has been assured a reasonable lease of life by means of a protective duty and the country bids fair to set up a network of sugar factories in the sugarcane-producing areas. It is a commonplace of modern manufacturing costs that an industry has no chances of success under conditions of competitive production unless its bye-products are fully exploited. In fact in many cases the proper use or waste of bye-products in an industry determines the margin of profitable production in that industry.

Molasses is the most important bye-product of the sugarcane industry both from the point of view of the central factory owners as well as of the manufacturers by the indigenous method. Out of a hundred maunds of cane about 9 per cent of sugar and 4 per cent of molasses are recovered by the factory owners and about 6.4 per cent of sugar and 4 per cent of molasses by the Khand.

system in India. Since the industry has now been protected by a high duty, it appears on the threshold of boom days but the cane factories, the gur refineries and manufacturers of sugar by indigenous method have all been experiencing increasing difficulties in selling their large quantities of molasses. In common with the rest of agricultural commodities, there has been a steady drop in the prices of molasses during the last few years and even at the low prices now obtaining—molasses can now be had at the rate of a few annas per maund—the difficulties of liquidating stocks have been multiplying. The outlook for molasses has become very gloomy now when in addition to the product of the sugar producers by indigenous methods, the market will now be flooded with the large quantities of this bye-product on the establishment of new factories.

LIBRARY
TNAU, Coimbatore - 3



tries which have it and flourishing ignore molasses,

but the Indian industry is now undergoing reconstruction and can ill-afford to do that. It is more specially so with Khandisaries who, owing to low recovery of sugar, have higher percentage of molasses and for this reason depend for their cost of manufacture on its sale proceeds. Java, for example, is in a position of being prepared to consider the molasses of no value and run it, if necessary, into the sea. That is, however, due to the efficient condition of her industry and on account of the support that the industry received in the earlier stages of its development in that country.

The question of stimulating the prices of and demand for molasses is not only important but a serious practical question for the welfare of the industry in India. The gravity of the situation can be realized when we take into consideration the fact that the 'fair selling price' for molasses was reckoned at Rs. 1-8-0 per maund by the Indian Tariff Board when they decided to recommend Rs. 7-4-0 per cwt. as the protective duty on the imported sugar. The report says: "Whereas in calculating the fair selling price in the early years of protection a credit at the rate of Rs. 1-8-0 per maund of molasses has been allowed, in estimating the price at which Java sugar could be landed in Calcutta a credit at the rate of Rs. 1-4-0 per maund of molasses has been taken." (Ibid Section 78.) At that time the prevailing price had reached a level of Rs. 2-12-0 per maund but since then uncontrollable forces have worked in the market and the price of molasses has not only fallen to As. 8 per maund, or even much less than that, but there is no demand for it at all!

It would be of some interest at this stage to investigate into some of the causes of the loss of market for this important by-product of sugarcane—a crop which occupies no less than 2,777,000 acres of India's cultivable land, the U. P. alone being responsible for 1,488,000 acres or more than 50 per cent of the total area in India. According to the Sugar Technologists' "Review of the Sugar Industry of India" for the year 1930-31, the total yield of molasses out of this crop in that year may be estimated at 270,000 tons (besides an import of 101,900 tons in the same year). Molasses is largely used in the country for the following purposes:—1. Curing tobacco; 2. Distillation of alcohol; 3. Direct consumption both for human and cattle feed; 4. For some cheap confectionery purposes.

1. *Curing Tobacco*.—Owing to the increase

of cigarettes, both Indian and foreign, the *Indian Hookah* and *Cheekum* are getting out of use. The former contain no molasses and their increased use in no way assists the sugar industry. Any attempt to revive it is likely to fail as smoking is a matter of liking. *Birrs* and cigarettes, moreover, are fashionable and easy to handle.

2. *Distillation of Alcohol*.—As regards potable alcohol, it is an open secret that about 10 years ago, four times the quantity of molasses used to-day was converted into this class of spirit. In fact excessive excise duty has resulted in the official consumption being very much reduced with the result that most of the distilleries which had to put up new up-to-date machinery some 10 years ago to produce pure spirit demanded by the Government when consumption was about four times of what it is to-day, hardly have enough work to-day for about 6 months in the year and thus have been very much hard hit. But this 'maximum income from minimum consumption' policy of the Government has got the backing of the public opinion and I have nothing to say against it except that some illicit distillation has been encouraged notice of which has been taken even by the Percy Committee on Federal Finance. The danger of illicit distillation has most recently led some provinces, like Madras and the U. P., to deviate from their old well-defined policies and obtain some additional revenue by selling cheaper country liquors. Of commercial alcohol about 90 per cent consumed in India comes from Java. The imports of this class of alcohol in 1930 were 10,74,022 bulk gallons valued at Rs. 11,56,003. This represents the produce of about 4,30,000 maunds of molasses. To this quantity have to be added the imports of molasses chiefly from Java which in 1930 were 19,37,520 maunds. Thus the total of both the direct and indirect imports of molasses from Java comes to 23,67,520 maunds. This represents about 84 per cent of the total produce of Java in 1930. These heavy imports suggest the possibilities of the development of a local alcohol industry.

3. *Consumption for Human and Cattle Feed*.—We had some direct consumption of the *ed-sari* molasses at a time when the prices of sugar and gur in the market were very high but since their prices have fallen they are preferred to molasses both for human and cattle consumption.

4. *Cheap Confectionery*.—It was used for

or adulterated with Java sugar, but since the prices of sugar have fallen, its consumption in this direction too has also become practically non-existent.

We are now faced with this practical issue that for one reason or another, the market for the Indian molasses has become very much restricted; it will become thoroughly demoralized when the mill industry also throws its "waste" product on the already congested market. Can we have any guidance in the matter from the experiences of other countries? Recent investigations tell us that cane-growing countries find use for molasses in the following forms: (1) Rum (2) Lower alcohol; (3) Dry Ice; (4) Alcohol glycerine, Acetelydhyde and Dry Ice (combined); (5) Yeast; (6) Fuel; (7) Fertilizer.

The first two have already been dealt with above. Dry Ice is a factor which may make molasses fermentation highly profitable. A filip has been given to the Carbon Dioxide industry by the development of a new refrigerant known as Dry Ice and consisting of compressed Solid Carbon Dioxide. The use of molasses being turned into a product for conserving foodstuffs is not likely to find any ready market in the country under the present state of illiteracy and low standard of living. If at all, it will find a limited market and then the cost of Dry Ice is higher than that of ordinary water ice. Hence it will have to be rejected for the present. Coming to its uses under the head 4, it would be better for us to quote from the proceedings of the 1929 Annual Conference of the Association of Sugar Technologists, Cuba: "During the European war, unable to obtain the necessary supplies of explosives, the Germans used the nitrogen from the air and the glycerine from the spent wash of their distilleries." It is apparent that this also has got very limited scope as an outlet for the Indian molasses.

What about Yeast? Its use as Yeast has been turned in America and it is said that "molasses has been put to yet another use, that is, for the production of yeast either for fermentation and bread manufacture or for human consumption and cattle fodder. In Germany also considerable advances have been made in breeding yeast cultures as a nitrogenous fodder for cattle." As a feeding stuff too its use has got to be investigated but it is very doubtful if under the prevailing low prices of *grs.* it will find any favour. It is possible that it can be used by mixing it with the fine portions of the bagasse.

It is then said that molasses can burn with

profit in ordinary factory furnaces and with greater profit in furnaces of special though not expensive construction. But it cannot burn under the present conditions in the furnaces meant for open pan boiling. There is some difficulty experienced as regards the shortage of fuel since the introduction of the improved varieties of canes. It would be worth investigation, if this bye-product can be put to that use in comparison with the prices of other available fuels.

An eminent authority observes that molasses as a fertiliser "aids in the nitrogen-fixing organisms and thus increases the nitrogen contents of the soil specially when lime is added. Molasses also contains an appreciable amount of potash which under appropriate conditions can be economically recovered." I do not know if this has so far been attempted but it is up to the Government to direct investigations in that line. It is better to run the molasses into the fields of cane rather than to run it into the sea.

Out of all the uses to which molasses can be put, we have to see which gives the best and lasting outlet for it. The object is to find out how best to ensure a market for its sale at a reasonable price. Some steps have to be immediately taken. While performing the opening ceremony of a sugar factory at Bareilly the other day, His Excellency Sir Malcolm Hailey said: "Factories (sugar) will have a large bye-product in the shape of molasses which is now of little or no value: they would be well advised if they could combine to pay for research into methods which would enable them to make some use of it, such as the production of commercial alcohol. The prospects of the industry would be immensely improved if this were done."

From all that has been said above regarding the uses of molasses its use as power alcohol appears to have got the best chances of success in the country. But we find that production of alcohol is not only not encouraged, but certain amount of discrimination exists in the excise rules in favour of foreign consumable spirits. It has been said: "The present provincial excise rules concerning whisky, brandy, rum, gin, and rectified spirit, in most cases penalize the indigenous products for the benefit of cheap Java and German spirits. These rules require to be altered and the duties on Indian-made foreign spirit made uniform in all provinces. They are at present levied with great variations." It will be seen from the following figures of duty levied in most provinces on Indian-made

foreign spirits (country rum included), how the rates vary:—

	Per Gallon, Rs. a.
The United Provinces	24 6
The Punjab	24 6
Bombay	25 10
Madras	17 8
Bihar	21 14
Assam	21 14

There are differential rates of duty on Rum used for troops in India.

	Per Gallon, Rs. a.
Assam	10 0
Bengal	10 0
Bombay	25 10
N. W. F. P.	17 8
Bihar	17 8

The consumption of the above classes of Indian-made spirits, retail and in many cases wholesale, is mostly confined to the provinces of their manufacture. ("For an exception see the ruling from the Punjab where unfair discrimination is evident in the case of one distillery. It will be seen that sophisticated Java, German and French whisky, brandy, rum and gin pay a duty of Rs. 30 per gallon on the port of entry and then may be imported, exported and transported from province to province without further duty or trouble regarding permits or passes. This means that any individual in, say, Assam, the U. P. or the Punjab, may obtain upto two gallons of this overseas imported Java or German sophisticated spirit from any vendor in Calcutta or Bombay without excise permission, but the same ruling does not apply to Indian-made whisky, brandy, rum, gin and rectified spirit, which in purity are equal to the spirit imported from overseas, and have been certified now for many years by Government chemical analysis as pure and fit for human consumption.") It is worth consideration in this connection that all facilities of import, export, transport and sale given to the imported product should also be given to the indigenous spirits: I should go so far as to suggest that indigenous spirits deserve lower rates of duty while the duty on foreign spirits should be uniform in all the provinces.

As for power alcohol, many countries have been experimenting for years to make it a commercial success for use in internal combustion engines. The whole question is how to make alcohol unfit for human consumption and at the same time fit for consumption in

the engines. The prevailing excise rules compel the use of 'caoutchoucaine'. This substance is obtained from the destructive distillation of rubber and "is not suitable for denaturing alcohol intended for use in the internal combustion engines as it leaves a gummy residue which clogs valves and fuel jets. The Government have lately relaxed to some extent the use of caoutchoucaine for denaturation in special cases and have allowed in its place the addition of 5 per cent wood naphtha but the price of this ingredient is prohibitive." Hence it is necessary that Government should allow experiments to be carried out for the investigation of some suitable ingredient for denaturation. I think investigation of this nature can be undertaken by some of the Indian universities.

But the object at which the denaturing ingredient aims can also be achieved by legislation. If the Government enforce the use of petrol by mixing it with power alcohol by a certain percentage, say between 5 and 10, the whole of power alcohol of the available molasses in the country can very well be used. In that case if one were to use alcohol for intoxicating purposes, he must first waste petrol, which means about 90 per cent of the mixture, before he can find spirit available to him. Thus this will act as a check upon the use of spirit for intoxicating purposes. But since power alcohol will be a competitor of petrol in the Indian market (because it can be manufactured to sell at about 8 annas a gallon which is below the current price of petrol in the mofussil), it is apprehended that the Government may not be willing to encourage the production of a substitute for petrol which yields it revenue from duties. It will be very unfortunate indeed if such considerations prevent the Government from taking the desired step in the interests of an industry which brings revenue to the Government in many ways—it will at least ensure the yield of land revenue and then the duty on sugar. Besides cheap power in the country means advent of prosperity in so many ways.

"Molasses is the cheapest raw material in common use for the production of alcohol for industrial purposes," says the Report of the Imperial Sugarcane Research Conference, London, 1931, "the price being governed by supply and demand. Alcohol is a suitable ingredient of fuels for internal combustion engines, imparting to them certain anti-knock properties. Its manufacture presents no difficulties. It is mainly, therefore,

the question of price in competition with petrol which determines whether it can be used profitably as motor fuel."

The lines of investigations which I have above suggested will, however, take time. Relief is urgently and promptly needed, which can only be had by raising the prices artificially by imposing the duty on imported molasses. The present *ad valorem* duty should be made specific and in imposing a new duty we should aim at the total reduction of imports. At present the Tariff valuation is Rs. 2-14-0 per cwt. for quantities imported in bulk and Rs. 3-6-0 per cwt. imported otherwise and for both 25 per cent *ad valorem* duty is charged. This should be raised in such a way that in the coastal provinces molasses may not sell at less than Rs. 2 per maund duty paid. The Tariff Board were against raising the duty because in their opinion: (1) It would seriously affect the important lac, paint and furniture polish industries, and (2) on the balance (fiscal), it would appear that the country would lose rather than gain. They said that "since the application was first received, the position has much changed. The price of molasses has risen to about Rs. 2-12-0 a maund and even if the duty was completely removed, denatured spirit could not be manufactured in India from imported molasses to compete with imported spirit. Messrs. Carew & Co. have therefore for the present withdrawn their application and we have no recommendation to make. It may be added that in our opinion the future of the denatured spirit in India depends on the development of the white sugar industry. If more sugar factories are established and production increases, competition will reduce the price of molasses to a reasonable level and the distilling industry will then be established on

a far sounder basis than if it relied on raw material imported from abroad." What was forecasted by the Tariff Board in the latter part of the above passage holds good to-day. The price of molasses has very much gone down and its supply is bound to increase further as the sugar industry will develop in the country. Therefore the above objections do not hold good now and no industry is now likely to be affected. Even with the imposition of a new duty the prices of molasses will only rise temporarily as the supply of molasses will soon increase and bring down the prices.

In the end I have to add that a sugar mill industry is now in the making in India. But unfortunately with the advent of protection which foretold an era of boom, a setback has been caused by the reduction in the purchasing power of the agricultural community which forms the bulk of the Indian population and for that reason what was expected by the Tariff Board is not so likely to materialise in the immediate future. This has made it all the more necessary that the bye-products of sugar should be fully utilized. Who knows that the price cutting has reached the rock-bottom: there may be yet another desperate attempt at underselling. Java which has invested so much capital in her industry with the prospect of India as her principal market, may once more try to wreck our industry. We have to guard our industry against such dangers and not leave it in the old haphazard state. The Russian sugar is being imported and there is every likelihood of the Indian markets being once more dumped by foreigners to recapture the markets in India. India is considered in many quarters to be the last refuge of the surplus producers of the world.

The Poona Industrial Exhibition, 1933, will open on the 26th of this month (February). It will be held under the auspices of the Lord Reay Industrial Museum, Poona. It will be inter-provincial in character though one of its special features will be the paying of particular attention to Poona industries. The ensuing Exhibition will be the 9th of its kind to be held at Poona. As the last Exhibition was attended by over 90,000 persons, it is expected that the present one will be visited by a still larger number. Poona has a population of 2,32,266, while the District which goes by its name has over 1,333,528.

It would pave the way to a more general and enlightened interest in economic questions if something could be done to dispel the illusion that economics is necessarily a dismal science. A useful beginning might be made by printing an authoritative definition of the word. According to the *Oxford Dictionary* economics is the practical science of the production and distribution of wealth, or alternatively the condition of a country as to material prosperity. Clearly that is exactly the subject of greatest moment to the whole nation at the present time, writes the *Times Trade Supplement*.

Purchasing Power of the People.

By C. B. L. Mathur, M.A.

The economic blizzard has blown all the world over for more than three years and its end is not yet in sight. There is not a single corner of the earth which has not felt its blighting effect, nor there is any industry whose activities have not been considerably dulled by it. The economic barometers have recorded an excessive slump in the business of the world the parallel of which will not be met in the recent economic history of the world.

This world-wide industrial depression has presented to us several queer economic phenomena and has brought into limelight certain essential weaknesses of the existing world economic mechanism. For example, on the one hand, we see hunger marchers parading in the streets of Washington, London and Berlin and on the other we see heaps of grain stored in the elevators of Canada, U.S.A., Russia and France, and gold in the vaults of the banks of France and U.S.A. Similarly we see the whole crop destroyed by the locusts in the Northern India, yet grain selling at rates cheaper than what prevailed fifty years ago.

Economists and statesmen have met and discovered the chief causes of the depression to be armaments, reparations, war debts, hoarding of gold by France and U.S.A. and over-production and under-consumption of goods. This last named factor deserves greater emphasis than has been laid on it, because really it is the direct and root cause of the depression, while the other factors are important only in so far as they intensify its acuteness. The productive power of the world has far out-stripped its capacity to make the produce available for use. We have learnt to produce wealth in as large a quantity as we like but we do not understand the way of distributing it equitably among the people and also the morality underlying it. The result is mal-adjustment or lack of equilibrium between production and consumption of goods. Markets are glutted with goods but people do not possess the wherewithal to purchase them. The real problem then is how to increase the purchasing power of the people in order to balance it with the goods produced and also how to check production of goods if they be produced in excess of what are required for the satisfaction of collective human wants.

Before discussing the means of increasing the purchasing power of the people, it may

briefly be noted as to what has been done to solve other factors responsible for the industrial depression. Armaments affect the purchasing power of the people inasmuch as a large part of public money contributed by the people is spent on them. If they be abolished or reduced, people will be relieved from heavy taxation and will be enabled thereby to spend the saved amount on purchasing useful goods. Similarly abolition of reparation payments and reduction of war-debts will lighten the burden on the public exchequer, will consequently cause taxes to be decreased and leave more money with the public to be spent on useful goods. The questions of armaments, reparations and war-debts which are intimately connected with each other have been engaging the attention of the statesmen of the countries interested in them for several years past. A few months ago two important conferences met at Lausanne and Geneva one after the other but unfortunately they produced hardly any useful result. Neither there was complete agreement among the powers on the question of limitation and reduction of armaments nor on the cancellation of reparations and war-debts. The success of such conferences depends upon greater mutual trust, goodwill and fellow-feeling than the nations have hitherto exhibited. The other factors *viz.*, tariffs, hoarding of gold and other financial questions will probably be discussed at the forthcoming World Economic Conference.

It is not known whether measures which directly affect over-production of goods and purchasing power of the people will find a place in the agenda of that Conference. Perhaps nations represented therein will make trade agreements resembling those which have recently been made on a small scale at Ottawa among the members of the British Empire. This is not enough. Purchasing power of the people can be increased in two ways, firstly by reducing unemployment and under-employment among workers and peasants and secondly by increasing their income. The world-wide depression points to the fact that all countries of the world are interdependent upon each other in their economic life. Economic conditions of one country exert a tremendous influence over those of another. It is not possible these days that a country may enjoy prosperity for any long period of time at the expense of or to the disadvantage

of another. Fortunes of the industries of all the nations are bound up together. It is therefore clear that there ought to be co-operation among the industrialists of the various nations in order to secure the common object, *viz.*, removal of the possibility of occurrence of industrial fluctuations so far as they lie in human power, and development of the trade and industries of the world as a whole.

At present trade is being carried on a competitive basis. But competition is blind. An industrialist in his enthusiasm for making cheap commodities for the market carries on production on a mass scale without considering the output of his competitors. This results in over-production. It is therefore necessary that competition should give way to co-operation. International combinations should be established in every industry. Producers of every important commodity in all the countries of the world should join in an association, firstly in order to study its demand in the whole world and the total quantity which should be manufactured, secondly to determine the quantity which each member should manufacture, thirdly to allot the markets where each member should sell and fourthly, to fix the selling prices and to do other useful services. Similarly there should be international co-operation in banking and other financial transactions. These measures will secure stability in the industries of the world and prevent unemployment taking place among labourers as it happens under the existing system. Also the various nations by international action should solve problems relating to migration and find out suitable outlets for that part of the population which will have to remain unemployed even when all the other measures have been taken to reduce the unemployment.

Again in order to increase the purchasing power of the people, the nations should change their domestic as well as foreign economic policy. Exploitation should be given up. Commerce should be carried on the principle of service. There should be no dumping of goods by one country into another in order to ruin or prevent the development of industries of the latter. Goods should not be foisted on an unwilling people. Exploitation brings in the long run its own evil results, therefore no nation can hope to thrive by making other nations poor.

It will be no exaggeration to say that the severity and long duration if not the sole cause of the present industrial depression

is due to the exploitation of two greatly populated countries of India and China by two imperialistic powers. There exists in India and China what may be described as chronic poverty and they cannot be expected to serve as perennial markets to the products of the highly industrialized countries which have not only mechanized industries but also agriculture and have quickened transport agencies to a great degree. The material condition of these two countries should be allowed to be improved unimpeded by imperialistic designs before world trade revival can be expected to occur.

Further when considering the means of raising the purchasing power of the people one cannot help urging the need of a subsidiary industry for the Indian agriculturists. They form 75 per cent of the population of the whole country and depend solely on agriculture which is a very uncertain source of income. They remain partially unemployed for three to six months in the year and when rain falls so heavily so as to cause floods in any part of the country, they have to remain there out of work for the whole year. A subsidiary occupation will substantially increase their purchasing power. The best supplementary industry is hand-spinning as recommended by Mahatma Gandhi as it excels others on the grounds of simplicity, cheapness, easiness and universal applicability.

Furthermore, the capitalists who control the production of goods in the existing system should abandon the idea of prospering by starving out the labourers. The State in every country should fix minimum wages conforming to a particular standard of living for the labourers and its introduction should be made obligatory on the part of the capitalists in the various industries. In this way wealth which is very unevenly distributed under the existing system will be distributed more equitably. By granting decent wages to the labourers, their purchasing power will be greatly enhanced.

There is another evil under the present organization of production which, if removed, will materially improve the purchasing power of the people. Middlemen should be turned out of the industrial field as far as practicable. Though they are fulfilling a necessary function they are charging a high remuneration for it. Co-operative societies can well be substituted for these middlemen. If they take over the function carried on at present by the middlemen, huge profits will be saved to the primary producers. They are particularly

required in India where the marketing of agricultural produce is very defective. The farmers sell their whole produce cheaply at the time of the harvest to the middlemen who enjoy the big margin between the high market prices and low purchasing prices. The benefits of high prices do not reach the cultivators who have to sell their whole produce year after year at the same low price. For example, who would imagine that the benefits of high protective duty which has been imposed against foreign sugar will accrue to the cane-growers of U. P. and Bihar? Only a few wealthy directors who are controlling the sugar factories will reap fat dividends. Also a few contractors who undertake to supply sugar-canes to these factories will be enriched. The economic position of the sugarcane growers will con-

tinue to be practically the same. Co-operative societies for storage and marketing of agricultural produce will considerably increase the holding and selling power of the Indian peasantry. Also the purchasing power of the farmers will be much raised if the middlemen's profits will be transferred to them. The provincial Co-operative departments in India have hitherto laid special emphasis on the co-operative societies for supplying cheap credit. They should also popularise co-operative societies for marketing and storing agricultural produce. But here co-operation has not much succeeded on account of appalling illiteracy of masses and unless primary education is made free and compulsory, it will be futile to hope that much will be done in this direction.

The New World of Islam.

By M. Sultan Mohiyuddin, M.A., LL.B., M.Ed.,

Deputy Director of Public Instruction, Mysore.

It has been rightly observed by some one that there have been more changes in the Islamic world during the twelve or thirteen years after the close of the Great War than in as many centuries in the past history of Islam. The changes have been rapid, profound and far-reaching. Hardly any aspect of life—religious, political, cultural, economic or social—but has undergone a transformation. Foreign visitors going back to Islamic countries after the interregnum of the war stand amazed at the proportion of the change in the life of the peoples. "From Morocco to China and from Turkistan to Congo, the 250 million followers of the Prophet Mohammed are stirring to new ideas, new impulses, new aspirations." Islamic world quiescent for nearly a thousand years has been quickened by the spirit of progress and reform which has manifested itself among the several Muslim peoples in proportion to the degree of culture they have attained. The fact is undeniable that the renaissance of Islam is on the march: and whither it is going and how far it will go is a subject for speculation.

The book under review is a brief,* but more or less complete, compendium of modern Islam as a whole. The account of the modern

movements in Islam that it gives is a valuable contribution to an understanding of the new life stirring a vast international community, and cannot therefore fail to be of interest to all students of modern developments. The author, well qualified by his knowledge of Islamic history and post-war sociological movements, analyses with deep insight the various aspects of the Islamic transformation. He surveys the modern movements in the Islamic world and traces the underlying tendencies. The survey is sympathetic and critical. Quotations from the writings of leaders of progressive thought in Islam and also from Western thinkers illuminate the pages of the book and enhance its value.

