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COUNCIL OF STATE.

Wednesday, 8th April, 1936.

ADDRESS BY HIS EXCELLENCY THE VICEROY TO THE MEMBERS OF THE COUNCIL OF STATE AND THE LEGISLATIVE ASSEMBLY.

HIS EXCELLENCY THE VICEROY: Mr. President and Gentlemen: It is not my intention this morning to give you any detailed account of the work done by Government during the past year. My purpose is as shortly as possible to show you that there has been considerable and satisfactory development and progress in all branches of our administration during the past five years and to give you my hopes for the future of India. But before doing so I must ask you to bear with me for a few moments while I say something of a very personal nature.

I think you may imagine my feelings as I stand before you all this morning on this, the last occasion that I shall have the privilege of addressing Honourable Members of our two Legislatures; for in a few days I shall be giving up my official life amongst you with all its engrossing interest and occupation: I shall be digging up roots which during the past 23 years have grown down very deep, for I have learnt in these years to have a heartfelt and abiding regard and affection for India, her Princes and her people. I shall leave you with feelings of the deepest sorrow and regret, but alas! with the knowledge that the age-limit has been reached and the time has come for my departure.

But there is one incident in my life here which has caused me some distress, and as it refers to a matter connected with the Legislatures, I feel bound to mention it to you before I go. I regret extremely the calculated discourtesy that has been shown me by Honourable Members who represent the Congress party, when I have come here as His Majesty the King-Emperor's representative to address the Assembly or have in that capacity sent messages to be read to the House. I am sure that this action on the part of Congress Members has met with the disapproval of every loyal citizen of India.

Apart from this, I shall leave you when I go with feelings of the deepest gratitude—gratitude for the many friendships made on sound and sure foundations—gratitude for the trust and confidence you have placed in the sincerity of my desire throughout my life here to work for the highest interest of India—and I profoundly hope that, when I am gone, even those who have most objected to my every administrative action may find in the future that my labours have been for India's good.

[His Excellency the Viceroy.]

Yes, I shall look back on a long life in India with constant memories of all its joys and sorrows, its failures and successes, its work and play, and shall always be grateful to India for having given me this wonderful opportunity of doing what I hope may prove to be useful service for my Sovereign, for India and for the British Empire.

Before going on to speak of the situation in India itself, I must say a few words on the state of affairs outside her borders. I am glad to feel that during my term of office the relations between the Government of India and the countries which lie on India's frontiers have been peaceful and friendly. If there have been some incidents on the Frontier for the solution of which Military operations have been necessary, I can still claim that progress has been made towards the establishment of more settled conditions in this area. If, as I hope, our present policy of gradual penetration by consent and negotiation is quietly and consistently pursued, I do not doubt that my successors in this high office will find the frontier problem far less troublesome in the future than it has proved in the past.

There is another aspect also of our external affairs, which has been mentioned regularly in almost all my addresses to Honourable Members, namely, the position of Indians overseas. It is a subject which arouses the keenest interest throughout India as touching national self-respect; it is a subject on which all sections of non-official opinion, both inside and outside the Central Legislature, are equally and, if I may say so, rightly sensitive.

It is not my purpose today to recapitulate, in detail, the issues affecting Indian interests that have arisen during my term of office in different parts of the British Commonwealth of Nations, the steps that my Government have taken to protect those interests, or the outcome of those efforts. The spokesmen of my Government in both the Houses have, from time to time, stated what we have striven for and what we have achieved. If success has not always been equal to our expectations, it has not been for want of earnest and strenuous endeavour. And, let me add that the powerful support of the Secretary of State for India has, throughout my five years of office, been unfailingly and whole-heartedly given to our advocacy of the Indian cause. Unanimity between Indian and official opinion has happily been the keynote of this particular chapter of our history. May this always be so. To men of my own civilisation, throughout the Empire, who influence opinion or guide policy I venture to make an earnest appeal. That splendid political organisation, the British Commonwealth of Nations, in which we all take just pride can endure only if all its constituent parts have faith in one another. The measure of the permanence of their mutual association will depend on their mutual contentment. India has the pride of an ancient civilisation. She is, therefore, quick to resent any kind of discrimination against her sons and daughters who have settled in other parts of the Empire. She is confident of a future destiny, no less glorious than her past and, therefore, impatient of delay in the removal of disabilities on Indians where these exist. Equality of status is their due; its progressive realisation is the aim of the Government of India and, if I may say so, an obligation on all statesmen throughout the Empire who desire its solidarity. I am confident that, in the pursuit of their aim, the Government of India

will never falter. May those whose obligation it is to ensure its speedy fulfilment be given the vision and the strength to work for prompt and generous fulfilment of their duty.

