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THE AUTHOR SPEAKING TO THE CANADIAN CLUB IN OTTAWA

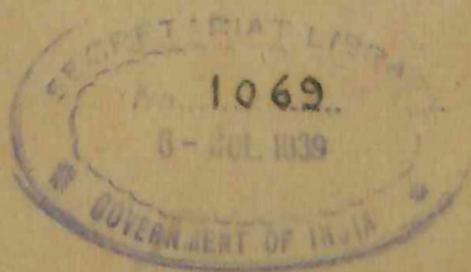


AS-046566
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CANADA and INDIA

By
SIR FIROZ KHAN NOON
K.C.I.E., High-Commissioner for India
in the United Kingdom



OXFORD UNIVERSITY PRESS
LONDON : NEW YORK : TORONTO

1939



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OXFORD UNIVERSITY PRESS
AMEN HOUSE, LONDON, E.C. 4
480-6 UNIVERSITY AVENUE, TORONTO
B.I. BUILDING, NICOL ROAD, BOMBAY
BHARAT BUILDINGS, MOUNT ROAD, MADRAS
MERCANTILE BUILDING, LAL BAZAAR STREET, CALCUTTA
114 FIFTH AVENUE, NEW YORK
HUMPHREY MILFORD
PUBLISHER TO THE
UNIVERSITY

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917.1
Noo N39C

16804

PRINTED IN GREAT BRITAIN



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Dedication

THIS book is dedicated to Frederick Ney, M.C., Executive Secretary of the National Council of Education of Canada, who, in spite of my unwillingness to go to Canada, succeeded after a whole year's effort in persuading me to undertake the Canadian trip, which has proved to be such a source of education and pleasure to me. I particularly appreciate his offer to accompany me throughout the trip, without which I had declined to go, and now that I know how ill he was and how much pain he suffered in order to make me happy and comfortable, I am left with the feeling of sorrow over my apparent selfishness, but had I known when we started from London that he was not well I would have travelled alone.



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Foreword

SINCE it was at my suggestion that Sir Firoz SKhan Noon accepted an invitation from the National Council of Education to visit Canada, I welcome the opportunity which he has afforded me of writing a few words by way of introduction to the account which he gives us of his tour. The object of the visit was to speak to Canadian audiences of India and so—to make use of his own words—“to bring the hearts of the Canadian and the Indian people closer together.” No better ambassador for such a purpose could well have been chosen. His personal experience of public life in India enabled him not only to speak with authority on the growth of self-governing institutions in his own country—the best gift of Great Britain to India in his opinion—but also to comment shrewdly on the working of the Federal and Provincial Governments in Canada. Indeed I suspect that for many not the least interesting passages in this small volume will be found to be the author’s reflections on what he saw of men and matters in the land that he was visiting.

That is not to say, of course, that there is not much concerning India itself that even those who



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know something of that fascinating and baffling land will not find both interesting and instructive. The opening chapter contains an admirable account of the rise of modern India under the ægis of Great Britain which will be read with interest and profit by a much wider public than that for which his addresses were primarily intended; and all who have the interests of Greater Britain at heart will take comfort from the author's estimate of the attitude which the people of India would be likely to assume in the event of an outbreak of war in which Great Britain found herself involved.

ZETLAND

LONDON, 1939



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Introduction

CANADA is a country of beautiful lakes and lovely forests. Its history, though short in comparison with the long record of India, is full of romance, glory, far-reaching ideals, and wise statesmanship. In this country I visited fourteen towns, including the federal and the provincial capitals, and travelled from coast to coast. I made twenty speeches, five of which were broadcast. I also made two separate evening broadcasts, one to British Columbia, and the other to the whole of Canada, together with parts of the United States of America. I was fortunate enough to have a chance of meeting a very large number of Government officials, Lieutenant-Governors, Ministers, business men, farmers, and members of legislatures, and wherever I went I was overwhelmed with hospitality offered not only by the various governments but also by private individuals. The many friendships that I have formed will remain a very cherished recollection for the rest of my life. I am particularly grateful to all the people whom I met for answering my questions regarding the administration, for I know that this must have been sometimes very tiresome to them. But it has enabled me to gain an insight into the work-



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ing of Canadian administration and to draw comparisons with India. While I am full of admiration for what I saw in Canada, regard for my own country and for the efficiency of its services stands higher in my mind than ever.

The thirst for knowledge of the Canadian people is insatiable. They are very well informed, and yet they want to learn more, and I was pleasantly surprised at the very large numbers of people who came to luncheon, dinner, and evening meetings. It would be difficult to find more appreciative, orderly, and attentive audiences anywhere in the world. I happened to be in Canada at a time when the political situation in Europe was very critical. Since 75 per cent of His Majesty's subjects live in India, the Canadian people evinced the greatest interest in learning all about my wonderful country. The vast majority of the people are so enraptured in their own problems that they have very little time to devote to what is happening in the outside world, particularly in the East. My sole object in going to Canada was to try and bring the hearts of the Canadian and the Indian people closer together. Since we owe allegiance to the same King, are parts of the same Empire and are destined to work together for our mutual benefit, the more we understand each other the better it will be for our future progress. There are many misunderstandings about



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India and her people not only in Europe but also within the British Empire, and the things that I told the Canadian people were news to many of them. I do feel that when I left, Canada understood India and her position in the Empire a little better than before my visit.

There were people in Canada who asked my views about the threatening political situation in Europe and the prospect of war, and they asked me what the position of India would be. I told them that there was not the least doubt that India would answer the call of duty and stand by her King as she did during the last war. The Indian Princes and the Punjab through its Prime Minister offered assurances, though none was needed. The Punjab supplies nearly 80 per cent of the recruits for the army, and gave 500,000 recruits during the last war, and that without conscription. India gave 1,400,000 men for the Great War. In 1914 we were fighting only for our King; the government in our country was technically in the hands of a foreign bureaucracy. To-day we should be fighting not only for the King, but also for ourselves, because the government of the country is in our own hands. Herein was one of the reasons why so many Princes and other leaders in India made public declarations that they would support England. When I told an audience of about 500 in one of the large towns in Canada that Indian leaders had declared



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their feelings about the war to a greater extent than the Canadians had done, this appealed to them so much that it took quite a long time for the applause to end. This shows how sound the heart of Canada is. I have not the least doubt that, should there be the occasion and the need, Canadians would come forward to a man as they did during the last war.

There are $3\frac{1}{2}$ million French-Canadians out of a total population of 11 million. They form the vast majority of the population of the province of Quebec, and are to be found in large communities in other parts of Canada, particularly in Nova Scotia, New Brunswick, and Northern Ontario. They are whole-heartedly Canadian and British. As a matter of fact, even the English Canadians admitted that it was the French who kept Canada within the British Empire during the American wars, otherwise the English section might have gone over to the U.S.A. To-day the French and the English sections of the population in Canada have settled down peacefully as brothers and colleagues. There should be no reason why the Hindus and the Mussulmans should not do the same in India, in the spirit of 'give' and not 'take'.

Canada as a whole has left a very vivid impression on my mind. The people are very refined and cultured and it is a pleasure to be in their company. They are princes of politeness, and some of them possess riches not less than our princes in



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India. I hunted with a friend who has recently put up a house worth £100,000, and I rode one of his hunters worth at least 400 guineas. In their charm and in simplicity they are unmatched, and their hospitality is unbounded. They have an enormous heritage with very few people to share it. Nothing much is being done to induce more people to come in, or to settle the unemployed on the land. Taxation is very heavy; the provincial and the central taxes combined come to nearly 83 per cent. of the income of a man with an income of a million dollars a year or more. It really surprised me that Canadians sought wealth under such conditions. Perhaps they are patriotic and some of them feel that they must remain millionaires in order to find money for the relief of others, in spite of the alluring prospect of a comfortable life at 20 dollars a month under the relief system! Yet the financial position in Canada is sound. Her mineral resources are unlimited and her credit facilities easy. National debit is high, but insignificant in comparison with the national assets. Most of the Canadian people seemed to me thoroughly British in their hearts and proud of the fact that they are within the British Empire. This Empire feeling is notably strong on the west coast of British Columbia. Many people are gratified that in India, with her ancient culture and civilization, they now have a contented partner whose commercial value as a consuming



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market of 350 million people is enormous, particularly under Empire preference.

I have brought back two disappointing memories. One of these is that two Lieutenant-Governors, who are the King's representatives and exercise prerogative on his behalf, are without official residences, these having been closed down because the provincial ministries refused the vote for their upkeep. And this despite the fact that the salaries of the Lieutenant-Governors are paid by the Federal Authorities! The second disappointment was that somehow or other the Canadian people at one time resolved against honours being conferred on Canadians. One Prime Minister did go back on that policy, but the 'no honours' policy again prevails. Several people complained to me that, in view of the fact that no honours and distinctions could be conferred on Canadians, it was difficult to distinguish between the record of a venal official and of a man who had rendered honest and loyal service to the State and remained poor all his life.



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CHAPTER I

Something of my Own Country

THE object of my visit to Canada was to try to promote, as far as possible, the spirit of friendship and co-operation which ought to exist among peoples living in different parts of the British Empire. This friendship will grow through mutual knowledge. I realize what a great opportunity I have had of furthering my own knowledge of Canada and her people. In return I carried a message of friendship on behalf of India. This little book is an endeavour to record some of the impressions made upon me by my unforgettable visit; and I hope it may perhaps be of interest to Canadians and Englishmen as well as to my own countrymen. My approach to what I saw was, of course, that of an Indian; and I think for this reason I ought to preface my jottings with brief accounts of my Indian cultural background, and of the general condition in which my own country stands to-day.

There is a great deal of ignorance about India both in Europe and in the New World, whose people cannot even grasp the size of my country or the magnitude of her large population of 350 million people. Nevertheless that population makes a great contribution to Empire and World



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prosperity. Moreover, India is a consuming market, and as the trend of industry in the modern world is that industries move towards the place where there is a consuming market, we may expect India to become of great industrial importance in the future. Up to the present, India's contribution to the world has been cultural rather than economic. Indeed, her culture has from very early times played a great part in man's advancement. A brief survey of her civilization may help the people of Canada, and, I hope, of other parts of the Empire, to know her better, not only as a sister-nation in the community we call the British Empire, but also as a valuable partner with contributions to make to the moral and material wealth of the Empire and the World.

India has a record of civilization which is as long as that of any country. Many Europeans think that the farther east one goes the older the civilization. Some people in Canada also may think that China and Japan have civilizations older than that of India. That is not true. Indian civilization goes as far back as, if not farther than, the Chinese and Japanese civilizations. Our knowledge of the Indian people before the advent of the Aryans in India about 2500 to 2000 B.C. is still limited; but comparison between archaeological 'finds' in India and in other parts of the world affords ground for the conviction



that India possessed a civilization contemporary with that of Sumer in Mesopotamia. Specimens of the 'finds' made during archaeological excavations in India, Mesopotamia, Egypt and other lands of antiquity have been collected together in London, and students from all over the world can readily judge for themselves of the affinities which exist. For example, in Crete, which ranks as one of the cradles of the Mediterranean civilization from which the culture of modern Europe and of the New World derives, there existed, probably 6,000 years ago, the cult of the Bull and the Snake. Now this is also an ancient Indian cult. Recent archaeological discoveries made in the Indus Valley suggest that the civilization of this part of India was of the same order as contemporary civilization in Sumer and Egypt. Towns well laid-out, with houses of red brick occupied by traders and craftsmen, have been unearthed. We can still admire their excellent drainage systems; their magnificent Public Baths; and their exquisite carved seals and figurines. Authorities on archaeology are of the opinion that such towns as Harappa and Mahenjo-daro were at the height of their prosperity between 3250 and 2750 B.C. In Harappa they have discovered pieces of cotton cloth which have not been turned into dust absolutely; from which it is clear that the people of this civilization knew the art of weaving cotton cloths as well as they knew that of making gold



and silver ornaments. Probably other similar civilizations existed about the same time in other parts of India. An archaeologist of world-wide repute, Sir Aurel Stein, describes in one of his recent books his travels through North-western India and the southern part of Persia on horse-back, and tells of his discoveries which show that civilization in these parts during much the same period was also notable. No doubt we shall know more as archaeological discovery proceeds; and perhaps we may find confirmation of the opinion of those who believe that some 12,000 or 15,000 years ago there was a well-developed civilization extending from India to the Mediterranean countries. But however this may be, it is already clear that the roots of the civilization which India still exhibits in living form to-day go as far back as the roots of any civilization in the world. And Indian civilization still lives and flourishes. Is this not a reason for knowing something about it? For while one notes with some pride and satisfaction that most of the archaeological investigations, at least in Mesopotamia, Egypt, and India, have been initiated and carried out by British and American experts, the fact remains that most of the peoples of the British Empire know very little indeed about ancient Indian culture.

From the time of the Aryan invasion of India, the story of our civilization is wholly continuous, and undeniably of a very high order, if somewhat



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different in type from the civilization of Europe and the New World. The Aryans were of course a branch of the same people who took over and developed the ancient Mediterranean civilization. In India, the Aryans have become browner in complexion and darker of hair: but they are essentially the same people as the Aryan stock in Europe.

Our knowledge of Indian civilization from the advent of the Aryans to the present time is based on our literature. The Sanskrit religious books of the Indo-Aryans are unique in the world for their antiquity: and some must have been composed not less than 4,000 years ago; while the two great epic poems, Ramayana and Mahabharata, although less ancient, are still far older than the Iliad and the Odyssey of Homer.

Indo-Aryan Society divided itself into four great 'orders'. One was that of the rulers and fighters known as Kshatriyas; the others were the Brahmins, who were the priests, the Vaisyas, who were the traders, and lastly the Sudras or the menials. By degrees, there grew up in course of centuries the complicated social structure known as the caste-system: which has split the four 'orders' into a variety of separate divisions which govern marriage-ties, the practice of religion, and the taking of food. Of later growth is a fifth group, ordinarily known as the Depressed Class, which forms a great civil problem in India



to-day. It is curious to think that it is in some western countries that the Aryan race seems to be coming into fashion owing to the doctrine of superiority of race based on the purity of Aryan blood. But if there is any country in the world where the purest Aryans exist, I claim it is India! And the preservation of this purity may be ascribed to the caste-system. To this day there is a custom among the Rajputs that they shall not marry anybody but a Rajput. They have followed this custom even when they adopted other religions, e.g. Mohammedanism. The rulers of Udaipur in Rajputana, to quote only one example, claim descent from the Sun-God, and the present house can trace its ancestry at least for 1,200 years; they never gave their daughters in marriage to a non-Rajput nor married any but a Rajput girl.

It is not only the religion of Hinduism to which the religious genius of the Indian peoples has given birth: for Gautama Buddha was born in India about 563 B.C. His teachings spread through India and out to the north-western bordering lands. When Alexander the Great invaded India in 327 B.C. he passed through lands where Buddhist culture was already taking root. He came by land after conquering Egypt and Persia and went back by sea from Karachi after establishing Greek kingdoms in India. The Kings of Taxila and other places became his vassals and many of



his followers settled down in the north-western parts of India. These Greeks accepted the Buddhist religion and merged into the people of their adopted country. One finds even to this day a great deal of resemblance in the features of some people living in the Punjab to the Greek statues of antiquity. Civilization in this part of India was very high. Excavations in Taxila have revealed paved streets, baths in private houses, and walls which are over 2,000 years old. The whole system of building and town-planning would do credit to any of the modern countries of the East or eastern Europe. Sir John Marshall mentions that he has also discovered glass tiles used in bathrooms, which were introduced to China after they had been known for some time in India.

Buddhism and its culture spread north and south, east and west under the rule of Asoka, who reigned in India about 272-235 B.C. Some people think that China, with its mysterious past, has probably one of the oldest civilizations in the world; but it may not be generally known that her present civilization is partly inherited or borrowed from India. Buddhist missionaries from India braved the perils of the Gobi desert, the unscalable ranges of the Himalayas and the treacherous waters of the China seas, to bring Buddhism into China and gradually convert the whole country. Some of the oldest books in Chinese literature are translations from Indian texts



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dealing with the Buddhist Canons. The authors and translators admit this fact. Thus many Indian words and names have passed into the Chinese language. From China, Buddhism spread north to Korea, and from there to Japan about 1,400 years ago (A.D. 552). The Buddhistic culture of these two countries has thus been inherited from India. Also the ancient civilization one now finds in Malay came from India. India, which is the cradle of Buddhism, has hardly any followers of that faith now. Hinduism has absorbed them all. But Buddhism has left India a heritage in painting, sculpture, architecture, and literature, which is a glorious acquisition to the country's vast store of culture. The paintings in the Ajanta Caves, the sculptures of Gandhara and Sanchi, the bas-reliefs of Amaravati, &c., are cultural possessions which any country in the world would be proud to claim as its own.

After the decline of Buddhism and until the Moslem invasion of India in A.D. 1000, many empires rose and fell, each leaving behind its cultural contribution. When the Normans were conquering England the Moslems began their invasion of India, and that is history with many fascinating chapters. The Moslems established their rule in Delhi about A.D. 1175 and for about 700 years provided some of the most cultured rulers the country ever had. Many people are familiar with the name of Akbar the Great. Most people



know of the Taj Mahal, that jewel of architecture. Jurists will know of the many surviving Indian laws, legal institutions, and customs which have been bequeathed by these rulers. Though Imperial rule was not unknown to India previously, it was during the Moslem period that the various independent kingdoms of the country were knit into an ordered realm with one central authority co-ordinating them from the Imperial capital at Delhi or Agra. The Moslems have also left many marks on the country, particularly through their land-revenue system, and their architecture.