But the work suffers from one great defect; it is not quite up-to-date. The book was first published more than eleven years ago: and although it was reprinted thrice, last about the middle of the current year, the developments since its first publication, which have been many and significant have not unfortunately found place in the book. Islamic world is marching, and every year ushers in new developments. The story of the "strange and romantic evolution" told in this book is therefore incomplete. It is greatly to be wished that later developments will be incorporated in the next edition of this very interesting book. In fact, a book of this type has to be continually brought

*By Lothrop Stoddard, Ph.D. Published by Messrs. Chapman and Hall, Ltd., London. Pp. 206. Cheap Edition 6s. net.

up-to-date, if it is to serve as a book of reference. The analysis of the tendencies and of the forces at the back of them is to our mind so correct that neither the general scheme of the work nor the main body of its contents will need material revision in the light of the subsequent developments.

The great change that is coming over the Muslim peoples has evoked various comments. Some superficial observers regard these changes as revolutionary in character, externally imposed, superficial and therefore only temporary. They cite the instance of Afghanistan of King Amanullah's days and prognosticate a speedy obscurantist reaction. Christian polemicists and hostile critics have long asserted that Islam is hostile to progress and reformed Islam is Islam no longer. Cynics ignore the importance of the changes and belittle their importance. Obscurantists ascribed this spirit of change to the material and degrading influences of the West. To all these, the book furnishes an effective reply, directly or indirectly. The central fact that is well brought out, is that Islam as theology is refreshingly simple, that it does not seriously fetter the mind to expand and adjust itself to the more complex conditions of an advancing civilization. That the inherent spirit of Islam favours progress is shown in the introduction to this book and in the first chapter. The Prophet, as though foreseeing the day when sweeping changes would be necessary, had said: "You are in an age in which if Ye abandon one-tenth of that which is ordered, Ye will be ruined. After this a time will come when he who shall observe one-tenth of what is now ordered will be redeemed."

The author tells us how the liberal spirit of Islam coupled with the alert, curious, eager and readily adjustable mind of the Arabs led to the remarkable cultural and intellectual flowering which is the glory of Saracenic civilization. Thereafter, reactionary forces appeared and the struggle between liberalism and obscurantism, reason and dogma, began. Reactionary forces gathered strength; and the "Motazalites," who clung to the doctrinal simplicity of original Islam and contended that the text of all things should be reason, were persecuted. By the twelfth century, the last vestiges of Saracenic liberalism were extirpated. In its downward movement, Muslim world reached the lowest depth of its decrepitude in the 18th century. From the 19th century is the story of Islamic revival. It will be interesting to

non-Moslem readers to know that the reformist movements sprang not from what could be considered to be the more advanced Islamic countries, such as Turkey or Egypt, but from the self-same Arabian desert which was the cradle of Islam.

In the darkest hour in the history of Islam came a voice calling Mussalmans back to the path of true Islam and seeking to purge Islam of its sloth and religious absolutism. Abdul Wahab, the leader of Wahabism in the 18th century and, later, Mohammad Ben Senussi, Jalaludin El Afghani and, in our own country, Sir Syed Ahmed Khan represented the movement for Islamic revival. The seeds sown in the last century grew imperceptibly and under the stimulus of Arnaegeddon have burst forth, as the author has shown, into sudden and startling bloom.

It should be remembered, in the first place, that Islam is much more than a system of theology: it is a complete civilization. The author says: "The truth is that Islam is more than a creed, it is a complete social system; it is a civilization with a philosophy, a culture, and an art of its own." Secondly, the culture of Islam is, as pointed out by a famous English savant, essentially of the Western type. In India and farther east, Islam was the standard bearer of Hellenism, though in an assimilated form. Again, the spark of the European Renaissance was lighted in the Islamic Universities of Spain where some of the famous leaders of Western culture had received their inspiration. This has been repeatedly recognized by European savants. Sir Mohammad Iqbal quotes the following passage from Briffault's *Making of Humanity*: "For although there is not a single aspect of European growth in which the decisive influence of Islamic culture is not traceable, nowhere is it so clear and momentous as in the genesis of that power which constitutes the permanent distinctive force of the modern world, and the supreme source of its victory—natural science and the scientific spirit." It was the long struggle against the political power of Christendom coupled with immobilization, through local influences, of an essentially dynamic outlook on life developed by Islam that generated an aversion for things Western. The renaissance of Islam has been quickened by Western stimuli, but it does not and will not mean complete Westernization. The forces of liberalism are inherent and have expressed themselves spontaneously. A recent English writer has declared that "In the

broadest aspect of history. what is now happening between Europe and Islam in the re-integration of Western civilization artificially sundered at the Renaissance and now reasserting its unity with overwhelming force." The genius of Islam is essentially progressive; and if progressiveness has been the characteristic of the West, the spirit of Islamic civilization has been Western. The author does not, however, go so far. He maintains that "It is not a mere copying of the West that is to-day going on in the Moslem world, but an attempt at a new synthesis--an assimilation of Western methods to Eastern ends."

The political, economic and social changes in recent years in the world of Islam are described in the main part of the book. But

the survey is not confined to the Moslem countries. India comes in for a large measure of notice in the latter chapters and a separate chapter has been devoted to Nationalism in India. But, as observed elsewhere, the more recent phases of national awakening and events of national importance after the inauguration of the Non-co-operation Movement of 1921 have found no place in the book.

The book is, however, a well-documented account of the recent changes in the Near and Middle East; and we recommend it strongly to all those who desire to know the inner impulses working in the world of Islam to-day.

Soap Making.

By Dr. R. L. Dutta, D.Sc., Industrial Chemist, Bengal
and Tinkari Basu, B.Sc., F.C.S., Assistant Chemist.

There are in India not a few indigenous oils and fats of a vegetable origin which possess good soap-making properties but cannot be made use of in the soap industry for the production of a good soap. The reason is that these oils and fats contain varying proportions of colouring and odorous matters, and, frequently organic mucilageous matter. These impurities must be removed to the greatest possible extent if a really good soap is to be made consistently with the general quality of the raw material.

The organic mucilageous matter is derived from the seed during the expression of the oil and remains in the oil in a fine state of division, giving it a cloudy appearance. The mucilageous matter may not have any colour of its own, but when brought in contact with caustic soda lye in the hot state, as in the soap pan, it is readily acted upon and frequently produces colours from which the resulting soap cannot be freed. It will be seen, therefore, that the soap will be of an inferior quality when made from such oil than when made from the same oil after the removal of the mucilageous matter. A simple process for the removal of the mucilageous matter has been devised and found satisfactory. The process, as described later, consists of the treatment of the impure oil with boiling water, followed by the settling of the impurities on standing. It leaves the oil free from all mucilageous matter and their harmful effects.

The most obstinate impurities are, however, the colour and the odour, and these appear to remain dissolved in the oil, and sometimes in their own vehicles, and cannot readily be got rid of in a simple way. Their elimination, partial or total, cannot be effected without chemical means. Drastic chemical treatments cannot, however, be resorted to for the reason that while removing the impurities in those cases in which removal is possible, they also destroy the natural protective element of the oil and lay it bare to the development of rancidity from the effects of which the soap made from the oil cannot enjoy immunity. After an exhaustive search for a suitable process for purification, so far as the requirements of the washing soap industry are concerned, a method has been devised which consists only of a slight modification, as described later on, of the process of soap boiling without involving any separate treatment of the oil, and meets the end in view.

WATER PURIFICATION.

The processes of purification are described below:—The oil or fat to be purified is to be taken in a round-bottomed iron pan of a size suitable for the quantity of stock to be dealt with the oil or fat filling up to nearly half the pan. Water of a volume equal to that of the oil should then be run into the pan. The little empty space left in the pan will be enough

for the boiling, as there will be no fear of the contents swelling up like soap. The oil or fat, being lighter, floats on the water. The contents of the pan are next boiled for one to two hours depending on the quantity of impurities present in the original oil or fat. No harm is done by heating the pan over direct fire, because the oil forms the upper layer and never comes in contact with the bottom of the pan. In some cases, however, a little froth is noticed. The boiling should in such cases be continued until the froth disappears. It is essential that a state of brisk boiling be maintained during the process. The agitation of the contents caused by ebullition is more helpful than any mechanical stirring device in bringing all the oil and water in repeated close contacts. The treatment leaves the oil in a condition in which it can quickly settle the impurities. On the conclusion of boiling, the pan is left undisturbed for a sufficiently long time to allow of proper settling of impurities. The clear oil collects at the top and all the mucilaginous matter is found collected in a layer of emulsified oil between the clear oil and the water. After the settling of the impurities, the supernatant clear oil is taken off, either by means of cocks or by pumping off, leaving the layer of emulsified oil for further treatment as described later on. If the oil has a chance to solidify on cooling, it has to be removed while still hot, or it may be allowed to solidify and the impurities that will be found in the bottom side scraped off.

The thickness of the emulsified layer depends on the nature of the oil. With a saturated oil the emulsification is little or nil and the oil separates very readily, while it is not so in the case of an unsaturated oil. The iodine value, *i.e.*, the amount of iodine absorbed by an oil or fat, is a measure of its unsaturation, the more unsaturated oils having higher iodine values and *vice versa*. Coconut oil and tallow, for example, which have very low iodine values and are hence fairly saturated, do not, for all practical purposes, emulsify, while linseed oil, owing to its very high iodine value and consequent unsaturation, emulsifies very readily. Mowha and Karanja oils have, in accordance with their respective iodine values, intermediate emulsifying powers, the latter, as expected, surpassing the former.

Oils which emulsify readily take long to separate into oil and water again. When, therefore, such oils are treated according to the method just described, considerable quantities of the oil are held by the emulsion from

which it separates out only very slowly. The purification process is thus made a very lengthy one in the case of the above oils, and it is therefore not advisable to treat them singly. In admixture with low-emulsifying oils, however, they have been found to separate readily. It is therefore recommended that the soft oils, *i.e.*, oils with high iodine values, should, for the purpose of purification, be mixed with hard oils, or fats with low iodine values.

The emulsified layer, containing the mucilageous and other light impurities, is filtered through cloth. The filtrate consisting of a clean mixture of oil and water is added to the next charge, the impurities being separated and retained by the filtering cloth. It will thus be seen that no oil need be wasted in the process of refining, the impurities being the only thing eliminated.

The purification of the oil by the above process should be undertaken as and when the oil is required for saponification. If much time is allowed to elapse between the purification and the saponification, the purified oil may develop a fresh objectionable odour without redeveloping colour.

Practical application of the above method of refining was made in the case of tallow containing fleshy and other impurities.* Although it effectively removes all floating and mucilageous impurities, it does not generally remove the odour and colour of the oil, except to a small extent by the action of water and the effects of boiling.

PURIFICATION OVER SPENT LYE.

For oils which have a bad odour with or without an objectionable colour, the course of treatment with boiling water is not, as already stated, enough. Some of the more volatile constituents of the odour are, it is true, carried off by the steam in course of the boiling, but the stabler ones are not dislodged. The hold of the vehicle on the odorous matter as a whole, or at least a very substantial part of it, must be loosened—a task to which boiling water alone has not been found equal. To achieve the object in view, the oil or fat is to be boiled over the spent liquor obtained on salting a pan. It is essential that the spent liquor should contain enough salt to prevent the stock to be purified from forming an emulsion with the lye, or the dissolving, in the latter, of any soap which is formed as a result of the partial

* Bengal Industrial Department Bulletin No. 80 (English) and No. 40 (Bengali).

saponification of the stock with the caustic soda present in the spent lye. This process removes the odour to a great extent, unless the same is present in an excessive amount in which case a more rigorous treatment will be necessary. It will thus be seen that during the process the small quantities of the caustic usually present in the spent lye is utilized in saponifying a portion of the oil, the purified product being directly mixed with the main soap charge.

When there are much odorous and colouring matters present in the stock, it is to be purified separately before going to form any mixture and the purification process is to be pushed to the extreme by eventually saponifying the stock. By such treatment alone can all the colouring and odorous matters in the oil be effectively removed, unless they are present as independently coloured resinous or similar bodies which pass through the transformation into soap with their original colours. An example of the latter case is punnal oil, the colour of which is due to a coloured resin.

When the stock to be purified is of the above description, that is to say, contains much odorous and colouring matters associated with resinous bodies, the simple boiling over spent lye containing a little free caustic soda will not meet the end. Examples of such cases are neem oil and grease from bones. In such cases it is not possible to have refined oils, for the treatment required amounts to saponification of the stocks in order to deprive the odour and colour of their vehicles, the final product being soap free from the defects due to odour and colour. The following procedure is to be adopted in these cases. The stock is to be added to the spent lye and boiled to nearly complete saponification. This necessitates the addition to the spent lye of just enough oil or fat which can be saponified by the free alkali present in it. It is sometimes an advantage to supplement the

caustic originally present in the spent lye with fresh caustic to get through a larger quantity of oils and fats and to utilize the lye medium for the elimination of as much colouring and odorous matters as possible. When the saponification proceeds over the spent lye, the oil medium carrying the odorous and colouring matters is converted into soap with the result that the colouring matter is disengaged and discharged into the lye and the odorous matter escapes along with the steam. The oil thus purified and converted into soap is next added to the main soap charge for the production of high grade soaps consistently with the general quality of the raw material and without any of the disabilities due to the colouring and odorous matters.

As the process entails the boiling of large quantities of lye for the treatment of limited quantities of soap stock, the operation is best carried on economically in shallow pans over the flues of regular soap-boiling furnaces. It will be seen that the heat that is usually wasted will be utilized in the recovery of all the caustic soda in the spent lye and at the same time in purifying, or treating up to saponification, very inferior stocks and making them suitable for good quality soaps.

To sum up the results, the purification over water is necessary if the oil contains much floating mucilaginous organic matter. This is to be followed by a spent lye boiling if the colouring and odorous matters are not of much intensity. When, however, these are very intense, almost complete saponification over spent lye will secure their removal except in those cases in which some resinous constituent of the stock is itself coloured. The very inferior stocks must be treated separately for purification before putting to the soap charge. These steps will ensure the production, otherwise impossible, of high quality soaps from inferior stocks.

The death is announced in Athens on October 27 of Mme. Sophia Schliemann (*nee* Kastriotis), widow of Heinrich Schliemann, the famous German archaeologist, and excavator of Troy and Mycenæ, who died in 1890. Mme. Schliemann became herself, under the tuition of her husband, a classical scholar and archaeological expert; she assisted Dr. Schliemann in his excavations, and it was largely owing to her personality and influence that he was able to obtain the concession to excavate at Tiryns and Mycenæ.

In the course of a broadcast speech in *Mail Week*, Lord Snowden in criticising the Ottawa Agreements said:—The country will now enter the forthcoming economic conference with its hands tied by these agreements to maintain existing tariffs. We have nothing to offer to foreign countries and any hope that anything will be done to mitigate the curse of world tariffs must be abandoned, thanks to the action of the British delegates in submitting to the dictates of the Dominion.

Some Problems of Vocational Education.

By Dr. K. N. Kini, M.A., Ph.D., Dip. in Edn. (Columbia).*

Most of the vocational education in our country is imparted by the father-son or mother-daughter apprenticeship. Since modern scientific methods of agriculture, industry, transport, commerce and house-craft have not advanced very much, and since most of the people are still illiterate and have no conception of improved methods of production, distribution and exchange, most of the vocations have stagnated. Nor is there any hope of material progress so long as we do not think of increasing our raw products and of converting them into manufactured articles for consumption in our own country and export outside by utilizing modern scientific processes. If we do use our energy in this huge task there will be need for enormous employment of skilled and intelligent labour and the question of unemployment of the educated class can to a certain degree at any rate be solved.

CLASSIFICATION OF VOCATIONAL EDUCATION.

Broadly speaking, vocational education can be divided into three categories, first the old-type apprenticeship, secondly, by organized school instruction and thirdly, by extension education by which is meant instruction given to people while they are engaged in the job, i.e., at the very place where they are working. The first leads to stagnation, is unprogressive and is uneconomical and therefore wasteful. Vocational education by organized school instruction and by extension agents is worthy of our consideration. The two modes must be going on simultaneously, each reinforcing the work of the other.

Each of these two modes of vocational education may be applied to all vocations, which may be grouped under four heads, home making, agriculture, industry and commerce. Under each of these heads, we shall have to consider three types of population, namely, workers or labourers, foremen or supervisors, and leaders or captains. So we can realize the immensity of the task and the multifarious channels into which it works and therefore the responsibility of those who have to organize a really sound national system of vocational education.

VOCATIONAL INSTRUCTION THROUGH SCHOOLS.

Here we are confronted by a peculiar situation which is not found in the advanced Western countries. In America, Germany and England, for example, education is well-nigh compulsory till the age of fourteen and pupils are not given vocational education till they are thirteen or fourteen. In our country where there is no compulsion, we are obliged to establish artisan-type industrial and weaving schools (such as those at Channapatna and Dodballepur) and bring into them mostly illiterate children of artisans and give them a smattering of literary education for an hour or so a day and vocational instruction for the rest of the time. After they go out of school, they have to depend for further instruction on extension agents such as industrial superintendents or weaving demonstrators. These schools will have to remain as such until we introduce compulsion, after which time they will change into vocational schools for the literates.

There is need now to bring into our school system a class of institutions to train intelligent and skilled workmen and supervisors, leaving it to the Colleges and Universities, to make arrangements to train leaders and captains of industry.

A four-year primary course is the irreducible minimum to impart permanent literacy to a child, and as time goes on we should enhance the minimum to a six-year period. The 1928 Educational Survey shows that about 40 per cent of the boys in the Primary fourth grade are above the age of 12 years and most of the children that drop off in this class are from this group. They may not have aptitude for purely literary studies. We must not allow them to go into the world without any preparation for following an occupation. For the sake of these pupils we must have what may be called vocational middle schools of two, three or four years' duration as the case may be where we teach agriculture, trade or industry and commerce to boys and home making to girls.

PRACTICAL ARTS IN GENERAL SCHOOLS.

Ordinarily I am not for introducing vocational instruction in primary schools. These schools are to be reserved for imparting literacy. Older boys who have not made sufficient progress in the three R's may go

* A paper read before the Mysore State Conference of Primary and Middle School Teachers on the 24th December, 1932.

to artisan type industrial schools if they care to. Those that are fairly good in the three R.'s may be admitted into the vocational Middle Schools, even if they fall a little short of the standards of a full primary course. But it is very necessary that all children in the Primary Schools should have manual occupations for two or four periods a week to impart to them certain skills and habits, appreciation and knowledge of occupations, which they cannot obtain in the purely literary studies. In the general Middle and High Schools too, we must provide for at least two periods of practical arts to all pupils in subjects like agriculture, trade and industry, commerce and home economics, not with a vocational objective but with the sole purpose of giving them an insight into and appreciation of the main occupations into which the large proportion of human beings are engaged. The purpose of practical arts is cultural whereas that of vocational education is the training of the individual to gain a fair mastery of the vocation so as to enable him to earn a living by following it on leaving school. I do not think that a pupil can get vocational efficiency by obtaining instruction in a subject for two or four periods a week for two or three years. This training is good as practical arts education but is a poor substitute for vocational instruction.

VOCATIONAL MIDDLE SCHOOLS.

It is time that we start vocational middle schools with the idea of imparting vocational instruction to pupils to enable them to earn a living on leaving school by following that vocation. Here greatest emphasis must be laid on practical training of the vocation by setting apart half the time for it. The other time must be divided among drawing, mathematics, science and language related to the vocational subject and occupational civics. The conditions of work must be as far as possible those obtaining in the vocation. For boys, I would advocate a six hours working day and a six days working week. If we consider a subject like wood-working, eighteen hours a week would be devoted to shop, five hours for drawing, five for related mathematics, three for related science, three for related language and two for occupational civics. Visits to factories and other industrial or related works should be undertaken and the time found from this schedule of work. These visits will not only broaden the occupational outlook of the pupils but also show them the actual conditions of industry.

Broadly speaking, we shall have four types of these schools, namely, Agricultural Middle Schools, Trade and Industrial Middle Schools, Commercial Middle Schools and Home Economics Middle Schools. The hours of work and the time of working will have to be adjusted for each taking local conditions and the nature of the subject into consideration.

We must arrange for a two-year course to commence with, and then, if students are forthcoming, we might have a three-year course and also a four-year course, considering the last two as senior courses.

METHODS OF VOCATIONAL TRAINING.

Here I would impress three methods which could with advantage be followed in our country, namely, the Dalton Plan, the Project Method and the Co-operative Plan (called in England the 'Sandwich' method) each as circumstances arise in school work.

The principle of Dalton Plan is that each pupil is enabled to progress at his own rate, limited by his intelligence and aptitude for manual work. He is given assignments of work, called 'contracts', to be completed not in a day or a few hours but in a fairly long period of time, say four or six weeks. The pupil has much liberty in selecting his topic of study at any particular time and pursue it as long as it interests him. I have seen this method adopted in some of the vocational schools of the United States and it is working well, even better than in the general schools where it is at a discount to-day.

In the Project Method, a group of pupils undertake to do a certain piece of work with a definite purpose in view and in actual social setting of usefulness to the community. For example, the vocational school may undertake to build a house for a private gentleman of the locality. The headmaster enters into a legal contract with him to execute the work as per previously determined plan and estimates. The senior students do the work. The foundation is laid by ordinary labourers under supervision of the school. The pupils of brick-laying and masonry department construct the walls. Wood-workers prepare all wooden parts and set them up at the required stages. The plumbing section instal gas and water equipment. The electrical students do wiring and fixing lights and heating apparatus. Interior decoration pupils contribute their share and metal workers theirs. All these tasks are done under the general supervision of the headmaster (called Principal in America) and the particularized

instruction of the concerned vocational teachers. In this way not only do pupils get integrated experience actually on the job but the school demonstrates to the taxpayers what it can accomplish.

The 'home project method' would be a very feasible thing for us to do in agriculture, commerce and home economics by which a pupil, in consultation with the parent, and with instruction from the school, undertakes to do a job at home or at a shop and get credit for it at school. The success of any vocational education scheme depends upon the co-operation of the school and the home, and the project method lends itself best for achieving this purpose.

According to the co-operative plan, the pupils of any trade or industrial class are divided into pairs, one boy of each pair going to a factory or industrial concern for work for wages for two weeks while the other boy of each pair gets instruction in school in related and other subjects. During the next two weeks the boys working in the factory go to school for getting their theoretical instruction and the respective pair-pupils at school for the first fortnight take their place in the factory during the next two weeks. By thus alternately working in the school and the factory, the pupils are enabled

to obtain instruction under actual trade conditions and are brought into contact with their prospective employers. In the United States, this plan works fairly smoothly in many places, especially because the industrial and commercial magnates have been gradually realizing the advantages of the method themselves. The girls studying in the home economics and commerce sections are placed similarly in restaurants and offices and sale departments of big chain and other stores.

OTHER PROBLEMS.

There are various other problems, which I cannot consider here for want of time. The vocational education at high school level and post-high school stage, continuation school education, evening and short period courses, extension education, training of teachers, finance and above all, vocational guidance, constitute problems which are bristling with difficulties but have each their particular interest and utility in the body politic and we cannot shut our eyes to any of these if we are to take our place among the advanced nations and if we are not to take our pupils by the one ladder leading to the University which for most pupils may lead to nowhere vocationally as we have begun to witness at present.

Agriculture in Hyderabad, Fasli 1340.

By R. Sarma, B.A.

The report on Agriculture in Hyderabad during Fasli 1340 records progress in almost all directions. It covers a period of twelve months ending with the 31st of Thir 1340 Fasli (6th June, 1951 A.D.). This is the first report received which deals with a full agricultural season, since formerly the period for report ended with Fasli year at about the beginning of October. Mr. Nizamuddin Hyder continued to officiate as Director of Agriculture throughout the year. He also held charge as Deputy Director of Agriculture for the Telingana Division for the first six months, after which he handed over charge to Mr. G. S. Kurpad. Mr. V. R. Dharwarkar continued to hold charge of the Marbatwara Range. Thus during the whole year, there were only two ranges in the State with its area of 82,698 square miles. At the end of the year, Government approved of the scheme for the establishment of four ranges, each consisting of from three to four districts. One new range is to consist of the four

south-western districts, Raichur, Gulbarga, Osmanabad and Bidar with headquarters and an experimental farm at Raichur and the other of the three eastern districts, Adilabad, Karimnagar and Warangal with headquarters at Warangal. Unfortunately, owing to financial stringency, Government was only able to provide funds for the Raichur Range in the budget for 1341 Fasli. It is hoped, however, that funds for the other range will soon be forthcoming. During the year under report, propaganda work could be undertaken only in nine districts and only in a part of these.

We note that the lay-out of the Himayat Nagar Main Farm was completed. Although the land is still uneven in many places, a fair area suitable for experimental work was available during the year. The Parbhani Main Farm, on the other hand, was still to a great extent undergoing levelling and it was decided not to start any permanent experimental plots there for the present. Useful work was,

however, accomplished with varietal trials. At the older farms, e.g., Sangareddi and Nizamsagar, useful work was accomplished. The latter, a small farm, is now being closed, as a larger new farm is being opened at Rudrur more towards the centre of the main irrigated area. Sites for the new main farms at Rudrur and Warangal were selected and the former is now being acquired.

