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TWENTY-FIVE YEARS BUSINESS IN INDIA

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It is customary among persons of an unthinking disposition to regard the progress of India towards Industrialism as unsatisfactory, but if we look for one minute at the progress which is being made in the last twenty-five years it is in many respects phenomenal especially in view of the fact that the general level of prices to-day is somewhat below that prevalent in those days.

To take first the Cotton Industry. In 1911 the area under Cotton was somewhat under 14½ million acres whereas in 1934 it has risen to 23¾ million. The output of yarn in 1916 was some 625,000,000 lbs and in 1934 was 921,000,000 lbs, while an increase took place in the output of woven goods from 280,000,000 lbs to 645,000,000 lbs. The number of Mills in India to-day is 352 and statistics show that the increase of production is going on steadily.

One index to the Industrial progress of a country is the output and consumption of coal. In 1910 this was about 12 million tons but by 1933 this had risen to 19¾ million tons which latter figure was a reduction from the record year of 1930 when very nearly 24 million tons of coal were produced in India. After a severe period of depression, consumption is once again on the up-grade and there is good reason to hope that the next decade may see a further rise in the consumption of coal until the 30 million ton level is reached

and passed, for if one thing is certain it is that the Industrial progress of the country cannot be maintained without the increasing use of power which in turn must come largely through an increased consumption of coal.

If the Jute Industry is examined quite a different position is however shown. The acreage under crops and the estimated outturn are not very satisfactory figures to quote in detail as they are well known to have been inaccurate. But it is interesting to note that the acreage under crop to-day is very little more than that under crop at the date of His Majesty's accession to the throne and the estimated outturn is approximately the same. It is indeed remarkable in view of the fact that in 1911-12 there were only some 28 mills working in India whereas to-day there are some 94. The loom position was as follows:—

	SACKING	HESSIAN	TOTAL
1910	13,441	18,334	31,775
1934	22,693	37,704	60,397

Comparing this with the quinquennial average of exports of Cloth and Bags

	CLOTH	BAGS
1909-13	969,97	339,12
1933-34	1,052,58	401,64

It is quite clear what has happened: the number of looms has been approximately doubled but the working hours have been so cut short that the total production of goods is very little in excess

of the production of 1909-13. This means on the one hand that labour was working far less hours than they were and on the other hand it means that there is a gross excess of machinery in Bengal at the present time. This of course is well known to those responsible for the trade who have decided during these years of depression to nurse the Industry at the cost of still further accretions to the machinery available for production. But with improving times this policy is certain to change and the older mills will rapidly increase their production to a point when the new-comers into the Industry who are to-day basking in the sunshine will find their future seriously jeopardised. The figures of the last 25 years show the inevitability of this.

To examine for one moment the Tea Industry. The following figures are interesting :—

	1911	1933
Average under Tea (Acres)	5,74,575	816,024
Production in Tea (in Lbs)	268,602,692	383,264,115
Exports from India (in Lbs.)		
(1911-12)	260,778,218	297,378,748

It is clear once again that the increasing productive power has not been met by a corresponding increase of consumption and the Industry will need very careful management if it is to succeed to a profitable future.

One further illustration of the advance of business in India in the last 25 years is a comparison of the Clearing House Returns. In 1911 the five Clearing House totals aggregated Rs. 5,16,16 lacs whereas in 1934 eight Clearing Houses up to the 29th December 1934 aggregated totals of Rs. 17,87,31 lacs so that the total business turnover of Tax more than trebled,

When we come to the yield of taxes we arrive at a less pleasant subject, but however unpleasant they may be they do show the expansion of taxable capacity :—

(TEN MONTHS ENDING JANUARY)

	1911	1935
	Rs. (Thousands).	Rs. (Thousands)
Custom	7,86,26	43,40,56
Taxes on Income *		11,25,97
Land Revenue	20,20,04	23,10,70
Excise	8,46,16	11,57,51
Stamps	5,88,65	9,68,33

Rapid as has been the advance of business in India in the last quarter of a century, it is in my opinion only a mere indication of what lies before India in the future under wise governmental control; but one thing must never be forgotten. However spectacular the establishment of great Industries, such as the Tata Iron & Steel Industry, may be, and however largely the domination of commercial and industrial interests may affect the policy of the Legislature, the prosperity of India depends upon the peasant and his prosperity in turn depends upon his being able to sell the crops of his field to other countries at reasonable rates. Industrialism cannot for very many generations be proved a substitute for the prosperity of the country-side and I believe that Mr. Gandhi's fundamental policy is right that greater happiness can be found for the masses in rural development and cottage industries than in the wholesale drafting of agriculturists into industry under modern conditions.