The first Europeans to arrive in India as traders were the Portuguese in A.D. 1498. The English and the French followed. The struggle for supremacy between these two latter powers was carried on in the Indian field well towards the middle of the eighteenth century, and it culminated in the establishment of the English company as the paramount power in India in 1818. Part of the country was ruled directly by the British—that part now known as British India. Part of the country was left under the rule of Indian kings—whom we now generally call the Ruling Princes. After about forty years the British Crown assumed control of India's destiny. The influence of this rule, the introduction of democratic principles of governing, have found a field in India fertile enough for the country to be well on the way to assume control over her own destiny. And after



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a short tutelage of about eighty years, the two parts of India, British India, and the India of the Princes, are invited to join together to constitute a federal government for India as a whole. India was one of the greatest among the countries of antiquity. I have no doubt that her glorious past will be a sure foundation upon which she will build another of the world's greatest civilizations of the future.

What is the future of India within the British Empire? This is a question which arises in the minds not only of the Indian people themselves, but also in the minds of our colleagues living in the Dominions. Is India likely to break away from the Empire on racial grounds simply because there is no place in the comity of free British nations for a people which is not British by birth? This at least cannot be true, for we know that already there are different races living peacefully together in the Empire. If it is possible for the 3½ million Frenchmen out of the 11 million Canadians to consider themselves Canadians at heart and work together as members of this great Empire; if it is possible for Dutchmen comprising 65 per cent of the white population of South Africa to live within the Empire as loyal citizens and work with us for the good of all, why should it not be possible for Indians to live within the British Empire on the very friendliest of terms with all our fellow citizens living in the other



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assumed charge of the government, having made a declaration that in future the administration of India would be carried on in the best interest of the people of India. Since that declaration only eighty years have passed. What has India achieved with British co-operation during that short period? And what is it that the British trustees have handed over to the children of India to-day when their wardship has ceased?

The best gift of Great Britain to us has been the development of self-governing institutions in India. At the time when Queen Victoria took over the administration of India we only knew the rule of one man: the theory of the sovereignty of the people was exotic. I found many in Canada who did not realize that to-day we have a constitution in India which gives us full Dominion government as is the case in Canada excepting in the matters of the Army and foreign relations. We have full provincial autonomy working in the eleven provinces of British India in exactly the same manner as in Canada. The federal part of the Act has not yet come into force but full legislative provision for it exists.

As regards the two reserved subjects, I am not sure in view of what has recently happened whether it is not really in the best interests of the British Empire that the foreign relations of us all should not be under one unitary control with provision for adequate consultation. If democracy



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in gradually handing over the administration of India to her people as they showed their capacity to take over the administrative machinery from them. The achievement of self-governing institutions in India has been a very uphill task for us, but no more uphill than was the case in Canada. We have a proverb in India that 'even your mother does not give you milk unless you cry for it'. Whereas the people of Canada had to fight hard for self-government, we in India have achieved the same result but through peaceful means. This is, no doubt, due in great extent to the pacific methods of Mr. Gandhi and the experience gained by Great Britain in her other oversea possessions.

But when you look back into the history of the world, you will find no example where the government of a dependent people has been allowed to pass into their hands without bloody revolution. Even the European democracies had to win their liberty through rebellion. You can look round the whole of the world to-day and nowhere will you find a single European nation that has developed representative institutions in its various possessions in the same way as England has done in India; by representative institutions I mean elected parliaments with powers of legislation. I was once sitting next to a Frenchman at dinner who asked me when we were likely to get home rule in India. I explained to him our posi-



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under the 1935 Act, which had given us full Dominion government but for the Army and foreign relations. Then I praised, and quite sincerely, the great democratic and equality-loving spirit of the French people, and appreciated their friendly treatment of the people over whom they ruled. Then I asked him the name of the town in French North Africa where a parliament sat. I think he was aware that I knew there was none.

We in India greatly appreciate the benefit we have gained by association with the British, and we know that India without British assistance would never have attained her present economic and political position. She would not have been any more advanced than other Eastern nations; she would not have been more advanced than many of the Eastern European nations of to-day. I have travelled through many countries in the world and I can say with confidence that there are few countries that can claim to have provided their people with greater peace and security for trade and commerce than are found in India.

The most important gift which the Englishman has handed over to the modern Indian ministries is the administrative machinery in the provincial governments.

Our Civil Laws, Laws of Civil and Criminal Procedure, Laws of Contract, Evidence and Insurance, and Company Laws are all codified and based on British principles. Our customary law



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has been given full scope to develop along modern lines. Our system of law courts and justice has ensured peace and contentment. Without these it would have been impossible to achieve the rule of law and sanctity of contract and property, which are so essential for the industrial progress of every country. Our High Court Judges in their honesty and fairness are second to none in the world. But we retire our High Court Judges at 61. I met a Judge in Canada who had retired at the age of 92½. Is it any wonder that the younger men complain of unemployment? The Indian Civil Service, which has been responsible for the administration of the country, though costly, has been the most honest, fair-minded, and efficient service in the world. I was ten years a Minister in the Punjab Government, and not once did I hear even a suggestion that a member of the Indian Civil Service, European or Indian, was corrupt or dishonest. You can realize what this has meant to our people during the time when no representative parliaments existed. The co-operation of the Indian Civil Service with the new ministries has been worthy of their great traditions. But when you realize that the number of the Indian Civil Service in the whole of India to-day stands at 1,034, now 40 per cent Indian, you wonder how it was that such a handful of people were able to rule the whole country. The administrative machinery in India, other than the



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Indian Civil Service and the higher posts in the Police, has been manned almost entirely by Indians. If England had not had the willing co-operation of the majority of Indians with her, she could not have ruled the country even for a year.

During one of my tours in the Punjab I asked a peasant what he thought of power having passed from British hands into Indian. He said that he was pleased but added that to give the devil his due the Englishman's rule was a poor man's rule. 'What do you mean?' I asked. He replied that under the Englishman's rule the poor and the rich were alike in the eyes of the law. No great personage could attack the honour or property of a poor man without the risk of going to jail or of having a decree passed against him.

My travels in Western countries and in Northern America have convinced me that democracy is a very expensive form of government. Yet we have no better alternative, except perhaps to steady a democratic government with a permanent service, irremovable yet amenable to discipline and punishment. I do feel that the framers of the Indian constitution by allowing the continuance of the permanent Indian services, have saved India from all the troubles which arise, as for instance in Canada, from the absence of permanent services. In every province in India we have a Public Services Commission, through which all the recruitment is made. No Government servant



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can be dismissed unless it can be proved that he has done something wrong. In Canada, however, every provincial government servant holds his Office at the pleasure of the provincial Prime Minister, and he can be removed from his position without the assignment of any cause. He has no redress. This step is, of course, rarely taken. But a man whose tenure of office is not secure cannot be of the same service to his people as a man who, in addition to the security of his office, has experience of many years behind him in his particular department. I do hope and pray that the permanent services in India will continue to give their whole-hearted co-operation to their ministries, irrespective of the political outlook of such ministries, otherwise there will be a danger of a clash between the services and the ministries. We all know that in such event the will of the people is bound to prevail. So far, I am glad to say, the co-operation of the services and the ministries has been whole-hearted, and this is one of the most hopeful signs for the success of our democratic institutions that have just come into being.

The British have handed over to the people of India an enormous amount of wealth intact. There was a time in India when we used to think that the Englishman filled his ships with corn and gold and took these away to England as gifts and tribute. To make a confession, in spite of my education I used to entertain similar doubts till



January 1921, when for the first time there was placed before the Punjab Legislative Council a copy of the detailed budget. It was then that we realized that not an ounce of gold or a bushel of corn had left Indian shores unless it was bought in the open market and paid for. All the lands and forests have been preserved honestly; not one square mile has been given away to any Englishman by way of a gift or tribute. All the mineral wealth in the whole of the continent of India belongs to the State, no matter who owns the surface earth, the permanently settled areas being the only exception. I have great admiration for the national parks of Canada like those at Banff and Jasper. There are no such parks in India, and I hope it will not be long before our governments create similar parks in our forests. No doubt the Englishman has benefited by the opportunity to invest his money in India, yet without that money India would not have developed industrially as she has done. Amongst many loans there is one that I know of in the Punjab for 80 crores of rupees borrowed in England for irrigation purposes at 3 per cent. On many occasions there has been talk in the Punjab Government of repaying this loan, but we have never been able to raise the money at 3 per cent. If English investors have benefited, so have we, for the Punjab Government makes an average return of 12 per cent on the capital invested in the canals, which all belong



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to the State. In future only that province in India will make industrial progress which is able to follow a steady policy of taxation, and which gives a sense of confidence to the public investor.

There may be some in my country who may not approve of my saying what I have in this chapter. To these I offer no apology, for my object in visiting Canada was to win the goodwill and friendliness of her people for mine. If one were to write a criticism of the British Government in India, one could write volumes as easily as one could about any other Government in the world, perhaps more easily, for it was a rule by a foreign people. Where severity of criticism is expected, a word of approbation for what has been accomplished seems also well deserved, for it was a foreign people who have achieved what they have. My effort has been to expose the beautiful side of the picture, as there decidedly is one. Let the past remain buried and forgotten. Let the present look after itself, as it will. Let us do what we can to safeguard the future, for on it depends the prosperity and happiness of our coming generations.



lease. Naturally, when people are likely to lose their capital by investing money in buildings in municipal areas, why should they risk it? Whereas in Europe public works are started in order to find employment, in Canada the municipal system of taxation seems to cut down building work and increase the number of people on the dole. In British Columbia I was told that with a population of 750,000 souls more than 10 per cent were on relief. The total provincial revenue was \$31,000,000, more or less the same as the income of the Punjab Provincial Government ruling over 25 million people. But the British Columbian Government were spending \$5,000,000 a year on relief, \$3,000,000 direct from the provincial revenues and \$2,000,000 from the federal revenues and other sources.

Nor is it only in Municipal taxation that the Canadian and the Indian systems differ. In India our land revenue is based on the income from land and we have very elaborate rules for estimating the value of crops per acre. But the tax on agricultural land in Canada is based on its capital value, and agricultural income is liable to income-tax. This is not the case in India, where no income-tax is taken on agricultural income. The reason for this is that the landholder has already paid about 25 per cent of his net income to the State in the form of land-revenue. This tax works out at about \$1 per acre. The Canadian



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CHAPTER II

Taxation and other Economic Questions

OUR Indian ministries have inherited from the British a very sound system of taxation, and one only realizes its scientific nature by making comparisons with other countries. In India our municipal taxation is either indirect in the form of octroi duties and terminal taxes on things imported by train into municipalities, or direct on the rental value of houses. If a house is not rented it pays no taxes to the municipality. I cannot help thinking that Canada has something to learn from us here. In Canada municipal taxation is on the capital value of landed and house property within the municipal area. In Victoria municipality 50 per cent of the town sites have been surrendered by the public to the municipality for non-payment of taxes. I met a friend who had built a house at a cost of \$50,000 or \$60,000. This building was empty, yet he had to pay \$2,600 a year as a municipal tax. He paid it for three years and then sold the building at a great loss. In Victoria town no one gets the vote unless he pays at least the \$1 per annum poll tax. I met a man in Edmonton, an insurance agent, who told me that he was unable to post an agent to that town because no house was available for



system leads to some difficulties. After the war several farms were bought by the Government in British Columbia and soldiers settled on those farms. Within a year or two 95 per cent of these people left the farms and swelled the ranks of those living in the cities on relief, where a man and wife would get \$20 per month. Indeed, farming in Canada is rather a difficult proposition. Rainfall is not evenly distributed, and in the west often insufficient. If crops are not plentiful the farmer finds a difficulty in paying his taxes and interest on loans taken for buying machinery and the inevitable motor-car, which he needs, no matter how poor he is, for going into the market towns. Machinery he often leaves out in the rain for want of funds for sheds. The French-Canadian uses his horse mainly and is a more efficient farmer. In this matter of settling people on the land, I think our Indian system of colonization may have some useful suggestions for the Canadian governments. The Punjab Government have now over 4 million acres under perennial irrigation, and the task of settling colonists in these areas has been an enormous one. We usually build roads first and give village sites free of cost to new colonists who live together in groups of villages, and provide irrigation for the land, with the result that not only do we get high prices for our land but we find that people stick to their holdings. In India we have found sweet sub-soil



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water at 350 feet, where the first sub-soil water was brackish. It may be the same in Canada; if so, tube wells could easily be run by Government, seeing that electricity is only a fraction of a cent per unit. I believe that the Indian plan is worth exploring; and I know of quite a number of Englishmen living in England with lifelong experience of this colonization work in North-western India who could be of great use to the Canadian authorities should they choose to investigate methods of creating settlements in Canada under conditions which would be so congenial that the farmers would stay.

Canada is a very rich country, and as such naturally its debt is high, \$690 per person, as against \$500 per head in the U.S.A. This figure includes the federal, provincial, and municipal debts. Some municipalities spend 50 per cent of their annual revenue in payment of interest charges. The floating of forty-year bonds by municipalities and provincial governments is a very common practice. Although there is a great deal to be said for providing long-term amenities, yet such heavy indebtedness leaves little room for further borrowing by future generations. The rate of interest which Canadian municipalities pay is $5\frac{1}{2}$ to 6 per cent; in India it is a little less. It is 1 per cent more than the rate at which provincial governments borrow. Our loans are also spread over 30 or 40 years, but no loan in India



can be taken by a municipality without the previous sanction of the local government. In 1936-7 loans authorized for unemployment relief in Canada were \$17,000,000. The municipal share was \$7,000,000 and the Government paid \$10,000,000. The entire debt of a county municipality must not exceed 5 per cent of assessed value of its taxable real estate or that of a rural municipality 10 per cent. In India the Government take into consideration the income of a municipality before they sanction a loan. They never allow debt charges to go up as high as is the case in Canada. It is a generally accepted principle that wherever there is a large income from land the indebtedness of the farmer is heaviest, as is the case in Prussia or in the district of Lyallpur in the Punjab. Heavy debt is an index of how rich Canada is.

In Canada there are sales taxes which do not exist in India. Once in the Punjab Government we considered a sales tax, but came to the conclusion that in view of the fact that most small shopkeepers, being illiterate and poor, keep no account book, the tax could not be applied universally. A very large staff would have been necessary to keep constant watch over sales, and unless these officials had been highly paid they might easily have become a source of great annoyance and perhaps extortion to the average shopkeeper. The matter was therefore dropped. But it is likely to



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be revived in view of the fact that the present sources of revenue in our provinces are limited and meagre. Worse still, though in theory elastic, these sources are in practice rigid, because the people are poor and cannot afford to pay taxes like land revenue and water rates if these are enhanced to any considerable extent.

The Canadian system may thus be of some interest to India. It works as follows. The Federal Government levy a sales tax of 8 per cent on all manufactured goods. This brings \$142,000,000 to the Canadian exchequer. The total revenue of the Federal Government from sales taxes is \$237,000,000. The cost of collection is very small, being only 2 per cent of the total amount realized.

There are other small taxes, e.g.:

- 5 cents on each cable;
- 5 cents on each telegram;
- 5 cents on each radio receiving set;
- 6 per cent on long-distance telephone calls;
- 25 cents on railway sleeping berths;
- 10 cents per ticket in a railway carriage containing chairs.

There are taxes on the sales of tobacco, cigarettes, liquor, goods in shops, matches, stamps. There is a domestic servants tax. There is a tax of 7½ cents on sales of wines and a tax of 3 cents on each cheque of \$100 and over. There is a sales



tax of 1 cent per lb. on sugar, manufactured or imported. Automobiles, manufactured or imported, pay a sales tax of 5 per cent on value in excess of \$650. There is a sales tax on rubber tyres of 2 cents per lb., which yields \$617,000, and of 3 cents on rubber tubes, which brings in \$117,000. There is a sales tax of 6 cents per gallon on petrol. Heavy fees are charged for licences granted for the manufacture of alcohol. Regarding the Canadian practice in the matter of excise, I shall have more to say in another chapter: for my present purpose it is enough to notice that the tax levied on alcohol manufacturers is considerable. One brewer in Ontario has to pay \$5,000 per annum. The fee for distilling is \$250 in some places. No brewer is allowed to advertise in Ontario province. All liquor stores are closed on holidays!

Sales taxes on first manufacture go to the Central Government but those on the last sale, i.e. when made to the consumer, go to provincial Governments. This tax on retail sales is about 4 or 5 per cent on the total value of things sold. In Saskatchewan province the tax on retail sales yielded \$2,500,000 in 1937. The cost of collecting sales taxes is less for the Dominion Government than it is for the Provincial Governments.

So far as income-tax is concerned, the cost of collection is 2 per cent of the money realized by



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the Central Government. But there are separate provincial and federal income-tax departments: and it has occurred to me to wonder whether, if they pooled their efforts, a saving could not be effected. Actually to-day, there are two provinces that have joined hands with the Federal Government to run one income-tax department. The Indian Income-Tax practice is different from that of Canada, where there are two income-taxes. We in India have only one income-tax and that is central. In some Indian States—for example, the dominions of His Exalted Highness the Nizam of Hyderabad—there is no income-tax at all. I wonder that some Canadian millionaires do not go to live there, and save paying 85 per cent of their income to the Canadian Government!

The taxes which I have described are not the only taxes paid in Canada. I found that I had to pay small taxes on the food I ate in some railway cars and hotels. Some of these taxes were earmarked for hospitals.

The chief sources of income for the Federal Government are:

1. Sales taxes.
2. Income-tax.
3. Customs duties.

The provinces depend mainly on:



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1. Liquor sales.
2. Petrol.
3. Licences for (a) Brewers.
(b) Cars.
(c) Timber cutting.
(d) Stamps.