Research work and experiments were carried out during the year. Mr. Bhide, the Economic Botanist, continued his work on castor, paddy, wheat and *juar*, and the Director summarises the results which he has so far obtained. One paddy with an increased yield of from 10 to 27 per cent has been isolated and has given consistent results for several seasons. Some of this seed is being given out for trial in the season which is commencing. Progress with castor is less quick, because only one crop is grown each year, but it seems certain that within the next year or so, it will be possible to commence distribution of a strain which will give very much higher yields to the cultivators than anything which they have had before. Improved strains of wheat are also now distributed. Cotton research work is in charge of Rti Sahib Kalidas Sachdev, the Cotton Research Botanist, who, with his staff, is paid by the Indian Central Cotton Committee and works to a great extent under its control. He is mainly engaged in trying to isolate a strain of *bari* or *gauri* cotton with a higher yield and better ginning percentage. Progress has been slow so far, but there appears some hope of success eventually. His work is of the greatest importance not only to the cultivator but to the cotton mills of India, many of which depend to a great extent on the *gauri* crop. Cotton occupies about three-and-a-half million acres in the Dominions mainly to the north and west and from the money point of view is the most important crop in the Dominions. In respect of area, *juar*, with over nine million acres, is much the most important, and anything which the department can do to improve its output will be of the greatest value to the *rajyat*. Work on wheat and paddy is of less importance and will have far less general effect in the Dominions than any successes with cotton and *juar*. For these two crops it seems likely that the introduction of an improved rotation will prove more useful than the distribution of fresh strains.

Lack of staff has prevented propaganda work: But the number of demonstration

plots on cultivators' holdings rose from 24 to 673. As in the preceding year, the most successful results were with sugarcane known as Coimbatore No. 213 and the erect type C groundnut. These hardly need demonstration any longer in the areas where they have been tried in Telingana, and in fact it is not possible to meet the demands for seed. Manual demonstrations met with less success but since the close of the year, the demand for composite manures, such as Ammophos and Niciphos, is rapidly increasing. These fertilizers are recommended not so much as being better than farmyard manure, whether natural or artificial, but as being reliable substitutes, where sufficient manure cannot be obtained. Lack of manure of any sort is in fact one of the greatest difficulties of the Telingana *rajyat*, especially in irrigated areas. The Telingana area has also been backward in the adoption of modern implements, and Government are glad to see that the cultivators of this part of the Dominions are beginning to recognize their advantages. Demonstrations in Mahratwara are still relatively few, partly because of lack of staff and partly because of the department commencing systematic work in this part of the State rather later. As usual *bari* cotton seed of the purest quality available in open market was distributed on a large scale in most of Nanded and part of Parbhani districts, and it is estimated that over 80,000 acres were sown with this seed. *Bhillu* cotton was distributed in Aurangabad where 3,300 acres were sown with it, and with the assistance of a grant of Rs. 5,000 from the Indian Central Cotton Committee, sufficient seed of the varieties known as Gadag No. 1 and Dbarwar No. 1 were given out in Raichur District to sow 28,000 acres. The adoption of the method of demonstrating improvements on the cultivators' own holding is proving most successful and it is hoped that, as the trained staff increases and the work of the department progresses, improvements will be rapidly brought into general use.

We are glad to note that the engineering section put down 65 horses of which 56 are reported to have been successful. The number of applications for their services is on the increase and it is impossible for this section to meet the demands owing to shortage of machines and staff. Government have since sanctioned the purchase of a Calyx power drill which should be of use in rocky areas, but the work that is being undertaken by the Agricultural Department, in this

direction, is chiefly for supplies of drinking water, which fall outside its sphere. An experiment in the use of tractors for dealing with deep-rooted grasses was conducted in Raichur District, but, owing to defects in the tractors used, much time was lost from breakages. The four tractors purchased for the experiment have since been handed over on contract to the Burmah Shell Company, who have been continuing the experiment in the same district.

Among the Surveys carried out, that of the poultry industry was completed. A survey of the fruit-growing industry was also begun during the year. The Industrial Trust Fund found the money for both these Surveys. A survey of cotton pests was also undertaken and is being continued in the present season, while a survey of the cotton crop was also commenced with a view to find out exactly what varieties or types compose the crop in various parts of the Dominions. The Indian Central Cotton Committee has supplied funds for the latter.

It is of interest to note that the Hyderabad Farming Association was formed during the year in order to encourage and help gentlemen farmers and to improve the farming

profession in the Hyderabad State. The Association is issuing a quarterly magazine and it is proposed to give grants-in-aid to those of its members who are prepared to farm their own land in accordance with the advice of the department and to supply pure seed for distribution. An Association was also established to assist poultry fanciers in the State.

The remarks offered in regard to adulteration of commercial products is worthy of word. There are now Gaorani area, which consists of parts of Nanded, Bidar districts, and the Kumpta area in the south-west corner of the State. In the former area the Cotton Transport Act aided by the licensing system undoubtedly prevents the mixing of cotton. In the Nanded market, both long and short staple cotton are auctioned and ginned separately and the average extra price realized by growers of pure cotton over that of the mixed amounted to Rs. 16-8-0 per kandi of 656 seers of kapas. In the other area, the Act has only recently been extended but promises to secure equally good results for the cultivators. The watering of cotton now seems to have been suppressed throughout the Hyderabad State.

The Mysore Educational Conference.

By B. Venkatesa Sastry, B.A., B.T.

The tremendous amount of awakening in every field of human activity that is being witnessed in India to-day has had its presence felt in no mean degree in Mysore. In such an awakening, adjustments of institutions to the changing needs and aspirations of a people will have to take place without loss of time, if progress is at all to be achieved. The amount of adjustment depends upon the extent to which the people could understand and absorb the views of the more enlightened among them; and this means that the masses must be educated. Mass education brings in its train a series of problems peculiar to itself and to the locality. Then comes the question of differentiation in education, especially when education passes from the classes to the masses. Then, there is the question of the science and art of teaching and the like. To discuss these problems, to take stock of the progress made and to compare notes many Educational Associations have sprung up all over India, and many are the conferences that are being held to focus public attention on the more pressing problems

of the hour. In the words of the Hartog Committee, in their Report on the growth of Education in British India, "India has reached a critical stage in the development of her education: and the decisions to be made are of vital importance. It will be for those in authority to consider what shall be the next step."

The Second State Conference of Primary and Middle School Teachers in Mysore was held at Bangalore during the week preceding the last Christmas. Over twenty-five hundred teachers, men and women, actively engaged in teaching, from the rural as well as the urban centres all over the State, assembled in the spacious halls of Vokkaligara Sangha Buildings, eager to listen to the learned talks of Educational experts, and to partake in the discussions of various educational problems. It may be remembered that the State has lately embarked upon a new era of educational policy by handing over the administration of Elementary Education to the Local Education Authority; and in the light of this the Conference was of

immense interest. The body of teaching profession is pulsating with a new spirit, and is putting forth all that is best in it, to see that the masses are educated to their maximum capacity.

PROBLEM OF ILLITERACY.

A number of speakers dwelt on the problem of illiteracy and pointed out the means by which the evil may be eradicated. Setting forth in brief the figures of the literate populations in British India and in several States Mr. D. Venkataraniath, the Chairman of the Reception Committee, pointed out that we, in Mysore, were in no way better off than our British Indian brethren, and that we were far inferior to those in the sister States of Baroda, Travancore and Cochin. He did not like to accuse the villager for this state of affairs, charging him as it is customary to do, with apathy, and superstition for this reason, that he may turn round and ask us, as to what we had done to enlighten him and to lead him on to the right path. Suggesting methods for removing illiteracy, he said that, "All the children of the State should be brought within the ambit of the three R's; then there will be time for introducing costly experiments." He would like this to be done in preference to equipping schools with modern teaching appliances and providing them with costly furniture. He wants that it should be made possible for all people, irrespective of the stratum of society to which they belong to come into contact with the 'printed word'. In short 'the stain of illiteracy must be clean wiped out'. Dewan Bahadur M. N. Krishna Rao, the Officiating Dewan of Mysore, who kindly opened the Conference said in the course of his address to the Conference, that the services of young men passing out of our educational institutions be utilized for spreading education. It may be that they may not have had the necessary training in Pedagogy and Modern Psychology but that should not be considered as a disqualification for this purpose. "What is most urgently wanted is the removal of rank ignorance in which the masses are steeped." The urgency of the problem was felt even by the teachers themselves; some of them went to the extent of suggesting that fines may be levied from pupils whose attendance was irregular.

ELEMENTARY EDUCATION.

Mr. N. S. Subba Rao, the Director of Public Instruction, who presided over this year's Conference, in the course of his extempore

speech, said that Mass Education was accepted as a solution for social development in all countries and that in the West all boys and girls between the ages of 15 and 18 were being brought under instruction and in such a scheme a six-year primary education was finding a very important place. Local conditions were distressingly bad. There were in the local primary schools, retardation, irregular attendance and wastage. There was yet much to be done both as regards checking this wastage and improving the quality of instruction in our schools. As to the content of education, the aim was not merely to train the children in the three R's; but also to give them a wide range of knowledge in history, geography and music, besides a very important place that Physical Education should have in the course. In short, the curricula of studies should be amplified and newer methods of instruction such as the Project Method and the Dalton Plan should be brought in. Continuing, he said that the Elementary School teacher had a very important part to play in Rural reconstruction and in raising the standard of living of the villager; as such he must be properly trained. Compulsion, longer duration of the course, up-to-date methods, improved qualifications of teachers, and employment of women teachers, should form the future policy of Elementary Education.

There was a large volume of opinion expressed by teachers in matters relating to Elementary Education. Strong feeling among them pointed to extending the Primary School course. They opined that a greater amount of relationship should be brought about between the Primary and Middle School courses. They discussed also matters relating to the content of education and textbooks.

WASTAGE IN EDUCATION.

This was one of the subjects which was referred to by many speakers; suggestions to arrest this evil were also made as it was recognized that this wastage came in very much in the way of achieving universal literacy. A systematic attempt was made for the first time in Mysore by Mr. (now Dr.) K. N. Kibi, the Educational Survey Officer in Mysore, in the year 1928, to calculate the amount of money wasted in Primary Education. He calculated several figures showing 'wastage' for certain specified areas in Mysore and showed that in some of them, particularly in the rural areas of Bangalore

District about 83 per cent of the funds used on Boys' Education and about 96 per cent of the funds on Girls' do not achieve lasting literacy and may therefore be regarded as net wastage of expenditure." This unfortunate state of affairs is, of course, not peculiar to Mysore. In British India, according to Hartog Committee, the total loss for the four years between 1922-23 and 1925-26 was 60 per cent of the total expenditure on Primary Schools. Referring to wastage the Dewan remarked "The falling off in strength between class and class of primary schools, called 'wastage' by educationists, is distressingly heavy and so long as this condition continues unremedied any increase in the number of institutions or of children at school or in every additional expenditure on Elementary Education, does not indicate a corresponding improvement in the extension of literacy and is not a matter of gratification"; continuing he remarked that "there is something wrong with a system which permits such waste.....and it is high time that effective action was taken to mend it." In this connection we may recall the recommendation of Dr. K. N. Kiri, in his report previously referred to, to set on foot a scheme of Compulsory Adult Education. He writes: "If steps be taken to educate, on a nation-wide scale, those parents who are now illiterate, immediate success in checking the enormous elimination and wastage in the Primary classes seems to be assured."

During the course of several discussions that took place some teachers suggested that classes may be held during mornings only, in the harvest season to enable the parents to have the services of their children assured to them; and to introduce an agricultural bias in their education, so that the parents may have greater faith in the education of their children, which alone would ensure the children reaching the end of the Primary School career.

MIDDLE SCHOOL EDUCATION.

Speaking of Middle School Education, the Director of Public Instruction remarked that it was this stage of education that set the foot of the student on higher education, which had its terminus only in the University. Providing twelve to thirteen years of education was the concern of the State; so facilities should be given to the community to reach as high a stage of education as possible. There was no doubt a tendency on the part of many pupils to drop off after the Primary

stage; so the immediate need of the country was increased provision of education at the Primary stage with an exodus into Vocational courses. The Dewan too opined that general education of as high a standard as possible should be made available to most if not all the members of society, for he feels that "there is not a solvent more powerful than equality of educational equipment for the removal of social differences of so many kinds which are responsible for the strifes and conflicts we see to-day."

Middle School Education was also the subject which was discussed by a large number of teachers. They wanted a revision of the curricula of studies, so as to include subjects like hygiene, agriculture, domestic science as well as practical arts; and also so as to give more prominence to vernaculars. There was a strong feeling in them for giving facilities for more and more teachers to get themselves trained, and also for trying newer methods of teaching.

VOCATIONAL EDUCATION.

One of the most important subjects that came up before the Conference was Vocational Education. Speaking about this subject the Dewan remarked that "occupational education is of course of the highest value and it is one of the greatest needs of the country to-day." Continuing he sounded a note of warning saying, "the existing avenues of vocational employment are also limited and there is no attempt at any correlation between the supply and demand of trained recruits required for particular vocations or professions." An interesting most useful contribution to this subject was, however, made by Dr. K. N. Kiri in his paper on the subject, which he gave before the Conference. Introducing the subject he said, "Since modern scientific methods of agriculture, industry, transport, commerce and housecraft have not advanced very much and since most of the people are still illiterate and have no conception of improved methods of production, distribution and exchange, most of the vocations have stagnated." Suggesting methods for improving local conditions he discussed at length a scheme of Vocational Education for Mysore. He said that "there is now need to bring into our school system a class of instruction to train intelligent and skilled workmen and supervisors, leaving it to the Colleges and Universities to make arrangements to train leaders and captains of industry." There was also

a strong feeling amongst teachers present that Trade and Industrial Education also should be included in the Middle School course.

MEDICAL INSPECTION IN SCHOOLS.

This subject was referred to by the Director of Public Instruction while he was discussing the problem of Elementary Education. He said "nothing is more striking in recent years than the increased attention paid to the physical well-being of children in the schools; and the School Medical Service had become an integral part of the educational organization of all civilized countries." He said that if the aim of education was to give the child "a good start in life", then one of the most precious good starts in life was "that of a slowly nurtured, normally grown-up physical body and especially those parts and components of that body which we somewhat differentiate as the nervous system affecting and affected by our more emotionalized and intellectualized experiences." A number of teachers too wanted that adequate attention should be paid to the physical well-being of the child and wanted that special training in methods of 'medical inspection' be given to them during their training in the Training Colleges. It is pertinent to mention here Prof. K. B. Madhava's remark in the concluding portion of his Report on the Statistical Analysis of Medical Examinations (1924-25 to 1926-27) of Students of Mysore University. He says, "The present condition is only the natural and the logical conclusion of the unwholesome state of facts in the lower standards. A wholesome health campaign is necessary and should be undertaken in every branch of the education department."

THE PROBLEMS OF ADMINISTRATION.

Mr. D. Venkataramiah pointed out that the Government had recently brought into force the Elementary Education Regulation Act with the object of enlisting the co-operation of the local bodies like the District Boards and the Major Municipalities. The School Boards had drawn up a "Ten-Year Programme" of Education. He continued saying that the District Boards should shoulder this sacred responsibility. The Dewan's remark may be recalled in this connection. He said, "It is of course necessary that all educational agencies should follow the general policy laid down by the government concerned. But I think that this policy should be limited to the enforcement of a few educational rules, allowing fairly wide

scope for freedom in matters of teaching and in matters relating to curricula." Many of the delegates present also expressed that they should have their representations on the Text-Book Committee, on the District Board's Sub-Committee for Education and in the Local Boards.

AIMS AND IDEALS OF EDUCATION.

Aims of education too had their share of expression in the Conference. One of the most noteworthy of these remarks was made by the Dewan when he said, "It is vital to the peace of the world that children should be brought up as citizens of the world and not as the heliocyte patriots of particular countries. . . . The foundations of abiding world peace should firmly and truly be laid in the class-rooms and playing fields of all schools." The Director of Public Instruction also advised the teachers, in his concluding speech, to teach the young children, education, in the true sense of the term.

In addition to the "talks" and "discussions" on Educational topics there was also an Educational Exhibition organized; and it had in it as many as 5,500 exhibits sent by various schools in the State; and they were all materials of very great educational interest. The large number of teachers present expressed their strong desire to organize educational weeks in each of their Taluk headquarters, every now and then. They were for starting Educational Museums in the Headquarters towns of each District.

On the whole, the Conference must be pronounced a great success. It helped towards the discussion of many topics of educational interest in the country; and what is more it afforded a common platform for men and women, actually engaged in the teaching of the young. These came from distant parts of the State and spent a few useful days, amidst excellent surroundings exchanging ideas and comparing notes, besides listening to veteran educationists on special educational problems of the utmost importance.

It is estimated that approximately 1,000 tons of newsprint are used every night in Great Britain; one daily paper requires 385 tons of paper to meet its daily requirements, which represents eighty acres of forest which has to be cut to supply the pulp. More than twenty-five special trains leave London every night, besides aeroplanes, to convey newspapers to all parts of the British Isles and the Continent.

Chicago International Exposition of 1933.

By R. C. Rao, B.A.

The recent visit to Bangalore of Dr. Vernon B. Herbst of Chicago, a well-known Neurologist, is bound to add to the interest in the Chicago International Exposition of 1933, which has already attracted considerable attention in India.

It is gratifying to note that even though the Government of India has decided not to officially participate in the coming Chicago Exposition, a organization under the name of India Pavilion Corporation, One Park Avenue, New York City, has been formed to bring about India's participation in this Fair. The chief organizers of this scheme are Dr. Vernon B. Herbst, and Mr. J. J. Singh of Kashmir, who was the Vice-President of the Indian Merchants' Association in the British Empire Exhibition at Wembley and was one of the organizers and a member of the India Advisory Committee at the Sesqui-Centennial Exposition of Philadelphia in 1926. The scheme has received encouragement from the Government of India through Sir Joseph Bore, the Minister of Commerce, in the form of a letter to Mr. J. J. Singh conveying the Government of India's good wishes and success of the enterprise.

Among those patronizing the Exposition are the following:—His Highness the Maharaja Gaekwar of Baroda; His Highness the Maharaja

of Mysore; His Highness the Maharaja of Kapurthala; His Highness the Maharaja of Nawanager; His Highness the Maharaja of Rajpipla; His Highness the Raja of Mandi; His Highness the Raja of Narsingarh; His Highness the Yuvaraja of Mysore; and His

Highness the Tikkaraja of Kapurthala. Others have, it would appear, promised co-operation.

Chicago is the Ideal City for Expositions by reason of its central location and its accessibility to the largest proportion of the population of the United States.

Chicago is the capital of a vast inland empire, the second largest city in the Western Hemisphere, with a population of 3,375,235 and an international, domestic and local commerce that has exceeded \$13,000,000,000 in value in a single year.

Chicago lies closer to the centre of the nation's population, and the centre of its industry and agriculture than any other large city in the United States.

Chicago is at the cross-roads of the continent, the point at which railways, highways, airways and waterways converge. Half the population of the United States is within a night's ride of Chicago by one of these means of transportation.

Visitors to the Chicago International Exposition of 1933 will find Chicago, a city of striking architecture, of beautiful residences, lovely



H. H. The Yuvaraja of Mysore.

parks and driveways, boulevards, hotels, shops, department stores, libraries, schools and universities.

The occasion of *A Century of Progress* Exposition is the one hundredth anniversary of the incorporation of Chicago as a municipality. It is also the fortieth anniversary of Chicago's first great fair, the World's Columbian Exposition of 1893.

The world has been invited and will attend Chicago's centenary. Never has a world's fair been more truly international in scope and in anticipated participation. The number of foreign governments that have already signified their intention to take part assures this.

Millions of people from the United States and abroad will come to Chicago to join the city in celebrating its 100th anniversary and the triumph of man over natural forces at the Chicago International Exposition of 1933.

Nations that present an effective and convincing exhibit of their products, natural resources, arts and crafts will reap benefits that will have far-reaching consequences in the future.

INDIA PAVILION.

The proposed India Pavilion will be of Moghul architecture and will have the general appearance of the Taj Mahal of Agra with a dome in the centre of the building surrounded with attractive minarets.

In the interior of this building it is proposed to create a Fountain Court, with a plaza effect and every effort will be made to make this Court a special feature of attraction. The object of this Fountain Court in the centre of the building, under the big dome, will be to draw the visitors right into the heart of the building.

Efforts will be made to make the distribution of the stalls inside the Pavilion in such a way that almost all of them will have some advantageous position, by their close proximity to the other prominent attractions of the India Section, such as the India Theatre and the India Restaurant, etc.

It is also proposed to so arrange it that the main exits of the Theatre and the Restaurant open into the Pavilion, so that there

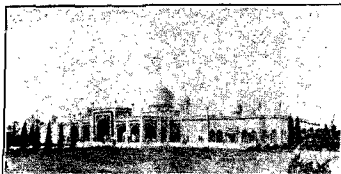
will be a constant flow of the visitors into the Pavilion, where the exhibitors will have their stands, and will display their wares.

The organizers, from their previous experience of World Expositions, fully realize the importance of having a constant stream of visitors inside the Pavilion. Thus even the architectural structure of the outside and the inside of the building is being planned with that object in view, which no doubt will prove of great benefit to the Exhibitors.

It is also planned to so divide the booths as to give them more counter space and more than one frontage as a rule, which will undoubtedly help in attracting the attention of the visitors to the wares that the Exhibitors may have to offer.

SITE OF THE INDIA PAVILION.

The organizers have succeeded, after great effort, in securing one of the finest and most centrally located sites in the Fair grounds for the India Section.



The Chicago International Exposition of 1933
India Pavilion

Those who have had any experience with Expositions will realize the great importance of location in a huge Exposition of the type that *A Century of Progress* will be.

India Pavilion will be near the 23rd Street Entrance which is the Main Entrance to the

Fair grounds and will lie in close proximity to the Amusement Zone and Foreign Section.

INDIA RESTAURANT.

It is planned to have an India Restaurant annexed to the India Pavilion, where visitors will be served with both American and Indian dishes under the supervision of Indian chefs preparing typical Indian dishes. It is also expected to have Indian waiters in *khansamas* outfits, thus lending the Indian atmosphere to the Restaurant.

It is also proposed to have the restaurant decorated in an Oriental style with its walls panelled with paintings illustrating various modes of Indian life, both of the past and the present.

INDIA THEATRE.

In the India Theatre it is proposed to show some of the latest cinema films produced in India, especially those dealing with the historical past of India, and also to have

some other acts of conjuring and dancing, as well as advanced occultism.

INDIAN STATES.

The organizers take pleasure in announcing that they expect to have active co-operation from some of the most important Indian States.

Every effort will be made to acquire some unique art collections of most historic importance from different states in India which, it is believed, will be of great interest and attraction to the visitors, and will lend greater dignity and importance to the India Section.

The Government of India is expected to make a loan Exhibit of the raw products gathered from various provinces of India.

The organizers are very optimistic about the success of the India Section and basing their estimates on the records of previous World Expositions, they feel confident that the proposed India Section with its Taj Mahal effect, and marvellous displays of antique and modern collections of arts and crafts, both from the Indian States and British India and with its two special attractions, the India Restaurant and the India Theatre, will draw

at least about 50 per cent of the total attendance at the Exposition.

And bearing in mind that A Century of Progress is preparing to receive and is organizing on the basis of an expected attendance of fifty million to seventy-five million people during the duration of the Fair, it should be very easy for the intending exhibitors to be able to visualize the unprecedented opportunities that India Section is going to offer to those who have anything to show or introduce to the United States public, both in the staple industries and arts and crafts, as well as the cultural side of India.

The organizers further wish to bring to the notice of the intending exhibitors that according to the terms of the agreement drawn between various nations of the world, there will be no other International World Fair held in any part of the globe within 15 years of the Chicago International Exposition of 1933. Thus this is a unique opportunity of not only participating in a World's Fair in America, but also in the only International Exposition to be held within the next 15 years in any part of the world.

Economics in the West.

The Decline in Sterling.

London, December 31st, 1932.—There is no subject more difficult to elucidate with any approach to accuracy in emphasis than the causes of variations in the gold value of a currency which has parted from its metallic parity. This is so partly because of the infinite variety of influences—economic and political, rational and sentimental, short-lived and more persistent—combining to determine the fluctuations from day to day and hour to hour. Partly, again, it is because unequivocal factual material is almost entirely lacking, and analysis has to proceed by indirect routes and largely on pure supposition or impressionistic material. Recognition of the difficulties, however, in no way detracts from the desirability of inquiring into the causes of particular tendencies, for the attainment of the highest possible degree of understanding is a vital part of the equipment for formulating sound policy.

Following our suspension of the gold standard a steep and almost continuous fall, lasting until December 1931, carried the pound to a level about thirty per cent below the former parity. From that point a strong and sus-

tained rise took place until April, but since then a steady decline has occurred, bringing the rate to a level as low as at the bottom of the initial fall.

Before examining the causes of these movements it is desirable to deal with a misconception. The question is often asked why the authorities have allowed sterling to fall to so low a dollar value as now obtains, particularly as they have reinforced their equipment by the establishment of the Exchange Equalization Account. It is obvious that the Account can be used to check a decline in sterling only to the extent of the foreign exchange held among its assets, and the inference is therefore commonly drawn, at times of weakness in the sterling rate, that the exchange resources of the fund have been exhausted. Both question and inference proceed from a misunderstanding. It is tacitly assumed that the Account is used for intervention on the exchange market as regular and positive, on one side or the other, as that undertaken by continental central banks at various stages since the war, for example by the Bank of France in the period preceding ultimate devaluation of the franc.

The assumption is, we believe, wrong. The Account was never intended for such a purpose which amounts to official regulation of exchange rates. It was designed, as Government statements have shown, as a weapon readily available for use when required, but not as an instrument for regular exchange control. The resources of the fund were to be utilized, more specifically, to check violent movements due to strong speculative or other special causes. There is, then, no inference to be drawn, as to the condition of the Exchange Account, from a fairly steady movement in the rate either upwards or downwards. It has to be remembered, moreover, that movements which with a gold parity in force might appear very large are small under a paper dispensation of the present type. Consequently the significance of short-period movements tends to be subconsciously exaggerated. Further, the market is so much narrower now than before the departure from gold that the rate is far more susceptible to change with relatively small and momentary variations in demand and supply. Finally, so little is known as to the actual operations of the Exchange Account that statements as to its utilization or non-utilization, or indeed the absence of any such statements at all, should be treated as very insecure ground for deductions as to policy and practice. Incidentally, it has to be observed that the existence of the fund, whose operations are deliberately invested with complete inscrutability, makes it even more difficult than it would otherwise be to forecast with any assurance the future trend of the exchange over long or short periods.

