

COCHIN AND FEDERATION

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Cochin and Federation.

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About 16 years ago, in August 1917, the late Mr. Edwin Montagu, the then Secretary of State for India, made, in these terms, an announcement to the House of Commons: "The policy of His Majesty's Government, with which the Government of India are in complete accord, is that of the increasing association of Indians in every branch of the administration and the gradual development of self-governing institutions with a view to the progressive realisation of responsible Government in India as an integral part of the British Empire." To decide the steps to be taken in this direction, Mr. Montagu visited India to have a free and informal talk between those in authority in England and in India, to consider with the Viceroy the views of local Governments, and to receive with him the suggestions of other bodies and individuals.

Montagu-Chelmsford Reforms.

The Montagu-Chelmsford Report, signed in 1918, is a result of this joint deliberation. It spoke of the afore-said announcement as 'the most momentous utterance ever made in India's chequered history.' It has to be remembered that

its terms were settled by a Coalition Cabinet. It was not challenged by any party; and when, as a result of the recommendations of this report, the Government of India Act was passed, its preamble reproduced the main characteristics of Mr. Montagu's declaration. Though this Act does not take in the Indian States, it will not escape the notice of even a casual observer that the changes which it has brought about have not failed to affect them, and are likely to affect them still more with the passage of years. It was this apprehension that brought the Chamber of Princes into existence.

Simon
Commission.

The Montagu Reforms, under which, more or less, the present system of Indian administration is carried on, foreshadowed a periodical revision of the constitution which they brought into being. In pursuance of that policy and because of the insistent demands of Indian politicians, the Statutory Commission on the Constitution of India was appointed in the November of 1927 under the Chairmanship of the Rt. Hon. Sir John Simon, a great lawyer and statesman. The Commission was charged to report "whether, and to what extent it is desirable to establish the principle of responsible Government, or to extend, modify or restrict the degree of responsible Government existing therein." The Simon Commission submitted its *Survey and Recommendations* in the May of 1930. The main changes suggested in its

report are 'federalism in the centre and autonomy in the provinces.' It permits the Indian States to join in the federal scheme as and when they deem desirable, without prejudice to 'the privileges, rights, and dignities', assured to them by the British Crown by 'proclamation, treaty and engagement.' The federal idea, it has to be remarked, is not solely the creation of the Simon Commission; for, 12 years before it, the Montagu-Chelmsford Report prophesied the future Indian Constitution to be one 'presenting the external semblance of some form of federation.'

In the meanwhile, as an auxiliary to the above Commission, the Indian States Committee ^{Butler} _{Committee.} was appointed, in the December of 1927, with Sir Harcourt Butler, a distinguished administrator, as Chairman, to report on the relationship between the Paramount Power and the Indian States and the needed adjustments in the financial and economic relations between British India and the Indian States. Early in 1929, that body submitted its report. This Committee cautiously remarked that there was nothing in their proposals 'to prevent the adoption of some form of federal union,' but they advised that the Viceroy and not the Governor-General in Council should be the agent of the Paramount Power in its dealings with the Princes.

What Federation means

Before we proceed further, let us understand what Federation means. We shall not be wrong, I suppose, if we take the word for our present purpose to stand for a 'political union' formed out of a number of Provinces and States, so that each retains the management of its internal affairs, while the component parts of the Union would share with it the control and cost of all measures undertaken for the safety and well-being of the Union as a whole. To put it concisely but clearly, the two important elements of a federation are the autonomy of the individual States and their loyalty to the Central Union. I shall not tire you by tracing the history of Federation or, as Indians will have it, *Samrajya*, 'a collection of States under one Super-State,' from the Vedic times up to modern days. But I think it will be relevant for my purpose to give you two outstanding instances of Federation so as to familiarise ourselves with the mode of its working.

Swiss Federation.

Let me invite your attention to Switzerland, where the federal system originated in 1291. It is not only one of the oldest but perhaps also one of the most stable of federal unions. It is always held up as a model for other lands to imitate; but the only difficulty is, it was doubted by such eminent thinkers as the late Viscount Bryce, the author of that outstanding work on *Modern Democracies*, whether it would work as well in

other countries, covering large areas and containing vast or varied populations. The present Swiss constitution has been in force from 1874. The Union now comprises 29 sovereign States, or Cantons as they are called. The Council of State consists of 44 members, two for each Canton. The National Council, or the Lower House, is composed of representatives of the people, sent there by direct election at the rate of one for every 20,000 persons. The executive authority vests in a Federal Council with the President of the Republic as the Chairman. A reduplication of their referendum is not possible elsewhere; nor is it possible for other countries to have their historical antecedents even though some may claim to possess their pervading sense of public responsibility.