The Federal Government spend 12-15 million dollars a year on mechanization and aircraft. They possess six destroyers. Their navy is not much larger than our newly-born Royal Indian Navy. How cheaply we have all got off in the past because of the British Navy!

The total revenue of Federal Canada last year was \$517,000,000 (about £104,000,000). The total revenue of the Government of India, excluding Railways, is about £60,000,000. The Canadian Government spend under \$35,000,000 on defence, which is less than 7 per cent of their gross revenue. We spend about 40 or 45 per cent of our central revenue on our defence. While we in India have a standing army of about 200,000, in Canada they have one of about 4,000, so I was told. It can be expanded very quickly.

Railway deficit last year cost the Federal Government \$42,000,000. The Indian Government railways earned more than they spent in the year.

Relief for the unemployed cost the Canadian Federal Government \$60,000,000 last year. It costs our Government nothing. We have no such



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schemes. In the Punjab we have schemes under which during a famine relief can be given to villagers. Taxes are also remitted or suspended during a famine. But organized relief for the unemployed is still unknown in India. In Canada this money is spent in part by way of grants in aid to provincial Governments and in part on youth-training programmes or on rehabilitation schemes.

As the problem of unemployment is becoming serious in some parts of India, it may be of interest if I describe how the Canadian Government is dealing with it.

The Unemployment and Agricultural Assistance Act of 1937, along with certain earlier legislation, provides the necessary sanction for the Dominion Government to incur expenditure for relief of the unemployed. The Dominion Government makes the grants to provincial governments in monthly instalments. Agreement is entered into by the Dominion Government and the provincial governments, the former laying down conditions for the making of these grants. One important condition is that no provincial government is allowed to discriminate between one man and another on the ground of racial origin, religious views or political affiliations. The amount given to each individual is to be less than the normal earnings of an unskilled labourer in the area concerned. The money can be spent only on certain approved plans, such as, works in co-



operation with provinces; youth training; aid in the drought areas by way of material aid and feed and fodder; re-establishment of settlers; relief to single unemployed persons; and relief settlements.

Each of these types of plan may be illustrated. An example of works carried out in co-operation with the provinces is the trans-Canada highway. It is not yet complete. You cannot travel from coast to coast by car yet. The agreement with the provincial government would provide that only residents of Canada would be helped, that there would be no discrimination, and that the wages would be fair.

Youth training is a particularly helpful way of assisting the unemployed. In pursuance of the recommendation of the National Unemployment Commission, the Dominion Government voted \$1,000,000 in 1937 for initiating training and development projects for the unemployed young people. The Dominion paid 50 per cent of the total expenditure within a certain maximum limit. The courses carried out included:

- | | |
|---------------------|-----------------------------------|
| Household work | Egg grading |
| Home management | Mining |
| Agriculture | Conservation of natural resources |
| Occupations for men | Handicrafts |
| Forestry | Leisure-time activities |
| Poultry keeping | |

Direct aid is also forthcoming to help farmers



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in famine-areas. For example, the Dominion Government assumed entire responsibility for material aid to the drought-stricken areas of Manitoba and Saskatchewan. This aid consisted of food, fuel, clothing, and shelter. During four months of 1938, Government spent \$40,000 in Manitoba, \$2,185,000 in Saskatchewan, and \$165,000 in Alberta. For the year as a whole Saskatchewan alone cost \$7,000,000. Fruit, vegetables, fish, beans, and cheese were also distributed.

Somewhat similar measures were taken two years ago. In the summer of 1936 Dominion and provincial governments undertook to meet the full cost of feed and fodder assistance in drought areas. Cattle were moved to winter feeding-grounds at government expense. The Dominion Government fixed from time to time the maximum prices payable by provinces for hay and straw.

Sometimes, after a bad drought, it is necessary to undertake the re-establishment of settlers—a course involving heavy expenditure on breaking and clearing land, purchase of building material, farm implements, and live stocks.

In addition to all these measures, a great deal of individual relief is given to the unemployed. Single unemployed persons get from \$5 to \$7.50 per month, It has been laid down that relief settlement expenditure must not exceed \$600 per family.



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The total Dominion expenditure on unemployment relief in 1938 under the 1937 Act was \$44½ million. Very strict audit control is kept over provincial expenditure and often large amounts have to be refunded to the Federal Government. The Federal Government further makes heavy loans to provincial governments to help their relief measures. The grand total of such loans at the end of 1938 was nearly \$130,000,000. The administration charges were commendably light and the total central staff at Ottawa was only 33 persons.

Unemployment relief exists all over Canada. But I have some detailed information relating particularly to the province of Nova Scotia, which will give the reader a fair idea of the conditions that prevail in other parts of the country.

In the year 1934 there were 50,000 unemployed in Nova Scotia. This figure fell to 15,000 in 1936. Although the number of persons on relief varies, yet it appears that unemployment relief has become a permanent feature of the Canadian administration. It is felt that even an industrial recovery will not remove the need for that relief altogether. Every year there are many persons who become unfit for work or who forget their calling. So far as the constant employment of labour is concerned, the modern economic system in most countries is unreliable. Industrial employment and demand for goods move in cycles.



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Sometimes there is plenty of employment, and at others people are thrown out of work. Such will always continue to be the case so long as the yearly production and consumption of goods cannot be equalized. As the demand increases, prices begin to soar, and there is over-production of capital and consumption goods. This is later followed by a fall in production and increase of unemployment. This game goes on in periods which we call trade cycles. Some theorists would argue that so long as the State does not control strictly all industrial production, so long will unemployment continue to exist. It is impossible to visualize how any country run on democratic and sound economic principles can wish to do away with private initiative and competition. However this may be, the upshot is that public expenditure on unemployment is likely to continue and to be a permanent charge on the treasury.

There are some people who have been on relief for five to six years, but the largest number of the unemployed on relief are those who have been unemployed for one year or under. The number of persons who have been unemployed for two, three, and four years is fairly even. The largest number of unemployed amongst males is that of men between the ages of 21 and 40. As depression sets in, people can afford few servants, and there is a great deal of unemployment amongst women too.



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Unemployment is larger in towns than in rural areas. It is not easy to shift labour, particularly unskilled labour. We find that to be the case also in India. But luckily for us in India the seasonal labourer goes back to his village, and even in the case of permanent workers there is often a village home to go back to. Unfortunately in places like Bombay permanent industrial labouring classes have grown up and these will not go back to the villages.

When an unemployed person is the head of a family, he finds it almost impossible to move his residence. Experience shows that it is far easier to find employment for the spare population in the country than in the cities. According to the census of 1931 in Canada nearly 50 per cent of the people lived in towns, cities, and larger villages.

In Nova Scotia there was spent \$12,000,000 on relief during the year 1936. This expenditure was equally distributed among the federal, provincial, and municipal authorities. It is worth considering whether it would not be cheaper in the long run to undertake public works. It is estimated that the cost of direct relief is one-ninth of the assistance given through building programmes. Although the cost of the buildings and roads programme is higher than that of direct relief, yet in the former case the nation has some wealth to show in return for the money spent, whereas in the latter case all the money spent



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appears to be directly unproductive. In England I notice that a great deal of employment is provided by building societies, and ordinary people now live in increasing degree in houses belonging to themselves. They borrow the money from building societies and pay it back in instalments.

It is found by experience in England and in Canada that the cheapest and the most convenient system seems to be direct relief. There are some places in Canada where a man who goes on relief loses the right to vote. It is considered dangerous to let these people influence elections. Candidates who canvass their votes will try to make the relief more and more expensive and permanent.

Some people in Canada suggest that one way of dealing with unemployment is to give loans for the purchase of houses or starting of businesses. Others think it advisable that Government should pay the travelling expenses of labourers moved from one place to another. There is also a feeling that money for seeds should be advanced to farmers. (A good deal of help in seeds is already given to our farmers in the Punjab.) Employment exchanges can be of great assistance in finding work and also in picking out the lazy ones who refuse to take on work. Labour camps can be a remedy, but not if the unemployed youth and the vagrants are camped together. Training centres for the unemployed are certainly the



Most fruitful source of doing real good to the men.

The British people have the best system in the world. They have unemployment insurance under which Government add a certain amount to what the employer and the employee themselves pay.

Luckily for our people, India is an agricultural country. Ninety per cent of the population live in villages and depend on agriculture. They may be poor, they may be underfed, yet they all have houses to live in for which they pay no rent, and they will always have work to do on the farms, even though the profit is small or even negligible. In the industrial centres of India we have also a fair dose of unemployment and strikes, but fortunately so far the problem is not so acute as is the case in the west. In India we have no unemployment exchanges at all. We have well-organized trade unions.

One of the most valuable aids to Canadian prosperity is the prevalence of cheap electric power. Much can be provided by Nature in such places as the vicinity of the Niagara Falls. I myself visited these famous Falls. The greater portion of the water is on the Canadian side, but the U.S.A. also develop power. There are power plants on both sides of the river. The Niagara Falls are of interest not only for the electricity they generate, but also from the fact that they



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have been the scene of very curious adventures. One daring fellow shut himself up in a barrel and floated down the Falls. It is a miracle he escaped alive! He receives visitors now and talks to them on the venture. Others have lost their lives in the attempt.

The immense water-power of the Falls is employed to generate electricity in large quantities. About 1,300,000 horse power is developed on both sides of the river below the falls. Dr. Norman Gibson, the engineer in charge of two plants, very kindly showed me the head works. There were at one place three machines of 75,000 h.p. each. These were, I was told, the biggest single units in the world. There were installed at this place in addition several other machines of 40,000 h.p. each. The older section of the plant, which covered nearly half of the floor space, consisted of 10,000 h.p. machines. This company sells the electricity at about \$60 per h.p. for domestic use and \$30 per h.p. for commercial and industrial use, but their sales are in bulk and subsidiary companies do the selling to the consumer. We have no such system in the Punjab, where the companies that produce the electricity also do the retail selling. The Punjab Government produce 50,000 h.p. at Mandi in the hills, and this they sell themselves. The rates charged by Niagara head works are cheaper for industry than for commerce. This particular company is linked up



with several others and sells current right up to New York, which is 450 miles away. Its customers are municipalities and these do the retailing. The higher the consumption the lower the rate charged. The price works out at 1 cent per unit for electricity consumed for domestic purposes.

In Lahore I used to pay 6d. per unit for the electricity used in the house for lighting and fans and 2d. per unit for the water pump at the tube well. The rate for domestic use is really 8d. per unit, but you get 2d. off if you pay punctually. If you do not you pay 8d. per unit. The reason for this arrangement lies in the Indian law. If the rate had been fixed at 6d. per unit and the consumer had been charged 2d. extra for non-payment within a certain period, this would have constituted an illegal penalty. The legal brain is very fertile!

In the province of Ontario Government have paid special attention to the rural electric service. They have done their best to encourage the consumption of electricity in rural areas with a view to making the life of the farmer and his wife comfortable. Government have assisted the rural people in three ways. First they have given grants-in-aid towards the initial cost of supplying electric services, amounting to 50 per cent of the cost of the line and secondary equipment necessary to deliver power from the supply point to the customer's property. Secondly, they have



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fixed maximum service charges. A flat rate is charged per month. There are specially reduced rates for farmers. I am informed that if the power company lose money by supplying electricity to the farmers at the rate fixed by Government, the difference between that rate and the company's price is paid by Government. In the Punjab this question is more easy to deal with because the hydro-electric power belongs to the provincial government, who pay the entire cost of the line as well as of the necessary secondary equipment. They only have to bring in specially reduced rates for the electricity used by the farmer. It has been found by experience in Canada that the use of electricity in the farmhouses gives impetus to trade, for the farmers wish to buy radios and refrigeration plant, and they also use electricity for the purposes of workshops, dairies, wood-cutting, chopping feed, vacuum cleaners, fans, furnaces, washing-machines, &c. The Indian farmer in general is too poor to buy these appliances, which add so much to human comfort, but there still may be many who can afford to buy these things. The price of electricity in the Punjab is far higher than it is in Canada. In view of the low purchasing power of the Punjab peasant, the price of electricity will have to be reduced considerably before Government are able to sell much electricity in the villages.

In the third place, the Rural Power District



Loans Act, 1930, provides for granting assistance towards the installation of electrical works in rural power districts. The purpose of this Act is to provide advances towards the installation of electric services in rural power districts. Aid may be granted for the wiring from the transmission or distribution lines into and throughout dwellings, farms, out-houses and any other works which may from time to time be specified by regulations. In addition to the wiring, loans may be obtained for transmitters, motors, or other appliances as may be necessary or expedient for any industrial, agricultural, or domestic purpose which may be specified in the regulations. As far as I know, no assistance of this nature is given to the farmers in the Punjab.

I have no doubt that other provinces in Canada are following the same lines as Ontario for assisting the farmer, and now that fully responsible ministries have been established in the provinces in India it will not be long before the voters in the villages insist on being provided with cheap electricity on the reasonable conditions applicable to the farmers in Canada.

There is no doubt that the provision of cheap electricity would be an immense help to the economic and industrial development of India. With British co-operation India has industrially advanced so that to-day she stands among the eight most important industrial countries in the world.



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This progress would never have been possible without peace and the rule of law which a strong central government was able to provide in India. To-day India produces in her own mills 85 per cent of the cloth she consumes. India is fiscally as autonomous as any other Dominion. During the last eight years or so we have put up more than 160 modern sugar mills, with the result that we are producing over a million tons of white sugar a year, thus meeting completely the whole internal demand of the country. We are one of the largest producers of raw materials in the world. There is not a raw material which cannot be found in India. Although our mineral wealth is not equal to that of Canada, yet I have no doubt that in the future our mineral resources will increase. We are to-day the largest tobacco-producing country in the world, growing 24 per cent of the world crop. India is the largest producer of pig iron and coal in the British Empire outside Great Britain, and with all the new steel factories that are being erected, we hope soon to catch up Canada in steel production.

I was much impressed by the forest and mineral wealth of Canada, which seems to possess an unlimited amount of timber. A timber contractor can take a lease from Government at \$6 per square mile. He has to spend another \$6 per square mile on fire-prevention staff. In India in some forests he would have to pay per cubic foot



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of wood taken away. With Empire preference, Canadian timber can be sold in England, which is her largest market, against Swedish and Russian timber. Reafforestation is being carried out only to a very small extent. Stumps over ten feet high are being left in the ground in the hope that in twenty years' time they will rot away. This wasteful system of cutting timber is only justified by the fact that Canadian timber could not otherwise be sold in European markets. So far as mineral wealth goes, I have no doubt that Canada is already one of the leading mineral-producing countries in the world. The resources in liquid gas, oil, gold, copper, silver, and other valuable materials seem to be unlimited. But despite all these resources, many of which are highly developed, there seems to be a widespread impression in many countries that Canada is little more than a hunter's paradise, inhabited from end to end by wild animals. Canadians are fond of telling anecdotes to make fun of people who labour under this delusion. One man told me that a visitor from Europe landed in Canada on a shooting expedition, no doubt having read advertisements in hotel magazines about the polar bears. When he landed at the railway station he asked for the name of the place where he could shoot a polar bear. My friend told him that he had not seen many polar bears about, but he had seen several blind pigs and wild cats (blind pig



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being a bootlegger's store, and a wild cat being an oil well without oil). Actually, as I found out for myself, Canada's industrial resources, both actual and potential, are enormous: and she is of greater interest to the industrialist even than to the sportsman. No country in the world to-day is safer for the investment of funds than Canada.

The information which I have incidentally given on our administration in India is designed to show to our colleagues in the British Dominions that we have a great deal in common with them, not only in our culture and thought but also in our administrative machinery. I have come back from Canada full of admiration for our own system of government. But I would ask my readers not to run away with the idea that if they have been looking out for a paradise on earth, I have discovered it for them in India. We are a very poor country, millions of people do not get enough to eat or to wear, and there is a great leeway to be made up in industrial progress if we are to raise the standard of living. An enormous amount of work awaits our new ministries. Production per acre must be increased as must the production of milk. Raw materials must be cheapened to bring down costs of production, and we need in particular a great deal of cheap oil, petrol, electricity, and coal. But my confidence in our leaders and the determination of our people is so strong that, given peace and good government,



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I believe that India will make very rapid advances during the next fifteen or twenty years. The vast majority of people in India are happy to be inside the Empire because, I believe, they recognize all the great work that England has done for India. All that the Indians claim is that they should occupy an honourable and equal position as partners within the British Empire. Beyond that nobody wants to go, and now that Dominion government has virtually been given in India there is every reason to believe that the Indian public will continue happily to march side by side with their fellow citizens in the British Empire for the mutual progress and prosperity of us all.



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CHAPTER III

Transport by Rail and Road

IN India, the English have constructed over 43,000 miles of railways, 80 per cent of which belong to the State, and the others are gradually being bought as their leases expire. Here again I think India has a good example to show to her sister Dominions. In the year 1924 the Central Legislature at Delhi passed a resolution separating railway finance from the general budget. It ran:

‘This Assembly recommends to the Governor-General in Council that in order to relieve the general budget from the violent fluctuations caused by the incorporation therein of the Railway estimates and to enable railways to carry out a continuous Railway policy based on the necessity of making a definite return to general revenues on the money expended by the State on Railways . . .’

This lengthy resolution was accepted, and to-day the Indian railways are run on commercial lines and have their separate budget. The Railway Board acts in the same manner as the directorate of a public company.