RELATIVE PRICE MOVEMENTS.

We may properly start an analysis of the movements in the sterling exchange by pointing out that the value of money is what money will buy, and that accordingly the value of any particular unit of money is what that unit will buy in the country where it is current. From this it follows that theoretically the value of one currency unit in terms of another is a ratio between the respective internal purchasing powers of the two. If one pound will buy in Britain as much as four dollars will buy in the United States, then the pound is properly worth four dollars. There will always be an underlying tendency for exchange rates to move into conformity with this relationship, but we shall see that a wide margin often exists between this "purchasing power parity" and the actual exchange rates quoted in the market, and that such disparity

can persist for long periods. Let us then examine first the course of the relative purchasing powers of the pound and the dollar since our departure from gold. It is a subject for elaborate economic argument precisely which set of commodity prices should be used for guidance as to the inherent value of one currency in comparison with others. We need not enter upon such argument here, for the statistics are not adapted to the particular use even when the inquiry is settled to the inquirer's satisfaction, and all that can be done is to study the available material with due regard for its defects.

How, then, have prices and costs moved since our departure from gold? Following that step British wholesale prices moved sharply upward; a few months later they began to fall, at first very slowly and then more rapidly, until July; from that point they rose fairly quickly, and then reacted somewhat; on balance over the entire period the official index number is almost unchanged. The cost of living index, after relatively small fluctuations, is slightly lower, while wages and other costs would appear to have fallen only slightly in British industry as a whole. In the United States the decline in wholesale prices was continuous until June; a sharp upward movement then took place, to be followed by an almost equal reaction: since September 1931 a net fall of about ten per cent has taken place. Meanwhile the cost of living has fallen about as heavily, and wage reductions have been substantial and widespread. On the data available it is extremely hazardous to venture upon statistical results. Yet it is clear that, while the internal purchasing power of the pound is little if any larger than a year ago, that of the dollar has increased substantially. It would perhaps be not unreasonable to account on this basis for a decline in the dollar value of the pound by somewhere between ten and fifteen per cent.

If the two currencies had started the period in equilibrium a movement of this order would have brought the pound rate, other considerations apart, to a level fairly close to $\$4\frac{1}{2}$. Everyone knows, however, that for some time prior to our departure from gold—possibly, indeed, ever since 1925—the pound was overvalued at its statutory parity. The extent of this overvaluation is impossible to estimate with any assurance. If, however, we work back through movements in purchasing power and assume the October 1932 average exchange rate of $\$3.40$ to represent equilibrium,

then the true rate before our departure from gold would have been perhaps a little higher than \$4, and even as early as the first half of 1929, before the world slump began, it would not have been much more. It would seem doubtful whether sterling was in fact so heavily overvalued, on purchasing power considerations as these figures would indicate; it is equally doubtful, therefore, whether the true value of the pound in October last was as low as \$3.40. If this conclusion be accepted it follows that the inherent value of the pound, as judged by relative purchasing powers, now lies above \$3.40 but below \$4. The figure is certainly lower than when we left the gold standard, but probably higher than the actual market quotation, and this would appear to have been the position almost throughout the past year.

It is not difficult to explain, if the facts be as deduced on admittedly defective evidence, why sterling has been persistently undervalued. In a world of free movement of goods and capital the disparity between actual and theoretical rates would tend to disappear by the natural expansion of exports from the country of undervalued currency and by the check to its imports. As matters stand, imports into this country have certainly been checked, by tariff and exchange factors, but exports, though doubtless larger than they would have been otherwise, have been prevented from expanding more substantially by widespread and strict regulation of imports in many countries by means of tariffs, surtaxes, quotas and exchange restrictions. Many of the world's buyers cannot take advantage of the cheapness of British products; any bounty afforded by undervaluation of sterling is to this extent rendered nugatory.

The result is that our balance of current payments probably still shows a deficit in contradistinction to the surplus recorded in more prosperous years. The excess of our merchandise imports over exports, up to the end of October, was nearly £90 millions less than a year ago, but on the other hand our income in respect of capital invested abroad must have fallen heavily again, while receipts for shipping and other services have probably diminished once more. The decline in "invisible" receipts may have wholly off-set the decline in net "visible" out-payments for merchandise, leaving the deficit on our current balance of payments no smaller than a year ago. As already remarked, if international trading were unrestricted, or no more restricted than before the world crisis, the deficit on

current account would shortly have been closed by movements in imports and exports, induced by an undervalued pound. Given the conditions ruling to-day, however, the process is much slower, and the persistence of a current account deficit places a weight upon the exchange value of sterling which operates to depress the rate unremittingly below its true value as indicated by relative purchasing powers. These facts make it more difficult to estimate the probable trend of exchange by reference to prospective price movements. Even if the course of the internal buying power of the pound and the dollar could be foreseen with some confidence, opinions as to exchange prospects might still be falsified by imponderable elements. Not least among these is the pressure on the rate arising from the slow operation of the natural forces tending to close the current account deficit.

CAPITAL MOVEMENTS.

This conclusion leads us to another stage of our inquiry, for a persistent deficit on account of strictly current transactions has to be covered for the time being by sales of British-owned capital abroad or by attracting capital here from abroad, whether through sales to foreigners of British securities or through offering advantageous rates of interest on funds held by foreigners in this country. The last of these processes is the only one on which definite evidence is available, and in the ordinary way there is no difficulty about its accomplishment: it is achieved by rendering money rates higher in the country of undervalued currency than in other important financial centres. Generally speaking, quite apart from purchasing powers, if a pound can earn more than a dollar there will be a tendency for pounds to be acquired and held in preference to dollars: that is to say, if rates of interest in London are higher than in New York, the value of the pound in terms of dollars is by that fact strengthened or sustained. In point of fact, the tendency since our departure from gold has been in precisely the opposite direction. For several months past interest rates in London, both long- and short-term, have been lower than in New York. It is true that from the New York side it has been possible at times, by "covering forward", to earn a relatively high yield on money placed in London for fairly short periods. This procedure, however, is not adopted on a large scale, and consequently does not affect the general conclusion.

The importance of this disparity of earning power as between two financial centres is great, though not so great when the geographical liquidity of funds is reduced by the possibility of heavy exchange-losses off-setting gains in current earning power. In the period we are considering the divergence of rates has had added force because the depreciation of sterling has given an initial reason for foreign holders to cut their losses and acquire 'stable' currencies (stable, that is, in terms of gold), and this initial prompting has been reinforced by the higher yields obtainable on funds in New York. Hence it seems likely that a steady transmutation of funds from sterling into dollars, and to a less extent other gold currencies, has taken place in more recent months. We may, indeed, divide into three sections the period since our departure from gold: first, the stage of violent foreign selling of sterling in semi-panic, with little or no consideration of relative interest rates; secondly, the arrest of the process with the coming of a calmer frame of mind, and a reaction from panic sales, coupled with realizations of British-owned securities in gold denominations; and thirdly, more steady realizations of sterling on deliberate choice of expedients. There can be little doubt that these capital movements are at present of greater importance than exchange transactions identifiable with current account operations—sales of goods and services and interest remittances.

Two comments may be made as to the future. To some extent the capital realizations of sterling are *once-for-all operations*. The sterling sold is sold for good, and repurchase is improbable unless either sterling is stabilized in terms of gold currencies or a strong, convincing appreciation sets in. For this reason a moderate variability in the gold exchange value of sterling is positively desirable, since it restricts the freedom of disturbing exchange operations, particularly of the more speculative sort. Secondly, the future of interest rates here and in New York becomes of obvious importance, though probably not of so great importance as their course in past months. The hardening of bill rates in London in recent weeks suggests the possibility that the extreme weakness since July may be passing with the completion of the Government's re-financing plans (if indeed they are completed), and that a recovery of open market rates to a level nearer Bank rate may shortly take place. If this happens it will mitigate an element of pressure on sterling

in relation to the dollar and the franc, more particularly since rates in New York have fallen lower in the past few weeks.

Up to this point our analysis has revealed two conclusions: first, that the pound has depreciated in terms of the dollar because the dollar has gained in internal purchasing power; and secondly, that the earning power of the pound by way of interest has fallen below that of the dollar, providing an impetus for the surrender of pounds in exchange for dollars. These two dominating forces have tended in the same direction. Now let us examine the proximate causes of the more recent decline in sterling which have lent added weight to these powerful influences, recognizing that current rates are probably below what they of themselves would dictate.

THE RECENT FALL.

At least one readily recognizable and in no sense unusual factor has operated to swell British demands for dollars, namely, the seasonal inflow of raw materials, principally wheat and cotton. The force of this influence has probably been much exaggerated in current commentary on the decline in sterling. Our imports of goods as a whole have been severely reduced by comparison with our exports, so that the seasonal pressure should have been much less pronounced than in former years; payments, moreover, would seem to have been spread over a longer period; while the seasonal pressure has probably never been as severe in recent years as before the war.

Another factor, also of temporary force only, has been the tendency for foreigners to exchange into other currencies the sterling realized by sales of War Loan or due to them on the date of redemption. It is impossible to estimate the force of this influence, but probably tens of millions of pounds sterling have been added to the supply in the foreign exchange market on this account. The sales have been concentrated within a relatively few months, and may therefore be presumed to have exercised considerable weight against sterling.

Next come three factors acting on the side of lessening the strength of former support for sterling. First, the heavy sales of gold from India, which operate initially to strengthen the rupee in relation to sterling and secondly through resale, to strengthen sterling in relation to gold, have fallen off, though still substantial. Further, the large surrenders of gold from private holdings within Great Britain undertaken in order to secure the

bounty afforded by a price well above par, have dwindled to a low level. Neither movement can be accurately measured, but the Indian sales are probably yielding the equivalent of a few millions sterling less per month than earlier in the year, while sales from Great Britain, which may formerly have yielded a few millions a month, would appear to have almost ceased. Sales of gold, except from a producing country, are once-for-all operations; in that respect the future is easier to forecast but the problem is rendered complex by uncertainty as to the size of remaining stocks—in India they are undoubtedly very large—and the form and hands in which they are held.

Another more or less adventitious support to sterling, this time quite clearly on capital account, would appear to have failed to operate so forcibly in recent months, though still acting to some extent. The large premium of the South African over the British pound gave an initial inducement to the transfer of capital funds to this country from the Dominion and the retention here of the proceeds of exports, the secondary inducement being a widespread feeling that South Africa would be forced either to abandon the gold standard or to devalue her currency, lowering its value in gold and indirectly in sterling. So far neither of these possibilities of profit has matured, and with the delay, coupled with the reduction of funds available for the process, the transfer may have slackened somewhat.

Operating from the same side, another factor of weakness lies in the reduced support for sterling on account of interest, dividend and sinking fund remittances from abroad. The debt services of many governments and other public bodies abroad have been suspended in part or in whole, while interest and dividends on British capital in companies operating overseas have been reduced or have disappeared altogether. These developments have brought about a more and more drastic shrinkage in the yield of our overseas investments, and the tide has not yet turned. How much further it can fall is impossible to say, but it certainly cannot begin rising again until business recovery sets in with a sustained upward turn of primary commodity values.

GUIDES TO POLICY.

From this admittedly incomplete list it will be agreed that there is no lack of material to explain the external depreciation of sterling

in the past few months. Unfortunately, so uncertain are most of the factors involved that the analysis does not provide any clear guidance as to future developments, either in the short or long run. Moreover, not only are the factors enumerated, and all those they typify, highly undependable, but in addition sentiment plays a large part in determining the movements from day to day. He would indeed be a bold man and a foolish who, faced by all these uncertainties, would venture upon public prophecy as to the future course of sterling *vis-à-vis* the dollar. It requires far less boldness, however, and gives no evidence of folly, to perceive where our immediate interests lie. We have analysed in previous issues of this *Review* the benefits conferred upon our export trades by a valuation of the pound, expressed in foreign currencies, which does not over-rate its relative purchasing power. Undoubtedly those benefits have materialized in a level of exports which could not have been maintained had the pound remained overvalued. Further, the corresponding check to imports—quite apart from that provided by the tariff—has increased the share of our own producers in the provision of goods for home consumption.

It is often asserted, on the other hand, that by reason of the cheapening of the pound in relation to gold we incur losses in respect of all outstanding debts in sterling—by far the greater part of our overseas investments. In the last resort, however, capital invested abroad is useful to the creditor only as it yields an income, and there can be little doubt that cheaper sterling facilitates the maintenance of debt services. On balance, notwithstanding the heavy curtailment of interest and dividend remittances from abroad, it would seem likely that we have received more than if sterling had been maintained, by virtue of wholesale deflation, at a level much closer to gold parity. Deflation of the order required for that purpose would have depressed world prices even further and caused even more suspensions of debt services than have actually taken place. Further, it must be remembered that the fall in world prices had already magnified the real income legally due from our overseas investments, and it follows that a substantial rise in sterling prices would merely have deprived us of totally gratuitous gains.

From this discussion three cardinal principles of policy emerge. First, it has to be recognized that undue depreciation of the exchange value of sterling increases the cost to our industries of a large part of our imported raw materials,

and therefore tends to reduce the possibilities of profit which provide the stimulus to trade recovery. A rise in commodity prices in general, induced by internal monetary policy, is of a totally different order: it affords renewed opportunities of profitable business, stimulates demand and promotes business recovery. For this reason it is desirable that the exchange value of the pound, so far as it is responsive to control by official intervention or to influence by indirect means, should be kept in as close conformity as possible with its inherent value as determined by relative purchasing powers. Meanwhile, every effort should be made to stimulate a home-produced rise in commodity prices.

Secondly, it must be recognized that error is inevitable in pursuing this general policy, since it is extremely difficult to measure relative internal purchasing powers, and sometimes extremely difficult to keep the exchange in conformity with them. This being so, care is required to ensure that the error shall be on the side of under- rather than overvaluation of the pound. The long period of overvaluation preceding our departure from gold played havoc with our international trade and through it our internal economy. Consequently, it is essential that the damage then done should not be repeated, and that Britain's export trades should be maintained on an equitable competitive basis with those of other countries.

Finally, in preparing for the world economic conference every precaution should be taken to ensure the preservation to this country of the benefits arising from a free exchange, responsive to the development of a free internal monetary policy. According to press reports, the British delegates on the preparatory committee of the world conference were emphatic in refusal to contemplate a return to gold without a prior rise in commodity values and the assured fulfilment of other conditions precedent to the successful working of a

gold standard. This attitude is cordially to be welcomed and supported; it should be rigidly maintained. With all recognition of the need for international action to overcome the world crisis, it still remains that the brightest hope for revival of prosperity in Britain and the world at large lies in our complete freedom to pursue a monetary policy of our own devising, aimed at a recovery of commodity values to a level at which business in general becomes profitable once again.

Meanwhile it is desirable for the people of this country to pay more and more attention to the course of sterling commodity values, and to be undisturbed in the face of exchange movements even when they involve further external depreciation of the pound. The value of the pound in terms of gold is far less important than its value in terms of goods. Happily, mankind is coming to realize, though only slowly, that exchange stability is not enough, but that to subserve economic welfare a currency must divest itself of the extreme variability in commodity value which has proved the source of most of our troubles in the years just past.

THE COURSE OF BRITISH TRADE.

The volume of British exports declined sharply in the third quarter of the year with the progressive shrinkage in international trade. Further, the indices of production show a steep fall. Nevertheless, the volume of employment has improved slightly, indicating that home trade has been well maintained. Notwithstanding the lower gold value of the pound, sterling commodity values have fallen back somewhat. Thus it is clear that the increased volume of money indicated by bank deposits has had but limited effect on the price level. The reasons have been discussed on previous occasions, but among them must be accounted of great importance the delay in establishing a free flow of money into true capital extensions.

British Government Finances.

A study of the position of our national finances reveals a number of confusing tendencies, so that insufficient ground is provided for any definite forecast as to the degree of success likely to be achieved in balancing the accounts for the current financial year. Nevertheless, recent figures are well worth examination, not merely because they reflect the nation's reaction to the economic crisis, but also because they are affected to a

large extent by a new element, which marks a departure in modern British fiscal policy. The following table shows the main items of ordinary revenue and expenditure for the period April 1 to October 22, 1932 as compared with the figures for the roughly corresponding period of the previous accounting year. Appropriations to the statutory sinking fund are omitted as being essentially capital operations.

United Kingdom Revenue and Expenditure.
(£000 omitted.)

	April 1 to Oct. 24, 1931	April 1 to Oct. 22, 1932
Expenditure :		
Interest and management of national debt	174,839	156,548
Total supply services (excluding self-balancing items*)	234,769	239,516
Other expenditure	4,076	4,453
Total expenditure, excluding sinking fund	413,684	400,517
Revenue :		
Income-tax and surtax	77,556	64,400
Death duties	38,090	43,060
Stamps and land tax	7,530	7,700
Customs	75,094	93,915
Excise	66,400	70,600
Receipts from sundry loans	12,140	3,358
Other receipts (including net income from self-balancing services*)	24,788	19,946
Total	301,998	302,979
Deficit	111,686	97,538

* *i.e.*, Post Office and Road Fund.

Considering first the revenue side of the account, it will be noticed that the totals are surprisingly close, though the individual items show considerable variations. First, the yield of income-tax and surtax together has fallen by £13½ millions. This decline may be due in part to the pressure of prompt payment towards the end of 1931-32: in the main, however, it must be regarded as the inevitable result of business depression. The Chancellor of the Exchequer budgeted for a fall over the whole year, as compared with 1931-32, of £27 millions from income tax and £11 millions from surtax. Whether these expectations will prove accurate or not is impossible to forecast from the current figures since the bulk of income-tax is payable in the second half of the financial year. Estate duties are up by £5 millions, as compared with an estimated increase of £11 millions for the whole year. This result must be attributed largely to the rise in security prices, which not only increases the values of estates, but renders many of them subject to higher rates of duty.

Perhaps the most interesting of the revenue items is customs receipts, showing an increase of £19 millions, the first fruits of the new protectionist policy inaugurated within the

past twelve months. The budget estimates for the whole year anticipated an increase of £38½ millions from customs, mainly, to be derived from the new tariff, so that on pure superficial arithmetic the actual increase so far recorded would seem to indicate a short-fall. It must be remembered, moreover, that the comparison shown by the latest available returns is with a period preceding the introduction of new duties of any sort, temporary or permanent, and that the figures for the remainder of the year will be comparable with a period when new duties were already in operation, though they yielded only £2 millions up to the end of March. When account is taken also of the persistent decline in imports it seems unlikely that the original estimate, which was put forward frankly as "highly conjectural", will be realized. A similar qualification in point of time applies to excise, the yield of which has increased by £4 millions, as against an estimated increase of £5½ millions for the year. The higher duties on beer, tobacco, petrol and entertainments were imposed in September 1931, so that the comparison is likely to make a less favourable showing as the year draws to a close. Another detail on the revenue side which calls for comment is the decline of £9 millions in receipts from sundry loans. This is due to the Hoover Moratorium, as a result of which we have received only a very small sum by way of war-debt payments this year, as against roughly £9 millions in the June quarter of 1931. Under "other receipts" there has been a loss of £3½ millions on account of the suspension, at the end of June 1931, of reparation payments.

Coming now to expenditure, the most interesting item is interest on and management of the national debt. The estimate for 1932-33 placed the figure £13½ millions below that for the preceding year, the difference being due to the absence of any provision for payment of interest on the debt to the United States Government. It would be expected, therefore, on this basis that expenditure up-to-date this year would be about £13½ millions less than last. Actually, it is more than £18 millions down, so that the true decline, after allowing for relief on the American debt, is about £4½ millions. This difference is presumably due to the lower charges on Treasury bills, the average weekly tender rates since last April working out at less than one per cent as against about three-and-a-quarter per cent in the corresponding period of last year. On a rough computation, this reduction

in rates should have yielded a saving possibly exceeding £4½ millions; on the other hand, the volume of Treasury bills has increased greatly, though probably only a part of the increase has borne interest at the market rate.

There is, however, a highly uncertain item to be considered under the heading of debt charges: a half-year's interest, together with an instalment of principal, on the American debt will have to be met in December unless some eleventh-hour arrangement is arrived at to the contrary. No provision was made for this payment in the budget estimates, and if it is met it may more than outweigh the savings on Treasury bills, since the cost of each dollar in sterling is higher than in the period prior to June 1931. That part of the payment which is in respect of principal will presumably be met out of money borrowed at home. The amounts due on December 15, at par of exchange, are about £13½ millions for interest and £6 millions for capital, or, at the rate of \$3.50 to £1, £18½ millions and £8½ millions respectively. Whether we shall secure any counterbalancing receipts is problematical, but in any event these must almost necessarily be in sterling, without any addition for depreciation. The net outgoing, if payment is called for, is therefore bound to be heavy.

Continuing examination of the figures in the table, the rise of £5 millions in the cost of the supply services has to be attributed to the cessation of the practice of financing part of the unemployment charges out of borrowing. Last year to date the amount thus provided was £32 millions; this year it is nothing—a comparison which gives some impression of the magnitude of the added charge on revenue. Indeed, it would appear that the cost of assumption by the Exchequer of unemployment relief previously met by borrowing has more than accounted for the increase of £5 millions in supply services, since expenditure on the defence services had decreased by £3 millions up to September 30. This was the amount of the estimated saving for the full year on this account, whereas the civil services were estimated to require £10 millions more in 1932-33 than in the previous year. Thus the estimated increase of £7 millions in the cost of the supply services as a whole has already been nearly reached. To what extent the final outcome will approach the estimate must depend mainly on the trend of the unemployment figures and possible further legislative and administrative changes during the remaining months of the year.

Government Capital Operations.
(£000 omitted.)

	April 1 to Oct. 24, 1931	April 1 to Oct. 22, 1932
Net borrowings:		
Treasury Bills	40,050	261,167
National Savings Certificates	4,700	.....
Foreign Credits	77,050	.....
3 per cent Treasury Bonds .. .. .	.....	107,532
2 per cent Treasury Bonds .. .. .	.....	3,800
Ways and Means Advances by public departments	16,350	17,050
Reduction in Exchequer balances	3,177	2,958
Total	141,327	392,507
Net repayments:		
4 and 4½ per cent Treasury Bonds .. .. .	.....	69,492
Foreign Credits .. .. .	.....	33,798
National Savings Certificates .. .. .	.....	1,850
Issues for other purposes:		
Deficit on revenue and ex- penditure account	111,686	97,538
Sinking Fund	20,835	13,701
Exchange Equalization Ac- count .. .. .	.....	150,000
War Loan Bonus .. .. .	.....	18,927
Sundries*	8,806	7,201
Total	141,327	392,507

*Mainly advances to the Road Fund and (1932) payments in respect of Irish Land Stock.

The deficit to October 22 this year, without any reference to sinking fund, is £97½ millions, as against £111½ millions in approximately the same period of 1931, but, as detailed examination shows, it would be false to infer that the final results for the whole year will reveal as favourable a comparison. It remains to examine the method by which the current deficit has been financed, and the way in which various capital outgoings have been met. The above table has been prepared for this purpose: it covers the same periods as the previous one; all self-balancing items have been excluded, and all the figures are strictly net.

The capital operations have been unusually large this year. Quite apart from the enormous transaction of converting the 5 per cent War Loan, which has not so far involved a new issue for cash, provision has been made for two minor maturities. Treasury Bonds to the amount of £64½ millions were called for redemption on August 15, while notice of repayment on December 1 has been given in respect of £13 millions of 4½ per cent War Loan and £140 millions of Treasury Bonds.

To meet the August payment, and to consolidate a small part of the floating debt, £110 millions of 3 per cent Treasury Bonds were issued in May at an average price of about £97 13/16, while for the December operation £150 millions of 2 per cent Treasury Bonds have recently been offered and avidly taken up at par. This was a dual cash-or-conversion offer; about one-half of the total appears to have been subscribed in cash, and only the application money in respect of this amount fell due in the period covered by the table. The terms of these issues are indicative of the favourable basis upon which re-financing can be carried out in times of abundant money supplies and depressed trade.

On these operations alone a small decline in the floating debt might have been anticipated but for the regular seasonal short-fall of revenue, which might have been supposed to convert a small reduction into a small increase, perhaps on balance by £50 millions. Actually the floating debt has risen over the period April 1 to October 22 by £278 millions, as compared with £56 millions in the corresponding part of 1931, the total outstanding being £890 millions, or £240 millions higher than a year ago.

The explanation of this very large movement is to be found in exceptional requirements, and to some extent the growth is delusive, since it does not represent a corresponding increase in the Government's net liabilities. First, £19 millions is accounted for by bonus payments on War Loan conversions, which, though a pure expense, may perhaps properly be regarded as capital expenditure, and for this reason is not chargeable against revenue. Secondly, it was necessary to repay the balance outstanding of the credit raised in France in September 1931, together with a small remainder of the American credit. To the

extent of the nominal amounts of these debts at par, roughly £24 millions, the corresponding increase in the floating debt represents pure conversion; but to the extent of nearly £10 millions, resulting from the depreciation of sterling, it represents a capital loss. Finally, £150 millions had to be provided for the equipment of the Exchange Equalization Account. This part of the increase in the floating debt is, then, largely off-set by assets held in the Account, whether they be Treasury bills or other sterling assets or foreign exchange or gold. It is impossible now, and is likely to remain impossible until the crack of doom, to discover the amount of such assets at present held against the £150 millions of new liabilities.