* Taxes on income being of later origin, there was no income tax in 1911. There was, however, Assessed Tax which might be taken roughly as Income Tax in 1911. The Collection of this Tax amounted to Rs. 1,84,72,000.

RESPONSIBLE GOVERNMENT IN INDIA

By B. R. SEN, I.C.S.,

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The Empire-wide surge of rejoicings on the occasion of the Silver Jubilee of Their Majesties' accession to the Throne is a true index of the ties of love and loyalty which bind the subjects to their Sovereign. While the whole Empire is participating in these celebrations, India has perhaps the greatest reason to rejoice. For it is during the reign of King George V that India has taken the greatest strides towards responsible self-government. Indeed, the reign of King George V will go down in history as the period which saw the initiation of one of the greatest experiments in responsible government ever attempted.

The reign of King George V has been remarkable in various other ways also. Soon after his accession came the greatest holocaust the world has ever known. The baptism of blood that the world received through those long five years has set new values on things and helped to remind a complacent world of the perilous equilibrium that obtains between nation and nation. We are, however, not concerned here with all the memorable events of a memorable reign. We shall attempt merely to sketch the progress of the experiment in responsible government.

To form a just estimate of the nature of the experiment it is necessary to know the essential features of the previous system of administration.

Before the Reforms of 1919 the

functions of the legislature were completely overshadowed by the supremacy of the executive. The



B. R. SEN

Governor-General in Council was the supreme authority in India responsible for every act of civil as well as of military Government throughout the country. The provinces, politically speaking, had no separate entity and were virtually in the position of agents of the Governor-General in Council. All revenues were vested in the Crown and provincial expenditure, provincial

taxation and provincial borrowing were all subject to central control.

The Charter Act of 1852 provided for the enlargement of the Governor-General's Council by bringing in a number of additional officials as members. This number was further increased and an Indian non-official element introduced by the Indian Councils Act of 1861. But no responsibility in the political senses rested on these Councils. "They were" in the words of Lord MacDonnd, "Committees for the purpose of making law—committees by means of which executive government obtains advice and assistance in their legislation and the public derive the advantage of full publicity being ensured at every stage of the law-making process. They cannot enquire into grievances, call for information or examine the conduct of the executive. The acts of administration cannot be impugned nor can they be properly defended in such assemblies except with reference to the particular measure under discussion". The Indian Councils Act of 1892 provided for election of the non-official members, though in an indirect form and for the discussion in the Council of the annual budget. It also allowed for interpellations regarding the executive. The essential character of the administration, however, remained same. "The executive that represents her imperium in India" as Lord Dufferin said, "is an executive directly responsible not to any local authority but to the Sovereign and to the British Parliament. Nor could its members divest themselves of this responsibility as long as Great Britain remains the paramount administrative power in India. It is, therefore, obvious that no matter what degree the liberalization of the Councils may now take place, it will be necessary to leave in the hands of each provincial Government the ultimate decision upon all important questions and the paramount control of its own policy".

Then came the Minto-Morley Reforms of 1909 which carried further the policy of associating the people with the administration in the decision of public questions. But it was only a change of degree and the principle that Government are accountable to Parliament and not to the people of India was not relaxed.

The Montague-Chelmsford Reforms of 1919 ushered in a new political era in India. The old policy of executive independence was relaxed and it was sought, by the increasing association of Indians in every branch of the administration, to gradually develop self-governing institutions, with a view to the progressive realisation of responsible Government in India, as an integral part of the British Empire. The joint authors of the Report had two clearly defined principles before them :

- (1) That there should be, as far as possible, complete popular control in local bodies and independence of outside control.