Here in India itself, among the questions which have given me and, I am sure, all thoughtful men increasing concern is that of the unemployment and distress prevailing among many of our educated young men. Our colleges and schools are turning out in immense numbers men who seek employment, particularly in the professions, and fail to obtain it. The matter has received attention from a considerable number of Committees, but I do not think I am indulging in any invidious comparisons if I say that the report recently published by the Committee which sat under Chairmanship of Sir Tej Bahadur Sapru carries us nearer than any previous report to the heart of the question.

While opinions will naturally differ regarding the wisdom and the probable effect of the remedies which should be applied, I believe that the main lines along which this great problem must be tackled are becoming increasingly clear. "Demand and supply" is a phrase which brings for many rather unpleasant suggestions, particularly when it is applied in the human sphere. We must resolutely set our faces against any idea that human lives and souls can be regarded as a commodity. But if we are to achieve anything in our assault on this problem, we must begin by facing facts, however unpleasant they are, and we must recognise that we have here a supply of young men for whose services there is no effective demand. No solution therefore can succeed which does not adjust the immense disparity which, as all are agreed, exists at present.

There are two possible methods of adjustment in such a position: we can adjust by attention to the demand and we can adjust by attention to the supply. I believe myself that we should do both, but I should be failing in courage if I did not say that the main emphasis will have to be on the adjustment of supply. No adjustments of which I can conceive will provide all those who are now seeking employment with Government jobs, professional careers or responsible posts in industry. Whatever changes you introduce, even if these changes are of an almost revolutionary character, you will not create a society capable of giving the increasing stream of academically educated men posts of the kind to which, having regard to the sacrifices and efforts they have made, they feel themselves entitled to aspire.

There has been a tendency to look to industrialisation for a solution. I am in full sympathy with those who seek the development of our industries. Here the period of my life that has been spent in India—a fleeting moment in the ages of India's history—has seen a tremendous advance. I hope that the years to come will carry it far further. But do not let us deceive ourselves or our young men with the hope that developments along this line will absorb the present output of our schools and colleges in responsible positions. To anyone who cherishes that hope, I suggest that he should try to frame an estimate of the number of men from our colleges who have such posts today. He will then be able to judge of the number of such posts that will be provided by expansion—on any scale he likes to choose—and I believe that he will be surprised at the result.

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So I come myself to the conclusion suggested by the Sapru Committee's Report that unemployment has to be tackled at the source. This does not mean that we must abandon the efforts to increase the sphere of employment. Far from it; these efforts must be pursued and increased. But efforts to expand the professional and industrial spheres do not touch the source of the evil. That lies in a system which diverts the energy and enthusiasm of the young into channels which, too often, end in the desert. If this growing evil is not to overwhelm them—and us—the educational system will have to be adjusted to bear a much closer relation to the needs of the country. Many still lack the elements of education while others are assisted and encouraged to go on in directions which, as they discover too late, end in disappointment and frustration.

It is fortunate that educationists, who are disturbed by the congestion which is caused in high schools and colleges by the presence of large and evergrowing numbers of pupils and students who are ill-fitted to receive a purely literary form of education, have been thinking and planning along similar lines. The Central Advisory Board of Education has examined this vital matter in some detail and has stressed the importance of dividing up the school course into a number of stages, each with its own clearly defined objective. A strong lead has thus been given, and I earnestly hope that that lead will be followed up by Local Governments with whom the main responsibility for educational reconstruction lies. In the colleges you must demand quality rather than quantity; for in every society, be it as democratic as you like, the progress and welfare of the State depend to a remarkable degree on the few men that are called to leadership, and it is of the utmost importance that these should receive the best training you can give.

This problem of unemployment is probably only part of a larger problem—that presented by the rapid growth of population, and there again my last word must be that in my opinion India is faced with the choice between quality and quantity. Numbers do not make a nation great; and in India you must struggle, not for abundance, but for fulness of human life.

I have said that I fully sympathise with those who seek the development of Indian industries. But India is predominantly and by nature an agricultural country, and I have therefore always been anxious to do everything possible to develop the science of agriculture in this country. To this end the Imperial Council of Agricultural Research has continued to forge ahead with its task of initiating, promoting and co-ordinating research which has for its object the improvement of the efficiency of the cultivator and an increase in his earnings. The value of this central organisation has now been established beyond doubt.

It is a matter of special gratification to me that it has been possible to continue the beneficent work of the Imperial Council of Agricultural Research even during a period of financial depression. The special allotment of thirty lakhs which we have been able to make this year from the Rural Development Fund will enable the Council to go ahead with some important schemes of research which would otherwise have been held up.