It is clear, then, that the unusually large increase in the floating debt is much greater than the true increase in the Government's net liabilities. On the other hand, it would be folly to deny that the net debt has increased considerably more than seasonally over the part of the financial year so far traversed. In part this is to be regarded as a nominal price for a substantial saving in interest on war debt; in part it is the outcome of exceptional measures to meet exceptional conditions. Whether on the pure reckoning of current income and outgoings for the whole year an addition to our net debt will be incurred must depend on many unforeseeable contingencies. In any event, experience is demonstrating more clearly every day the accumulating difficulty, even assuming the utmost economy and elasticity of unfixed charges, of balancing a huge national budget at a heavily increased value of the monetary unit. Ultimately relief can come in an orderly manner only as a consequence of a substantial rise in the internal price level.

Canadian Trade and Finance.

Gold Production.

Montreal, Dec. 3, 1932.—Gold production in Canada in 1932 will substantially exceed the total for 1931 and constitute a new record; this increase is perhaps the outstanding feature in Canadian industry. Production in Quebec during the first nine months of the year was 40 per cent greater than in the corresponding period of 1931; Ontario, which produced 80 per cent of the total for all Canada last year, has expanded its output 10 per cent and Manitoba also reports increased

production. Gold shipments are paid for in United States funds and a substantial premium from this source has been received by producing companies.

During the first nine months of 1932, the value of gold produced in Canada reached a total of \$46,963,141 as compared with \$40,810,417 in 1931. Ontario's output was valued at \$34,700,000 and Quebec's at \$6,500,000. Both these totals represented considerable gains over 1931. Established mines

have expanded their operations, mill capacities have been increased and development work pushed forward vigorously. Six new mines have been added to the list of shippers—three in Ontario, two in Quebec and one in Manitoba. In the latter province, progress has been particularly rapid. British Columbia also reports progress, two gold mines located at widely separated points are expected to commence milling operations shortly. Prospecting work has been carried on continuously throughout the year and many promising finds are being explored in new areas in Quebec, Ontario, Manitoba and British Columbia. The prospective development of these fields promises continued expansion.

Exploration and development work in the Great Bear Lake district has made rapid progress during the year. A plant for the treatment of pitchblende ore and the extraction and refining of radium is being erected at Port Hope, Ontario, and will be ready for operation early in 1933. This is the first plant of its kind to be erected in Canada.

The production of other metals has been discouraged by the low prices prevailing but copper producers have been encouraged by the preferences now accorded their product in British markets. Silver prices have been more stable and production has been well maintained. The output of nickel, lead and zinc is substantially less than that of last year. The tonnage of coal mined in Canada has also fallen off but increased activity is expected with the advent of colder weather. Petroleum production has been restricted as a result of government measures in Alberta for the conservation of natural gas. The output of natural gas, however, has been well sustained.

AGRICULTURE.

The volume of agricultural production has been restored to more normal levels by abundant grain crops in the Prairie Provinces. This year's wheat harvest of 431 million bushels is the fourth largest in the history of Canada. The Prairie Provinces produced a total of 411 million bushels. This is smaller than the earlier estimate, but threshing returns have shown that the yield was less than indicated by the general appearance of the crop at harvest time. The gross increase amounted to 127 million bushels as compared with 1931. The yields of coarse grains are also much higher than in 1931 but flax shows a decline.

Prices have fallen to record low levels and although there has been some inclination

reported on the part of farmers to withhold deliveries in the hope of better prices, wheat has moved forward rapidly. The grain is of record quality, 92 per cent grading with the contract grades against 80 per cent last year. Export shipments from Canada have increased in volume in spite of declining world shipments due to large crops in many of the importing countries. The total actually cleared this season now amounts to 95 million bushels against 55 million bushels last year.

Agricultural conditions in Eastern Canada were favourable but improvement was not so marked as in the West. Grain crops in the Maritime Provinces and Quebec were generally better than last year. Returns from Ontario show slight declines in several crops but these were small and largely offset by other gains. Tobacco, from approximately the same acreage as last year, yielded a crop estimated at 40 million pounds. The quality, particularly of the flue-cured, is the finest yet grown in Ontario. Exports to Great Britain have been increasing as the merits of Canadian-grown tobacco are becoming recognized and growers anticipate that the season will show satisfactory returns. Field crops in British Columbia were also smaller than in 1931.

The apple crop in the Annapolis Valley made excellent progress early in the season and a good crop was anticipated. Severe storms in September, however, caused serious damage, and the crop is now placed at 767,300 barrels, one-half as large as in 1931. New Brunswick, Quebec and Ontario also report smaller crops. British Columbia alone reports an increase, the output being officially estimated at 4,458,000 boxes against 3,447,000 boxes in 1931 and a five-year average of 3,750,000 boxes. Shipments overseas commenced early and returns have been fair in spite of the large quantities of apples despatched from the United States early in the season. The yield of potatoes shows a serious decline particularly in Ontario and Quebec. Considerable quantities are being shipped into these provinces from the Maritimes and prices have advanced materially during the past few weeks.

Live-stock and dairy farmers have had excellent pasturage and plenty of food for their herds. Exports of live cattle to England have continued in substantial volume and compare favourably with last year's shipments which were the largest in many years. The restrictions against Canadian cattle have now been finally removed and the gradual

expansion of this trade is expected. Exports of bacon are much larger. Low prices for butter have discouraged production and the output has fallen off. Renewed interest has resulted in cheese-making and export shipments of this commodity are again increasing.

MANUFACTURES.

Manufacturing operations have been generally quiet. The iron and steel industry has been operating at less than 20 per cent of capacity and only 265,000 tons of steel ingots were produced up to October 31st, this is only 45 per cent of the output for the corresponding period of last year. Automobile production declined 30 per cent from 1931. Newsprint production is also smaller. The textile industry has had a more satisfactory year and the production of boots and shoes has been slightly larger than last year.

Construction works undertaken during the year have been greatly curtailed and the total value of contracts awarded shows a considerable decline from the low levels of 1931.

THE GENERAL BUSINESS SITUATION.

The general business situation in Canada has become more stabilized, commodity prices are firmer, security markets are more active and a general feeling of confidence prevails. Agriculture continues to present the most difficult situation. Promising features in the present economic outlook include the healthy condition of bank deposits, the strong technical position of Canadian manufacturers and a prosperous gold-mining industry. Canada has been fortunate in maintaining her production and general business activities at present levels in view of conditions current in most industrial countries.

Notes from London.

Lending and Spending.

London.—The rival merits of spending and saving by the general public are being vigorously debated in *The Times*. Broadly the question is whether the individual renders better service to the State by saving part of his earnings or by spending them in full. It has been urged that hoarding is deflationary but it is axiomatic that surplus production is the basis of capital. Had the inhabitants of the world consumed their total production year by year there could have been no progress; surplus stores alone enabled men to divert their attention from production for current needs to production for the future; in other words, capital was created by which the fashioned boat was substituted for the floating log, the fenced and cultivated field came into being, erected habitations superseded caves, and ultimately roads, docks, factories and machinery were made. There can be no question that thrift is essential to progress whatever may be said as to the wisdom of spending as an emergency measure.

FUNCTION OF CAPITAL.

Aggregation of capital is obviously a condition precedent of new enterprise employing labour, and there seems a strong case for distinguishing between savings that will be used for capital expenditure and the hoarding of cash. Most people are aware of the fate that befell the man who hid his talent in the earth, but the result would have been different if he had employed it in cultivating the ground.

However, the discussion is extremely timely and most interesting and can scarcely fail to make many people realize the true functions of capital, even if it fails to make everyone appreciate the difference between real wealth and symbols of wealth.

USE OF SAVINGS.

Meanwhile it will not escape notice that savings handed to properly constituted organizations are not dormant but are in use as loaned capital. The touchstone seems to be the use made of the proceeds of thrift. Advocacy of extensive borrowing that entails a permanent charge on the future seems to lead to very shoal water, as many States have recently discovered, though such projects as the reclamation of land which thereby creates rental value sufficient to pay the interest on the debt incurred, with provision for amortization, seem to be in a different category.

SOUTH INDIAN RAILWAY.

In his speech at the meeting of the South Indian Railway Company, Mr. Muirhead referred to the effects of motor competition, and pointed out that while every effort was being made to meet this competition, a great difficulty was that many bus services ran on roads which short-circuited the railway. The Railway Department of the Government of India is examining the question of road development and motor competition, and Mr. Muirhead expressed the hope that one result

would be the co-ordination of road development with railways. Dealing with the Madras suburban electrification, Mr. Muirhead said that the results up to the present were encouraging. The number of persons travelling in the suburban area is now on an average about 125,000 a week, the highest number reached so far being 180,000, while under steam traction with a single line the maximum number for a week was 33,000. As regards the prospects for the current year, Mr. Muirhead was able to make the encouraging statement that for the first six months there have been increases in gross earnings, net earnings and in the company's share of surplus profits of Rs. 2 lakhs, Rs. 12 lakhs, and Rs. 47,000 respectively.

A FRUIT CONGRESS.

The first general Yugoslavian Fruit Congress was held from October 27 to 30, together with an exhibition of autumn fruits from every part of the country, at Chactak, the centre of fruit-growing activities. The Congress was well attended by experts, scientists, and farmers, as well as by the general public. *Many questions of the day were discussed and a number of interesting technical lectures held, amongst others on the pedological and climatic conditions of fruit growing in Yugoslavia, native varieties, manuring, the rational exploitation of land in orchards, grafting, the influence of bee-keeping in connection with orchards, parasites and diseases of fruit trees, the preparation of non-alcoholic fruit juices, favourable conditions for developing the preserving industry, marketing, packing and so on. In many cases interesting scientific experiments and results were given in full. The lectures were followed by discussions. Fruit is an important branch of Yugoslav agriculture, especially from the point of view of food supplies. From 1926 to 1932 the average yearly export was 79 million kilograms of fresh fruit of the value of 267 million dinars. The bulk of this trade consisted of plums and apples.*

UNEMPLOYMENT PROBLEM.

A Parliamentary Correspondent writes:—The suggestion made by the Prime Minister when the Labour Government was in office that from time to time the House of Commons should turn itself into a Council of State and discuss vital problems from a non-party standpoint has been acted on at last, and nobody can object to the spirit in which the three-day debate on unemployment which closed was conducted. There was very little

tendency to hurl political stones or to blame the other fellow for the existing position, and most members of all parties preferred to look to the future. As a result of the debate they may fairly do so with tempered optimism, for there were many indications that the National Government are grappling hard with the problem of unemployment and are not bound by any rigid doctrinaire theories.

RAILWAY REVENUE PROBLEM.

The railway companies are meeting with much criticism of the efforts they are making to improve their position. They are, however, passing through an exceedingly difficult period and they feel that it is necessary to strain every nerve and explore every possible avenue in the hope that some means may be found to check the steady decline in their net revenue. When the Railways Act, 1921, was passed Parliament laid down that the companies were entitled to a standard revenue, subsequently fixed by the Railway Rates Tribunal, and that their rates should be adjusted to bring in that revenue. Any hope that the intention of Parliament would be carried out has long since disappeared. In 1929 the net revenue of the four groups was £5,000,000 below the standard, in 1930 it was £12,500,000 below, and last year it was £17,500,000 down.

During the first 41 weeks of this year the decline in gross traffic receipts, which has continued steadily, has amounted to £11,500,000, compared with the corresponding period last year, and the net figures for the year are likely to show a further heavy decrease below the standard revenue. During this period of depression the railway companies have made real efforts to improve their facilities for passenger and freight traffic and are now offering a better service than ever before. It is doubtful whether at any time more has been done to increase the facilities for handling traffic than has been done by the four companies during the last three years.

The companies cannot go on losing traffic, and consequently revenue, indefinitely. The efficient and economical management called for by the Railways Act and the duty the managements owe to their shareholders demand immediate action to improve the position. The companies have pressed for protection against road competition, for a reduction in their labour costs, and for the passing of the London Passenger Transport Bill, all of which will place them in a much more favourable position. Further, they have

shown that they are ready to do what they can to work out their own salvation by the agreements they have submitted to the Minister of Transport for the pooling of competitive traffic.

These pooling schemes in themselves will do much to enable substantial economies to be made. There is, indeed, in the opinion of Sir Josiah Stamp, no other field of economy which will yield so much in so short a time.

It has been admitted generally that in the interests of trade and industry it is essential that an efficient railway service shall be maintained. Critics of the Salter Report who are attacking the railway companies for their desire to handicap and restrict road transport competitors, and those who are attacking them for their proposal to reduce further the wages of their staff, have not put forward any satisfactory alternatives. In some quarters it has been suggested that the situation might be met by removing the restrictions by which the railway companies have been bound by successive Parliaments. Few, however, would be prepared to carry this idea to its logical conclusion and see the railway charges adjusted to what the traffic will bear with the consequent heavy increase in costs of manufacture which would inevitably follow.

So far as road transport is concerned the railway view is that the recommendations of the Salter Report should be carried into effect. The report was the result of months of work by a Conference composed equally of representatives of the railways and of road transport, with an independent chairman, and both

sides made important concessions in order to arrive at decisions which could be described as unanimous. The report was admittedly of an advisory character intended to guide the Minister of Transport in dealing with an exceedingly difficult problem, and although he is not bound to accept it in its entirety it constitutes what the Conference regarded as a fair basis of competition and division of function.

The storm of opposition which has been raised by the Salter Report and the proposal to reduce wages was not unexpected. If these proposals are rejected, however, what is the alternative? Railwaymen who have given much thought to the subject believe that only one course will be open to the companies—reduction of facilities. Railway companies can never be commercial undertakings in the strict sense of the word, running only the services which pay them and withdrawing a train when the freight or passengers fall below a paying level. They can, however, withdraw services which are consistently unremunerative. They have already done so to a considerable extent on branch lines, and there are many directions in which their net annual loss would be reduced if services were revised and fewer trains were run. To do so would be a direct reversal of their present policy of offering passengers and those engaged in trade a better and faster service of trains, and it can safely be said that no attempt to cut down losses will be attempted on these lines until all other methods have failed.

An Educational Letter.

Fresh Economies in England.

Paris, Dec. 26th, 1932.—New attacks are being prepared in England. Once again the budget is to be balanced at the expense of education and the other social services. Instead of last year's economies of £ 57,000,000 this year £ 100 million are aimed at. As far as the schools are concerned the economies are to be affected above all by the closing of "redundant" and small schools and departments. The result will be a further spreading of unemployment; some hundreds of 1931 students, and more than a thousand of this year's, are still looking for posts. A further proposal will almost certainly be the rationing of Exchequer grants to local Educa-

tion Authorities—a direct hint to them to attack the salary scales next March.

The *Times* announces on the 14th of September a reduction in the number of student teachers and in expenditure on school building.

Teachers are preparing for the struggle. More than a hundred local sections of the National Union of Teachers have established committees for the campaign against economies, which form a broad front of resistance.

The N. A. S. of London is trying to show militant activity. The appeal for the united front of the whole profession adopted by the Cardiff section of the N. U. T., and addressed

to all local organizations, has been very well received. The Educational Workers' League (section of the EWD), which in September 1931 was able to rally hundreds of teachers in School Defence Committees, has doubled its membership and must animate and organize the movement of resistance of the profession.

REDUCED PAY FOR NEW YORK TEACHERS.

At the end of July 1932, Mayor Walker has addressed an urgent appeal to the whole of the 147,000 civil servants of the town of New York, asking them to give up 8.33 per cent. or one month of their salary, to save the town from bankruptcy. He declared himself obliged to request them to accept immediately, or the town would be obliged to carry out cuts in their salaries.

Shortly after the beginning of the new school year a meeting of teachers has been organized to vote the proposed cut. The representatives of the different teachers' organizations denounced the cut as an inspiration of the bankers "who caused the depression". More than 2,000 school teachers took part in the meeting. They voted unanimously to oppose any "voluntary or involuntary attempts to decrease salaries in whatever guise such decreases may be presented." This is seen as threatening seriously the Mayor's plan to balance the budget by a cut in salaries.

It will be interesting to note in this respect that according to the *American Teacher* for May 1932, Jewish schools in Manhattan, Brooklyn and the Bronx (twelve institutions and more than 6,000 pupils on the whole) had been closed as a result of 300 teachers going on strike for payment of back salaries to the extent of nearly \$200,000.

POVERTY OF AMERICAN STUDENTS.

Two recent inquiries give a striking picture of the poverty of American students.

According to data from Eastern Universities obtained by Albert B. Crawford, appointment bureau director of Yale University, more than half of the men college students and about a third of the women students of the country are obliged to earn at least a part of their way. The author of this inquiry, in a recent report which he gave at Chicago to the Institute for Administrative Officers of Higher Institutions, suggested forbidding these poor students to go to the Universities and refusing them from now on the possibility of earning their living while students, bringing forward the danger of "lower-

ing academic standards" owing to these working students.

According to his figures, "not many students can earn during term time more than board or its equivalent, or can count on netting toward their next year's expenses more than \$100 or \$200 during the summer vacation. The average amount earned by all those attempting to earn their way in 1929 was \$169 for the year, or not more than 20 per cent of their total expenses less tuition."

Further, a survey of conditions in 70 colleges made by H. E. Stone, Dean of Men in West Virginia University, throws alarming light on the situation of student loan funds. The crisis has caused "increased demand for loans, a slowing up of payments, many requests for extension of time, and increased delinquents." A southern State university declares that collections, usually \$10,000 a year, have fallen to \$3,400; another says that it has had to make twice as many loans this year as last year. The maximum amounts loaned per year per head vary from \$150 to \$1,000, and all colleges report some losses, ranging from 2 to 20 per cent.

SCHOOLS IN SHEDS IN "GAY PAREE".

At the opening of the new year in October 1932 schools in the working class districts of Paris were found radically insufficient. There had been no grants, and therefore no new buildings. Classes are packed by 60 to 70 children, some of whom can only find places a long way from their home. Further, many schools have had to be removed to workshops (18th arrondissement) or to sheds (15th. arr.); there is therefore no courtyard or playground, except when a portion of the public road has been barricaded off to form one, as in the Rue Camille-Flammarion.

Finally, far from the school being free as the law alleges, several hundreds of francs are sometimes demanded from pupils in payment of school materials. Parents of the suburban district of Villiers-le-Bel have refused to pay this exorbitant charge, sent back all the demands together to the tax-collectors, and formed a Committee of Fight with the militants of the Seine Unitary Teachers' Union.

SALARY CUTS IN FRANCE.

After the conversion of government stock (September 16th) a deficit of at least eight milliard francs remained in the French budget. One of the measures studied by the Cabinet to fill this, and adopted on principle, was a cut of from 5 to 10 per cent on salaries of State employees of 9,500 francs and over.

In reply to this threat the Bureau of the Unitary Teachers' Federation (Section of the EWI) put a proposal for the united front to organize resistance before the National Union of Teachers. Unity of Action of the profession, the adherence of groups of civil servants belonging to the reformist unions with those of the autonomous and unitary unions, activity of Defence Committees in each establishment, careful preparation for direct action and the transition to direct mass action—these are the requisites for victorious resistance by those exploited by the State.

It is to be hoped that the leaders of the reformist organizations of civil servants who under the pretext of avoiding at least an immediate *salary* cut, had inserted in the law of July 15th, 1932, the famous Article Six, by which all other recent retrenchments have been carried through, will no longer be able to hold back the mass of civil servants from common action against all cuts, against unemployment, and for the necessary increases.

BREADLESS RUMANIAN INTELLECTUALS.

More than two hundred unemployed intellectuals, towards the end of July 1932, went to the Minister of Labour at Bucarest to ask for organization of benefit for them. They were informed that an agreement between the Minister and the Municipal Authorities of the different districts of Bucarest would allow unemployed intellectuals to receive one free meal a day at the intellectuals' canteen, if they are unmarried, or food at home if they are married and fathers of families. (Social Information of the International Bureau of Labour.)

UNWANTED JAPANESE TEACHERS.

A third of the Japanese budget for the coming year is consecrated to war, but 133 million yen only are allotted to Education. Retrenchment will have as a consequence the dismissal of more than 1,000 secondary school teachers; according to a note from the Administration, each department will have from 30 to 50 teachers to get rid of.

Diary of an Economist.

An International Economic Conference in Germany.

A World Economic Conference of a private character, organized by the newspaper *Berliner Tageblatt*, was held not long ago in Berlin and was attended by economists from a number of countries. Representatives of the authorities, the diplomatic corps and economic and scientific circles were present at the opening of the Conference. The economic editor of the *Berliner Tageblatt*, Mr. F. Linner, in his opening speech, stated that the object of the Conference was to help to dissipate the errors which had brought about the present depression. The creditor countries were closing their frontiers to the exports of their debtors, although such exports represented for the latter the only means of meeting their obligations, which had already been increased by the fall in prices. Thus, political and commercial debts instead of balancing each other were added to one another and an opposition was created between finance and commerce. As the transfer of gold did not suffice to meet short-term loans suddenly called in, the debtor countries had sought to have themselves by such expedients as restrictions on the international exchange of goods and currencies, the creditor countries limited them and the result was a

commercial war of every country against all the rest. It was necessary to oppose the ideas which sought to make a virtue of necessity and to erect mistakes into a system, when such a system could hardly be distinguished from a blockade and its organization could be nothing else than the organization of poverty. Side by side with the champions of 100 per cent self-sufficiency, whose ideal seemed to be to make of each of their countries an industrial Robinson Crusoe, were to be found supporters of 50 per cent and 25 per cent self-sufficiency who did not consider they were falling into the same error when they sought to regulate commercial exchanges. But restrictions on imports in the long run could not do otherwise than recoil on the exports of the country which imposed them. A series of addresses were given, after which the Conference adopted a resolution asserting that international division of labour and international free trade to the fullest possible extent constituted the only economic system capable of maintaining and developing the forces of production and meeting the growing needs of consumption. The political elements which had been introduced in this system and which were interfering with its

working must be got rid of as far as possible and must not become a starting point for other systems seeking to substitute politics for purely economic principles. Such a system was that of so-called self-sufficiency and international trade directed by the State, which would bring back economic life to long outworn forms of trade and production. Thus, the result would be deflect capital and labour from their natural objects and to create a tendency to maintain unhealthy industries by means of protective measures of a political nature, against the interests of consumers and producers; the cost of such experiments would impede the return to the economic system of the international division of labour. Customs unions could help to further the division of labour if they took account of the economic position and its possibilities. The object of all economic policy should be to bridge the gap between the immense but ill-organized capacity for production and the incomplete satisfaction of the needs of millions of human beings. The Conference decided to appoint a permanent Committee consisting of economists of various countries for the purpose of carrying on the campaign against Protectionism.

FOLLY OF DE-FORESTATION.

Like India, Canada and Australia are both showing serious concern regarding the ruthless destruction of their forests. While Mr. Frank J. D. Barnjum has been maintaining a vigorous campaign from British Columbia to Nova Scotia, Australians equally alive to the importance of forest preservation have been active. The folly of a blind policy of clearing extensive areas for cultivation, and of destroying any of the primeval forest which remains in Victoria, was emphasized by Professor E. J. Hartung in an illustrated address on "Some Impressions Abroad," delivered at a meeting of the Victorian Branch in Melbourne on August 1st.

"The moment the train crosses the border into Germany one cannot fail to be impressed with the way the Germans care for their forests," he said. "The forest is left intact on every hilltop, even though it may be only 100 feet in height and in the middle of a cultivated area. The farmer must be content with the lower country, where every available acre is cultivated. If you ask a German farmer why he does it he looks at you in amazement. 'Do you not know,' he will say, 'that you must keep trees on the hilltops to prevent the soil from being washed away?' I have

seen parts in South Gippsland which should never have been settled. Now the cleared hills are only gravel and bare boulders. The summer is hot and dry, and in winter the floods wash the soil farther and farther away.

"When I told people in England about the attempt a few years ago to hand the Cumberland forest area over to the sawmills they would scarcely believe me," he said. "If they had that stand of timber in Britain they would build a wall around it and post inspectors at the gates to ensure that only suitable persons should be admitted to the forest."

Professor Hartung showed pictures of Australia's grand forest beauty, among them particularly fine views of the Marysville district, with the Cumberland Valley. "When I have shown such views to people in other parts of the world, and informed them of some of the acts of vandalism, and weird proposals for cutting down such trees, I have been asked why people should want wilfully to damage their own country's undoubted natural charms," remarked Professor Hartung. In conclusion he made a vigorous plea for more national parks.

"As a great many of our beautiful trees have already been destroyed, let us try to keep those we have. They cannot be duplicated anywhere in the world. We must protect them from the sawmiller, the vandal and the incendiary." Forest conservation in India has been carried out on scientific lines though it has meant trouble to the cultivator. But an adjustment of the latter factor is possible.

PUBLIC EXPENDITURE.