The constitution of the United States, for that is the other one that I wish to place before you, became established in 1787. No doubt there were amendments made to it after that time. The 18th one dealt with prohibition, and the next, and I trust the latest, was on women suffrage. Here, please remember that our very first Council had a Lady member. There, in every State, the legislature consists of two houses; the idea being that, if there is only one chamber, it is likely to be 'hasty, or tyrannical or unscrupulous or all three'; so that, a second chamber is intended as a check

American
Federation.

on the work of the first, and to secure that work from all blemishes of haste. Consequently, the national Government also followed the bi-cameral system. One house, called the Senate, contains the representatives of the States, every State, like the Swiss Canton, being entitled to two, irrespective of its size or population. In 1910, their number was 92. The other, the House of Representatives, contains members elected by the States on a basis of population. Their number in 1910 was 398. The combination of these two constitutes the Congress. Thus, the United States Constitution consists, in the words of President Wilson, "of a Congress exercising law-making power, a President, the only elected officer, charged with the execution of the law, and a Supreme Court determining the lawfulness of what is done by the individuals, by the State Governments, or by federal authorities." In spite of the care and caution with which the American Constitution was framed, and in the face of the enthusiasm evinced by the States in the creation of a Union, the conflict between the State patriotism and the federal patriotism was so acute that it required a Civil War to remove the acerbities and to complete the Union. So was the case in Australia and even in Africa. Nor is this all. To quote the pregnant words of Sir C. P. Ramaswami Iyer, an ardent advocate of an all-India Federation and a practical statesman, "the transcendent success of America in many spheres

of social and national life ought not to blind us to the many difficulties produced by its Constitution, from every one of which framers of new systems may take a lesson and a warning." The weakness of the system has been described in this condensed form: "The Federal Government in the United States lacks strength because its powers are divided, lacks promptness because its authorities are multiplied, lacks wieldiness because its processes are roundabout, lacks efficiency because its responsibility is indistinct and its action without competent direction. Lowell, in fact, has called it a Government by declamation."

If the American system, in actual working, present this pitiable picture, what shall be the fate of the Indian one to be? Indian politicians and bodies competent to pronounce an opinion on the subject, are not without misgivings as to the possible evolution of a satisfactory system of Federation for India. "The inhabitants of the United States," so remarks the report of the Simon Commission, "describes their vast land as a sub-Continent. But that expression is more appropriate to India. A single race and a single religion are dominant in the United States; but, in India, a long history lives to-day in the most striking contrasts, giving rise to all sorts of problems which it will take lives to solve." The Butler Committee disclosed another difficulty in the path. 'Diverse as the States are

Federation
in India.

geographically and historically, they are even more diverse politically.' The States, unlike British India, do not form one political unit. Each has administrative relation with the rest. One outstanding obstacle in the way of Federation is the existence of an overwhelming number of very small States. Out of the 562 States, as many as 454 have only an area of less than 1,000 square miles, 452 a population less than 1,000,000, and 374 a revenue less than a lakh of rupees. There is, therefore, no reason for surprise at the tone of despair sounded by the Davidson Committee Report. "We have found it impossible to make recommendations providing for a uniform distribution of benefits and burdens either between the States and British India or between the States themselves." This Committee, called the Indian States Enquiry Committee, started in the December of 1931, submitted, within the short, phenomenal period of seven months, its report on the financial implications of the States that were to take part in the Federation. "The federating elements" it went on to say "are not homogeneous; they vary infinitely in area, population and wealth; nor do they all stand in the same relation to a common Sovereign In an ideal federal system, there would no doubt be complete uniformity, if not equalisation, of burdens and benefits. But the circumstances in which an Indian Federation has to be created

Davidson
Committee.

are unique.....It is, therefore, apparent at the outset that the ideal represented by the principle of uniformity or equalisation of burdens and benefits is one not likely to be easily attained; and no useful purpose would be served by a refusal to recognise existing facts." But, surprisingly enough, in spite of these facts, the materialisation of Federation has been so made as to depend on the readiness of half the number of Indian States agreeing to participate in it, and the fulfilment of certain financial requisites. The position thus created for the Indian Princes is not a covetable one. Should they show any the slight disinclination to join the federal scheme, that is put forth by one party as a valid ground for postponing its operation; but, in order to avoid the fury of the other side, they have to link their fate with it, they, some of them at any rate, have to do so at the cost of great sacrifice of the interests of their countries. "There is", as Dr. Sir Tej Bahadur Sapru puts it, "a school of politicians in England who think and maintain that the problem of the Indian States is insoluble, and so it presents insurmountable obstacles in the way of Dominion Status for India. Another school in India holds with equal facility that the Indian States are an anachronism, and that the only way of mending them is by ending them." 'The degree of liberty which an Indian Prince demands' vehemently declares Mr. Chudgar