I was much impressed by the railway system in Canada. But the Canadian Pacific Railway, the most comfortable railway in the world, with most



Luxurious hotels and steamships and most charming staff, has not paid a cent to the ordinary shareholder for years. There is also the government-owned railway system called the Canadian National Railways, on which the Federal Parliament, I was told by an official, lose \$12,000,000 a year. I was told by another man that the loss is really \$60,000,000 a year, counting the loss of interest on the capital invested. Figures which I have collected from published reports are given in Appendix II at the end of this book. In one locality these railways run parallel to each other for more than 200 miles and in some places you can actually see the two stations within a stone's throw of each other. Whose energy is it that is being lost? Canadian. Whose money is it that is being wasted? Canadian. And yet I was surprised to see that there was no attempt being made to face the situation and stop this wasteful competition in the country. I suppose the real trouble in Canada is that they have so much wealth that \$100,000,000 a year is neither here nor there. A sum of this magnitude could easily cause a revolution in any other country.

It is difficult to blame one system or the other for the difficult position into which the Canadian railways have fallen. Factors other than competition enter into the controversy. The C.N.R. were not a unified system to start with. They are the result of the amalgamation of several private



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companies, some of which were built long before the C.P.R. Government aided both sides to begin with. For various good reasons Government had to take over the C.N.R., which opened up the northern half of the country. While the Government railway authorities can draw upon Federal revenues to cover their deficit, the position of the C.P.R. becomes unfortunate. They have to compete with the Government system but they have not the same financial resources at their command. Unless something is done quickly the whole capital of the two railway systems may disappear in losses, which continue to accumulate every year. I have no doubt that Canadian patriots who are masters of both systems will evolve a permanent solution of their common difficulty.

The impression I brought away with me was that the Canadian railway system is far too extensive for the 11 million people who live in that country. There is no doubt that patriotic people invested money and enabled a national railway system to be built to link the Atlantic and Pacific coasts so that British Columbia should not go the way of Alaska. From 1900 to 1916 the Canadian railways increased 110 per cent. The Hudson Bay Railway, which cost \$70,000,000, has handled altogether only 17,000,000 bushels of wheat. Canada has more mileage per capita than any country in the world. In the year 1916 Canada had a railway mileage of 36,985 for a



population of 8 million people. Taking 350-400 million souls for India, there are 9,302 persons per mile of railway. In Canada, taking 11 million as her population, there are 270 persons per mile.

Some of the engineering difficulties which have been overcome in the creation of the Canadian railway system are amazing: and it is impossible to withhold a justly earned tribute of admiration. Canada has in the Connaught tunnel the longest double-track tunnel in the world, $5\frac{1}{2}$ miles long. There are longer tunnels in the world, but these are single-track. The U.S.A. has one 8 miles long, and Switzerland has the longest of any. At one place in Canada the heavy main-line train climbs 1,380 feet in 14 miles.

However satisfactory may be the railway system of a country, road transport is becoming, under modern economic conditions, a development of astonishing importance. I was therefore much interested to discover how Canada deals with certain matters affecting road transport, such as the supply of cheap petrol to those who use it for industrial purposes. The regulation of the petrol supply by the Canadian Government is elaborate, and may have some lesson for us in India.

Each province in Canada has a petrol excise duty law of its own. In Quebec Province Chap. 36 R.S.Q., 1925, provides that no one can sell gasoline unless he holds a licence for doing so. The



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fee charged varies according to the population of the area served. The licence may be refused or cancelled. The duty on sales is 6 cents per gallon, which must be paid by the purchaser. The vendor acts as agent for government by collecting this duty. He can be indemnified for the trouble. His accounts are open to inspection by government officials at all times. The wholesaler who supplies petrol to the vendor has to furnish government with a statement of all petrol sold. The vendor has to support his statement of account with an affidavit. There are offences and penalties, from three months' imprisonment for neglecting to collect duty to fines for minor offences by the vendor. The vendor has to display a notice every day giving separately the price and duty per gallon. Certain persons are entitled to claim a refund of this duty, e.g. a farmer who uses a tractor, a fisherman who operates a boat run on gasoline, a person who uses petrol for fighting a forest fire.

The Canadian laws on this subject are of special interest to the Indian provinces, where no such laws exist. The recent test case which a provincial government have won in the Federal High Court in Delhi and established their right to levy a sales tax on petrol opens out a new sphere of provincial taxation. The Canadian laws and rules will prove of great assistance.

In Quebec province there were in 1906 only



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167 motor vehicles registered. In 1937 there were 200,000. The registration of new pleasure auto-buses and taxis from 1927 to 1937 moved from 18,000 in 1927 to 28,000 in 1929, then dropped to 6,000 in 1933 and stood at 24,000 in 1937. The economic depression had a similar effect on other vehicles, though the rise and fall in their numbers was not quite so marked as in the case of pleasure vehicles. In 1937 Quebec had the following classes of machines:

	<i>New</i>	<i>Renewals</i>
Pleasure	21,501	123,069
Motor-cycles	278	2,248
Taxi-cabs	1,061	3,568
Auto-buses	74	571
Farmers' machines	226	11,892
Hearses	10	159
Ambulances	6	81
	23,156	141,588

The distribution by professions was as follows:

Professional	14,427
Farmers	30,508
Commerce and industry	62,388
Transportation	13,023
Miscellaneous	65,407
No occupation	19,662
	205,415



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The 1937 Quebec figures show that 55 per cent owners resided in the cities, 11 per cent in towns, and 34 per cent in rural areas.

Whereas in Canada the farmers use a great number of mechanical vehicles, in India the farmers have none. Our hand labour is so cheap that the tractor can never come into universal use. Our markets are so near that the farmer does not often use an automobile. Time does not press our people so hard for the sale of goods, as it does in Canada. Nevertheless, the convenience of road transport for passengers and goods is causing steady headway to be made in the use of motor-buses even on village roads in India.

The 166,000 motor-cars in use in Quebec province were provided by 44 different manufacturers. Dodge, Ford, Plymouth, Pontiac, and Chevrolet accounted for 105,000 vehicles. In India also these American makes hold the field, particularly the Chevrolet bus, which is very commonly to be seen on the village roads in the Punjab. Somehow or other the American springing of cars is very suitable for our Indian roads, as is also their price for our empty pockets. In the Punjab (25,000,000 people) the number of motor vehicles registered would be about 40,000.

Canadian practice regulating the use of motor-cars, whether by government servants on tour, or by private people, is very sensible; and I think



that we in India have a good deal to learn from it.

In one of the provincial headquarters I made inquiries of a government servant in the Education Department regarding travelling allowances for journeys performed by officers in their own cars. He gave me the following information.

If a government servant in the Education Department travels by road in his own car he gets 8 cents per mile (= 4 pence or annas). It used to be 10 cents, was at one time reduced to 6 cents, and is now 8 cents per mile. This, according to my informant, was quite sufficient to cover the cost of travelling and depreciation and insurance. Most people drive their own cars and thus there is no salary of a driver to pay. This 8 cents includes the cost of insurance and car taxes.

Every car owner has to pay the following taxes every year :

- (a) A driving licence fee, which costs \$3.
- (b) Fee for a number plate, costing \$2.
- (c) Car registration tax, costing an average of \$26. The registration tax is calculated at so much per pound weight of the car, so that the heavier and more expensive cars have to pay more than the cheap light cars. This system may have some advantage over the system which prevails in the Punjab, where the tax is Rs. 20 per seat per annum. A five-seater Rolls Royce and a five-



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seater Ford in the Punjab pay the same tax, which would not appear to be a proportionate distribution of the burden in accordance with the financial position of the owners. With us, passenger buses are lightly taxed—a sixteen-seater would only pay about Rs. 80 per annum.

Besides these fees of \$31 per annum, the Canadian car owner who is a government servant has to take out the following insurance policies before he can draw his travelling allowance :

- (a) A policy for \$30,000 against injury to third persons in case of accidents;
- (b) a policy for \$10,000 against damage to property;
- and (c) usually a policy against loss of his car by fire or other accident.

All these insurances cost about \$34 per annum. The total cost of these fees and insurances is about \$65 per annum. If a car owner does 10,000 miles a year the government mileage allowance will cover everything; but if he travels less than 10,000 miles then he may lose. For anything in excess of 10,000 miles, 8 cents per mile constitutes an ample allowance.

In the Punjab an officer once worked out figures indicating that the net cost per mile to a government servant who used his own car was 5d. But it should be noted that travelling allowance in India increases along with the salary. The greater the salary of an officer the higher



rate of the travelling allowance he can draw.

It is worth investigating whether the provinces of India might not pass laws for compulsory insurance similar to those which exist in Canada for government servants. In the Punjab there is no such law. I feel that compulsory insurance policies against loss to third persons or passengers in public vehicles and against damage to property should be taken out not only by government servants, but by every car or motor-bus owner in India. I have seen several very pathetic cases where a motor-bus owing to a defective axle or careless driving has met with an accident and several passengers have been badly injured. Even if the passengers were to file suits for damages, the motor-bus driver is usually so poor that the execution of a decree would never realize any money at all. It is for the State to interfere in such matters and protect the public. No modern state can overlook the enactment of such laws. In England every car owner takes out a policy against claims by third parties for damages or injury caused. I have not understood the object underlying this regulation which compels only a government servant to take out insurance policies. If this action is to be in the interests of the general public, then all motor-car owners should be made to take out the policy. Can it be that the Canadian Government do not wish their



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servants to become bankrupts when heavy decrees for damages are passed against them? But even more important than the interests of government servants are the interests of the general public; and it seems to me that an insurance scheme of this nature should be compulsory for all car owners in Canada and in India, as it is in England.

The price of petrol is 21 to 25 cents per gallon (about 10 annas), and this includes a tax of 5 cents per gallon. This tax goes to provincial governments and is one of the main sources of their income. It is collected in each province. I think the Indian system of collecting this tax at the source, either the oil-well or the seaport, must be the cheaper from the point of view of the cost of collection. The Canadian Federal Government could collect it and distribute the money among the provinces as is done in India in the case of road grants, which are made from the excise duty on petrol levied by the Central Government; but I suppose provincial separatism is an obstacle to such a step, which would seem to be dictated by considerations of efficiency and economy.

I was surprised to learn that in Canada, a country where mechanical transport has both a prosperous present and an obviously great future, the licensing of trade vehicles is a complicated business. I was told that if a man wants to take out a licence for driving a truck for conveying



goods on the roads, he has to pay a licence fee of \$200 per annum. But if he takes out a licence for the first time he has to spend about \$1,200 before he can get his licence. The renewal of a licence is not so difficult, but the original grant costs money. For one thing, the applicant has to employ a lawyer—a cheap one no doubt—to arrange his application, and I am told that there are other expenses involved. In India, driving licences are given by the police, after a driving test, and as far as I know there is not much question of 'graft'. It may exist but to a very small extent; though I have heard that no owner of a public vehicle can get his vehicle registered forthwith without some little extra consideration! But the worst that can happen is that he may be kept waiting for a day or two. But in Canada, matters are much more complicated: for the question of competition between road and rail transport comes in. Thus, before a licence is given to a motor truck to convey goods on the roads, the Railway Commission are consulted to find out whether there would be any competition between the truck and the railways. There is no such formality in India, where road transport is not in most areas sufficiently developed to constitute any menace to the railways. In practice, the Government of India do not give money for building a road if it is likely to compete with a railway and their policy is to encourage roads



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which will feed the railways by means of grants from central revenues. But they do not extend their care for the railways to the extent of putting obstacles in the way of the truck-driver on the roads.



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CHAPTER IV

How Federal and Provincial Governments Work

I WAS very interested in the working of the Federal Government in Canada, for we in India are likely to have a Federal Government of our own before long. But I do not know whether we shall have anything corresponding to the Canadian Privy Council, which is one of those enviable bodies which never meets. Its members carry the title 'Honourable' for life. It consists of about ninety members. Every member of the Federal Cabinet is first sworn a member of the Privy Council and then appointed a Minister. Even if he stays one day in office he will nevertheless continue to be a Privy Councillor and be addressed as 'Hon. Mr. X.'. In Ottawa there is no need for a Privy Council chamber, since the members of this body are not expected to meet: but there is a small Council Chamber with a round table and fifteen chairs, just roomy enough for the Federal Cabinet, which constitutionally is a Committee of the Privy Council. Outside this room are pegs in the hall for hanging hats. Each peg has a tablet on it: 'Minister for Agriculture', 'Minister for Finance', &c. I failed to discover the reason for this.



In the Federal Government are just the Cabinet Ministers; and there are no officials between them and the permanent heads of the departments. There are no Parliamentary Under-Secretaries. Is this an indication that in Federal Canada it is unnecessary to create small jobs with a view to purchasing extra votes for the Ministry inside the House? If so, Canada is to be envied. Yet I feel that under this system the younger members do not get the chance of learning the work of government; and this, I think, is essential for a continuous supply of well-qualified Ministers. Probably, however, Canadians feel that any one with a tolerable standard of education and some intelligence should not find it difficult to step into the shoes of a Cabinet Minister and do the work well.

Each Cabinet Minister in the Federal Government receives \$10,000 a year salary (\$5 = £1). He also receives his allowance as an ordinary member of the Parliament, namely, \$4,000 per annum. He receives in addition a motor-car allowance of \$2,000 a year. He is not entitled to a pension. He gets no official residence. But a rich man has presented a house for the residence of the leader of the Liberal party. The present Federal Prime Minister lives there now. He lived there when he was leader of the Opposition.

The Senators of the Federal upper house are appointed for life. They must be 31 years of age



and must possess property worth at least \$3,000. Their decisions often conflict with those of the lower house, but this has never led to a constitutional crisis. On the whole the two houses get on well. Whenever there is a vacancy in the Senate the Prime Minister for the time being appoints the successor. I heard no allegations of nepotism and graft at the centre against the Federal Government.

The Federal Government has a Hospitality Department, through which Government hospitality is arranged. I was a Government guest while I stayed in my hotel in Ottawa for two days. For which and other favours many thanks! The creation of Hospitality Departments in Indian provinces may be worthy of consideration, for, as shown by the example of the London Hospitality Department, which works well, the existence of such a department relieves the Ministers of a great deal of trouble and responsibility.

Departmental organization offers an interesting contrast with Indian practice. Under the Cabinet Minister is the permanent head of the department, called the Deputy Minister. He is appointed for life and gets a salary of about \$12,000 a year. His post is pensionable. Although a departmental man can be appointed Deputy Minister by promotion, such cases are rare. The man immediately below the Deputy Minister is always a promoted man: and it is claimed that



There is no heart-burning over the direct appointment of Deputy Ministers. Most of them are in fact appointed direct, e.g. the Deputy Minister for Finance was a Professor of Economics in a university before he was appointed to his present post. He was appointed by the party then in power, but he continues to work while Cabinets come and go, for his appointment is permanent. There have been one or two cases where incoming governments wanted to get rid of a particular Deputy Minister, but they were unable to dismiss him, as no fault could be found with his work, so they were obliged to resort to the expedient of abolishing his post! As a rule, if a Deputy Minister does not take sides in politics, his appointment is permanent and he continues to serve till he is 65 years of age—or even older. The present Deputy Minister for Public Health, Dr. Woodhouse, once a private medical practitioner in a provincial town, was appointed in 1910 and he still holds his position. His department deals with the important matters of Industrial Hygiene, Educational Hygiene, Control of Narcotics, Control of Epidemics.

It seems to me that in the matter of permanent officials, India enjoys an advantage over Canada, where the tradition of a competent permanent Civil Service has been of slow growth. Often, I think, there is a dearth of qualified men.

In the Provinces, so far as I could see, the plan



followed resembles that of the Federal Government. But in the British Columbian provincial legislature, there are only forty-eight members (the total population is 800,000), and out of these nine are Cabinet Ministers. There are no Parliamentary Under-Secretaries.

The governmental practice in the Canadian Provinces offers an interesting contrast with that which we in India know. Take first the Head of the Province.

His Honour the Lieutenant-Governor of a Province in Canada is a great person: and there are nine Lieutenant-Governors altogether. They are usually elderly men; I should say that the average age was between 65 and 70. The men appointed to these great offices have retired from business or politics, and have no more ambitions, financial or otherwise. Probably most of them have been Ministers or have political services to their credit. The essential thing is that they must be widely respected for their clean and honourable record and it is a further advantage to be unassuming and saintly in appearance, simple yet shrewd, with the reputation of a patriot. A retired Lieutenant-Governor carries the title of His Honour until the end of his days, which in Canada, I am glad to say, are usually many. I have seen a retired Governor taking a quiet stroll in the evening in the company of his wife and every passer-by was saying 'Good evening, Your Honour'.



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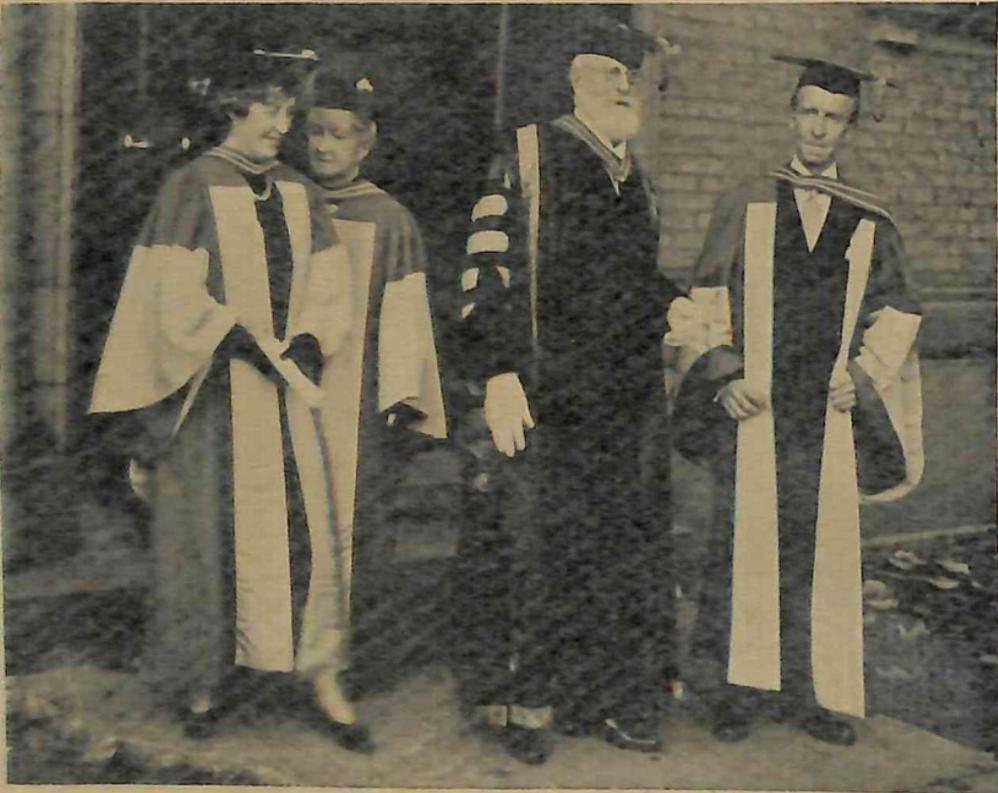
Our Governors in India, when they retire, disappear into the blue and we never see their faces again. If they were allowed to settle in the country or spend part of their days there I am sure they would be a most welcome and valued addition to our people, particularly in view of the vast experience, administrative and otherwise, which they could bring to bear upon our Indian affairs through private organizations and channels.