In a recent letter to *The Times* Mr. St. John Hornby mentioned—in passing—the probability that the economists would be diametrically opposed to each other on the theory of spending that had been advanced by Mr. Petter. Should the average citizen to-day spend wisely or save money? Is he performing a public service in buttoning up his pocket? At the moment we are not concerned here with the public duty of the private citizen, though we agree with Mr. Hornby that the subject is of such importance that it ought to be widely ventilated; but while the discussion continues we may usefully direct attention to a report just issued by the Federation of British Industries on public expenditure. As is known, of the total expenditure of the British Government, nearly

half consists of service for the National Debt and War pensions, though the total of this has been somewhat reduced by the successful conversion scheme. The remainder, estimated at £ 457,000,000 for the current year, is sufficiently large to excite anxiety. Since 1923-24 the burden of this expenditure, after allowing for changes in the wholesale price index, is shown by the Federation to have doubled, and it needs no argument to satisfy any man of affairs that the taxation to meet such enormous outlay constitutes a heavy handicap on industry. "To remain efficient, adjust itself to the new price level, develop new markets, and provide new outlets for employment, industry must be provided with continuing supplies of cheap capital. These can be obtained from two sources alone—from the savings of the nation as a whole and from the internal resources of industry itself." The Federation urges that the former source of supply is being dissipated by high taxation which prevents saving, removes the incentive to save, and in some cases depletes accumulated savings.

The function of the Federation, it is submitted, is to show the extent of the burden and the imperative need for economy: it is the duty of the Government to decide where economies can be made. The report, therefore, analyses the chief items of expenditure and shows in some detail how they are made up, admitting that economy will in many cases involve legislation or changes of policy. The general impression created by a perusal of the document is that the State's recent activities have been undertaken without duly considering whether the expense involved could be borne or whether the results would be commensurate with the outlay and justified by the benefits conferred. Thus the expenditure on housing in a recent year exceeded the receipts by more than £ 15,000,000 and the question arises whether the nation will become committed to the policy of "un-economic" rent. In 1913 the average cost per child for elementary education was £ 4 15s. 2d., in 1930 it was £ 13 2s. 6d. Liabilities under pension schemes are shown to be far greater than the annual expenditure reveals. In regard to local taxation the figures collated by the Federation showing the rapid increase in loan debts are disturbing: the increase from £ 768,566,752 in 1922 to £ 1,224,700,000 in 1930 represents an outlay that in the future may in many cases prove unproductive and will constitute a heavy handicap on the people.

In the Federation Report there is a section dealing with the expansion of Government Departments showing the immense growth of executive and clerical and typing staffs. For this the Federation largely blames the modern tendency to legislate in general terms leaving it to Departments to make the legislation effective by orders and regulations. The report ends on a minatory note: it points out that the limits of taxation have been reached and insists that it is essential to reverse the course of post-War history. A change of policy and of outlook is regarded as requisite. "We must curb our desire to find a short cut to Utopia and rest content with the standard of life which we can afford. We must also pay cash for the benefits which we consume: the War Debt is a sufficiently heavy legacy to pass on to our children, and even that may make it difficult for them to enjoy a standard of living equal to our own." Finally, it is urged that unless the cost of Government is speedily and drastically reduced the whole industrial position will remain in jeopardy. If that be so in Britain, what about the position in India—poor India!

INDIA'S ECONOMIC DIFFICULTIES.

The reactions of economic difficulties on the Indian political situation are discussed by Professor Coatman, who occupies the Chair of Imperial Economic Relations, London University, in his book "Years of Destiny: India, 1925-1932," published recently. There are temporary factors, such as the low price in world markets to-day of primary products. There are permanent and fundamental factors, such as the enormous increase of population in the last half century. The increase in the decennial period to the Census of 1931 was over 30,000,000, or more than 10 per cent. The maintenance of India's additional population is made possible partly by the augmentation of the cultivated areas by scores of millions of acres through irrigation from canals, wells of all sorts, and tanks, through the development of railways and roads, through the peace and security guaranteed by British rule, and by the great development of India's internal and external trade and the partial industrialization of the country.

So far, so good, but Professor Coatman points out that already the limits of further additions through irrigation and the reclamation of forest or waste lands are in sight. In many parts of India the system of fragmentation

of holdings is steadily reducing the efficiency of agriculture. In the judgment of this observer the problem of the balance between the industrialization of India and her position as a mainly agricultural country will become more acute every year. Already the question of finding employment for the products of the Indian schools and universities has reached a dangerous point, and is one of the most powerful and intractable elements in Indian political agitation. Why is it so? Mr. Coatman fails to answer. A more active industrial policy is overdue and only an Indian Government can initiate it.

Agriculture gives employment to some three-fourths of the people, and the appointment of the Royal Commission on Indian Agriculture a few years ago was a recognition that this most ancient of industries must have pride of place in any attempt to improve the economic conditions of India. The valuable Report produced by the Lighthow Commission does not disguise the fact that the difficulties in the way of any radical improvement of Indian agriculture are very numerous and very deep-seated. Professor Coatman writes that there are legal and financial and even social and religious difficulties. The custom of partitioning an estate among a number of people will not easily disappear, for it is bound up with all sorts of historic and religious traditions and usages. He considers that at the best appreciable improvement in the economic position of India from the side of agriculture can come only slowly. That is the usual British opinion. Why is a policy of consolidation of holdings impossible?

With population growing at a prodigious rate and with negligible openings for emigration, the pressure on the land and on the available employment becomes yearly more intense, and such conditions as these, to quote Mr. Coatman, "are the most fruitful breeding ground imaginable of revolution." It is not open to doubt that the economic factor plays a very weighty part in present Indian discontent. Mr. Coatman pleads for a long-term policy of planned economic development if India is to escape "the dire consequences which will inevitably ensue in the absence of such a policy boldly and intelligently conceived and consistently carried through."

The need will exist whether India is governed by a British or by an Indian Administration. The main difference, according to him, is that the consequences of failure to work out such a policy will follow with greater

speed if a stable and experienced Government is suddenly replaced by a more or less experimental and inexperienced Government. Why, we ask? Continuity can be secured easily, if power is given to Indians to run their own Government. What is required is a political change—a change in status and an active policy initiated by Indians themselves will do the rest.

CO-OPERATIVE COMMONWEALTH FEDERATION IN CANADA.

A Co-operative Commonwealth Federation was established recently at Calgary by a Conference of representatives of labour and farmers from the five provinces of Canada west of Quebec. The programme of the new organization is to regulate production, distribution and exchange for supplying human needs instead of for making profits. Mr. J. S. Woodsworth, leader of the Labour Party in the House of Commons, was elected President of the new Party, and steps were taken to organize sections in the other four provinces. The economic policy of the Federation is announced as follows:—(1) Establishment of a planned system of social economy for the production, distribution and exchange of goods and services; (2) Socialization of the banking, credit and financial system of the country, together with the social ownership, development, operation and control of utilities and natural resources; (3) Security of tenure for the worker and farmer in their homes; (4) Retention and extension of all existing social legislation, and facilities with adequate provision for insurance against crop failure, illness, accident, old age and unemployment; (5) Equal economic and social opportunity without regard to sex, nationality or religion; (6) The encouragement of all co-operative enterprises which are steps towards the achievement of the co-operative commonwealth; (7) Socialization of health services; (8) The Federal Government should accept responsibility for the unemployed and supply suitable work or adequate maintenance.

THE ANSWERING OF LETTERS.

The *Canadian Manufacturers' Journal* remarks that we are all more or less guilty of failure to answer letters. Any business man is aware that out of 100 letters written, only a limited percentage are acknowledged. It is useless to investigate reasons. The fact remains and all we can do is to appeal to the better nature of correspondents to see that

letters received get the attention which courtesy and business efficiency demand.

"Young man, answer your letters," urged the late Thomas Arkle Clark of the University of Illinois, in an article in the *Essexian Magazine* written shortly before his death and addressed to young professional and business men. "The only sort of letter which may be ignored," according to Mr. Clark, "is the insolent, insulting one." But any courteous letter is entitled to a courteous and prompt reply. "Years ago I was closely associated with a man high up in politics and business," he relates. "He never failed to answer a letter. He never lost an opportunity to write the note of congratulation or condolence or sympathy. If a man he knew won an honour or a promotion or did anything worthy of commendation, a note was sent to him. If he learned of the arrival of a new baby, whether the janitor's or the political leader's, he wrote something that was sure to make the newly-made father feel good. He cleared up his correspondence every day; there were no unanswered letters on his desk when he closed it at the day's end. It was not wholly sentiment with him; it was good business." "I have gained more friends," he used to say to me, "and I have strengthened my friendship with more men

by careful attention to the letters I have written than by any other method. The man who does not answer is a poor politician, a poor business man, and he is neglecting one of the most valuable social assets that he can possess."

AMERICAN ECONOMIC POLICY.

No one can predict with confidence all the effects on world trade of the result of the Presidential election. Some suggest that a change in American economic policy is overdue. Mr. Hoover has repudiated responsibility for the stagnation in trade throughout the world, but British critics opine that the policy of the United States has been a contributory cause, and that mere persistence on the old lines holds out no prospect of relief. The different views put forward by the outgoing and incoming Presidents show that the hope expressed in certain quarters that under the new regime the United States will show greater disposition to review the position from a broader standpoint, is baseless. It is true no nation—much less a great nation—can live unto itself but the American allegation is that it cannot be made to pay to help Europe arm herself to the teeth to the detriment once again of the whole world.

Economic Notes.

War Debts.

We would invite special attention to Mr. Marvin's article on War Debts appearing elsewhere in this issue. After recapitulating the main arguments from the point of view of the United States, from the point of view of the Allies and from that of Great Britain, the question is asked whether the Allies, who were comrades in arms, should be treated more harshly than Germany, the enemy country. In conclusion, it is pointed out that it is of paramount importance that an agreement be reached satisfactory to both sides, both in order to preserve world trade and to maintain the sanctity of contracts.

PUSA AS A POST-GRADUATE CENTRE.

The Government of India recently decided to accept the recommendation of the Royal Commission on Agriculture that the Pusa Institute should be made a centre for post-graduate training in the science of agriculture. They have also accepted the recommendations of the Imperial Council of Agricultural Research:—(a) that the provision

of facilities for research work and for acquiring a knowledge of modern research methods and technique is all-important and involves a certain amount of definite but not formal instruction: (b) that there is need for a special post-graduate course of an original nature for Assistant and Deputy Directors of Agriculture and that in some cases it will be desirable to give a refresher course in the various branches of agricultural science in order to assist students coming from a Provincial Department of Agriculture, who have left the University or the Agricultural College several years before and are not acquainted with the recent advances in pure science; (c) that for University students seeking admission to the post-graduate course it should be insisted that ordinarily they should have the highest degree in science, short of a Doctor's degree, awarded by the University from which they came, and that for agricultural graduates a first class or a high position in the college graduation list should be demanded; and (d) that entry to the post-

graduate courses could not be confined to men already in Government service but should be open to private students; that in each province there should be a selection committee on which due representation should be given to the Universities and that the recommendation of such selection committees should go before a selection committee at Pusa, which should have the final voice in the selection of students. The Pusa authorities should have power to admit students who had not gone before a provincial selection committee but who, in their opinion, were suitable for taking up the post-graduate course. In regard to qualifications, ordinarily candidates should not be selected unless they had the highest degree in science, short of a Doctor's degree, which the University from which they came awarded. Proposals for the reorganization of Pusa with a view *inter alia* to enable full effect to be given to these proposals had reached an advanced stage when financial stringency prevented further progress. It is, however, the intention of the Government of India that the development of Pusa as a centre of agricultural research work should proceed as soon as financial conditions permit. In the meantime, post-graduate instruction of a high order can still be given in subjects such as agricultural botany with special reference to plant genetics, mycology, entomology, and probably in the near future, agricultural chemistry, with special reference to soil science. Facilities will also be available as heretofore for post-graduate work in animal nutrition at the Imperial Institute of Animal Husbandry and Dairying at Bangalore, and for post-graduate training in farm organization, farm management and general farm engineering at Pusa. There will be no interruption in the course of instruction in dairying for the Indian Dairy Diploma at the Bangalore Institute. The Government of India accordingly propose to regulate admission to post-graduate courses in these subjects. As the formation of select committees in the Provinces is an integral part of the above scheme, the Bombay Government have ordered that a local selection committee should be constituted for the selection of students from the Bombay Presidency seeking admission to the post-graduate course at the Imperial Institute of Agricultural Research, Pusa. The Committee will consist of (1) the Director of Agriculture, (2) the Principal, Poona Agricultural College, (3) one experienced Deputy Director of Agriculture, (4) one specialist

officer of the Agricultural Department, and (5) one representative nominated by the University of Bombay. Mr. B. S. Patel, Deputy Director of Agriculture, Gujarat, and Dr. B. N. Uppai, Plant Pathologist to Government, are appointed to be members of the committee under (3) and (4). The nomination by the University of Bombay of Professor R. H. Dastur of the Royal Institute of Science, as their representative on the committee, is also approved. The members of the committee will hold office for a period of three years.

CANADA'S TRADE.

Canada need be much less dependent upon non-Empire sources for her imports than has generally been supposed. This, in short, is the content of the November Letter from Canada published. This means that if non-Empire countries should go so far as to prohibit all imports, Canada could secure almost all of her present requirements from within the Empire. It is the potential warning to the rest of the world against the steady increase in tariffs and against further checks upon international trade that seems to constitute the greatest contribution of the Ottawa Conference.

INDIAN STUDENTS IN AMERICA.

His Majesty's Minister at Washington reports that under the new interpretation laid down by the Department of Labour an alien applying for admission under the non-quota student provision of the immigration law "must be able to show that adequate financial provision has been made, or is satisfactorily assured, which will enable him to maintain an uninterrupted student status"; because "if any such student already here or hereafter admitted to the United States engages in any business or occupation for profit, or labours for hire, he shall be deemed to have forfeited his status and shall be liable to arrest and deportation." As a result of protests from college presidents and education authorities, this decree has been modified to permit alien students to work in exchange for their room and board or in part payment for their tuition but not to obtain funds from employment outside the institution where they are studying or the lodgings in which they are residing.

It would appear that the Labour Department of the United States of America propose strictly to enforce the immigration rule which reads:—

"Any immigrant student admitted to the United States as a non-quota immigrant

under the provisions of sub-division (c), section 4 of the Immigration Act of 1924, who fails, neglects, or refuses regularly to attend the school, college, academy, seminary, or university to which he has been admitted or who otherwise fails, neglects, or refuses to maintain the status of a *bona-fide* student, who is expelled from such institution, or who engages in any business or occupation for profit, or who labours for hire, shall be deemed to have abandoned his status as an immigrant student, and shall, on the warrant of the Secretary of Labour, be taken into custody and deported."

The attention of students from India is invited to this rule and the consequences which may follow its infringement.

OTTAWA AND INDIA.

"Don't force Ottawa on India," declares Mr. Wedgwood Benn in an article in the *Daily Herald*, "unless public opinion there unmistakably demands and accepts it." This, Mr. Benn says, is not criticism of Ottawa, which distinguished Indians with unequalled knowledge and skill helped to draw up, but the case of India differs from Canada and Australia where elected majorities behind popular governments at present demand reciprocal preferences whereas in India commercial and popular opinion is hostile. Mr. Benn quotes the declaration of Joint Committee of 1919 signed by Selborne, Middleton, Sydenham and Ormsby Gore that India should have the same liberty to consider her interests as Britain and the Dominions. Mr. Benn argues that fiscal autonomy convention has served well to defend Indian interests and British Governments have striven faithfully to observe it, but how imperfectly, indeed harmfully, was shown in 1930 when after the Labour Government protest against increased cotton goods the Government of India proposed in the Assembly preference for British goods and secured its passage by official vote. Then followed several resignations from the Assembly and boycott resolutions though there had not been breach of fiscal autonomy convention. Mr. Benn says that right policy seems to be clear. If the Indian commercial associations and elected legislators can be brought to see the merits of Ottawa agreements, well and good. Otherwise, wait or bitterness will spread among influential circles. Responsible Commerce Minister in the new constitution might repeal unpopular preference scheme, whereas if the ground is kept clear, the agreement could be made with an India commercially free.

EXPORT OF GOLD.

The export of gold from Bombay for foreign countries for the week ending October 29 was Rs. 1,29,65,713. The S.S. *Raahyandi* which sailed recently for England carried gold worth Rs. 69,75,255, including yellow metal valued Rs. 17,35,648 for Amsterdam, option London. The S.S. *Ritanna* which also sailed for England recently carried gold worth Rs. 59,90,458 including sovereigns worth Rs. 64,318. The total value of gold exported from Bombay since Britain went off gold standard up-to-date amounts to Rs. 90,42,73,746.

MANUFACTURE OF HURRICANE LANTERNS.

Mr. A. T. Weston, Director of Industries, Bengal, writes:—Customs returns show that in recent years hurricane lanterns are imported into Calcutta and Chittagong ports in Bengal at a rate of not less than 10 lakhs of lanterns per annum, valued at approximately Rs. 10 lakhs. The manufacture of hurricane lanterns is one of the most interesting applications of the sheet metal pressing industry, as apart from the glass globe and wick, the whole of the parts of a hurricane lantern are made up from metal sheet, pressed and stamped to required shapes and from metal wire. There is thus great prospect here for an indigenous hurricane lantern industry. It is understood that Mr. Sanjib Chandra Bhattacharjee, who in 1930 was awarded the Radhikamohan Scholarship of the Calcutta University, to have training in the manufacture of hurricane lanterns abroad will soon establish a properly equipped factory here for the purpose of manufacturing hurricane lanterns.

WORKING OF THE MINES ACT.

The Annual Report of the Chief Inspector of Mines on the working of the Indian Mines Act during the year 1931, shows that during that year the daily average number of persons employed in and about the mines was 230,782, a decrease of 30,885 persons as compared with the previous year. Of these persons 115,726 worked underground, 54,912 in open workings and 60,144 on the surface; 182,875 were males and 47,907 females as compared with the previous year's figures of 204,754 males and 56,913 females. The number of persons employed in coal mines was 158,267 or 10,734 less than the number employed in 1930. In coal mines 32,462 women were employed; of these 16,632 worked underground, 4,467 in open workings and 11,363 on the surface, the corresponding figures

for the preceding year being 18,287, 5,627 and 12,962. The total output of coal was 20,514,597 tons, a decrease of 2,169,264 tons or 9.56 per cent as compared with the figure of the previous year. The opening stocks were 910,408 tons and the closing stocks 1,414,340 tons. The output of iron-ore was 590,176 tons, a decrease of 5,42,717 tons as compared with the figure of the previous year. There was a fall from 10 to 15 per cent in the rates of wages paid to miners in the important coal-fields. During the year 1931 there were 189 fatal accidents, involving the loss of 227 lives of whom 183 were males and 44 females. Of the 189 accidents 156 occurred in coal mines and resulted in 185 deaths.

MYSORE STORES PURCHASE COMMITTEE.

The Government Review of the Annual Administration Report on the working of the Stores Purchase Committee, for the year 1931-32, states:—The scheme of a centralized organization for the purchases of all Departments having proved advantageous, it was made permanent from the 7th April 1932. The Committee met four times during the year and in addition to transacting the usual business relating to the disposal of tenders, etc., considered general questions connected with the economical handling of materials purchased and the development of local resources for meeting departmental requirements. At the instance of the Committee, the Senior Surgeon was deputed to visit Calcutta for investigating, among other things, the possibilities of manufacturing at a reduced cost drugs and medicines locally out of raw materials available in the State. As a result of these enquiries and on the recommendation of the Committee, the Industrial Laboratory has been entrusted with the manufacture and supply of certain drugs and medicines required for the use of medical institutions in the State, the total value of stores purchased both in India and abroad amounting to Rs. 21,74,317 against Rs. 44,14,520 in 1930-31.

Rumours, mainly correct, have been current in England concerning the proposed forty factories to be erected in India in order to turn out, at an average of 20,000 tons per factory, the 800,000 tons or so of white sugar that India imports as a rule each year in reference to buying so large a quantity from abroad or to eating *gur* or *rab*. That is good, whatever others may say.

Of this, the sum of Rs. 10,53,865 represents the value of articles made in India. The marked fall in the value of purchases made by the Committee was mainly due to the reduction of grants to some of the purchasing Departments.

SUGAR IN MORTAR.

Nothing, it appears, is new under the sun, the mixing of sugar with mortar certainly is not. Now we are told by Mr. David E. Headley, who knows British Guiana and also New York very well, that as far back as March, 1931, he wrote to the Mellon Institute of Industrial Research at Pittsburgh telling them that as far back as 1873 it was a well-known fact that for building purposes in B.G. the old Dutch custom was to mix sugar with lime—sugar then, as now, being their staple industry. As a result, when replacing old bridges, etc., by new ones, it was found all but impossible to break away the stones or bricks; they clung together as a solid mass, the binding power of sugar with lime being so great. With the enormous surplus of sugar at present, says *Tropical Life*, a burden to world consumers, it would be a boon to see some of it put to such new uses. This applied to raw sugar only, there was no refining in those days. Over a century ago, going still further back, when molasses were not in demand, the Dutch bricklayers, known locally as "masons", mixed them with their mortar. As a result, in the interior of British Guiana are to be found brick and concrete structures on sugar plantations and elsewhere abandoned perhaps for over a century; yet in spite of this, in spite also of the wear and tear on buildings due to the climate, such structures to this day remain practically untouched by weathering conditions, whilst newer buildings, fifty years old, perhaps less, show signs of effects from the climate. These newcomers can easily be broken up, but not the old Dutch structures. The custom is well known in India as well and has been in vogue for ages even in the construction of domestic structures.

General Moo Song Whang, a member of the Chinese Delegation to Geneva, who arrived in Bombay during the week, said: "I want my people to study the conditions in India, as China and China are two big neighbours. China and India ought to understand each other and seek to pool their knowledge so as to raise the economic conditions of both the great nations."

Current Comment.

By "Scrutator".

The arrival of Mr. Bernard Shaw at Pombay was the occasion for the display of that warm friendship that Indians generally cherish for him. Mr. Shaw reciprocated in his own way—inimitable and interesting to a degree. Those who have read Mr. Archibald Henderson's picture of the play-boy and the prophet may feel a rude shock when they are told that he is changing his political colour. Is he to-day the Socialist that he was or is he a Fascist? That he is an admirer of Mussolini, the strong man, and of Mahatma Gandhi, another strong man (in a different sense) is clear, whether he likes

Fascist methods or not. Modern democracy as known in England to-day, he thinks, has outlived its usefulness. Though he is not by any means a supporter of naked autocracy, he evidently believes in "responsible statesmanship". That, perhaps, is what he meant when he held up Mussolini as the only "responsible statesman" to-day in Europe. Morality is not merely a virtue, but something higher. To him, morality is not a standing jest, nor faith a necessary fraud at best. He does not believe in the divine right of kings to govern "wrong", even where the "kings" are the modern democratic kings represented by Parliaments consisting of worked-up majorities. Anything is possible with such majorities. Politics divorced from morality leads to conditions both painful and disastrous.

*Religion blushing veils her sacred fires,
And unawares, morality expires,
Nor public flame, nor private, dares to shine;
Nor human spark is left, nor glimpse divine!
No! thy dread Empire, Chaos! is restored;
Light dies before thy uncreating word:
Thy hand, great Anarch! lets the curtain fall;
And universal darkness buries all.*

If Mr. Shaw suggests anything by his satire, it means a loud lament at what is happening in the so-called politics of the world.

Appropos of Mr. Shaw's visit, it is worth while noting the distinction he recently drew, in

a French journal, between patriotism and nationalism. "It is wrong to confuse," he said, "patriotism with nationalism which is a discomfort caused by one nation holding another under its domination. The nationalism of Gandhi and Mrs. Sarojini Naidu in India and of Griffiths and Michael Collins in Ireland is as honourable and salutary as patriotism is psychopathic and contemptible." No wonder he appreciates Mahatma Gandhi. His reply to the question whether he sympathized with India's aspirations, was quite characteristic. Mr. Shaw

said: "I have left my sympathies behind me." When queried about the future of Indo-British relations, he remarked: "Sufficient unto the day is the evil thereof. I am not looking into the future. It may be possible there may not be any relations at all." That is quite Shavian in style, but what is more to the point is that that is the opinion of the greatest publicist of the modern age.

The rejection of Dr. Subbarayan's Bill and the sanction according to Mr. Ranga Iyer's new Bill indicate the extraordinary confusion that prevails at Delhi. The Mahatma's

opinion has had its effect. The Viceroy has been compelled to make the subject of temple-entry an All-India one. The need for action of the right sort was compelling in its character. British opinion was insistent and Indian opinion, except for those who are out for exploiting the crude sentimentalists, was prepared for a large advance. In such circumstances, to have discounted the Madras Bill was politically unjust. It gave scope to the Harijans to think that Government was against, while their own people—the caste Hindus—were in favour. The Government could not have done worse than create the impression that they were against an advance. Government should have treated the matter as one of domestic



George Bernard Shaw in his Study

concern as among Hindus themselves. The theory that Harijans are not Hindus and that Hindus are against Harijans has fallen at already and cannot survive the fate that is overtaken it.

* * *

The Round Tablers have returned and each has his own version to give of the Conference and what it has done. The States are ready for Federation, say in effect the State representatives. If that be so, Federation cannot be delayed. Sir Samuel Hoare is thus to keep his word. What, then, and in the way? The safeguards, the Reserve Bank and the Army question. These are there; these will be there; and these will have to be circumvented. The returning good use of the European trader will soon make him unlearn the lesson he has artificially set up that trade is possible with an inimical people. The best guarantee for trade is soundness; that he can get for the mere king. He has to relieve himself of his racial superiority and declare himself a mere trader. He will work the miracle. The Reserve Bank question will solve itself, if Government not over-anxious on the "political" point of view. Nobody doubts that such a Bank is a necessity. But the point of view should be financial and national, so that India may live in its efficacy. The true position is one and subject to that single proviso, none the object and can object. What is put forward

that while suggesting a Federal Reserve Bank, as a solution, its creation should not be made impossible by proposing terms and conditions altogether unnecessary or impossible. The position as regards the Army is capable of solution on an agreed basis. The Legislature should have control over my finances, over recruitment and Indianization. An agreed Budget subject to Legislative control offers a solution that cannot be rejected. If Indianization cannot be used, compromise becomes a necessity, that is the essence of the Army question in India. If Government look askance at it, they will be only complicating matters for the future.