During the five years that I have held the high office of Governor-General of India the policy which I and my Government have followed in

one sphere of our administration has been severely and persistently criticised. We have been attacked for the policy which we followed to maintain law or order, or, to use an equally well-known and also more suitable phrase, to prevent any grave menace to the peace and tranquillity of India. But when you give your verdict on my stewardship, I would ask you not merely to repeat the catchword of "repression", I would ask you to compare India as it was in 1931 and 1932 and India as it is today. I claim that it is more peaceful, and as a result of greater tranquillity, more prosperous and happy than it has been for many years. Let us look back for a moment, what were the conditions in those black years, 1931 and 1932? In Bengal numerous serious terrorist outrages had created a very difficult and dangerous situation, a situation far worse than on the previous occasions when terrorism had caused the gravest anxiety to us all. I expressed the hope, when I first addressed the Central Legislature in September 1931 and on another occasion a year later when I again had before me a long list of serious terrorist crimes, that all those who had their country's welfare at heart would not let any feeling of sentimental sympathy blind them to the dangers of this movement but would give their active support to Government in their efforts to counter it. I can claim, I think, that those hopes have been realised and that my plea for support did not fall on deaf ears, for there has been no serious outrage in the last six months, though certain incidents go to show that the movement and the spirit behind it still persist.

There can be no more distasteful task than that of ordering boys and young men to detention in camps and jails, but I can assure Honourable Members that the most scrupulous care is taken by the responsible authorities to ensure that no orders are passed on mere suspicion, but always after the most careful enquiry. No one can regret more than I do the necessity which forces us to continue to deprive a large number of young men of their liberty, but I should have failed in my duty to India if I had agreed to any relaxation of our policy or to any action which would lead to a revival of this sinister movement.

Then again we must look back to those days in 1932 when Congress, after a period of intensive preparation, re-opened the civil disobedience campaign, and I and my Government had to use the full resources of the State in fighting and defeating a movement which would otherwise remain as a perpetual menace to orderly government and individual liberty. We can claim that we have had ever-increasing support from the general public, and it has become generally recognised that sterile methods of negation and obstruction do not conduce to the well-being of India or its constitutional advancement. We can claim also that, as soon as the movement was suspended, we were not slow to relax our measures or to remove the ban on associations which had been declared unlawful. I also took the earliest possible opportunity of giving members of the Congress party an opportunity of entering the Central Legislature. But apart from the black months or black years when terrorism or civil disobedience were rampant, there have been other times of crisis and anxiety. There have been times when communist propaganda and the activities of Moscow trained communists became dangerous, and we have had to take action which has, I think, been effective without being unduly drastic, to prevent the spread of this movement. There have also, to my deep regret, been times when communal disputes have burst out in different parts of the country, and during recent months the situation in

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the Punjab has caused us all grave anxiety. But there has been a marked improvement in the situation during the last few weeks, and I take this opportunity of thanking those leaders who have succeeded in persuading their followers to drop all unconstitutional methods and to strive for the settlement of the dispute by legal and peaceful means. It is my earnest prayer that their efforts will meet with success, and I should rejoice to hear of a final settlement of this dispute by the restoration of complete peace and good-will in that great province.

In India's economic history also the past five years have been an eventful period, and it is manifestly impossible for me within the compass of this address to attempt anything in the nature of a comprehensive review. I shall content myself, therefore, with referring to a few of the more important happenings during my time of office.

India, like other countries of the world, has been called upon to face the most severe and most prolonged trade depression of modern times. The strain upon her economic fabric has been great and it is testimony to its inherent strength that she has weathered the storm without recourse to those remedies of despair which have, in so many countries, added to the difficulties of international trade and retarded its recovery.

I would not have you think that I am over-complacent or over-optimistic. It is now generally recognised that so far as the sterling group of countries are concerned, a definite movement towards economic recovery has been in progress for some time past. Hopes have been disappointed in the past, but the present improvement has persisted for a longer period and has, on the whole, shown greater vitality than any of its predecessors. India as a member of the sterling group is sharing in this recovery. Our most recent trade statistics show a welcome and marked increase in our export trade and in our balance of trade in merchandise. The progress may as yet be slow, but accompanied as it is by an improvement in the level of prices, a readjustment of the disequilibrium between agricultural and industrial prices and a marked increase in industrial output, it is such as to justify our confident hope for the future.

Within a few months of my arrival in India I was faced with the unpleasant fact that, despite the measures already undertaken in March, 1931, the progress of the public revenues for the year 1931-32 gave increasing evidence of their falling very considerably short of the expenditure. The surcharges imposed in September, 1931, together with heavy retrenchments in expenditure ordered in the latter part of the year, sufficed to produce the necessary balance in the budget essential to preserve India's credit. The retrenchment measures then undertaken, including the very considerable reduction in military expenditure, have been substantially maintained.