The Provincial Lieutenant-Governor in Canada is always appointed on the recommendation of the Federal Premier, over the signature of His Excellency the Governor-General. The Federal Premier, I was told, never consults the provincial Cabinet in the selection of a Lieutenant-Governor. He may do so if his own party is in office in a province, but ordinarily he does not consult the provincial Cabinet. The Federal Premier usually selects a man who possesses plenty of money and a wife with social gifts. Private means are quite essential, for the salary of a Lieutenant-Governor in Canada is roughly \$9,000 (£1,800) per annum, and he has to spend much money out of his own pocket.

In India, Governors are appointed by the Secretary of State for India in the name of the King on the recommendation of H.E. the Viceroy. In fact whatever the Viceroy says is accepted by Whitehall. In the case of the Governors of Ben-



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LORD AND LADY TWEEDSMUIR WITH SIR WILLIAM MULOCK, THE VICE CHANCELLOR,
AT THE UNIVERSITY OF TORONTO

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gal, Madras, and Bombay, His Majesty makes the appointment from amongst people living in England. No doubt the Viceroy is consulted. Usually they are members either of the House of Lords or of the House of Commons. In other cases, the Governors are promoted from the Indian Civil Service in each Province, and probably H.E. the Viceroy makes his choice after consulting the outgoing Governor. Under the new constitution a fresh problem has arisen in India. H.E. the Viceroy recently selected a man to officiate as Governor who was a Secretary in the Provincial Government, in the Central Provinces. The Provincial Cabinet resented a subordinate being put over their heads. The Government of India got over the difficulty by appointing a man from another province to this officiating vacancy.

The Governors in India get varying salaries, those in smaller provinces getting about £4,500 a year, while larger provinces give as much as £8,000. The salary of the Governor-General of Canada is £12,000 a year. In Canada a Lieutenant-Governor is supposed to have a house kept up for him by the Provincial Government, and his salary is paid by the Federal Government, but should a Lieutenant-Governor be in the unhappy position of having fallen out with a Provincial Cabinet he can be hit by the closure of his official house. I understood while I was in Canada that, owing to financial stringency and the need for



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economy, two Provincial Governments had closed down their Government Houses. In one case I was told that not only was the house of the Lieutenant-Governor shut down but the furniture had been sold. His Honour was living in his private house. The Government House at Edmonton stands empty in all its outside glory, complete with a white mast but without the flag. The beautiful spruce hedge round the compound still stands green.

Canada is a very democratic country and public opinion in the provinces is very strong. The provincial Ministries are supreme and their word has the force of law, since it has the sanction of the elected representatives of the people behind it. Some feel that the constitution should have either secured the upkeep of Government houses by making them a permanent and first charge on provincial revenues, or else that the Federal Government, which pays the salaries of the Lieutenant Governors, should have undertaken the responsibility for keeping up these houses. A case like that has never happened in India. Government houses are kept up by Provincial Governments. Differences of opinion are bound to occur whether in Canada or in India between the Governors and their respective legislatures, particularly when assent to bills has sometimes to be reserved or refused. I understood that until recently assent to legislative acts in Canada had only been re-



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used once since 1876. A little while ago one of the Lieutenant-Governors refused assent to three bills: one purported to impose an extra income-tax on banks, another concerned the Press, and the third involved a scheme of social credit. It has been held by the Supreme Court that the Lieutenant-Governor had the power to refuse assent.

In India in the provinces I have not heard of any bill being refused by the Governor: but I know that several have been sent back for reconsideration. Under the new constitution the provinces are fully autonomous, and there have been some instances of very controversial legislation: but Governors have acted constitutionally and given assent to the bills. No doubt it is not easy for a Governor to refuse assent: and for this reason some people say that the responsibilities placed upon the Governor by the Government of India Act 1935, for safeguarding the interest of the minority communities or of the Services are of little value. In the Central legislature at Delhi the new constitution has not come into force yet. The present Assembly is irresponsible in the sense that the Ministers cannot be turned out by an adverse vote of the house. There have been instances where bills or demands for grants rejected by the Assembly have been certified by Viceroy. Often Assembly members vote realizing full well that their action cannot harm the



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country, for Government will do the right thing in any case.

Both in Canada and in India, it is the provincial governments that come most closely in touch with the people: and it is important to consider how these governments actually function. In India, the provincial administrative departments inherited from the British authorities are of great interest. I take first the case of the Police. In Canada there is a federal police force, which looks after the excise and certain other laws; and there is the provincial police force which operates in the villages and rural areas; there is the municipal force, which operates within municipal limits, and there are the private railway police forces. In the provinces of India we have one police system under the provincial government, which works not only for the rural areas, municipalities, and provincial governments, but also for the central Government, and which co-operates with all the Indian State police. It also works on the railways. It provides very large cadres for permanent government servants. The security of office and chances of promotion provide careers for highly qualified men in India.

There is also a considerable difference between the systems in Canada and India for medical relief. In the Punjab, to which province my experience is limited, there is no village which is more than ten miles away from a rural dispen-



sary, and there are excellent hospitals at the headquarters of all districts, with a central hospital at the provincial capital attached to a medical college containing 1,500 students. All these hospitals are paid for by Government. Any man can walk into these hospitals and when discharged walk out without paying a cent. The Canadian hospitals largely depend upon charity. The financial position of several must be very precarious, because during the short time that I was there I noticed at least in one paper a request for \$173,000 if a certain hospital was not to be closed the next day.

Of other provincial departments, agriculture, co-operative societies, excise, education, and veterinary services deserve special mention. In the Punjab we have an agricultural college with over 1,000 students and a thousand-acre farm attached to it. A very large number of our schools have demonstration farms attached to them. At the agricultural college research has been carried on and one of our officers some years ago invented a new wheat called 8A. This is sown all over the province now, having trebled our output per acre, which is the same as in Canada, namely, an average of about 12 bushels per acre. (A bushel equals 30 seers.) The Canadian Government is paying 80 cents per bushel of wheat to the farmer at the seaport or lake-port. The market price is about 53 cents. The farmer has to



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pay about 17 cents for the railway freight, and he actually gets about 63 cents per bushel. The fruit-growers and pig-producers complained that they were not getting a similar subsidy. Our Government in India would in similar circumstances bring into use the rules regarding remission of land revenue on account of crop failures. In the Punjab we have now in one district under experiment a system of sliding-scale land revenue, which rises and falls in accordance with the market price of agricultural products. Financing a particular agricultural product sometimes leads to an extension of its cultivation and thus aggravates the problem to be solved. The Punjab Agricultural Department has invented a new cotton called 4F American, about an inch staple, the output of which per acre is the same as it is in the U.S.A., namely 250 pounds. I was surprised to learn that some of the Canadian friends with whom I was riding on their farms did not know of a crop called gram, which is widely grown in India and supplied to the horses in the Army and to the cattle in the villages, being split first, soaked in water overnight, and then given. If the cattle are fed on dry gram and afterwards drink water, they burst. Soaked gram is a cure for tight boots. For horses gram has very strong bone-forming properties while cattle give more milk when fed on it. It has deep roots and grows in tracts where there is very slight rainfall, which



The sort of thing which is needed for the prairies of Canada. I was also surprised to learn that they did not know of a new cure we have invented in northern India for 'sarah', a horse disease. Injection is a certain cure for this fever, which gradually kills horses, and which is sometimes contracted by eating grass in swamps. There is a swamp horse-fever in Canada, too, and it would be well to get into touch with Indian authorities on the subject, particularly the Veterinary Department in the Punjab. In the Punjab we have a 40,000-acre farm from which we produce first-class bulls for free distribution and use amongst villages in rural areas. This discourages the cattle-breeding industry amongst farmers themselves. In Canada they have a different system: the Government buy young pedigree bulls from farmers at heavy prices and give them to other farmers living in out-of-the-way places in exchange for their old bulls, which the Government sell at what price they can get. I feel that this system might well be adopted by provincial governments in India. No real improvement in cattle-breeding will take place unless the farmers—and not the Government alone—are the producers of first-class stock for milk or ploughing.

In the Punjab there is very wide organization of agricultural officers and subordinates, who go to the villages advising farmers regarding their



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crops, selecting certain areas for seed, buying up crops and storing them for future distribution as seed without profit. The Canadians were very much impressed by what was being done in India in this respect.

It was news to them to learn that in the Punjab we have had a Co-operative Department working since 1910. It consists mainly of co-operative credit societies run by farmers in the villages and supervised by government inspectors who all belong to agricultural classes, with the result that to-day in the Punjab there are several societies that are advancing loans to their members without interest. In the central co-operative bank at Lahore there is nearly £6,000,000 awaiting investment.

An essential element in the working of any democratic system is the party machine: and where there is a party machine, there must be party funds. Very few people can hope to be elected unless the party machine supports them; and all this adds to the cost of election expenses. I was interested to make inquiries regarding the operation of the party system in Canadian politics, in order to compare it with what happens in India, but it is not easy to discover precise facts and figures.

I was told that a candidate for a provincial legislature in Canada must be prepared to find about \$20,000; one man told me he had spent



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\$30,000. The cost for running for the federal Parliament, I was told, had been \$100,000 to a candidate in Montreal; elsewhere it is usually \$30,000. Ninety members of a particular party had cost \$5,000 per head to the party funds, which are usually provided by financial aids from big business. One firm, I was told, had given \$50,000 to one government party and \$50,000 to the opposition. Social service organizations, such as electric and water supply companies, usually give good donations. Parties have large funds, usually subscribed by rich business magnates whose business can be adversely affected by legislation regarding income and other taxes and duties of all kinds. Conveyance of voters by hired buses is permitted but no notices can be affixed on these buses. 'Treating' is forbidden, but done *sub rosa* as much as it is in India.

The corresponding cost to members of the various Parliaments in India is much smaller. In a province it may be £1,000 and for the Central Parliament it may be £2,000: but much depends on circumstances. For instance, I was told of one small municipal election in the Punjab where a rich gentleman spent £2,000 upon his election and still lost the seat. At present, the Indian National Congress is the only party that is believed to have large funds at its disposal; and these are supposed to be supplied partly by big businesses and partly by many small subscrip-



tions. Other parties are now growing up in India and they also want funds. In many cases they depend mainly on small donations from candidates and their relations.

Most of the money spent on elections is the money of the individual candidate. In India we are supposed to keep our expenses within a limit. Before 1937 there was no limit. I know of very few people who ever rendered correct accounts, although doubtless some do this. There are, of course, many ways in which expenditure can be avoided. When the conveyance of voters was forbidden, candidates employed their friends to do for them what the law forbade them to do for themselves.

In Canada I was told that one man wanted ten motor-cars for bringing voters from a big stores which was outside the constituency, and he alleged that the voters of this particular candidate worked there. On inquiry the candidate found that there was only one voter there. Under the new rules in the Punjab candidates are permitted to convey their voters to the polling-booth in provincial Assembly elections at their own cost. Everybody did it in any case, so why not face facts? You cannot expect a rural voter to walk eighteen miles to vote at a provincial election.

There are now other well-organized parties besides the Congress in India and they are likely to grow in numbers and importance as time



passes. The Muslim League is the main all-India body in opposition to the Congress. The Punjab National Unionist party is in power in the Punjab and is also in opposition to the Congress. Madras and Bengal have also some well-organized parties in opposition to the Congress. Strong and healthy opposition in our legislatures is the only guarantee for the successful working of our democratic government. The disappearance of strong opposition will be the disappearance of democracy from India.

In Canada the provincial electoral rolls are prepared by government nominees. These persons are paid 6 cents per name placed on the electoral register. Sometimes these officers have just copied a telephone directory, with the result that bogus names and names of dead people have been found on the registers. In India no such mistakes take place, because the provincial registers are prepared by government servants who belong to the Revenue Department and who live out in the villages, and they see that no wrong names are put on the register. In the Indian municipal areas, however, candidates do have bogus names entered, and I have known cases of motor van loads of people being brought in from villages to vote in municipal elections. But now a stop has been put to that evil practice, because under a new law impersonation is an offence for which a man can be arrested on the spot. One



or two such arrests have in fact put a stop to this game altogether.

One member of a provincial legislature in Canada told me that he had 250 polling stations, and polling had to take place in all on one day. He had to have at least one man at each place. Sometimes it happens that the Government in power in the legislature has suddenly doubled the number of polling stations in order to upset the arrangements of its opponents, and opposition candidates have been worsted through this device. An illiterate voter in Canada can get the officer present at the polling station to mark his ballot-paper. Whether the officer marks it for the right man or not is a question, but most people can do the marking themselves. In India it is quite different. The vast majority of people are illiterate and their ballot-papers have to be marked by an officer on the spot. The elections in India are really in the hands of the marking officers and not in the hands of the voters, and I have known of many cases where corrupt practices have been found to exist. In the Punjab we overcame this difficulty by passing a rule under which each candidate can have a man watching the marking of ballot-papers. In theory this interferes with the secrecy of the ballot, but in actual fact, the loss is not great, for there is no secrecy about the ballot at all in the villages. The supporters of each candidate usually come in different groups



and every one knows which way any particular man is voting, and if anybody tries to practise deception, the feeling is that he should either be forced openly to declare himself, or else should not vote at all. I think this rule for supervising the marking of ballot-papers has assured honest elections in the Punjab, and other provinces in India would benefit by adopting it. I have known of a case even under our new Punjab rules where a marking officer, instead of sitting down at a table and marking the ballot-papers, would walk up to the door, take the ballot-paper from the voter and mark it while walking back towards the ballot-box. It was difficult for election agents to object, for he would have protested against being suspected of dishonesty. Actually, I am afraid he was dishonest all the time. I also knew of a municipal election where a man paid the presiding officer Rs. 3,000 and got 3,000 votes of his opponent marked in his own favour. It is very difficult to catch men like this. Fortunately the new rules in India are very elaborate and I believe such practices would now be found out, but I am sorry to say this particular individual to whom I am referring escaped his deserts, for the case occurred several years ago. On the whole, elections, I think, are fairly honest, for the marking officers are government servants and they stand to lose their jobs if they are caught in dubious practices.



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In Canada every worker at the polling booths is hired for the day. I was told that there are some individuals in Canada who live on such work. The more numerous the elections, the more money they make. Some mayors are elected every year in Canada; and there is always some business for these election workers, who seem to be continuously busy with municipal, provincial, or federal elections. In India the system is different: all the staff occupied at the polling booths for election purposes consists of government servants, and there is no question of professional workers who make money out of elections.

I am told that in Canada municipal members are elected every year. In the Punjab they are elected every three years. In Canada the provincial legislature is elected every four years, in India every five years. The Federal Parliament in Canada is elected every four years. The present Central Legislative Assembly in India is elected every three years, though frequently its life has been extended by the Viceroy for one or two years. The new Federal Parliament will be elected for five years.

Provincial Ministries in Canada are, I am sure, honest; and so are they in India. I never heard any complaints against any Minister in Canada or in India. Cabinet Ministers in the Provincial Cabinets in Canada hold their office practically at the pleasure of the Prime Minister; he can get



rid of any colleague whom he does not like. That is as it should be, because if a Minister falls below the requisite standard he should not hold a public office.

Municipal politics have a bad name in many countries: and this seems to hold good in some parts of Canada also. In some municipalities, I was told, every contractor who submits a tender has to provide a margin of 10 per cent for the party in power. I do not know whether this is correct or not, but no such thing happens in India. Allegations are sometimes made in India that public works officers in municipal areas take a certain percentage of the total contract from the contractors, but the municipal parties do not make any money out of these contracts. Perhaps individual members of municipalities here and there in India may occasionally take a little money to help somebody with a job or secure sanction of a house plan or to do some other petty favour. But this seems to be the limit of malpractice so far as municipal politics in India are concerned. I am sure that individual members of municipalities in Canada are honest, as in India. Indeed the chief and perhaps the only perquisite of a municipal commissioner in India is that from the day he is elected, the municipal sweepers and their supervisor take special care to sweep his street; the municipal water carrier sprinkles his road early in the morning to lay the dust; and a street



lamp goes up in front of his house. Since we Indians are such apt pupils of the West, it will probably not be long before our newly-born democracies pick up all the various ways of raising funds known to the more experienced people of Europe and America!