* * *

As we go to Press, we hear of Herr Hitler, stalwart but violent Herr, being appointed Chancellor in Germany. The cables show that Lord Rothermere's forecast is slowly but surely coming true. Herr Hitler is opposed by the Socialists and the Centre Party is clinging on developments. But the rest of

Germany is with him. The Communists are of course against him and their cries of "Down with the Government" and "Death to Hitler" are being heard in the midst of the Nazi rejoicings. The British Press is not over-sanguine in its expectations of Hitler's successful evolution of a policy which might prove helpful to Europe. Disarmament, already discounted is likely to recede much farther and nationalism of the more violent type will be to the fore to an increasing extent. Hitler's promise of Parliamentaryism remains to be tested by events. The fact that the Reichstag is to meet on the 5th instant shows that he is endeavouring to keep to his word. The jubilant tone of the Italian Press has only to be compared with the pessimistic comments of the British and the caustic forebodings of the French, if we are to realize the position. The *Noir* may be wrong in thinking that Herr Hitler's appointment is a step nearer to the restoration of Monarchy and a more uncompromising foreign policy but his Cabinet is a composite one and the realization of the Monarchy may yet be postponed for a time longer than we care to mention. Altogether the position is one of immense possibilities— for good or for bad. The Herr Hitler minority may have a long life but it is not he who holds the position but his Steel Helmets and the Reichswehr who have to be taken into account.

* * *

The success of De Valera in the Irish Elections ought to prove something of a problem to Mr. Thomas, the Dominions Minister in the British National Cabinet. The Thomas Policy is dead as a door nail. Published trade figures show that both Ireland and England have lost their trade. Ireland has had an advertisement by reason of the retaliatory action forced on her. Britain has added to her unpopularity, by her stern measures, in Ireland. The Cosgravites have practically agreed now to the De Valera policy on the land values question. The election has settled that point in Ireland's favour while the Oath goes as a matter of course. Mr. De Valera has, besides, as the result of the Election, a better political position, both in and outside the Dail. It must be confessed, after what has happened, that De Valera has succeeded all along the line and nothing is likely to prove more useful to him than the colossal ignorance betrayed by Mr. Thomas in devising a scheme of duties which has helped to kill both friendship and trade at one stroke as it were.

One thing worth while noting about De Valera is that he is essentially a man of peace—like Mahatma Gandhi. His declarations show that he is for peace—peace in Ireland, peace in relation to Ulster and peace in relation to Britain. Negotiations in regard to land annuities cannot but be taken up once again. As regards the Oath, the position is beyond redemption now. Probably, nobody will cry for its loss, whether in Ireland or in Britain. The Treaty was never in danger and will never be, even after the Oath goes. Who can say that Mr. De Valera has not played his cards well and that in a crisis? He does seem to possess something more than the astuteness that goes to make up a statesman.

The death of Mr. F. G. R. Peterson, Special Correspondent in India of *The Times*, under regrettable circumstances, will be regarded a great loss to journalism. He was an authority on matters connected with the Frontier and his work in India was not always inimical to its people. In a paper he read in October last before the East India Association he discounted the idea of Russian influence in the troubles on the Frontier. Sir Hamilton Grant, who presided on the occasion, concurred in Mr. Peterson's view that the Soviet influence with regard to the Red Shirt movement had been practically negligible. Mr. Coatman, of course, took a different view and suggested that at one time the Soviet had inspired Red Shirt activities and its influence was still not negligible. While denying all direct contact, he urged that Soviet influence had been indirect. Whether this is so or not, Mr. Peterson refused to agree with Mr. Coatman's view that Abdul Gaffar Khan had used Mahatma Gandhi. Mr. Peterson, however, committed the common mistake of his countrymen that the Irwin-Gandhi Pact had a deplorable effect upon the Frontier. He could adduce no evidence as to this suggestion except to add

the familiar remark that though every Red Shirt broke the Pact, there "was not a government officer, not a soldier who did not abide by its word." The facts, however, proved too strong even for him and he admitted frankly that the Red Shirt movement was "an agricultural revolt" and local in character. Right or wrong, Mr. Peterson was a brilliant pressman and his death will be deeply deplored.

Sir M. De P. Webb, C.I.F., C.B.E., sends a copy of the reprint of his article in the Karachi *Daily Gazette* in which he criticises Government's policy, which he describes as "pro-rustean". He suggests that the time is now ripe for correcting the "distortion in the rupee so that prices will be restored at least to the levels of 1929." He sets down the "stark facts" as he calls them and exposes the "dishonest measures" of the governments of the world "who are to-day asking their peoples to pay their taxes in thirty-two-anna rupees and forty-shilling-pounds sterling and two hundred-cent dollars!" and asks, "Does this not reveal a similar moral depravity?" These are strong words but the valiant Knight thinks that "the time has come for a united and irresistible protest against this dishonest and deadly practice." His remedy may be stated in his own words:—"The best course for India, in my opinion, (and I have forty years' practical experience of currency problems in India behind me) would be to reopen the Indian Mints to the free coinage of silver (the import duty on silver remaining as at present for the time being) and to allow the foreign exchanges, to adjust themselves to the requirements of India's foreign (overseas) trade. Such a policy would lead to an immediate and probably long continued rise of rupee prices, and would greatly facilitate the sale overseas of India's surplus products, agricultural and manufactured." Here is something for Sir George Schuster to ponder.

The Paris correspondent of the *Sunday Express* foreshadows the use of rubber clothes. This is apparently being promoted by an American rubber company which has already asserted that rubber clothes have been successful in America and that a new development is pending. The Company is now negotiating with European firms for the use of rubber thread woven in wool, silk and cotton manu-

factures, thus giving extra wear and elasticity and being crease-proof, at the same time incurring no increase in cost and offering longer life.

As we go to Press, H. E. the Viceroy has opened the Legislative Assembly but the Address is not rich on the constructive side. Mahatma Gandhi is out of the picture and what that means need not be expatiated upon.

Topics in the Journals.

British Trade with India.

Although British trade with India has in recent years been subjected to handicaps and restrictions diverse in origin and incidence, four main governing factors may be discerned; the cataclysmic decline in commodity values, caused almost exclusively by international influences, but reducing India's purchasing power proportionately to the reduction in the value of her exports; the expansion of Indian industries, fostered by a very strong and widespread *swadeshi* ("Buy Indian") movement superimposed on protective tariffs increasingly effective in curtailing imports; a vast increase in population, to the extent of over 32,000,000, in the 10 years ending 1931, unaccompanied by a corresponding increase in production, causing, in conjunction with the trade depression, a decline in the average income and standard of living; and, finally, an almost complete suspension of capital outlay on public utility projects and industrial enterprises, leading to a heavy fall in the importation of producer-goods which normally form so large a percentage of British exports to the Indian market. It may be useful to summarize the sequence of events under each of these four headings, writes a correspondent in the *Times Trade Supplement*.

According to statistical calculations included in the official review of India's foreign trade in 1931-32, illustrating the incidence of the world decline in commodity value on the staple exports of India, in September 1931 the percentage fall was highest in the case of oilseeds, which amounted to 55 per cent followed closely by wheat, and hides and skins, 53 per cent, and tea and raw cotton with a fall of 51 and 49 per cent respectively. The fall in raw jute was 43 per cent. On the other hand, the fall in cotton manufactures was only 27 per cent, in metals only 19 per cent, and in sugar and other commodities 18 and 36 per cent respectively. If, however, one takes June 1932 for comparison, the greatest fall is in hides and skins which have fallen by 66 per cent and are worth only a third of what they were in September 1929.

FALL IN EXPORT PRICES.

The fall in oilseeds and raw jute amounts to 59 and 58 per cent respectively, whereas in rice and tea the fall is 53 per cent. Raw cotton shows a fall of 48 per cent and wheat of 41 per cent. The fall in jute manufactures is, however, only 44 per cent, in cotton manufactures 29 per cent, while metals and sugar showed a fall of 21 and 12 per cent respectively. Thus, it will be seen that the fall is very great in agricultural commodities and raw materials, but comparatively small in manufactured articles. It follows, therefore, that the prices of India's exports have fallen considerably more than the prices of her

imports, and this difference obviously has a very great bearing on her ability to buy imported products.

Actually the fall in the value of imports (of private merchandise) in 1931-32 compared with the preceding year was Rs. 3,842 lakhs (one lakh equalling £ 7,500) and Rs. 114.43 lakhs compared with 1929-30. In exports, the declines were Rs. 65.09 lakhs and Rs. 157.38 lakhs respectively. Had it not been for the abnormal and considerable shipments of gold, the balance of trade in favour of India would have been negligible, but the exports of bullion changed the situation and converted a disastrously low balance into the largest favourable balance since 1925-26.

As a result of the phenomenal fall in the value of agricultural prices, unaccompanied by any corresponding decline in outgoings, which are very largely fixed money charges (rent, interest, etc.), the cultivators, who form the overwhelming majority of the population, have had only a very small balance left for any expenditure beyond the barest necessities—for the acquisition of such articles as iron sheets, cotton piecegoods, etc.—to the great disadvantage of the various import trades. The boycott prompted by political and racial feeling was an important factor, but its influence was restricted almost entirely to cotton goods and tobacco, the effect in these two cases being merely to accentuate the curtailment of imports that would, in any event, have occurred as the outcome of purely economic causes.

Nevertheless, as the ultimate cause of the steep decline in imports, the decline in exports, compared with 1929-30, was undoubtedly the decisive factor.

THE CHIEF REQUIREMENT.

It follows that if the purchasing power of India is to be restored to the former level, the chief and most urgent requirement is the restoration of world prices of the commodities. India exports as near as possible to the basis on which international trade was conducted in, say 1928-29. India can make a little or no contribution to this recovery, for the decline in commodity values was due primarily to international influences, and can be reversed only by measures international in character. The preferential tariffs on British goods, recommended in the Indo-British Agreement reached at the Ottawa Conference, would be helpful within narrow limits, but are subject to the disadvantage that, as, owing to the world slump, the foreign trade of India has been halved, there has been a *pro rata* decline in her ability to buy.

Although protectionist tariffs in India now cover a wide range of industries, and are constantly being increased and extended to new industries, their effect has been most evident, and most prejudicial to British trade, in stimulating the industry of cotton manufacture for which India enjoys many natural advantages, extending from ample supplies of the raw material at one end of the scale to a large, and now highly protected, market at the other. In conjunction with other factors, including most notably the persistence of high costs of production in Lancashire and the astonishingly rapid development of Japanese production and competition, the effect has been, first, a great reduction in Indian imports of cotton goods from all sources, leading to a rapid decline in the relative importance of cotton goods.

as an item in the general import trade of India; secondly, as the major cause of the decline, a huge expansion in the production of mill goods in India; and, thirdly, a serious contraction in the percentage of imported cotton goods derived from Lancashire owing to the progressive increase in the percentage of imports derived from Japan, where the cotton industry is more efficiently organized, alike for purposes of production and sale, than in Lancashire, or, even more emphatically, in India itself.

PRODUCTION AT HOME.

Within a measurable period, mill production in India will extend and diversify until a stage is reached when imports, excluding a few special qualities, will entirely cease. That is certainly the Indian programme, and eventually no economic or political action can avert, or greatly delay, its complete fulfilment.

It has been stated that in the decade ending 1931 the population of India increased by over 32,000,000, a figure which may be compared with a total of under 30,000,000 industrial unemployment in all Western countries as the sequel to the greatest economic crisis the modern world has known. It is a mistake to assume that the primitive system of agriculture in India can absorb so large an addition to the population without extreme strain. The increase in the number of workers employed in factory and analogous industries, despite the free imposition of protective tariffs, has been absolutely and relatively negligible.

Evidence has already been adduced indicating the disastrous incidence on the vast aggregation of cultivators of the calamitous world drop in commodity prices. A fall in the price level increases the real burden of indebtedness; and in the rural districts in India the burden was heavy to the limits of human toleration even before the slump. The World Economic Conference may devise measures diminishing industrial unemployment and increasing international trade, and the Third Round Table Conference may "solve" the Indian political problem, or at least allay Indian political unrest in its present form, but the economic problems created by the vast increase in the population of India will not be solved in this generation. When industrial development in India has reached the limits marked by the relatively small domestic demand for factory products, there will remain the larger, and incomparably more complex, task of raising the standard of productivity and consumption in the agricultural areas, which maintain, and probably will always maintain, more than four-fifths of the population.

EFFECT OF TARIFFS.

If the world slump has reduced the income of the Indian cultivator by reducing the cash value of all the produce he grows for sale, the imposition of protective tariffs in India has subjected him to a further handicap by raising the price level of nearly every product he is anxious to buy. The effect of protective tariffs in India in raising the cost of industrial products is supplemented and widened by the even more numerous, and hardly less oppressive, revenue tariffs imposed by the Government of India to enable it to balance its Budget.

In the field of industrial enterprise expansion is practically limited, at the moment, to the cotton and sugar industries. The Jute industry possesses a reserve capacity of production far in excess of market requirements within any calculable period,

and the short-term agreement includes a self-denying ordinance debarring extensions. The tea industry, perhaps for some years ahead, will possess neither the resources nor the incentive to embark on new capital outlay, and among the various miscellaneous industries in India none holds out any promise of substantial development. In brief, on the present basis, industrial expansion in India has almost reached its limits; exporting industries, such as jute and tea, await a recovery in world markets, and the domestic industries, such as cotton, depend for further expansion on the restoration of internal purchasing power which can only follow, and not precede, the world recovery in commodity prices necessary to enable the great agricultural population once again to resume its normal outlay on factory products.

Bank-Branches in Sweden.

The *Skandinaviska Kreditaktiebank* in its latest issue has an illuminating article on the above subject, from which we take the following, in view of the importance of the subject:—

The development of Swedish banking since the beginning of the present century presents many interesting features. The general economic progress during the first ten years of the century gave a great impetus to banking in this country. The services rendered by the Swedish banks assumed far greater importance than before, and the dissemination of banks and their branches was greatly extended. The economic vicissitudes of the war, with their animating effect on all manner of financial transactions, gave an additional stimulus to banking. And in the years of boom which supervened after the war the scope of Swedish banking was expanded and the network of bank-branches still further extended. The crisis of deflation which ensued in 1920 and 1921 rendered it necessary to concentrate the diffuse organization which had thus been created and—in banking as well as in industry and commerce—to remove the excesses produced by the period of inflation.

For the savings-banks the establishment of branch offices has not been of such importance as for the commercial banks. The changes in the number of branch offices have therefore been less marked in the case of the former.

Special attention should be drawn to the figures recording the number of bank offices per 100,000 souls. From the beginning of the century to the end of 1913 the savings-banks show a very moderate increase in the number of their branch offices. This increase is, in fact, only slightly in advance of the growth of the population. The commercial banks, on the other hand, doubled the relative number of their offices during the period. The proportion of commercial bank offices to the total number of bank offices thus increased from about 30 per cent in 1900 to about 43 per cent in 1913. This considerable extension of the network of commercial bank offices did not, however, visibly affect the savings-banks, which during the period continued to receive about forty per cent of the total deposits.

During the latter part of the war and a year or so afterwards a large number of new branch offices were established. These extensions were particularly marked in the case of the commercial banks, which then surpassed the savings-banks in regard to the number of branch offices. During the ensuing period of deflation the number of bank-branches was drastically reduced. The commercial banks made a

careful scrutiny of their network of branch offices, with a view to the elimination of those that were superfluous. They got into touch with one another and, in consultation with the Board of Bank Inspectors, came to an agreement in regard to the systematic distribution of bank-branches. It was, for example, arranged that the offices of the provincial banks should, as far as possible, be confined to their natural sphere of operations. By the exchange or complete suppression of branch offices, they abated the very sharp competition between them.

The number of savings-bank offices was likewise considerably reduced during the same period. The savings-banks nevertheless succeeded in appropriating an increasing proportion of the savings of the public.

It is interesting to note that since about the end of 1930 these two groups of banks are approximately on a par. They are about equally distributed over the country and the sum total of their deposits is roughly the same. At the time just mentioned the number of the offices of the commercial banks and of the savings banks was 17.4 and 17.7, respectively, per 100,000 souls, and the deposits per head totalled 480 kronor in the commercial banks and 482 kronor in the savings-banks.

The figures for the deposits in the commercial banks are based on a special enquiry made by the Swedish Banks' Association. These figures are two per cent lower than those given in the balance sheets of the commercial banks. The discrepancy is due to the fact that the Bank Association has not allowed for accrued interest.

To a certain degree it may be said that the two groups of banks cater for different classes of the population. Whereas the savings-banks have prospered best in the rather thickly populated agricultural districts in southern and central Sweden, the commercial banks have obtained most of their customers in cities and industrial centres. This broad rule is, however, by no means universally applicable. The savings-banks nowadays have the custody of a considerable part of the savings of the urban population, whilst, on the other hand, the commercial banks have to some extent gained a footing in the country, even in characteristically agricultural districts. It has occasionally happened that rickety savings-banks in rural districts have been absorbed by commercial banks. It should further be noted that some minor companies have deposited their available funds in savings-banks.

Thus, whereas there is a marked distinction between these two classes of banks in regard to lending, the line of demarcation between them has been somewhat effaced so far as concerns deposits, which latter fact has of course tended to sharpen the competition between them for the deposits available. It is an object desirable, recognized in most parts, that this competition should be mitigated in the future by the adoption, as far as possible, of uniform rates of interest. Considering that these two groups of banks are equally important organs for the administration of the savings of the public, they ought both in the same supply way to co-operate with the Riksbank in its general interest policy.

A Co-operative Commonwealth.

The Rev. H. A. Popley, M.A., Y.M.C.A., Madras, writes in the *Statesman*—

If anyone wants to be assured of the value of the thoroughgoing application of the co-operative idea

to the solution of the economic rural problems of India a visit to the estate of Sir Daniel Hamilton at Gosaba in the Sunderbans of Bengal cannot fail to convince him.

This estate is about 50 miles from Calcutta and is situated on Bidya or "River of Knowledge" and to get to it one has to journey for some miles down the river Matla or "the drunken river". So we pass from the shores of drunkenness to the place of sobriety and knowledge. I am writing about what has been done at Gosaba because I have found among so many people considerable doubt and uncertainty concerning the possibility of applying the co-operative principle to all problems of rural economics. The estate of Gosaba is really a Co-operative Commonwealth in itself. It is 20,000 acres in extent with 14,000 acres already under cultivation and it has no police thana and no resident magistrate. For the past thirty years only one case has gone to the courts from any of the villages in this Commonwealth. Later on I will explain how quarrels and disputes are dealt with. A steamer that plies between Port Canning and Gosaba on the rivers Matla and Bidya connects Gosaba with the great city of Calcutta. Though only fifty miles have to be traversed the train and steamer between them manage to occupy six hours of one's time.

THEN AND NOW.

Twenty-eight years ago the land was wild jungle tenanted by tigers and crocodiles. By the side of the little Christian Church is a lanyan tree under which the present pastor twenty-five years ago saw tigers playing and later discovered a heap of skulls and bones remaining from the animals killed by the tigers. To-day the tree is the centre of a prosperous Christian village, the central village of Gosala, and there are altogether nineteen villages on the estate with a population of 9,000 people, all of them either tenants or officers of the estate or connected in some way with the estate. Everyone of these villages has its own co-operative society based on the principle of unlimited liability. Twenty years ago Sir Daniel discovered that one of his tenants was in debt to a money-lender for a sum of Rs. 700 on account of an original loan of Rs. 300 taken three years previously. As a result of this discovery Sir Daniel made a thorough enquiry into the debts of his tenants and arranged for their repayment from the estate to a total of about Rs. 15,000. He gathered together the money-lenders concerned and calculating a fair interest in each case offered to settle each debt for a round sum, which was accepted and paid at once. Since then the mahajan has found no clients in this estate. It was not till 1919 that Sir Daniel began to think of the possibilities of the Co-operative Movement for the solution of the economic difficulties of his tenants. Mr. Mozumdar, the Manager, who has worked on the estate since 1905 and is a keen believer in Sir Daniel's methods, managed to persuade the tenants in one of the villages to organize a co-operative society on the unlimited liability basis, which took over the debts of the tenants and arranged to meet their regular economic needs. Gradually these were introduced in all the villages and the estate refused to give any more loans to tenants directly. In 1919 a Central Bank was established in order to supervise and finance the village societies and the estate deposits funds in this bank. At the same time a Co-operative Paddy Sake Society was started on a limited liability basis which was afterwards converted into a Co-operative Rice Mill

Society. The tenants bring their paddy to this mill and are at once credited with its value. During the past ten years the mill has proved itself a flourishing concern. There are five hundred shareholders, all of them being tenants of the estate, and it has paid 12½ per cent in most of the years. Last year for the first time it sustained a slight loss which was easily met from the Reserve Funds accumulated. In addition, it has been able to give a large rebate to the tenants which has averaged Rs. 2 per thirty-six bushels of paddy yearly. The mill has a paid-up capital of Rs. 16,000. There is also a Co-operative Stores Society with one central store at Gosaba and two branch stores. All sales are for cash and there are no bad debts. Every year a dividend has been paid on the shares and a rebate on purchases of an average value of three-quarters of an anna per rupee. The annual turnover of the stores amounts to Rs. 24,000.

THE PANCHAYATS.

The panchayats of the Co-operative Societies act as arbitration tribunals in all disputes. In the first instance the panchayat of the society of which the aggrieved persons are members considers the case. If one of the parties is not satisfied with the decision, the neighbouring panchayat is called in to help. If either of the parties is still unsatisfied the directors of the Central Bank sit with the two panchayats and the final court of appeal consists of the estate officers, but disputes very rarely get as far as this without being settled. During the whole existence of the estate in only one case were the police called in and that was a case of murder last year. One murder case in nearly thirty years from community of nine-thousand people is a record in India.

THE GRAIN BANK.

In addition there is a (tharmagola) or grain bank in each village which is intended to help deserving cases of need and for any special emergency. Each member of the village gave as much paddy as he could spare in 1920 as a free gift to this bank and Sir Daniel added an equal amount. This paddy is then lent out to the members to be repaid to the bank at the rate of five measures for every four borrowed. Thus the grain capital of the Bank is being continually increased and will be immediately available in any famine or flood.

EDUCATION.

There are fifteen primary schools and one middle school in the estate. The tenants pay an educational cess of one anna per bigha (½ acre) as Sir Daniel supplements the amount from estate funds. The middle school has a Boarding Department, Agricultural Farm and Industrial School attached to it, where the boys are trained to be better farmers and to employ their spare time in cottage industries, such as weaving of cotton and wool fabrics, silk rearing and so on. One of the most interesting things in the weaving school is an old Scotch spinning wheel brought by Sir Daniel from his Scottish home, which the boys use to spin woollen thread, the wool having come from both Scotch and Indian sheep and the product being, like all the constructive service in West.

THRIFT.

Visitors who came to Gosaba nearly always enquire about the savings of the tenants in the rural banks and they are surprised to find the amount saved in cash is very small. The manager, however, points out that their savings are seen in their houses, the

implements, their cattle, and other well educated children which all help them to live better lives. Some of them also still hoard their savings and the habit of depositing in the societies has not yet grown to any extent. The people who come to Gosaba in the first instance were, as a rule, penniless agricultural labourers, but to-day they are respectable citizens contributing their share to the prosperity of this little state. Arjun Mondol is a case in point. Twenty years ago he came to the estate as a penniless illiterate labourer. To-day he is cultivating forty bighas of land and has a fine house and garden and cattle and is President of the Rangabaha Co-operative Society. A few years ago he received from Lord Ronaldshay a silver-mounted staff for his enthusiastic work for co-operation, which he shows with great pride to all visitors. Another Surun Mondol came in 1917 with nothing but a loam cloth and now has fifty bighas of land, a fine tank and garden and some very good sheep and cattle. Such instances could be multiplied and show how ordinary village labourers can prosper with the aid of the co-operative movement.

ABSENCE OF DEPRESSION.

Gosaba is one of the few places to which the economic depression does not seem to have penetrated to any extent and this is due to the shrewd and far-seeing planning of a Christian business man with the help of a capable and energetic manager, Mr. Sudhangsu Mozumdar and enthusiastic assistants and especially of the magic wand of the co-operative movement. If anyone doubts let him go and see for himself.

Vitamins in Food-Product.

Speaking about vitamins in food-product, Major J. R. D. Webb, Director of Public Health, Madras, said that it was during the last twenty years that this group of food elements had been discovered. The four most important vitamins were classed A, B, C, and D. Vitamins were necessary to assist the body in the absorption of other food elements, to assist it in the growth and maintenance of health and to protect the body against certain diseases. Vitamin A, which was contained in ghee, butter and other dairy products, egg yolk, meat fats and fish oils, in green leafy vegetables and to a small extent in dals and grams, helped to protect the body against certain diseases of the skin, eye and breathing organs. Vitamin B, which was present in substances like hand-pounded grains, green leafy vegetables, eggs, liver and kidney, helped to protect the body against certain diseases of the bowels and nerves.