The earliest foundation of responsible local self-government had been laid by Lord Ripon's Resolution of 1882, but the resolution was merely a statement of policy. It laid down that it was not primarily with a view to improve the administration that the policy of extension of self-government was put forward. It was desirable as an instrument of political and popular education. The custom of the country, force of habit, apathy and lack of desire to assume responsibilities among those elected, however, acted as serious obstacles to real and substantial progress. But the authors of the Reforms of 1919 were not discouraged by these obstacles. "The unskilled electorate", they said, "can learn to judge of things a far off only by accustoming himself to judge first of things near at hand. This is why it is

of the utmost importance to the constitutional progress of the country that every effort should be made in local bodies to extend the franchise, to arouse interest in elections, and to develop local committees, so that education in citizenship may, as far as possible be extended and every where begin in a practical manner".

(2) That the earliest stages towards the progressive realisation of responsible Government should be taken in the provinces.

administration. The Central Legislature, however retained the right to legislate over the whole field.

(b) The de-limitation of sources of Revenue. The provinces were allowed the revenue from certain clearly defined sources, as the absence of this de-limitation had operated as an obstacle to the development of a self-contained and self-sustained existence in the provinces.

(c) Creation of general franchise of territorial constituencies. The Act of 1919 created for the first time general



THE ROUND TABLE CONFERENCE

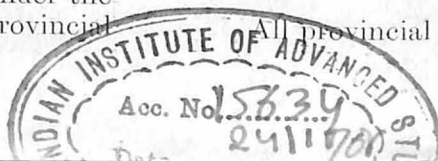
The immediate result of the change in policy was neglected in the following improvements :

(a) Classification of subjects. The subjects of administration were divided into central subjects and provincial subjects. All subjects in which the interest of a particular province essentially predominate, were placed under the immediate control of the provincial

franchise in territorial constituencies and the franchise was extended to about one tenth of the adult male population. This was really the bed-rock of the whole political structure.

(d) Transfer of some of the provincial subjects to Ministers responsible to the legislature.

All provincial departments including



the Police, the Magistracy and Revenue could not be at once handed over to provincial legislatures owing to the fact that a majority of members was directly chosen for the first time by an inexperienced and largely illiterate electorate. Only certain subjects were, therefore, transferred to Ministers responsible to the legislature.

The Government of India Act of 1919 is thus seen to be the real charter of responsible Government in India. But it was essentially transitional in character and the dyarchical system of Government was meant to provide a school for the training of Indians in responsible Government. The Act provided for the appointment of a Royal Commission within ten years for the purpose of enquiring into the system of Government, the growth of education and the development of representative institutions in British India and matters connected therewith and "the Commission shall report as to whether and to what extent it is desirable to establish the principle of responsible Government or to extend, modify or restrict the degree of responsible Government then existing therein." In the meantime pending experience of the effect to these changes on the province the Government at the centre remained wholly responsible to Parliament with its authority in essential matters undisputed.

The statutory enquiry was held by the Simon Commission in 1927-30. The Bill now before Parliament is based essentially on the recommendation of the Commission.

Despite a certain amount of criticism that has appeared in the press, there can be hardly any question that the present Bill marks a big step forward in responsible Government. The Government proposed for the provinces is, in

fact, only a little removed from complete autonomy. The basic proposals for the provinces are the following :

(1) The Governor will wield the powers exercisable by the Crown in the provinces. The provincial Governments will thus be set free from the superintendance, direction and control of the Governor-General in Council in all provincial matters and its powers will no longer be derived by devolution from the Central Government.

(2) There will be complete de-limitation of subjects and the provinces will have exclusive power of making laws in provincial subjects (subject to concurrent jurisdiction in a few subjects)

(3) The franchise will be extended to be reasonably representative of the general mass of the population.

(4) The dyarchical system of Government will be abolished and all provincial subjects will be transferred to Ministers responsible to the legislature.

(5) The executive responsibility of the Ministers will be strengthened in as much as the Governor's discretion to override his Ministers in any matter will be limited to a sphere of special responsibilities defined by statute. The removal of the official *bloc* from the Council will make the Ministers dependent entirely on their elected supporters and thereby make them more responsible politically for their actions.