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CHAPTER V

*Impressions of Education in Canada
and India*

ONE of the strongest links between India and the Dominions is the fact that we all possess an educational system based on the British model. The British connexion has provided us in India with English as a *lingua franca*. A man from north-western India or from other parts of India can talk to a Madrasi only in English: the language of our legislators; the language of our High Courts and the official language for correspondence is English. Our universities and schools are all modelled on the English lines, English is a compulsory second language in all our schools. Our universities and colleges are staffed to a great extent by British professors and by Indian professors who have received their degrees at British universities. We have 2,000 Indian students undergoing education in Great Britain every year. Our thought, political and cultural, has all been shaped in the British mould. The modern educated young Indian is nowhere more at home than he is in the company of his British friends and colleagues. Our women's movement has gained a great impetus from its impact with British ideas. I do not know of any country in



the East where women are making such rapid progress in sharing the responsibility with their menfolk as is the case in India. The members of the Women's Canadian Club at Montreal were very interested to learn that our new constitution in India provided for women's seats in our provincial parliaments where the electors were also women, women being permitted to seek election from other constituencies also. Their remark was: 'Oh, we wish we had some seats reserved for us, too.'

The educational system of Canada is full of interest to one who is conversant only with that of India: and I make no apology for spending some space in describing it.

In Canada the universities are all teaching universities, consisting of what we in India would call a college with so many different faculties, e.g. for Agriculture, Engineering, Arts, and so forth. Every province in Canada has at least one university. For a total population of about 11 million there are 21 universities in Canada. Altogether there are 150 universities and colleges where higher education is imparted. In India, excluding Burma, for a population of 350 million we have 18 universities, but it is to be remembered that our Indian universities are mostly affiliating and examining universities. The number of degree colleges in India is 324, which would in fact be the number of our universities if we fol-



lowed the Canadian system. These colleges teach up to degree and post-graduate courses. There are 12 institutions for research and for post-graduate and technical diplomas. These include an engineering college, a school of mines, agricultural, and other research institutes, and a school of tropical medicine.

I am much attracted by the Canadian system, for it conduces to greater efficiency. In India every college tries to open as many faculties as possible so as to attract more students and earn more fees. Frequently, low salaries are paid to teachers and professors—a fault common to educational institutions all over the world. In all countries the number of really first-class men is very limited; this applies to India as well, particularly in the case of teachers of modern sciences. The standards of the professorial staff, of the buildings, of libraries, and of laboratories, are often poor, and equipment is frequently of a poor quality and insufficient in quantity. The reason for this no doubt is that in the past the number of Government institutions was small and private enterprise stepped in to meet the public demand. Various communal organizations set up their own colleges, in which provision for communal idiosyncrasies has been considered more important than the achievement of high standards. In Canada they have hit on a good idea. In order to allow the various churches to have full oppor-



unity to cater for the special spiritual needs of their respective followers, they have allowed them to build houses for particular religious sects. I was much impressed by the existence of such buildings in Toronto University. Without sacrificing efficiency and unity, they had satisfied the religious thirst of the various beliefs. What a happy thing it would be, say, for the Punjab, if we had not the numerous communal colleges! If there had been teaching universities spread over the province the congestion of colleges and students in Lahore would have been avoided. It would surprise Canadians to learn that the Sandeman College near Quetta in Baluchistan is affiliated to the University at Lahore 700 miles away. Our universities are merely examining machines, which is not the idea of the West, a poor copy of which we have produced in India. The time has arrived when Indian provincial ministries should take courage in their hands and turn universities into real teaching institutions, at least by making all colleges in the same town pool their resources for the teaching in each faculty. The Punjab, a province of 25 million people, has one university. There is need for more universities in each province but before that is done Government will have to legislate to take power to enforce co-operation among the various communal colleges in each place.

The Canadian system would save money and



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A GROUP AFTER THE CONFERMENT OF AN HONORARY DEGREE AT TORONTO UNIVERSITY

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insure greater efficiency and better teaching. The Province of New Brunswick in Canada has a population of 410,000 souls and has the following universities :

1. Fredericton.
2. Sackville.
3. St. Joseph (French Roman Catholic).
4. Sacred Heart College, Bathurst.
5. St. Thomas, Chatham (Catholic).

In Canada it is the provincial legislature that can establish a university. This is also the case in India under the new constitution now in force.

Some in Canada may feel that they have too much of a good thing in a multiplicity of mushroom universities. There is no doubt that a university placed in a small town, depending on meagre resources and drawing upon small numbers cannot achieve the high standards which should be the aim of all educational institutions, particularly after the school stage. On the other hand, in India we have too few universities. This also produces inefficiency, due to the lack of proper control which is the result of overcrowding and insufficient personal contact between the teacher and the taught. In India outside the classroom a professor seldom sees the face of a pupil, as the tutorial system so prevalent in Western universities is unknown in India. A happy medium would appear to be the best course both



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for India and Canada. If research work were confined to certain larger and richer universities, smaller ones could also exist provided they did not attempt to achieve more than what lay within their proper sphere. The whole university in Edmonton has only 2,000 students, and that at Saskatoon only 1,600. The Medical College alone in Lahore has about 1,400 students.

In the Punjab 9·12 persons per 10,000 of population go to the universities, as compared with 12·12 per cent in Great Britain—not a bad effort for a comparatively poor province of India. Literacy in India is the fortune of only just over 9 per cent of the population; only 2 per cent know English. It will be a long time before we can enforce free and compulsory education in India. We lack funds. I was Minister for Education in the Punjab for five years, at the end of which I had statistics collected to find the progress we had made with extra expenditure and new schools. I discovered that the increase in our population had nearly outstripped our efforts and the number of boys at school per 1,000 of population had remained stationary.

At the University of Vancouver the Chancellor is elected by the graduates; at Lahore it is His Excellency the Governor *ex officio*, a much cheaper and less troublesome arrangement. The Vice-Chancellor at Vancouver is a paid official and is elected by the nine governors, who are all ap-



pointed by Government. In the Punjab the Vice-Chancellor is appointed by the Chancellor. The position was formerly unpaid, except in the sense that the incumbent received a small honorarium of about £200 per annum in addition to whatever he drew as a professor. But under the new system, the Vice-Chancellor is a whole-time paid official, getting about £200 per month—a much more satisfactory arrangement.

I wish our universities could engender the same appreciation of the dignity of labour and of the equality of man which I noticed in Canada. I was much amused and delighted to see at one university in Canada that all freshmen were busy cleaning the boots of older pupils, men and women, who were seated in great dignity on benches just outside the entrance of a lecture-hall. The freshmen, full of smiles, were serving as shoe-blacks and those standing round were laughing heartily. At another point in the university campus (Canadian for compound) the Frosh (freshmen) were busy pulling carts loaded with earth. Others were cleaning the cowsheds and working in the garden. What a wonderful way of rounding off the rough edges of the sons of millionaires! In India, if a man gets a university degree he will consider it below his dignity to tie his shoe-laces, leave alone the question of digging in his own garden. We cannot over-emphasize the value of manual labour in India. I remember a young



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man coming to me in India and wanting a clerical job at £4 per month. He was a matriculate. His father owned 1,000 acres of beautiful agricultural land, all under perennial canal irrigation. That boy is still stewing in a dingy government office copying government records. In this case his father put forward the excuse that owing to family feuds the boy was better off away from home, as the father's enemies might try to murder the son to wipe off old scores. There may have been truth in this.

'Co-ed' in a Canadian university means a girl student; of these there are plenty. There are no separate girls' institutions or colleges. The system works well. No evil results. A professor told me that the older generation themselves were educated with co-eds. and they do not object to their daughters being brought up as co-eds. The Canadians have adopted this system, as well as their pronunciation of the English language, from the Americans. In Lahore, when I was Minister for Education, I was faced with the problem of providing educational institutions for girls. If I had waited for funds to establish separate institutions, no progress could have been made, particularly in women's medical education. For the first time I took the risk of allowing co-eds. in the medical school at Amritsar and at the medical college, Lahore. I also allowed co-eds. in art colleges as well as in primary schools. But for



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obvious reasons co-education was not allowed in middle and high schools. I am glad to say that the system has worked well in the Punjab, thanks to the keen and fatherly interest taken by teachers in the protection of all girl students. The boys have behaved wonderfully well. I never heard of a single case of disrespect shown by a boy to a girl student in India.

'Sophomore' in Canada means a second-year student, and in some places every freshman has a notice pinned on his back on the opening day giving the year when he is to pass out of the university if no failures take place. One man had 'Arts, 42, In God we trust'. Evidently he did not trust himself very much. At one place I saw a student early in the morning riding a push-bicycle and delivering newspapers and earning a little money. He was the son of a professor but felt quite proud of the fact that he was doing some work and earning something.

In addition to the universities, Canada has the usual two types of pre-university institutes, namely primary and secondary schools. The primary schools have an eight-year course: the secondary schools a course of four years. In the Punjab we have primary schools of five years, middle schools of eight years including the primary, and high schools of ten years including the primary and the middle stages. Thus a boy in the Punjab matriculates after ten years of schooling, as against twelve



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years in Canada. Ten years is not enough to complete a boy's education; hence the tendency in India for most students who pass the matriculation examination to go up to the university.

Every primary school in Canada is for eight years. There are no schools with four- or six-year courses. There are cases where a primary school has only five boys: but it will still be an eight-year primary school although it will have only one teacher. At the end of the primary-school course there is a departmental examination. Papers are set by Government, as is also the case with vernacular middle schools in the Punjab. In Canada in rare cases a boy may be allowed to join a secondary school even though he has not taken the public examination, provided he is recommended by the headmaster and the inspector of schools, and provided also that the local Government Chief Superintendent of Education approves of this recommendation.

At the end of the secondary-school period there is again an examination. It is also called matriculation and admits boys to the university or to a normal school. In India the university holds the matriculation examination at the end of the high-school period, and those who pass it can join the university. In Canada if a boy has sat only in the examination held by the school authorities he cannot join a normal school or a university. In India we have no such examinations by school



authorities. There is only the university matriculation. I asked an officer in Canada: 'Why make the poor boy take two exams?' His answer was: 'For no other reason than that we have done it for so long that we cannot give it up.' Of course there is the possibility that there are many who want to go neither to the university nor to a normal school, and for these a school examination would do. The standards of these examinations naturally vary from school to school.

In Canada licences are issued by Government to all teachers who cannot be employed unless they hold such licences. Before a teacher is given a licence he must have passed the matriculation examination. There are the following classes of teachers' licences:

1. Grammar school.
2. First and Superior class.
3. First class.
4. Second class.
5. Third class.

An examination is held by Government for each class of licence in the months of June and August. A lower-class licence entitles a man to sit for a higher-class examination. If a man has not worked his way up to the highest-class licence he must be a graduate. Those who wish to apply for grammar-school licences must have taken a two-year course in Education at a university; but in



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exceptional cases they may work at a normal school.

In Canada the headmasters and staffs of normal schools hold the examinations and Government issue the licences, as is also the case in the Punjab. Licences in Canada are given according to marks obtained. Sixty per cent marks in Matriculation entitles entry for first-class licence; 50 to 60 per cent marks in Matriculation entitles entry for second-class licence. There is a normal school entrance examination set by the normal school staff for those who have not taken Matriculation. But this is a very small proportion of the total admissions. In the Punjab we have normal school training even for those who have passed the middle school examination and wish to become teachers in vernacular middle schools.

No such system of gradation exists in India. In the Punjab it is true we have normal school and teachers' training certificates. But the number of trained teachers is only 80 per cent of the total employed, as against 100 per cent in Canada. In the Punjab, while preference is given to trained teachers there is no prohibition against others being employed: although in the receipt of grants-in-aid, a school benefits if it has trained teachers. There is unemployment among trained teachers in Canada as there is in the Punjab. For admission into normal schools we in the Punjab give preference to teachers who are untrained and



are already serving in schools. Only one year is spent at normal schools both in Canada and the Punjab. At the Punjab University there is no course in Education. This should be introduced.

An example will show how the licence system works. The Province of New Brunswick is divided into fifteen counties and each county has a grammar school (Matriculation standard). The principals of all these are holders of grammar-school licences. They receive \$400 per annum as grant-in-aid from Government. Three other teachers can also receive grants-in-aid. These grants are given in accordance with the licence held :

- \$400 for grammar-school licence.
- \$275 for superior licence.
- \$175 for first-class licence.
- \$140 for second-class licence.
- Class III is ceasing to exist.

In India we have plenty of high schools. The salaries are much smaller than in Canada and so are also the grants-in-aid. The subordinate educational grade starts from Rs. 40 per mensem rising to Rs. 90 per mensem, and trained graduates consider themselves lucky if they get this salary of about £3 per mensem. Occasionally a graduate of an English university may also apply to be considered. After seven years no rise takes place in the grant-in-aid for a particular teacher in Canada. There is no such limit in the Punjab.



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Government grants are paid direct to teachers in Canada by means of cheques issued by the Education Department in the name of the teacher. In India these grants are paid through local bodies for local body schools and through managing committees for private schools. I remember a case where a certain managing committee were making a profit by not paying over to the teachers the sums which Government paid to the managing committee. The unfortunate teachers were made to give a receipt for the full amount for record purposes. Teachers in private schools in India would welcome the idea of receiving part of their salary direct from Government. This is a reform which can be introduced in India immediately to give relief to the teachers whose salaries are often insecure in addition to being low. Part of the teacher's salary in Canada is paid from the funds of the school board, whose income is derived from district assessments. This grant is also paid direct to the teacher. In the Punjab, in the case of local bodies, the grants from Government and from local rates are paid and collected together and there is never any trouble or difficulty. It is only in the case of aided private schools that the adoption of the Canadian system is recommended. In Canada the teacher has to send a sworn statement every year regarding the amount he has actually received for his own use out of the cheque sent to him.



A third source of revenue for schools in Canada is called the County fund. A tax of 60 cents per head, including children, is levied for this purpose. It is collected by the County secretary-treasurer, who is a paid servant. This money is kept in a bank on deposit by the secretary-treasurer. Government assume that this is collected cent per cent, which is usually the case. It is apportioned at the rate of \$60 per teacher irrespective of the licence he holds. We have nothing that corresponds to this. The salaries of all teachers in local body schools in the Punjab are graded and they are paid by the local bodies. The Indian system is simpler, as it involves less calculation. There are only two sources from which their income is derived, Government grants and local rate, which is collected along with the Land Revenue by provincial Government revenue officials.

In Canada Government and county fund grants are paid to teachers twice a year, in February or March and August or September. In India the salary is paid monthly to the teacher, though the local body receives the grants twice annually. The Board grant in Canada is paid to the teacher monthly. This is his real salary. Government issue cheques against this fund on the assumption that it has all been collected. One Chief Superintendent of Education issues 1,500 cheques twice a year. The territorial limit of each education



board being very limited, teachers do not have the same advantages of transfers and promotion as are available to the teachers in India, where we have provincial cadres even for the subordinate educational service, whose teachers are lent to local bodies and also transferred from place to place by Inspectors, who are Government servants. The grant-in-aid is made to local bodies on the condition that these teachers are employed. Our system has many advantages over the Canadian.

In Quebec the salary of teachers is for males \$1,500 per annum and for females \$500 per annum. The average cost of pupils is \$48.55 per head. The grant given by Government equals one-seventh of the total money contributed by ratepayers and others. In India (Punjab) the grant-in-aid is calculated on the expenditure incurred by a school on the salary of the teachers. The number of pupils at a particular school is also taken into consideration.

In Canada education is all free up to and including the Matriculation class, i.e. for twelve years. In the Punjab only primary education is free. Boys have to pay fees in all classes above the primary stage. The cost to Government per boy in Government high schools is about Rs. 35 per annum, i.e. under £3 per annum. The cost per head in Fredericton is \$67 per annum. An expenditure of \$105 would include interest on buildings and sinking fund also. If a boy in Canada



wishes to attend a school outside his own county he has to pay \$40 per annum.

In Canada every school must teach up to grade 8. There is no such rule in the Punjab. In Canada they have conveyances for children, even in rural areas. Government makes a contribution of half the cost. No conveyance arrangements exist for rural schools in the Punjab, and where they do exist in the cities the parents pay for them. I was told in Canada of a school of eight classes in which there were only five children. There was only one teacher. In cases like these, the trustees of a school may decide to convey children to the next school. The age of admission to primary schools in Canada is six years. There is no such limit in our primary schools in India, but I think five is the usual rule. There are some kindergarten schools in Canada, but 95 per cent of those who join public schools have had no education before. In India we have no public kindergarten schools, and cent per cent of those who join public schools in the first class have had no education before.

The appointment of teachers in Canada is made by local school boards. In India in the case of primary-school teachers, appointment is made in name by the district boards and municipalities, but in fact by inspectors who are Government servants. Appointments to the provincial subordinate and provincial educational services are made



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by the provincial Public Services Commission in the Punjab. The Canadian plan is more democratic. For example, in New Brunswick there are 1,500 school boards usually consisting of three persons elected by the ratepayers: but in large places sometimes of seven or eleven members. In Fredericton City there are eleven members; six are appointed by the City Council without restriction; while five including the Chairman are appointed by Government. All these members serve honorarily; no payment of any kind is made to them.

In India it is the local bodies that appoint education committees from among their own members: and these committees control the educational policy of each local body. They also work honorarily. This system has this advantage, that it does not involve a separate election.

School boards in Canada have a paid staff, among which they give promotions. In India, promotions in the educational staff are given by inspectors, who are Government servants. I was told that occasionally there was nepotism in the Canadian promotions because of the pressure of voters who elect the trustees for three years at a time. One goes out every year. This is not the case in big towns. In this case I think the Indian system has a definite advantage over the Canadian system since promotions are given by inspectors who are permanent Government servants.