Vitamin C found in most green leaves and fresh fruit, especially in oranges and mangoes helped to protect the body from a disease called "scurvy." Vitamin D, found in milk, eggs and liver, helped to protect the body against diseases of the bones such as rickets, which produced bad teeth, weak and crooked bones and might, in women, cause complications during pregnancy and confinement. To ensure that all the six main food elements were taken in the daily diet, a judicious selection of food must be made.

Some Recent Economic Publications.

Provision of Credit with Special Reference to Agriculture.

By H. Belshaw, M.A., Ph.D. W. Hoffer & Sons (1931), pp. 326. Price 10s. 6d. net.

The object of the book is to analyse "the nature of the credit problem as it affects farming industries and the object has been largely secured. In the first part of the book, the author explains the nature of capital and credit, the relation between the demand and supply of credit, the price of credit, and the factors which make its price vary between industry and agriculture. The analysis of the nature of risk and uncertainty in agriculture contained in Chapter III is perhaps not the least valuable part of the book.

Part II deals with the economic organization of agriculture, and a classification of credit according to the purposes for which it is needed, the length of the loan, and the nature of the security. From the point of view of purpose, he classifies credit under (a) Settlement and Development Credit, (b) Production and Equipment Credit, and (c) Marketing Credit. The credit needed for land settlement is necessarily long-term and could only be met by land-mortgage loans, while the credit needed for development is either long-term or intermediate credit, and therefore to bring settlement and equipment credit under the same category does not seem proper.

In Part III, long-term credit agencies are dealt with in considerable detail. The "outer market" is first discussed, and he brings under this category the credit provided by private persons, especially and persons who sell land accepting mortgage for part of the price, by insurance, trust and loan companies and by dealers keen on obtaining produce. He exposes the weakness of such credit and concludes that these institutions are not the best suited to finance agriculture. He then considers the "specialised institutions" set up for meeting the long-term needs of agriculture, the German *Landschaften* and the Federal Farm Loan system of the U.S.A. In two special chapters, the system of long-term credit obtaining in New Zealand and in Great Britain is described, and in this connection there is an account of the Agriculture Mortgage Corporation lately established in Great Britain. The Chapter on New Zealand is of special value, as the author speaks with first-hand knowledge of the subject. The Chapter on Great Britain is by Mr. Enfield of the Ministry of Agriculture.

Part IV is an account of the agencies supplying short-term and intermediate credit. The credit provided by private agencies, i.e., money-lenders, landlords and dealers, is first described, and the evil effects of tying the borrower to the lender are brought out. The co-operative system *a la Raiffeisen* and Schulze Delitzsch is then described, and some observations are made concerning the comparative failure of the co-operative system in Anglo-Saxon countries. Recent developments in the provision of intermediate credit in the U.S.A. are described in a separate chapter. Then follow three appendices, in one of which the system of amortization is described, and another is on the *Credit Foncier de France*.

The book gives a comprehensive account of the many forms of rural credit. The subject is so vast that it would be difficult in one volume to give a detailed treatment of the various systems mentioned. Nevertheless, Dr. Belshaw has provided a *guide*

medium for the student of agricultural credit. The book is of special value to India, where the problem of rural credit is bound to be one of the burning problems for some time to come. Unfortunately the writer has little to say about India, and this is not justified in a general work dealing with rural credit at the present time. The conditions in India are typical of a good part of the world where farming is in the hands of peasants following traditional methods. It is hoped that this deficiency will be set right in the next edition of the book.

SENATE HOUSE,
MADRAS UNIVERSITY,
27th December 1932.

P. J. T.

Review of World Trade 1931 and 1932 (First Half).

Issued by the League of Nations. Geneva. Price 2s. 8d. 50.

The latest publication of the Economic Intelligence Service of the League is of exceptional topical interest since it deals with one of the most disturbing aspects of the present economic and financial crisis. The decline of world trade has proceeded at a very rapid and cumulative pace during the last three years. In 1930 its total value in terms of gold was 19 per cent less than in 1929, and the following year there was a further decline of 28 per cent from the 1930 value; in the first six months of 1932 there was a still worse fall of 33 per cent as compared with the first six months of 1931.

The *Review of World Trade, 1931-32*, just published, offers complete and up-to-date analysis of the nature of, and reasons for this startling decline. It shows that, in addition to the heavy fall in the prices of commodities, there has been a rapid shrinkage of the quantum of trade in the three years 1930-32. Prices have fallen about 50 per cent on the average, but the quantum of trade has also fallen by 7 per cent in 1930, 9 per cent in 1931, and 11 per cent to 12 per cent in the first half of 1932 as compared with the first half of 1931. The quantum of food-stuffs in international trade has somewhat increased and the decline is thus due entirely to reduced trade in other goods, particularly manufactured articles.

The countries producing foodstuffs and raw materials have, however, been exceptionally injured by the more severe decline in the prices of their exports. Whereas the average price fall has been in the neighbourhood of 50 per cent, such commodities as rubber, wheat, maize, coffee and wool have fallen much more heavily, while manufactured goods and such important items of capital equipment as cement, steel girders and pig-iron have fallen much less than the average.

On the other hand, the importing capacity of the agricultural countries has been so seriously diminished that the export industries of the industrial countries have suffered severely. Further danger to world trade has resulted from the imposition of quantitative import restrictions, such as quotas and contingent systems. These restrictions, as well as exchange control introduced by numerous countries, have altered the competitive power of countries

whose economic structure is otherwise comparable, favouring those which have pursued a relatively liberal trade policy and have adjusted domestic costs and prices to the conditions prevailing in world markets. The United States have been affected more seriously by the trade depression than the other principal trading countries. The reduction in the value of United States trade amounts to 67.5 per cent as compared with 80 per cent for Germany, 57 per cent for the United Kingdom and 54 per cent for France.

A section of special interest is devoted in this Review to changes in the balance of trade for a large number of countries, showing that the decline of world trade has greatly aggravated the financial crisis.

The Review contains a revised and extended collection of price and quantum indices for imports and exports during the years 1924-31 of thirty principal countries, representing three-fifths of world trade. It also contains a treatment in adequate detail of the trade situation of the leading countries of the world and of various typical smaller countries. The deduction drawn from the statistical survey of the condition into which world trade has fallen is that "continued disorganization of trade at the same rapid pace as in the last three years will very soon lead to a state where the national income of certain countries will no longer maintain the already low standard of living of their population".



Books in Brief.

Short Reviews of Recent Books.

Colonial Admiralty Jurisdiction in the XVII Century.

By Helen J. Crump, M.A., Ph.D., Assistant Lecturer, University College, Nottingham. Messrs. Longmans Green & Co., Bombay, Madras and London. Price 9s. net.

This forms No. 5 of the Imperial Studies Series issued by the Royal Empire Society, London. Originally written as a thesis approved for the degree of Doctor of Philosophy in the University of London, it has been issued to a wider circle of readers. Mr. M. J. Rendall, Chairman of the Imperial Studies Committee, in introducing the Series to which this monograph belongs, states that its writers should not be "over thirty years of age" and suggests that "the youth of the authors will perhaps win them special recognition". In view of the brilliant work that the authoress has produced, the applause of the specialist readers will go forth to her in unstinted fashion. She has produced a comprehensive study of the Admiralty system and as we read the Chapter on Vice-Admiralty Courts under the British East India Company in India, especially at Madras, we feel we are reading the history of a bit of old England transported to India. This chapter is by itself a piece of research work of outstanding merit and deserves praise. It is not only interesting but informative to a degree, adding considerably as it does to our scanty knowledge on the subject.

Bombay Co-operative Societies' Act.

By K. S. Gupte, B.A., LL.B., Pleader, Poona. Published by the author at No. 691, Budhwarpet, Poona, 2. Price Rs. 4-8-0.

Mr. Gupte deserves to be complimented on this excellent edition of the Bombay Co-operative Societies' Act (with Rules). Besides a comprehensive introduction, he has given us an exhaustive commentary, with up-to-date case-law. He has spared no pains in making his book self-contained. The use he has made of discussions in the Legislative Council and other relevant material make his book as authoritative as it might be made by a commentator.

The Act itself is simple and as Mr. Bhide, B.A., LL.B., I.C.S., Registrar of Co-operative Societies, Bombay Presidency, writes, gives little scope for a detailed commentary but Mr. Gupte has, by his intelligent use of the material available, made the work of those connected with Co-operative Courts easy. An up-to-date, practical and comprehensive work of immense value to co-operators in Bombay and elsewhere as well.

Neo-Hinduism.

By D. V. Athalye. Messrs. D. B. Taraporevala Sons & Co., Kitab Mahal, Hornby Road, Bombay. Price Rs. 5-8-0.

This is a striking study of Swami Vivekananda in ten chapters, with a biographical sketch prefixed. Mr. Athalye's study is a first hand one; it goes direct to the great Saint's speeches. It is vigorously written and that in a style easily understood. The Swami was a great Saint and a greater patriot. He represented India as young, ardent, healthy and unconquerable. He made India look what she has really been through the ages—the giver of life, not the taker of it. His work lay in the West; but he made the East dance with joy and rise to the level of its real position in the world. The secret of his greatness was he restored to India her long lost mental and physical strength. He made Indians believe in their own virtues, in their own strength and in their own greatness. He prepared them for the mission that awaits them—to obliterate rivalries in religion and make the Universal religion of India more than ever universal by proclaiming it in the West and thus open the way to that greater brotherhood of man of which other religions have spoken but never acted upon. A good book well written; fit for boys and girls and for the class-room and the Club.

Hinduism Te-day.

A Collection of Essays. By D. S. Sarma, M.A., Professor, Presidency College, Madras. Messrs. Ganesh & Co., Madras. Price Rs. 1-8-0.

This is a collection of essays and reviews of a somewhat composite character by a thoughtful writer

and thinker. Rarely have we come across a volume which so succinctly sums up the true spirit of Hinduism, as this one does. To believers and unbelievers in Hinduism, we would suggest: Buy this book and read it through and through, and you will not regret having invested a little of your savings in it. Mr. Sarma has a clear grasp of the essentials of Hinduism and writes with ease and precision. The reader accordingly can feel no difficulty in following him. We have styled the book somewhat "composite"; but it should be misunderstood, we hasten to add that an increasing purpose runs through the chapters making it up. After this we need only add that the book is in two parts: the first devoted to Hinduism and the second to Hinduism in relation to Christianity. Included in the former is one headed "Sri Anubhinda Ghose on the Gita" and another on "The Gita in Idle Moments"; in the latter are two Chapters headed "Christianity and India Theism" and "The Significance of the Cross". These four Chapters are specially commended. The book, however, lacks an Index, the supply of which would enhance its value.

Spiritual Teachings of Swami Brahmananda.

Edited by Devanata, of "Ananda Ashrama," La Crescenta, California, U.S.A. Published by the Sri Ramakrishna Math, Mysapore, Madras, Price Rs. 2.

Swami Brahmananda, one of the most beloved disciples of the late Sri Ramakrishna Paramahansa, was well known as a practical Yogi. As head of the Belur Math and the Ramakrishna organization the world over, he was greatly revered. His conversations and strong counsel culled from his correspondence are presented here in an easily readable form for the benefit of those who would desire a quick absorption of the practical truths of Hinduism. The sayings are direct and pithy to a degree. Here are a few to stimulate interest:—"Personal salvation is an indispensably factor for success in the spiritual life. Do something at least for four years. Then if you do not make any tangible progress, come and take me to task."—"Great strength can be acquired through the practice of Brahmacharya (continence and service). Do a little *Sadhana* and you will see how *Shraddha* (faith) and *Bhakti* (devotion) will be roused in you. You will become heirs to immortal bliss; you will be blessed with the vision of your *Ishtam* (chosen ideal), with the vision of God."—"Say to your mind: Plunge into the ocean of God."—"We should eat only in order that our body may remain fit and that we may be able to realize our true nature."—"Spread the sails of faith and devotion, and with the aid of the spiritual breeze that is flowing nigh on to your goal. Do it, and your boat will be carried swiftly to its destination. He is waiting for you. Arise! Awake! Infinite capacity is within you."—"Do you know the object of *Satsanga* (company of holy men)? The experiences of holy men are a great help to a *Sadhaka*. . . From the company of advanced *Sadhakas*, you will be able to gather many valuable hints and your spiritual struggle will be very much simplified."—"As you think, so you become."—"By following an unbridled life of enjoyment men become slaves of senses."—"The potless mind is like a dry match stick."—"A devotee must establish some relation with God and worship Him in that respect."—"True solitude can be found nowhere in this world. Time, space

and causation are too small to give it. It is beyond mind, beyond intellect. It can be felt only in *Samadhi* (super-consciousness). It is identical with the Most Tranquil."—"Without meditation the mind cannot become tranquil, and without tranquility religion is not possible."—"They say, if you are not a *Sadhu* you cannot know a *Sadhu*—as a brinjal-seller cannot appraise a diamond. Only that one who through *Sadhana* has attained a higher stage can understand a true devotee." A book of wisdom and of practical conduct, it ought to command wide attention.

Speeches and Documents on the British Dominions (1918-1931).

Edited with an Introduction and Notes by A. B. Keith, D.C.L., D.Litt., Lecturer on the Constitution of the British Empire, University of Edinburgh. Oxford University Press, London and Bombay. Price 2s. net.

The fact that this volume is by Dr. Keith and is a companion volume to his *Selected Speeches and Documents on British Colonial Policy (1763-1917)* ought to commend it to publicists in India. Dr. Keith has a lucid introduction in which he outlines the significance of the Statute of Westminster. One sentence ought to suffice to indicate the trend of his thoughts on this head:—"While in a very real sense the statute closes one era in the history of the Empire, it opens the way to achievement in another and not less important sphere." Among the Imperial Conference Speeches of 1921, that of the Rt. Hon. Mr. V. S. Sastri (made on June 20) is included in this volume. The collection is a most complete one and is presented in a handy form at a cost within the reach of all. India is discussed briefly but in apposite fashion. Describing the present constitution of the Empire, Dr. Keith writes thus of India's aims at the Imperial Conference:—"Far more important, of course, for India is the extension of the sphere of Dominion Status by the action of the Imperial Conference, for Indian aspirations are set on the acquisition of that status as the legitimate outcome of the long and glorious Imperial history of that great land." *En passant*, Dr. Keith notes that the Statute of Westminster does not define the term "British Empire" or seek to substitute for it the variant "British Commonwealth of Nations". A volume that should find a wide circulation throughout the British Empire.

London for Heretics.

By William Kent, author of *Dickens & Religion*. Messrs. Watts & Co., Fleet Street, London, E.C. 4. Price 2s. 6d. net.

This is a most excellent illustrated volume which we have read through at a single sitting of some four hours. From cover to cover it is of immense human interest. Having been devoted to the study of haunts and homes of great men, nearer home, it is possible we speak highly of it. But its inherent worth is such that we could mention it alongside of Leigh Hunt's *London*. That ought to make up for much that could be easily said of it but is not permissible from the Publishers' point of view. This is a book to read and enjoy and not to retail. The reviewer's duty is done if he suggests that much and makes the reader go to it for further information. We may, however, add he will find in it something of the Westminster Abbey and of St. Paul's Cathedral; of the City Churches; of well-known houses and haunts; of statues and graves; of institutions; of the course of Unitarianism in London; and of galleries, museums

and other public buildings in London of which one hears so much (or is it so less) and of which one ought to know more. London is made glorious by this small, tiny book and London will be greater in the minds of the millions living in and beyond its confines if this book attracts the attention it deserves. "Heretics"—a bad but suggestive name—have at last secured their "Old Mortality". A fine book to read and to keep.

Survey of India, General Report, 1930-31.

Price One Rupee or Is. 9d. Survey of India Office, Calcutta.

As usual the General Report of work done from 1st October 1930 to 30th September 1931 is full of interest. The general reader will find in the introductory part a readable summary of the operations of the Department. Among the notable events were the *Survey of Gilgit Agency, and of Sikkim and Nepal*. In connection with the former, it is pleasing to note that it has resulted in the training of a number of young surveyors in Alpine technique which should prove of value in the mapping of Himalayan areas in the future. The Indian primary triangulation has now been connected to that of Siam and to the Burma Coast. An exercise in Air Survey at Quetta was also carried out during the year. Under appreciations, we note the splendid work carried out by Muhammad Akram, attached to the Visser expedition, in mapping out the unexplored part in the Shyok District. Attention may also be invited to the remark of Nature that the contribution made by the Survey of India to geodesy during the past year has been unsurpassed even by itself thus far. That is high praise indeed but fully deserved.

The Layman's Law Guide.

By A. C. Soqueira, M.A., LL.B., Bombay Civil Service (Judicial). Messrs. Taraporevala Sons & Co., Hornby Road, Bombay. Price Rs. 3.

This is a very useful and comprehensive guide for laymen. It is, as Mr. Justice Wadia, who writes an appreciative Foreword to this book, says, the first attempt of its kind to be made in India. It is a real *volunt in parvo* and as such ought to find a ready and welcome addition to every working table. We have looked through the volume with care and can safely say it is not only accurately drawn up as regards its contents but also eminently practical in its treatment of topics. One suggestion we would, however, hazard. Books of this kind should be not only handy but also within the reach of most people who would like to use them. Perhaps this point will be borne in mind by the author and the publishers when a new edition is called for.

Indian Problems.

Speeches by Lord Irwin. Messrs. George Allen and Unwin Ltd., Museum Street, London. Price 12s. 6d.

This is a welcome addition to the Indian publicists' library. No modern Viceroy of India has so much endeared himself—despite some administrative measures of a repressive type undertaken by him—than Lord Irwin. He aimed high; he was honest; and he was moved by a genuine impulse. He erred no doubt, sometimes rather badly. But the believer in the eternal verities that he was, he owned his errors in action rather even than in words. We feel that his speeches of one of his type deserve to be preserved

from the transient existence to which, from their very nature, they were condemned. The collection is a representative one though we sadly miss in it the greatest of his speeches—the one made in his own defence in the House of Lords. That ought to find a place in any collection of Lord Irwin's greater speeches. Why and how it came to be omitted, we are unable to see. While the Toronto speech has found a place, why omit the fine *House of Lords* speech? The Editor's work has been done well—only he would have done better if he had given at the top of each speech a note on the circumstances under which it was actually delivered. The reviewer has some experience of the editing of speeches of this type and he hazards the remark that such prefatory note is not only necessary but actually would prove helpful to the general reader. It would prepare him to follow the speech more easily. There is a fine likeness of Lord Irwin prepared to the volume and the Index is good and comprehensive—though not quite accurate. Thus a reference to Mahatma Gandhi is mentioned to occur at page 100; but actually there is no such reference to him on that page. A reference to the Mahatma on page 110 is to be found in that page but is not noted in the Index. Such lapses, however, typify minor deficiencies which do not take away from the value of the work. As regards the Mahatma himself, who is still the dominant factor in Indian politics, the judgment of Lord Irwin uttered in 1931 still remains correct. "No one can ever fail to recognize," he said, "the spiritual force which impels Mr. Gandhi to count so sacrifice too great in the cause as he believes, of the India that he loves." Britain needs to be reminded of this and of the great truth underlying parts of the Chelmsford Club speech. In one part of this speech Lord Irwin said: "It is also well to remember that trade will only flourish when it reposes upon a voluntary and mutually beneficial basis, and that the more successful Great Britain can be in finding a solution of the political side of the problem the more will she be doing, by the restoration of general friendly conditions, for the benefit of British trade." In another, the noble Lord observed, referring to Mahatma Gandhi's movement and the impossibility of meeting it by rank repression:—"In so far as the present movement involves any of the forces that we call nationalism, I would repeat what I have said more than once that an attempt to meet the case with rigid and unyielding opposition is merely to repeat the unintelligent mistake of King Canute. And therefore it behoves us to seek another and a better way." The "better way" is still being sought and King Canute reigns supreme. That seems the tragedy of the hour, for Britain and India alike.

Abdhatamsuka-Natakan.

By Sri Jaggu Vakula Bhushanaraya of Melkote. Copies to be had of the author. Price Re. 1.

This is a charming play in six Acts, founded on the famous episode in the *Mahabharata* which relates to the endless length to which the argument of Draupadi, the wife of the Pandava brothers, unfolded itself on the day Dussasan attempted to outrage her modesty. Written in a flowing, simple style, the play runs smooth, the dialogue being marked by transparent humour. The poetical portions are exquisitely done and add to the effective presentation of the drama as a whole. The author deserves praise for the excellent use he has made of

an old-world theme, despite the departures he has made to suit his needs. Well worthy of selection as a text-book for the college classes.

Ramdas.

Translation of Mahipati's *Santirajya*. By Justin E. Abbott. Printed at the Aryabhushan Press, Poona City. Copies to be had from N. R. Godbole, 827, Sadashiv Peth, Poona City. Price Rs. 2; postage, As. 8.

This forms volume No. 8 of the Poet-Saints of Maharashtra, a most useful series, whether from the national or devotional point of view. The Rev. J. F. Edwards, Principal, United Theological College of Western India, writes a *Foreword* to it in which he pays a personal tribute to Dr. Abbott, the Editor of the Series. Dr. Abbott was one of those rare individuals, who, though an ardent patriot, was an internationalist; who, though born in one religion, appreciated the everlasting truth in others; and who, though strong in his own opinions, never hurt the feelings of others who held to their own. Mr. Edwards' study of his life and career is interesting to a degree but he—in our opinion—misses the main point when he says that Dr. Abbott held to the last day of his life, the declaration he is said to have made in his Editorial farewell of 1910. That this cannot be correct either of the man or of his attitude is clear from the following passage written by him a few months before his death in the Preface to the present book:—"I witnessed in India as all do the outer forms of worship in temples and shrines, but I had no idea of the ideals provided by the Marathi Saints both in their approach to God and their attitude to men. Indeed I now see the mistake I made in my discussion in both my writings and in my conversations, expressing so confidently my opinions on the ideas of these Saints when I had not familiarized myself with their history or writings. It is rather late to do so but a confession of error is always good for one." That is just like Justin E. Abbott. He was following in the footsteps of the great St. Paul, who declared—"Prove all things and hold fast to that which is true." Dr. Abbott's translation is both faithful and accurate. It is precisely what a translation should be: easy, flowing, intelligible and without true to the original. Ramdas was the great poet who inspired Sivaji. Dr. Abbott calls him "India's Greatest Saint". His story as found narrated in the *Santirajya*, now made available by Dr. Abbott's labours, is, as he says, a veritable "mine from which jewels of noble thought can be obtained." What better gift can be had for beginning the new year than this one? This book—so cheap at Rs. 2—ought to reach almost every part of India. It is a consolation to add that Dr. Abbott's great pioneer work of issuing other volumes in this Series will be continued by his co-adjutor Pandit Godbole than whom no better person could have been thought of for the task. The book lacks an Index which, we trust, will be supplied when a new Edition is called for.

The Reconstruction of Civic Life.

By Jamahed N. R. Mehta. Theosophical Publishing House, Adyar, Madras. Price As. 2.
This forms Adyar Pamphlet No. 159 issued by the Theosophical Publishing House. Mr. Mehta,

as one of the most experienced Municipal President in India, gave his experiences of municipal work in a Convention Lecture last December. The present work embodies it. His lecture goes to the heart of municipal work: feeling one with every other. The ideal is, in Mr. Mehta's, not unattainable. "The Municipality," says he, "is a civic organization, a co-operative body active or enterprize in which every citizen is a party, partner or shareholder." The share profit, dividend or interest one gets is the improved health, the increase of comfort and happiness of a family or community. And the reward of service is more and greater opportunities to serve. Running through the address is a fine spiritual feeling, which makes it of more than ephemeral interest. An address to read and pass on to others so that each copy might do its portion of good.

Nationalism and the Future of Civilization

By Harold J. Laaki, Professor of Political Science in the University of London. Messrs. Watts & Co., 5 & 6, Johnson's Court, Fleet Street, London, E.C.4. Price 2s. net.

Readers of Mr. Laaki—and they are growing daily—will thank Messrs. Watt for this handy presentation of the Conway Memorial Lecture delivered by the worthy Professor on April 6, 1932. It covers an eminently topical subject and is from first to last one of the best efforts of Professor Laaki. Mr. H. N. Brailsford's remarks as Chairman are prefaced and so the reader has really "two at a shot" as it were. Mr. Brailsford's name is one to conjure with in India and Professor Laaki could not wish for a better person to introduce him to his Indian readers, at any rate. We note Mr. Brailsford styles Professor Laaki's address "a theme worthy of his courage". And so we think it is. It is also one which will add to his already great fame for fearless speaking in the interests of truth and of international well-being. This book ought to secure an international reading public in growing numbers if the world is to be a place worthy of living in the coming years. Let us should be misunderstood, we shall quote the following from Mr. Brailsford's remarks: "The theme which he has chosen sums up the central problem of our age. History has set one task above all others of our time. We came to manhood in a world of seemingly independent Sovereign States. On pain of bequeathing a broken civilization to our children, we must contrive to knit them into a federation that embodies a great human society. It must be capable of action and motion; it must have the power to shape and plan as well as the right to forbid; it must incessantly foresee the need of adaptation in a changing world." These three sentences sum up the position neatly and we will only add that the book should not be further retailed.

Acknowledgment.

Wall Calendars—

From The Bangalore Press, No. 1, Mysore Road Bangalore City.

From Messrs. M. L. Rose & Co., Ltd., Manufacturers of Lakshmi Bilas Hair Oil and Snow, 14, Jagannath Dutt Lane, Calcutta.

From Messrs. S. S. Vilas, Arcot Srivivechan Street, Bangalore City.