

third countries. Only in as far as American unemployment would not be removed in the manner described, would American costs and prices have to be reduced. But there is little doubt of the absorption of the unemployed under favorable economic conditions.

It is clear that the problem of unemployment in our protected industries is largely a problem of transferring labor. In the 'thirties this would have been a difficult and long-drawn-out process. But if the present state of full or nearly full employment and the labor shortage in many industries continues, it should not be difficult for the displaced workers to find other jobs.

There will be large shifts of industry from war to peace production in the next years. This is a most favourable opportunity for the transfer of workers from the less efficient to the more efficient industries. In this process the privileges and advantages of small groups must be balanced against the loss from protective tariffs, suffered by American consumers, American export industries and the economies of other countries. It would be a calamity, if the bitter words of Adam Smith should ever become true when "the sneaking arts of the underling tradesman are erected into political maxims for the conduct of a great empire."

The Outlook for India

By SIR FREDERICK PUCKLE

THERE are good reasons why Canadians should take an interest in what lies ahead in India. In the first place, peace and prosperity are, in this modern world, indivisible; war and depressions cannot be segregated, so the peace and welfare of one-fifth of the human race who live in India are the concern of everyone. In the second place, India will soon be eligible for equal partnership in the British Commonwealth. All of its members must be interested in knowing something about their new colleague.

The Past

India is not a new country, but a very old one, with a civilization as old as, if not older than, China's. India's past has never been merely barbaric like Africa's, never merely the story of nomads and hunters like the North American Indians, never superstitious and bloody like the Incas and Aztecs.

Long before Athens or Rome were heard of, there was a settled urban civilization in the Indus Valley; Hindu civilization was at its zenith when Europe was in the dark ages; as late as the sixteenth and seventeenth centuries the Mogul Emperors at Delhi were the equals of Elizabeth of England, Philip of Spain or Louis of France. Up to that time, India had often been ahead of Europe. Then two things happened. The first was the breaking up of the Mogul Empire, which was followed by nearly a century of such disorder and anarchy as India had scarcely known before. The second was the Industrial Revolution in England and the West. The first threw India back, the second pushed England forward; for the first time in history, Europe was well in advance of India. The 150 years since the British stepped into the shoes of the Mogul Emperors will be seen by the historian of the future as a period during which India was being nursed back to health and being gradually prepared to resume her old place in a new world. The process is now over and India's approaching self-government

EDITOR'S NOTE: Sir Frederick Puckle is a British civil servant with a distinguished career in the Indian administration.

marks the fact. It is not a new country but an old country reborn that we hope soon to welcome into the British Commonwealth.

India will not be ill-equipped to play her part in the world. Her people have learned to appreciate liberty under the rule of law; they have a common language, English, for politics, trade, scientific research and higher education; they have gained experience in the working of representative institutions. The country is far better equipped with what may be called the material apparatus of a modern state than any other country in Asia and many countries elsewhere. There are many countries, claiming to rank as modern states, which may envy India her system of rail and road communications, her telegraphs and telephones, her public buildings and utilities, her huge system of irrigation. These are the fruits of three generations of internal peace and sustained cooperation between Indians and British, and they are the property not of foreign investors but of the Indian Government and people.

Economic Problems

Like many other countries, India has two problems, political and economic. Public opinion often seems to ignore the second and to see only the first: give India "freedom" and all will be for the best in the best of all possible worlds. This is illusion. Political freedom, or self-government or independence, whatever word may be preferred, of itself solves nothing. It merely sets the stage for the performance of the play. For nine Indians out of ten the problem of how a man is to live, is more important than how he is to be governed. The economic problem in India may be summed up quite shortly: too many people and too little money. The population, which is now 400 million, has quadrupled since 1800. It is increasing at the rate of about six million a year and the pressure on the means of subsistence is dangerously strong. The result of this is a very low standard of living and widespread mal-

nutrition and disease. A further result is a low taxable capacity which means that governments in India have insufficient funds for education, health services and the like. The problem is how to raise the standard of living and with it the taxable capacity.

There are two remedies, the expansion of industry and the improvement of agriculture. Indian industry has made good progress during the war. The country has respectable enough natural resources to support an expanded industry. There is plenty of labour and plenty of aptitude for acquiring industrial skills. There is more capital, both in savings and in foreign credits, than there has ever been. With some assistance from outside, from Great Britain and the United States for instance, in the way of technical experts, there is no reason why Indian industry should not expand. A recent scheme suggested that India's industrial capacity could be increased three-fold in fifteen years. That would be a great advance. But while the number of people employed in industry would be increasing from five to fifteen million, the total population would be increasing by nearly one hundred million. Obviously, therefore, the expansion of industry alone will not solve the riddle of how to give every Indian a better living.

We must turn to agriculture on which 85% of India's population depends. What is required is more irrigation, more manures and fertilizers, better implements, better seed, better animals and a better system of land tenure. None of these objects are unattainable, but reforms of Indian methods of animal husbandry and of the Indian system of land tenure at once come up against the opposition of religion and custom. The Hindu reverence for the cow, which forbids the destruction of useless, diseased or inferior animals, is a great obstacle to proper animal husbandry, while the present system of land tenure, which results in the excessive subdivision of fields, is rooted in Indian custom. To tackle either problem is impossible except

for a government which either is prepared to ignore religion and custom or is popular enough to carry the people along with it. Such a government could only be a government composed of Indians and followed so enthusiastically by their fellow Indians that it could either dare to brush aside conservatives and traditionalists or hope to convert them to new ideas.