On the other hand, the technical college system of Canada might well be adopted in India. Canadian technical colleges contain between 1,000 and 1,500 students and arrange a twelve-year course, at the end of which the students can sit for matriculation and go to a university if they so desire. But if they do not require university education, the training they have already received qualifies them to take positions as mechanics, electricians, or technicians for the staffs of the many broadcasting stations. These technical colleges are modelled on American lines: and their twelve-year course compares very favourably with our Indian ten-year course which is not enough for a man's education, even with us.

In Vancouver some schools have a senior matriculation class, after passing which a student joins the second-year class at a university. It is cheaper to be an extra year at school than to be at a university. In the same Province they are trying a new school system, which involves a six-year primary course, a three-year middle course, and a three-year high school course, the total period at school still being twelve years.

A comparison between the retiring-age and the pension of Canadian and Indian teachers is interesting. In Canada a teacher has to retire at the age of 60 after 35 years' service. In India he is retired compulsorily at 55 years. In Canada he ordinarily gets a pension of \$800 per annum. In



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India he gets a pension which is calculated according to the number of years of service, divided by sixty and multiplied by the amount of his salary, e.g. a man getting \$500 a year after 30 years' service would get

$$\frac{30}{60} \times \frac{500}{1} = \$250 \text{ per annum.}$$

I saw one institution in Canada which is like nothing I have seen elsewhere and for this reason, as well as for the fact that this kind of school might be useful in India, it interested me particularly. I refer to the Fairbridge Farm School forty miles out of Victoria. It is named after the gentleman who conceived the idea and there are only four such schools in the world. The oldest, now 26 years old, is in Australia. The Canadian school is second oldest but has been in existence for only three years: since its institution, two more have been set up in Australia. The Canadian Fairbridge school is financed by a private society in England and contains at present only 200 boys and girls, although 300 can be accommodated. All the pupils come from Great Britain. Six per cent are orphans, and the rest have parents who are very poor and live in quarters like the East End of London. They keep up correspondence with these children when they can afford a stamp. The children seemed happy, certainly better fed, living in better quarters and better educated than



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would have been the case in England. The school stands in an area of 1,000 acres, which belongs to it. There are several houses, each containing two families of fourteen each, with a house-mother who looks after them and presides at their dinner-table in the big hall. We saw some girls having tea—pea-nuts on toast, and milk—in their house. All were healthy and cheerful. The cost per head is \$30 per month = \$360 for twelve months (£72 per annum) as against \$500 a year in a public school for eight months. The Provincial Government gives a grant-in-aid of \$685 per teacher, which totals \$3,500 per annum. The school pays to Government \$2,900 in taxes and \$500 land tax.

The headmaster, Col. Logan, a graduate of Canada and of St. John's College, Oxford, was formerly Professor of Classics in a university, but resigned to take up this post. His assistant also is an Oxford man. You meet Oxonians all over Canada.

The school teaches the same subjects as are taught in public schools except that during the last three years Agriculture and Domestic Science in the case of girls and Agriculture and Manual Work in the case of boys are taught and emphasized. Girls and boys both learn how to milk cows. Horses, cows, sheep, and poultry are kept on the farm. There is a nucleus of twelve farm-workers but otherwise the boys and girls do all



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the rest of the work. They eat their own vegetables, and the animals are fed on home-grown corn and grass. They now have to buy nothing by way of feed for their animals. During school-time, the pupils study in classrooms for five hours a day: from 9 to 12 and from 2 to 4. During the three months when they have no class-work, boys and girls do manual work only on the farm, and chop wood for the kitchen and for the winter central heating of the houses. They all do their own cooking under guidance. They wash their own socks, shirts, and underwear; bed-linen, girls' dresses and boys' coats are washed in the central laundry under supervision of a qualified laundress. There are dormitories for girls and boys, with clean, comfortable beds, plenty of bedding but no pillows. Shower-baths are also provided. Each girl has gum boots to keep her feet dry. There is also a large dining-hall for boys and girls, one corner of which is used as a chapel. The work of the Fairbridge School appeals very strongly; and I was not surprised to learn that one visitor who came had donated \$20,000 for a new chapel.

The boys and girls get no money from home, as their parents are too poor to send them any. An occasional 2s. 6d. or 5s. money order does come, but very rarely. The boys leave when they are 15 years old.

Here is an institution which teaches boys to be



Good farmers and girls to be good farmers' wives. It is run on collective lines; and for the purposes in view there may be something in what Russia is doing.

Whether schools in India can be made self-supporting is a problem, but the Fairbridge School has one lesson to teach India—the training of men to be good farmers and manual workers. In our Indian schools at present, too many subjects of a literary nature are taught. These subjects are so numerous that our boys know none of them well; and our whole system needs revision and overhauling. If the economic condition of India is to improve we must learn how to produce more out of land—more milk, more eggs, more poultry, more fruit, more vegetables and more cereals. This we cannot achieve unless we have intelligent farmers and countrywomen.



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CHAPTER VI

Prohibition and Cognate Questions

THE question of introducing prohibition is engaging the attention of several Provincial Governments in India; and for this reason, I was particularly interested to study the system by which the production and consumption of alcohol is controlled in Canada. I find there is very careful Government supervision at all distilleries. The distiller cannot operate as a free agent. Malt, molasses, and all other ingredients for the manufacture of alcohol are received by Government in Canada and by them furnished to the distiller. Stills are under Crown locks and every ounce of spirit is measured. Allowance is made for fusel oils; these are taken out and destroyed, for there is not much sale for them. When manufactured, the alcohol is taken and placed in oak charred barrels. The whisky absorbs a certain matter from these charred barrels and this gives it a special taste, to the good fortune of Scotch whisky manufacturers. These barrels also help in ageing the whisky. How little we know about the alleged thirty-year-old whiskies! Once people develop a taste it is difficult to give it up, even though it be for Scotch whisky or Scissors cigarettes.

While it is maturing, the alcohol is placed



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under Crown locks in bond rooms. The owner is allowed to come in and turn over the barrels. In addition to the allowance made for fusel oil, a credit is also allowed for evaporation, amounting to 8%, 6%, 4%, 2% in each succeeding year of the maturing period. The manufacturer does not pay duty on this loss. He is lucky! By Government regulation all whiskies have to be matured for four years before they are released: but I was not told the age which the public believes these four-year-old whiskies to possess. Gin requires no ageing, nor does the denatured alcohol.

We in the Punjab have also a very elaborate system of watching the manufacture of alcohol at the factory, to see particularly whether it is under proof or over proof. We have little control over illicit distillation, which is very common in the Central Punjab. We have to keep the price down to prevent too much illicit distillation. The Canadians have to follow the same policy. Whereas in the Punjab the interlocked territories of Indian States, with their own subjects, are a difficulty, in Canada the difficulty arises from the American bootlegger. The more licensed shops you close in India or Canada the greater the profits of the bootleggers.

Duty is charged in Canada when the alcohol leaves the bonded warehouse. Government usually have fourteen or fifteen men in each distillery. They have to keep their eyes open. The distillery



does the bottling and pays duty. In Canada as in India the actual operation of the liquor laws is a matter for the Provinces, whose governments control the sale as well as the distillation of alcohol. Supervision at the distillery is a federal responsibility, for the tax realized at that source is a federal revenue: but when once the alcohol has left the distillery, it becomes a provincial responsibility. In India the Federal Government levies no duty on alcohol. It all goes to the provinces. The Provincial Governments auction year by year the right to sell liquor within certain areas: the merchants bid high and then do their best to sell as much as they can. I think that the Canadian system of selling alcohol only at Government stores is much better. No one else can sell it. There is no effort to push sales; often it is the reverse. The government stores usually do not stock what you want and when they do stock it you have no choice concerning the quality offered. The government lists of wines and spirits are lengthy and alluring: but this does not mean that you can buy all the varieties on the list. Indeed there is a notice appended that the public must not expect all these varieties to be obtainable! And of course there is thus no competition in quality, in service or in price. From the standpoint of the convenience of the ordinary moderate consumer the law in India is preferable, for you can get drinks in India as freely as in England.



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But in Canada you cannot get a drink with your meals in any public places, which makes Canada the ideal place for giving a cheap public banquet! If you want liquor in Canada, you must drink it in your home. Exactly how this works is a question of psychology. It may either prevent you from drinking, because you would not like your children to see you doing it; or else it may teach your children the habit, for you are forced to drink in your home.

In Canada the Provincial Governments buy the liquor from the manufacturer and sell it themselves to the public. Government have their own liquor depots all over the country, and there may be several in one town. In Ottawa, for example, Government have three depots. But there is no middleman and Government servants do not push the sales, for they have no dividends to earn. No shopkeeper in Canada is allowed to make a profit from alcohol: he cannot buy liquor from a Government store and sell it at a profit. Nor is he allowed to sell liquor to an individual. This is only true of spirits, for you can go to beer parlours and drink beer as freely as you do in England. This struck me as strange, for the class of people who drink beer are just as liable to get drunk as the upper classes who drink wines and spirits. But here, I think, politics come in. The beer-drinkers are more numerous at the polls than the wine and spirit drinkers, and are less willing



to tolerate Government interference in matters of food and drink. As a matter of fact the only man I saw drunk in Canada was at a railway station. He was a beer-parlour gentleman. He was walking or trying to walk to his carriage along a railway platform. As a whole, I received the impression that the Canadians are a remarkably sober people, particularly among the upper classes. In Ontario Province there were in the year 1935 only 12,000 convictions for drunkenness and in Quebec only 4,000.

There is one feature of the alcohol laws in Canada which struck me as novel. A Lieutenant-Governor's A.D.C. pulled out his cigarette-case on a railway platform and drew my attention to his Provincial liquor licence. It cost him 50 cents. No one can buy liquor unless he has this permit. If a man walks into a Government stores and is not in possession of such a permit, he will have to buy one there and then, and pay 50 cents before he can purchase even a single bottle of whisky or spirits. The licence is merely a revenue-raising device and since there is scarcely a household in Canada that does not need such a permit, the income to Provincial Governments from this source is usually handsome. No licence is needed for buying beer or wines. Persons of 21 years and over can alone be given a licence. Permits are valid for one year, from the 1st of April to the 31st of March unless cancelled earlier. A physician



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is not permitted to prescribe more than 1 pint of alcoholic liquor. Hospitals pay 10 per cent less than the ordinary man for the same liquor.

I think that the permit system has much to commend it. If people buy a motor-driving licence, why not a liquor licence? Both articles are capable of doing harm to an individual and to third parties if not handled properly. Improper use of alcohol does more harm to the wife and children of a man than bad driving. There is the further advantage of the check which the system gives on the amount individually consumed. Although there is no limit to the amount of liquor a man can buy, what he buys is recorded on the back of his permit. Some records are blacker than others! When permits cost \$2 each, people would borrow each other's licences for buying alcohol. Now that the charge is only 50 cents people do not blacken others' records. The licence system makes the checking of sales easy. If a man has been buying large quantities Government can find out if he is running a bar.

The Canadian system restricts the use of alcohol in a number of ways. You are not supposed to drink in public places. You must not take drinks out for a picnic. You are not allowed to be in possession of an opened bottle while in transit. More curious still, you must not drink in trains, even in your own compartment. But an absurd law will always be honoured in the breach; and



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many travellers in Canada illustrate the truth of this maxim. Moreover, the law about the possession of open bottles does not always result in increased sobriety. Sometimes two men want a drink in a hotel. They buy a bottle of whisky at a liquor store. Since they cannot carry about an open bottle and they do not wish to throw the good stuff away, they put it all inside them, with dizzy results.

The licence system should certainly be introduced into India. Some gentlemen may be exposed, but they can always use a licence belonging to a servant or friend! While the Canadian licence system is good, their restrictions on drinking in hotels and restaurants must lose the country a lot of money, particularly as some 250,000 Americans come north into Canada for a holiday in the summer!

There are customs offices in all cities and principal towns, and liquor imported into Canada goes into these federal government stores before it reaches the public. Only Government can order liquor from abroad. The customs duty goes to the central government, but the provincial governments sell at a profit to the public.

The Canadian Provinces have made various experiments with prohibition. The province of Ontario had prohibition from 1917 to 1931. Quebec never had prohibition. Other provinces tried prohibition from varying dates. They have all



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given it up as a bad job. Some Indian provinces have embarked on policies of prohibition, and though it is possible that where the U.S.A. and Canadian Governments failed, our Governments may succeed, I very much doubt it. Our provinces in India are interspersed with independent Indian States. Smuggling into villages across the border of these is so easy. Even if the Ruler of the State and his Government were willing to co-operate with the British provinces, the temptation to petty officials in a poor country like India is too great to be resisted. The police, village officials, excise department, and the bootleggers would all flourish. It is no use for a government, in a fit of piety, to attempt to put a stop to what the people like in questions of food and drink. If Government stop the sale of good liquor it does not mean that no liquor will be consumed. How often does the foolish pigeon shut his eyes in the belief that the cat ceases to see him! People will drink, and if you do not let them drink wholesome liquor they will drink terrible stuff. In India you have only to take the bark of a Kikar tree, which contains tannin, put it in an earthen pitcher, put raw sugar and water in it, shut it up and bury it inside a dung-heap outside a village. Even if the police find the pitcher they cannot convict a man, for it will be in no one's possession. The dung-heap is a public place. After a month you take out the pitcher and get your alcohol. Drink it or sell it.



It will be no worse than the methylated spirit that my tutor's cook in an English village used to drink!

The Canadian Federal Excise Department makes by way of duty on alcohol \$7,100,000 a year from potable spirits and \$946,000 a year from non-potable spirits. In India the income varies from province to province. In the Punjab with a population of 25 million people the income from excise on alcohol is only $\frac{3}{4}$ million pounds. This probably arises from the fact that 57 per cent of the people are Muslims, for whom drink is forbidden. In the Punjab this money is only 10 per cent of the total provincial revenue. In Madras province 40 per cent of the provincial revenue comes from excise duty on alcohol and this province has embarked on a policy of prohibition.

I was told of one provincial ministry in India some years ago where the Minister in charge of excise belonged to an area which contributed the largest share of the excise revenue. The Minister was all in favour of closing liquor shops under the pious impression that his people ought not to be allowed to waste money on drink. But if you prevent people from taking the drink they want, there is the risk that they will turn to opium, harmful drugs and dangerous, illicitly-brewed liquor. Temperance propaganda and education are the only cure.



If you hear the word 'Scotch' in Canada it means not a Scotsman but Scotch whisky. The Canadian Government has made the purchase of alcohol so difficult that sometimes people, otherwise quite respectable, hang on to a bottle of whisky as if it were elixir. One friend with whom I had played golf had a bottle under his arm as he moved from room to room. The club cannot sell you drinks but you can have drinks in the club provided the bottle is your own. It seems rather an unnecessary complication. Members leave their bottles of whisky in their cupboards unlocked. The servants are very honest.

In Canada there is local option and quite a number of municipalities have taken advantage of this law and prohibited sales.

In the province of Quebec in the year 1936-7 there were 1,044 municipalities that had no liquor licences, their population being 1,069,450. The number of municipalities that held licences was 374 and the people residing there 1,804,000: in these permits for the sale of liquor were issued or a Government store existed. In India we have local option too: the number of villages inside a district board area where drink cannot be had must be very great. For we do not have small rural municipalities: our district boards usually cover an area inhabited by a million or more people. As illustrating the extreme temperance of some parts of India, it may be noted that



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in 1936-7 the Quebec Government received \$97,136,351 net from excise on liquor, while the Punjab Government received the equivalent of less than \$4,000,000 a year. But the population of Quebec is 2,874,000 souls, while that of the Punjab is 25,000,000.

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APPENDIX I

Illustrative Statistics of the Canadian and Indian Systems of Income Tax

CANADA (FEDERAL TAX), 1937

§ 30. GENERAL TAX.

Rates of tax applicable to persons other than corporations and joint-stock companies. On the first \$1,000 of Net Income or any portion thereof in excess of Exemptions 3 per cent, or:—

\$	Upon Net Income of \$	Upon the amount by which the Income exceeds \$	If it does not exceed \$
30	1,000 and 4%	1,000	2,000
70	2,000 and 5%	2,000	3,000
120	3,000 and 6%	3,000	4,000
180	4,000 and 7%	4,000	5,000
250	5,000 and 8%	5,000	6,000
330	6,000 and 9%	6,000	7,000
420	7,000 and 10%	7,000	8,000
520	8,000 and 11%	8,000	9,000
630	9,000 and 12%	9,000	10,000
750	10,000 and 13%	10,000	11,000
880	11,000 and 14%	11,000	12,000
1,020	12,000 and 15%	12,000	13,000
1,170	13,000 and 16%	13,000	14,000
1,330	14,000 and 17%	14,000	15,000
1,500	15,000 and 18%	15,000	16,000
1,680	16,000 and 19%	16,000	17,000
1,870	17,000 and 20%	17,000	18,000
2,070	18,000 and 21%	18,000	19,000
2,280	19,000 and 22%	19,000	20,000
2,500	20,000 and 23%	20,000	25,000
3,650	25,000 and 24%	25,000	30,000



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\$	<i>Upon Net Income of \$</i>	<i>Upon the amount by which the Income exceeds \$</i>	<i>If it does not ex- ceed \$</i>
4,850	30,000 and 25%	30,000	35,000
6,100	35,000 and 26%	35,000	40,000
7,400	40,000 and 27%	40,000	45,000
8,750	45,000 and 28%	45,000	50,000
10,150	50,000 and 29%	50,000	55,000
11,600	55,000 and 30%	55,000	60,000
13,100	60,000 and 31%	60,000	65,000
14,650	65,000 and 32%	65,000	70,000
16,250	70,000 and 33%	70,000	75,000
17,900	75,000 and 34%	75,000	80,000
19,600	80,000 and 35%	80,000	85,000
21,350	85,000 and 36%	85,000	90,000
23,150	90,000 and 37%	90,000	95,000
25,000	95,000 and 38%	95,000	100,000
26,900	100,000 and 39%	100,000	110,000
30,800	110,000 and 40%	110,000	120,000
34,800	120,000 and 41%	120,000	130,000
38,900	130,000 and 42%	130,000	140,000
43,100	140,000 and 43%	140,000	150,000
47,400	150,000 and 44%	150,000	175,000
58,400	175,000 and 45%	175,000	200,000
69,650	200,000 and 46%	200,000	225,000
81,150	225,000 and 47%	225,000	250,000
92,900	250,000 and 48%	250,000	275,000
104,900	275,000 and 49%	275,000	300,000
117,150	300,000 and 50%	300,000	325,000
129,650	325,000 and 51%	325,000	350,000
142,400	350,000 and 52%	350,000	375,000
155,400	375,000 and 53%	375,000	400,000
168,650	400,000 and 54%	400,000	450,000
195,650	450,000 and 55%	450,000	500,000
223,150	500,000 and 56%	500,000	

§ 31. SURTAX.