Position of
Indian States

in his work on *Indian Princes* 'is a license to indulge himself in excess.' "They are to be seen" even moderate statesmen are not loath to say "anywhere where enjoyment can be bought with people's money. You go to London, you go to Paris, you go to all fashionable cities, and you meet some Indian Raja or other, dazzling the people of Europe and corrupting those who go near them." These statements may be literally true, or they may be exaggerated. None the less, the veiled threat is there. Before Federation can become a fact, a certain number of Princes have to accede to it, and this sharing will satisfy the financial condition, which is the other pre-requisite of the federal scheme. To this end, appeals are made by British Indian politicians to the patriotism of the Princes; when these hesitate, they suggest that 'it is the voice of the subjects of the Indian States which must now be raised. Else the whole thing will fall through.' And to induce these to do it, they advertise Federation as a panacea for all sorts of princely misrule. One can understand that. But, on critical occasions like the present when great issues are at stake, no party should indulge in threats and irritating controversies. All must approach the problem in a spirit of goodwill and try to get at the realities of the situation. Let us hope that there will be a

welcome absence of a tendency to indulge in re-
crimination, and that there will be a more tolerant
appreciation of each other's difficulties. In any
way, these criticisms do not touch Cochin at all. Cochin State.
For the self-same Mr. Chudgar says "with the
exception of Mysore, Travancore and Cochin,
there is practically no State in which the representa-
tives of the people have any effective voice or
indeed any voice at all in the matter of legislation."
Again, "except in Travancore, Cochin, and in two
or three other States, there are no really representa-
tive assemblies in any State." "Though there
are numerous Hindu principalities in India," said
Sir Sivaswami Iyer from a public platform, "there
are few that can claim to be as well governed as
the Hindu States of South India... The Ruling
Family of Cochin State in particular has main-
tained a tradition of culture and learning seldom
found among Indian Princes in these days." Even
the Rt. Hon. Srinivasa Sastri, an out-and-out
advocate of the Federal Idea, certifies to the
continued good rule in Cochin and of the quali-
fications of that State to join in the Federation.
"A few States only," says he "large enough to
afford scope for their greatest men to rise to their
full stature, a few States only where an honourable
tradition has descended from generation to
generation, for instance, Mysore, Travancore and
Cochin, of beneficent rule, looking to the welfare

of the people, maintaining the ancient *Dharma* according to the best lights — it is only a few of these States that we can conceive of as entering into the future Federation of India.” “The example set by Cochin in the matter of the Civil List deserves to be far more widely copied than has been done so far.” That is the comment of that fearless and far-sighted weekly of the great Gopal Krishna Gokhale. The London *Times*, reviewing the Simon Commission Report, makes pointed reference to Cochin in its leading article. “There are suggestive indications in the course of the present volume of the Simon Report that the best of States are already making progress, by no means incomparable with that of British India in all these directions which tend to political understanding.....The Southern States of Cochin and Travancore head the list with more than double the average for British India (in education, for instance, which lies at the root of political understanding)...There is nothing in the capacity of these peoples or their Princes, any more than there is in their races, religions or interests, why they should not take that share in the common heritage—a solid federal body—in a position of absolute equality with the federal provinces of British India.” And, with your leave, I shall close this part of the subject with the remark of an outspoken and independent local organ which has more than

a transitory importance. "It is a well-known fact that successive Rulers and other distinguished members of the Ruling House have shown that they realise that the Family is held in esteem 'not for pedigree or tradition' alone, but also for the strenuous fights they have fought for the country and for the highest form of public service, for the sympathy with the common lot and for the devotion to the common weal." But, on the other hand, Cochin does entertain the fear, along with other States, of the probable danger of its being relegated in the Federal Scheme to a position of subordinate co-operation with the British Provinces, and the consequent inevitable dwindling into a shadow of its present self or, without power against odds to preserve its individual identity, its final absorption in British India.

Thus it behoves us next to take up the primary question and answer it as best as we can. There I have to pray for your very close attention and your very careful thought. Is it worth while for Cochin to join the all-Indian Federation? And, as a necessary corollary to it, what are the safeguards which, if our State is to join it, we have to demand or to claim in advance? Once it joins, there is no retracing its steps. That is how the scheme stands.

From the way in which I approached the subject of Federation, I am afraid you may have

Cochin and
Federation.

already numbered me as one of its antagonists. May I demur to that view—at least to the extent of fencing it with a protective clause or two. Whatever may be my personal doubts over the step to be taken, however certain I may be that we are not likely to gain much, now or in the long hereafter, by joining it, the ugly fact stares in our face that, if we do not share in it, Cochin will be, like Robinson Crusoe in his desert island, an isolated unit in the far away south of this huge peninsula. It shall be in a worse plight than that unlucky being; for, unlike him, it shall always be, may be for the mere fault of avoiding the federal idea, subject to irritating, external worries, and, for that reason, a source of perpetual annoyance to the Viceroy to whom it will have to look for help for any and every harm done to it by a body of which he, as the Governor-General, will be the presiding head. In a crisis like that, you may take it as a certainty that the unstinted compliments which distinguished administrators, able statesmen and well-known politicians have paid for the high level of culture and the administrative efficiency of the State will not be of much profitable service to it.