(6) The special responsibility of the Governor will not be for any particular subjects but for certain well-defined general purposes such as prevention of any grave menace to the peace and tranquility, the safeguarding of minority interests, the prevention of commercial discrimination and so on. In all matters he will be guided by the advice of the Ministers unless so to be guided would,

in his judgment, be inconsistent with one of his special responsibilities. In the event of a breakdown he will have plenary authority to assume by Proclamation to himself all powers necessary to carry on the King's Government.

The last-named provision is likely to be misconstrued and it has been misconstrued in certain quarters.

Where, it may be asked, is the transference of responsibility to people, if, at every step, or even at any step, it may be possible for the Governors to take independent action? The Explanation is simple. "Parliamentary Government as it is understood in the United Kingdom, works by the interaction of four essential factors, the principle of majority rule: the willingness of the minority for the time being to accept the decisions of the majority: the existence of great political parties divided by broad issues of policy, rather than by sectional interests: and, finally, the existence of a mobile body of public opinion, owing no permanent allegiance to any party and therefore able, by its instinctive reaction against extravagant movements on one side or the other, to keep the vessel on an even keel." None of these factors exist in India to-day. Communal discords prevent the formation of parties on healthy lines. The minorities are, by reason of caste or other religious or racial considerations, peculiarly recalcitrant and exclusive. And there is no considerable body of public opinion which may be called mobile and which may be depended on to act as a curb on administrative exuberance. It is obvious, therefore, that if a framework of parliamentary constitution is constructed there must be important provisions to counteract the forces peculiar to this country. In fact, safeguards are essential to the proper working of any parliamentary Government. Those who point to the apparent disparity between the full

responsible Minister in the British Cabinet and the Minister in the proposed Indian Cabinet do not readily see that safeguards such as those formulated for India exist also in England. It is true that in England they have no sanction save that of established custom and usage. But in India such custom and usage are yet to be built up. So long as they are absent that necessary correction and steadying force must be found from definite provisions in the constitution itself.

With regard to the Central Government the Bill records a definite and substantial advance. It provides for the transference of all subjects other than Defence, External affairs and Ecclesiastical Administration to Ministers responsible to the Legislature and the responsibility with regard to transferred subjects in the Centre will be as complete as the responsibility with regard to all subjects in the provinces. As to the Reserved subjects although they will be administered by the Governor-General on his sole responsibility, "it would be impossible in practice for the Governor-General to conduct the affairs of these Departments in isolation from the other activities of his Government, and undesirable that he should attempt to do so, even if it were in fact possible. A prudent Governor-General would therefore keep his Ministers and the advisers whom he has selected to assist him in the Reserved Departments in the closest contact, and without blurring the line which will necessarily divide on the one hand his personal responsibility for the Reserved Departments, and, on the other hand, the responsibility of Ministers to the Legislature for the matters entrusted to their charge, he would so arrange the conduct of executive business that he himself, his Counsellors and his responsible Ministers, are given the fullest opportunity of mutual consultation and

discussion of all matters—and there will necessarily be many such—which call for co-ordination of policy (White Paper, para. 23). The principle has been embodied in the Instruments of Instructions now before Parliament.

It will be seen from the hurried review given above that throughout the eventful reign of King George V, India has steadily progressed along the path of responsible Government till to-day, on the eve of the Silver Jubilee of His Majesty, she is about to achieve a form of Government which is, in every sense, as

responsible as the Government of the most advanced countries of the West. The pledge given in the famous Declaration of His Majesty in 1917 is thus about to be fully redeemed and the time is not far away when India will take her place as a full-fledged Dominion within the Empire. Let us, on this memorable occasion, forget the errors and mistakes of the past and strive to attain the goal that lies beckoning as in the distance, a goal which, it is the sincere desire of Their Majesties, India should achieve within a measurable distance of time.

School Children of the Lower Yukon

The lower Yukon parents do not compel their children to obey. The children have no regular works to perform. They are never chastised and corrected, but are given everything they ask or cry for. The Teacher at one of the villages asked a native father why his son did not attend school. "Oh, he say he no feel like it,"

The natives of the Yukon though backward in education are generally honest and timid, hardly provoke a quarrel and usually take what is offered them for their produce or labour. They have a great capacity for generosity and divide their last fish, flour or tea with any one not so fortunate. The school children are well-behaved. They never quarrel. They tussle but never use their fists.