Rates of tax applicable to all persons other than corporations and joint-stock companies, in respect of 'investment income' as provided for in this Act.



APPENDIX I

On investment income included in any income exceeding	\$	5,000 but not exceeding	\$	10,000 ..	2%
On investment income included in any income exceeding	10,000	..	..	14,000 ..	3%
On income exceeding	14,000	..	..	20,000 ..	3%
..	20,000	..	..	30,000 ..	4%
..	30,000	..	..	50,000 ..	5%
..	50,000	..	..	75,000 ..	6%
..	75,000	..	..	100,000 ..	7%
..	100,000	..	..	150,000 ..	8%
..	150,000	..	..	200,000 ..	9%
..	200,000	..	..	.. ..	10%

Additional rate of tax applicable to all persons other than corporations and joint-stock companies in receipt of income in excess of \$5,000.

In respect of incomes in excess of \$5,000 (excluding incomes exempt under section 4) 5 per cent of the amount of the tax as hereinbefore provided for.

Reliefs and exemptions are approximately as follows :

- (a) \$2,000 in the case of:
 - (i) A married person;
 - (ii) A widow or widower with dependent child;
 - (iii) A person maintaining self-contained domestic establishment and supporting therein a relative;
 - (iv) A clergyman maintaining self-contained domestic establishment;
- (b) \$1,000 in the case of all other persons, except corporations; and
- (c) \$400 for each dependent child and grandchild.



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ONTARIO

Rates of tax applicable to all individuals:

\$	<i>Upon Net Income of \$</i>	<i>Upon the amount by which the Income exceeds \$</i>	<i>If it does not ex- ceed \$</i>
15	1,000 and	2%	2,000
35	2,000 and	2½%	3,000
60	3,000 and	3%	4,000
90	4,000 and	3½%	5,000
125	5,000 and	4%	6,000
165	6,000 and	4½%	7,000
210	7,000 and	5%	8,000
260	8,000 and	5½%	9,000
315	9,000 and	6%	10,000
375	10,000 and	6½%	11,000
440	11,000 and	7%	12,000
510	12,000 and	7½%	13,000
585	13,000 and	8%	14,000
665	14,000 and	8½%	15,000
750	15,000 and	9%	16,000
840	16,000 and	9½%	17,000
935	17,000 and	10%	18,000
1,035	18,000 and	10½%	19,000
1,140	19,000 and	11%	20,000
1,250	20,000 and	11½%	25,000
1,825	25,000 and	12%	30,000
2,425	30,000 and	12½%	35,000
3,050	35,000 and	13%	40,000
3,700	40,000 and	13½%	45,000
4,375	45,000 and	14%	50,000
5,075	50,000 and	14½%	55,000
5,800	55,000 and	15%	60,000
6,550	60,000 and	15½%	65,000
7,325	65,000 and	16%	70,000
8,125	70,000 and	16½%	75,000
8,950	75,000 and	17%	80,000
9,800	80,000 and	17½%	85,000
10,675	85,000 and	18%	90,000



APPENDIX I

\$	Upon Net Income of \$	Upon the amount by which the Income exceeds \$	If it does not exceed \$
11,575	90,000 and 19%	90,000	95,000
12,500	95,000 and 19%	95,000	100,000
13,450	100,000 and 19½%	100,000	110,000
15,400	110,000 and 20%	110,000	120,000
17,400	120,000 and 20½%	120,000	130,000
19,450	130,000 and 21%	130,000	140,000
21,550	140,000 and 21½%	140,000	150,000
23,700	150,000 and 22%	150,000	175,000
29,200	175,000 and 22½%	175,000	200,000
34,825	200,000 and 23%	200,000	225,000
40,575	225,000 and 23½%	225,000	250,000
46,450	250,000 and 24%	250,000	275,000
52,450	275,000 and 24½%	275,000	300,000
58,575	300,000 and 25%	300,000	325,000
64,825	325,000 and 25½%	325,000	350,000
71,200	350,000 and 26%	350,000	375,000
77,700	375,000 and 26½%	375,000	400,000
84,325	400,000 and 27%	400,000	450,000
97,825	450,000 and 27½%	450,000	500,000
111,575	500,000 and 28%	500,000	

Reliefs and exemptions are the same as for the Federal tax, and in addition there is the following provision for Dominion Income-tax relief:

The tax payable under the *Income War Tax Act* (Canada) in respect of the income of the year; provided, however, that such tax paid or payable by any non-resident person carrying on business in Ontario shall be that portion of the tax payable under the *Income War Tax Act* (Canada) which the Commissioner of Income-tax may determine arises by reason of the business done in Ontario.



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APPENDIX I

INDIA

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INCOME-TAX AND SUPER-TAX, 1938-9

Rates of Income-Tax for the year beginning 1st April, 1938.

PART I

RATES OF INCOME-TAX

Rate:
pies in the rupee

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company :	
1. When the total income is less than Rs. 2,000.	Nil.
2. When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	6½
3. When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000	9½
4. When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000	13
5. When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000	17½
6. When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000	20 ⁷ / ₁₁
7. When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000	24 ¹ / ₁₁
8. When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000	27 ¹ / ₁₁
9. When the total income is Rs. 1,00,000 or upwards	28½
B. In the case of every company and registered firm, whatever its total income	
	28½



APPENDIX I

PART II

RATES OF SUPER-TAX

*Rate:
pies in the rupee*

In respect of the excess over Rs. 30,000 of total income:

1. In the case of every company:
 - (a) in respect of the first Rs. 20,000 of such excess Nil.
 - (b) for every rupee of the remainder of such excess 13
2. (a) in the case of every Hindu undivided family
 - (i) in respect of the first Rs. 45,000 of such excess Nil.
 - (ii) for every rupee of the next Rs. 25,000 of such excess 16½
- (b) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company:
 - (i) for every rupee of the first Rs. 20,000 of such excess 9½
 - (ii) for every rupee of the next Rs. 50,000 of such excess 16½
- (c) In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company:
 - (i) for every rupee of the next Rs. 50,000 of such excess 22½
 - (ii) for every rupee of the next Rs. 50,000 of such excess 29½
 - (iii) for every rupee of the next Rs. 50,000 of such excess 35½
 - (iv) for every rupee of the next Rs. 50,000 of such excess 42½
 - (v) for every rupee of the next Rs. 50,000 of such excess 48½
 - (vi) for every rupee of the next Rs. 50,000 of such excess 55½



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	<i>Rate:</i> <i>pies in the rupee</i>
(vii) for every rupee of the next Rs. 50,000 of such excess	61½
(viii) for every rupee of the next Rs. 50,000 of such excess	68½
(ix) for every rupee of the next Rs. 50,000 of such excess	74½
(x) for every rupee of the remainder of such excess	81½

N.B.—192 pias = 1 rupee = 1s. 6d.



APPENDIX II

CANADIAN RAILWAYS

Some Statistics and Comparisons with Indian Railways

A colossal sum of over three billion dollars has been invested in the Canadian National Railways, which involves the Federal Government in a loss of about \$115,281,689 a year. This consists of the following items (some small items are not given):

1. Parliament voted in 1936 in order to cover the cash deficit .	\$47,500,000
2. Interest due on money loaned by Government to the Railway .	\$35,000,000
3. Retirement of equipment and other property and some other items of a smaller nature	<u>\$31,000,000</u>
	<u>\$113,500,000</u>

Though at the time of the original construction of these railways British capital was shy, yet to-day out of the 65,669 ordinary shareholders in the Canadian Pacific Railway, 19,733 are U.K. and other British shareholders, 26,044 are Canadian, 15,890 U.S.A., and others number 4,002.

As regards the preference shares,

U.K.	share is 95%	of the stock
Canadian	„ 0.56%	„
U.S.A.	„ 0.26%	„
Others	„ 4.09%	„



APPENDIX II

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The C.P.R. own

- 15 inland steamships 22,826 tons.
- 18 ocean steamers 324,738 tons.
- 16 coastal steamships 60,278 tons (all gross).
- 15 hotels, probably some of the best in the world.

The Indian Government railways own no hotels.

Some comparative figures may be interesting.

	<i>Canadian Pacific Railway 1937</i>	<i>Indian Railways 1936-7</i>
Mileage	17,185 4,020 controlled companies	43,128
Capital	\$992,158,050 £203,868,076 Rs. 27,18,21,050	\$3,212,474,443 £660,097,500 Rs. 8,80,13,00,000
Capital at charge	—	\$2,879,849,952 £591,750,000 Rs. 7,89,00,00,000 (includes Burma's 35 crores)
Gross earning	\$151,000,000 £31,027,394 Rs. 41,36,98,582	\$394,455,494 £81,052,500 Rs. 1,08,07,00,000
Expenditure	\$121,343,311 (83% of gross income) £24,933,556 Rs. 33,24,54,814	\$255,244,495 £52,447,500 Rs. 69,93,00,000
Excess over expenditure	\$29,693,373 £6,101,377 Rs. 8,13,51,691	\$116,872,998 £24,015,000 Rs. 32,02,00,000 \$4,416,500 (after paying interest)
Passenger miles	826,000,000	87,000,000 1st class 346,000,000 2nd class 540,000,000 inter. 17,250,000,000 3rd class 18,270,000,000 total



APPENDIX II

	<i>Canadian Pacific Railway 1937</i>	<i>Indian Railways 1936-7</i>
Ton miles	11,602,000,000	21,435,458,000
Tons carried	34,616,646	86,263,000
Percentage of net revenue to capital charge	Nil.	4.1
Dividend	2% only on preference shares. Since 1932 nil on ordinary shares	
Freight revenue	\$110,349,000 £22,674,449 Rs. 30,23,25,968	\$241,702,996 £49,665,000 Rs. 66,22,00,000 (64.81% of total)
Revenue per passenger	\$2.11 8s. 8d. Rs. 5.12	\$0.22 11d. Annas 9.5
Freight per ton	\$3.70 15s. 2d. Rs. 10.2	\$2.84 11s. 8d. Rs. 7 annas 12
Passengers carried	7,821,000	409,000 1st class 4,590,000 2nd class 11,085,000 inter. 493,835,000 3rd class 509,919,000 total
Passenger revenue	\$16,464,000 £3,383,013 Rs. 45,06,339	\$110,711,798 £22,740,000 Rs. 30,33,20,000 \$2,961,975 £608,625 Rs. 81,15,000 \$5,367,325 £1,102,875 Rs. 1,47,05,000 \$4,180,710 £859,050 Rs. 1,14,54,000 \$98,201,788 £20,178,450 Rs. 26,90,46,000
	\$4.861 = £1.	1s. 6d. = R. 1.



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APPENDIX II

The chief items of freight carried by the Canadian Pacific Railway were as follows:

- 1. Products of mines 11,418,391 tons
- 2. Manufactures and miscellaneous 6,864,089 tons
- 3. Agricultural products 6,455,134 tons

In India the largest freight income was supplied by the following items:

- 1. Fuel for public and foreign railways 20,130,000 tons
- 2. Rice 4,280,000 tons
- 3. Materials and stores on revenue account 13,550,000 tons
- 4. Railway material 5,400,000 tons
- 5. Metallic ore 3,660,000 tons
- 6. Fresh fruits and vegetables 4,290,000 tons

In the total Indian mileage are included all the railways, including those of Princely India. The total mileage owned by Indian States is 6,955. Notable among the princes who own railways are the rulers of the following States:

- Hyderabad 1,280 miles
- Jodhpur 767 miles
- Bhavnagar 307 miles
- Bikaner 796 miles
- Baroda 588 miles
- Mysore 322 miles
- Gwalior 295 miles



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APPENDIX III

Impressions of Two Canadian Provinces

I. ALBERTA.

The provincial capital, Edmonton, is a town of 88,000 souls. The province of Alberta is full of mineral wealth. Radium is found in the Arctic regions. Gold, silver, coal, and oil are abundant. Edmonton burns natural gas for heating and cooking. Fifteen miles away a company bored a hole in the ground and piped natural gas to the town. There is gas in many other places too. Salt wells supply salt; pull up water, let it evaporate, and there is the salt. Tarsens is soft oily rock; cut it away with a spade, put it on the road, roll it, and there is coal-tarred hard-surface road. Oil is plentiful in Turner Valley. Crushed coal for power-houses costs a dollar per ton, lump coal for fires $4\frac{1}{2}$ dollars per ton. Electricity costs under a cent per unit (i.e. under $\frac{1}{2}$ anna per unit). The price of electricity in Calgary is 0.83, in Vancouver 0.5 and in Winnipeg 0.5 cents per unit. There is a municipal golf course in Edmonton, on which any one can play by paying 50 cents fee for 18 holes. There is a beautiful golf club. The land was given by the municipality on long lease at a nominal rent. It is situated in a beautifully wooded area. Yellow leaves gave one the impression of a garden with gold, or a mass of ripe mangoes, as its fruit. It was a picture of ripeness and richness of



nature. Deep green trees interspersed in the forest made a lovely contrast.

His Honour the Lieutenant-Governor very kindly came to see me off at the railway station. He took his car right on to the platform. Canadians, unlike us in India, do not waste money on building high platforms. They have steps in each coach. There are no gates at level crossings. The train whistles or the brass bell on the engine rings continuously. They call their porters 'red caps' for they wear these. There are cow barriers at level crossings so that cows passing along roads may not stray over the railroad. These barriers are made of wooden bars that cross each other and form square holes into which the animals avoid putting their feet. Tons of ice are used for keeping the temperature of trains cool. You get iced water in each compartment from a special tap. Would not a similar provision in the Indian railways be a boon to the poor third-class passengers in the summer! Pilfering by people not entitled to its use would have to be watched!

2. BRITISH COLUMBIA.

British Columbia has a population of 800,000. There are 32,000 Japanese, and 1,000 of my Indian countrymen, all doing quite well. No more Indians are now allowed into Canada: and the numbers are declining. There were as many as 8,000 in British Columbia in 1908. The immigration of Japanese is also restricted: but 150 new settlers are allowed in each year. I saw a Gurdwara, a Sikh place of worship, in Victoria. With the exception of Japanese and Indians the rest of the population are white. Ten per cent of the whole popu-



lation is on the dole. An unemployed man and his wife would get \$20 a month = Rs. 55. If the man finds employment for a week he loses the dole, so no one troubles to find work. After the War, Government bought farms and settled soldiers there. All but 5 per cent left. Life was uncomfortable—no cinemas and no shops. The unemployed are a great problem in this province. The old age pension is \$20 a month for man or woman over 70 years of age. But to enjoy this, the person must have lived 20 years in Canada; and out of these, 10 in the province from which he claims to draw the pension. Seventy-five per cent of the cost is borne by the Federal Government and 25 per cent by the Provincial Government. Nothing of the sort exists in India.

Even now Governments find it difficult to settle people on farms. It is worth considering whether, instead of spending millions on the dole, Government cannot start community-farming. I suppose the recipe for success would be something like this: build comfortable flats and residences with heating and baths, common kitchens, clubs, cinema hall, shops. Government should find clothes and food, provided work is satisfactory; the income from the farm should go to a common pool. The U.S.A. system of dole is not an entire success either. They do not pay cash in their homes to the unemployed as is the case in Canada and England, but make them work in camps, e.g. at cutting timber. There are many drawbacks to the U.S.A. scheme. The community-farming idea deserves consideration in India and elsewhere. Mahatma Gandhi has an idea for making education self-supporting which



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APPENDIX III

makes use of the plan of community farming: and some of the people who think that Mahatma Gandhi's scheme is unpractical will find food for thought in the success of the Fairbridge Farm Schools, to which I have already referred.

British Columbia is a very rich province. The budgetary income of the Provincial Government is \$31,000,000 per annum, the chief sources of revenue being fishing, worth \$70,000,000 a year; timber, worth \$70,000,000; mining, worth \$70,000,000; and manufacturing, worth \$70,000,000 a year. In addition there is the agricultural income. A friend told me that his gardener, an Indian, had \$20,000 in the bank. The wages of an ordinary carpenter or gardener are Rs. 3 per hour.



APPENDIX IV

INDIA AND CANADA

Some Comparative Statistics

	Area sq. miles	Population 1931	Total sea-borne trade	
			Imports	Exports
			£	£
			1935-6	
INDIA	1,808,679	352,837,778	101,577,500	123,442,500
			1937	
CANADA	3,729,665	10,376,786	161,800,000	222,000,000
			Visible trade balance includ- ing bullion and specie 1935-6	Imports from United Kingdom 1935-6
			Exports to United Kingdom 1935-6	
			£	£
INDIA		50,000,000	39,139,893	37,858,568
CANADA		63,000,000 approx.	23,574,964	63,791,459

\$5 = £1.
R. 1 = 1s. 6d.



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