Since that critical year a budget surplus has emerged and, so far as the public revenues provide an index for the purpose, India has happily seen the worst of the depression. The surplus has been used to redeem the pledge to restore the cut in pay, to provide means for the Provincial Governments to undertake measures of rural development, to give direct relief to certain Local Governments, and to reduce direct taxation. I am glad that it has been found possible to proceed another step in this direction in the last year of my office. But with the inevitably heavy

liabilities ahead inherent in the introduction of a new constitution, it has been essential to proceed cautiously in this matter. The Provinces are looking to Central Revenues for relief. We await, not without some apprehensions, the recommendations of Sir Otto Niemeyer to this end. If the future of the Railways could be made more secure—if the necessary element of co-operation in their success were recognised by the Provinces—the Government of India and the Provincial Government should, I anticipate, be able to face the financial problems ahead with some confidence.

An important contributing feature of the improvement in the position of the public exchequer has been the fall in interest rates. Whatever views may be held of the significance of this matter—and clearly the improved position in regard to law and order has had a marked effect on public confidence—the fact remains that since 1931 the cost of government (including in this term the provinces, the railways and the central civil budget) has been reduced in this respect by no less than 8½ crores per annum of which 3½ crores represent a drop in our annual foreign obligations. And in view of the public apprehension expressed when the contrary process was taking place, it must be a subject of gratification to some people that whereas the price of 3½ per cent. Government paper was 53 in September, 1931, it now stands not far short of par. This improvement in the credit of the holders of Government securities and the prevailing low interest rates are conditions favourable to India's being able to take advantage of any turn of the tide.

The Government itself has managed in recent years to convert its liabilities into comparatively cheap issues of reasonable maturities, it has been able to consolidate a large portion of its former floating debt, it has reduced the proportion of its foreign obligations, while through the agency of the Reserve Bank, India has greatly strengthened its foreign assets.

When, on the very eve of the introduction of the new constitution, I turn to survey the improvement in the public finances of India during the past five years and the undoubted return of confidence, I experience fewer regrets than I might have done—and indeed, I confess, than at times I have done—in the fact that I have had on occasions to use my special powers to achieve some of these results. Many governments in the world must envy the financial position of the Government of India in the year 1936, and although the recent budget clearly did not satisfy all your aspirations—what Budget ever did?—I confidently believe that the future Federal Finance Minister of India will whole-heartedly applaud our determination to maintain the financial stability and credit of this country.

As I address you for the last time my memory is, as I have already told you, full of the experiences of my long stay in India. My thoughts run back over the succession of varied events during these years. Yet even more cogent now are those personal sympathies and political principles which impel me to draw aside, if I can, the veil concealing the future; for India stands on the very threshold of a momentous change, and I, though I leave you, shall ever be concerned to know how Fortune deals with you.

> " In nature's infinite book of secrecy,
> A little I can read ".

I see just across the threshold selfreliant provinces, receiving from the Crown great authority, equipped with wide power, each, under the Crown,

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master in its own house, managing its own affairs, promoting and stimulating its own activities to ends congenial to the tastes, sentiments and condition of its people.

I see the growth of a new political spirit—indeed its stirrings are even now apparent—in whose expanding influence communities will no longer "war within the bosom of a single State"; but men, differing it may be in political interest, will agree in desiring above all the good of their country and the general well-being of their fellows.

I see, but perhaps in a less immediate focus, a Central Government, not the result of a compact of contracting provinces, but exercising by direct devolution from the Crown full authority for those matters of all-India interest, which are—some of them as necessary for the well-being of India as any provincial matter, and others vital to India in a degree to which no provincial matters can attain;—a Central Government left in no uncertainty of its powers in its field, but possessing a jurisdiction precedent to that of all governments in India and an executive authority protected in the fullest sense against encroachment or challenge;—a government supported by the obligation laid upon provinces to avoid all impediment or prejudice to the exercise of its executive authority.

I see developing a jurisprudence based more and more firmly on the broadest philosophical conceptions of the nature of law, and reaching out hands to all vivid schools of legal learning throughout the world. For the Federal Court will interpret the constitution under which you will live. It will elucidate the true character of legislative power. It will adjudicate between disputing governments. It will determine the legitimate scope of the various legislative organs in India. In so doing it will itself explore and will open to legal thought in India a new range of juridical ideas and a more intimate search into the bases of public and private rights and liberties.

Other figures too loom upon my gaze, but I would leave you with the general picture of great problems demanding solutions, wide powers of the Crown entrusted to you, onerous responsibilities laid upon you, and a growing spirit and capacity which will enable you to surmount all difficulties.

Fortunate are they who will join with you in realising this inspiring future, and my every good wish attends the distinguished statesman who will so soon assume the burdens of the great office which I, with many grateful memories, shall regretfully lay down.