Political Problems

Because India is ready and eager to control her own destiny, because such a development is in accordance with the spirit of the times, because it is the logical outcome of years of training in the art of self-government, because, lastly, Indians' economic and social problems are such as must be tackled by Indians themselves, Indians are about to take over the full management of their own affairs. British policy in this regard was announced in 1942, in what is generally known as the Cripps Declaration. It can be summed up briefly as follows: it is the desire and the intention of the British Government, Parliament and people that there should be no limits to the extent to which Indians should control their own affairs, under a constitution of their own devising, as a Union of India if possible, within or without the partnership of the British Commonwealth as they may choose. There is no longer any doubt whatever about what British policy is.

But is one thing to lay down a policy and another to put it into effect. A way has to be found by which Indians can, in the words of the Atlantic Charter, "choose the form of government under which they wish to live." Here difficulties arise because, though Indians are united in the desire to govern themselves, they differ acutely about the way in which this is to be done. The difference of opinion arises out of circumstances which are not peculiar to India, the existence in the country of majority and minority communities. The majority community in India is the Hindus, about 250 million;

the principal minority community is the Moslems, about 90 million; there are also some eight million Christians, six million Sikhs and 25 million Aborigines. The major problem is to reconcile the conflicting views of Hindus and Moslems.

The political line between Hindus and Moslems follows the religious line of difference. But it is not really a fight for the victory of one religion over another. It is to some extent a struggle of different cultures, but it is fundamentally a fight for political power and for the economic security which the possession of political power can give. Economically the Moslems, as a community, are in much the weaker position. Hindus almost monopolize big business, banking, moneylending and insurance and have great superiority in all other branches of trade, commerce and industry. They dominate the learned professions, law, medicine and teaching; they hold the majority of official posts under government. As long as political power rests ultimately in the British Parliament, Moslems are at any rate assured of equal treatment, they are free to try to improve their economic position. But British authority is to pass to Indian hands, and that, under the arithmetical theory of democracy, means to Hindu hands, since Hindus outnumber Moslems by three to one. Hence ever since, about 30 years ago, it became obvious that self-government was the logical outcome of British policy, Moslems have been becoming more and more alarmed about their future and the gulf between them and the Hindus has been widening.

The Hindu platform is a Union of all India, which means the political dominance of the Hindu majority. This is a perfectly understandable aim and no one can blame Hindus for working for it. In the coming elections, Independence and Union will be the slogan of the Congress Party, which is the most important political organization of the Hindus (though it has some Moslem and other non-Hindu members). The Moslems,

on the other hand, in order to secure their future position, have adopted what is known as the Pakistan theory. Moslems, they claim, are not merely just another kind of Indians, they are a separate nation, with different religion, language, customs and personal law; as a separate nation they are entitled to self-determination within those parts of India in which they are in a majority and which they claim as their "homelands;" they are entitled, if they wish, to separate from Hindu India, taking their homelands with them, and to set up a separate Moslem state, which they call Pakistan. From the Moslem point of view, the aim is understandable and natural, and in the coming elections the Moslem League, the most important Moslem political organization, will try to rally all Moslems behind it to the cry of "Pakistan and the League your only representative."

Road to Self-Government

How are we to reconcile these two conflicting aims, Union and Separation, United India or Pakistan and Hindustan? The British suggestion is this: let a constitutional convention of India, chosen by Indians themselves and representing all parties, be called together to try to decide upon a new constitution which all can agree upon. If agreement proves to be impossible, then let any province or state in India, which is unable to accept the constitution adopted by the majority, be free to stay outside the Union of India. Whichever way the decision goes, Britain is pledged to accept it and implement it at once. In this way, firstly, an opportunity of coming to an agreement is offered; secondly, no minority need be afraid of being coerced into some constitution to which it objects; thirdly, lack of agreement will not delay Indian self-government, for if Indians are unwilling to go forward to freedom together by way of a Union, they can go forward separately by way of Pakistan and Hindustan, two completely self-

governing countries, within or without the British Commonwealth as they choose.

The programme suggested by the British Government is to hold new elections to the eleven provincial legislatures and to the central legislature during the coming winter. There will then be discussions between representatives of these legislatures and the Viceroy on the method of setting up a constitutional convention and on its procedure. This settled, the convention will be summoned. If all goes well, it should be sitting before the end of the summer of 1946. From its deliberations there will, it is hoped, presently emerge a plan for a Union of India or, failing this, some agreement about how India can be divided into separate states. This method is one which is familiar to Canadians; it was by consultation and mutual agreement that in 1867 a united Canada was created. The Canadian problem was solved because the minority in Quebec were satisfied that their culture, religion and political and economic interests would be secured in the new constitution of Canada. In the same way, the minority in India must be assured, or else there will be no Union of India. In the nature of things, it is the majority which must give these assurances.

The proposed procedure calls for a settlement by agreement. Mr. Nehru, the well-known Indian leader, has himself stated what the alternatives to this are: an enforced settlement, civil war, or arbitration by some international tribunal. Of these, it may be said that the first two both involve the use of force to compel all, or some, Indians to accept a form of government to which they object; arbitration would only be useful if all Indian parties concerned were ready to ask for it (and there is no sign of this) and to pledge themselves to accept the outcome. It seems obvious that the search for agreement should be pursued as long as there is the faintest hope of finding it. It seems inevitable

(Please turn to page 50)