We shall, therefore, hasten to consider the conditions under which our State can participate in it; and if, on examination, we find that, unless we can secure them, we shall not be justified in joining it, let us help the Government to give a

decisive answer on this point. Here it is but meet to give the meed of praise which is our Diwan's due for the strenuous fight he has been putting up on behalf of our State. It is not a common platitude that I give utterance here; but I believe I am voicing, feebly and perhaps inadequately too, the grateful sentiments of us all. To say that he has been presenting our case with the same vigilance and fervour as those of a Cochinite will be but scant praise to him; for you and I know that many of our educated countrymen even have not fully realised the gravity of the case nor have they given to it that earnest and intelligent study which the importance of the subject demands at their hands. If this paper will induce them to devote their attention to it, I shall feel that my labours have been amply repaid.

We shall now pursue our theme. On the receipt of the Simon Report, His Majesty's Government thought it desirable to meet both the representatives of British India and those of the States 'for the purpose of seeking the greatest measure of agreement to final proposals' that are to be submitted to Parliament. The Round Table Conference is consequently convened to consider the Indian constitutional problem; and, after further investigation and discussion there to discover the ways and means of converting the present system of rule in India into a Federation of States and

The White
Paper.

Provinces, His Majesty's Government prepared what is well-known as the White Paper, containing their proposals for an Indian Constitution. These, after the careful examination and necessary modification by a Joint Select Committee of both Houses of Parliament, in consultation with Indian representatives, will be embodied in a Bill which, you know, will have to be passed by these Houses before it becomes law and can be acted upon.

Cochin's place
in Federal
Legislature

The Federal Legislature, as in other similar systems, will be, according to the White Paper, bicameral, the two Chambers, except in a few matters, possessing identical powers. The Lower Chamber, or House of Assembly, will, according to the White Paper, consist of 375 members, of whom 125 will be appointed by the Rulers of the States-members of the Federation; and the upper Chamber, or Council of State, will consist of 260 members, of whom 100 will be, as in the other House, appointed by the Rulers of the States that enter the Federation. It seems that the allocation of the 100 seats reserved for the States in the Council will be based on the dynastic salute and other factors, while the 125 seats of the Assembly will be distributed among the States in the main on the basis of population. We think we can safely predict that we shall, even on this ground-work, be entitled to a seat in each. But, apart from that, with the presence of the

Railway and the Harbour, the previous history of the Port and the Port dues and the State's share in the Customs revenue and the unique position which it enjoys among Indian States owing to its ancient history, literacy and other factors, I think, with justice, we can claim at least one seat each in both the Chambers. Cochin *must* have a seat in each of the Chambers. There may perhaps be no trouble there. The main difficulty will, I am afraid, arise on the question of our contribution towards the Federal revenue. Our State is not a very rich State; it has reached its maximum taxable capacity; its progressive administration, therefore, will, hereafter, have to depend, more or less, on her income from the Harbour and the Railway. But, in the allocation of revenues between the Federation and the Units, Import and Export Duties, Contributions from Railways and Major Ports, Income arising from Excise and certain Inland Water-ways, super-tax on profits of companies referred to as Corporation Tax—all these are, in the White Paper, set apart as federal sources of revenue. In this bewildering medley, the only safe and wise course would be to consent to an annual contribution which will bear some fixed proportion to the yearly revenue of the State, and which should not go beyond a settled sum, say two lakhs of rupees. In fixing the rate and the maximum, we have to bear in mind that, except the idea of a fancied solidarity and an

Cochin's Contribution: in the future.

equally elusive vision of a strength which ought to follow union, the State gains nothing by the step it is advised to take by the advocates of Federation. Again, before the proportion and the highest amount are determined, we have also to see that our State is relieved of its inequitable burdens and is justly given its rightful dues.

That in the
past.

Cochin has been paying for a long time a yearly contribution of 2 lakhs of rupees to the Indian Government. This payment is based on the treaties of 1791 and 1809; by the first of which Cochin agreed to pay the Hon. East India Company a certain amount mainly for the help to be rendered to Cochin by the Company for recovering the territories forcibly taken from the Raja by Tippu Sultan, while the payment under the other was for the maintenance by the Company of a battalion of native infantry in this State. Under these two heads, the total amount came to Rs. 2,76,037 which, in 1818, was reduced to 2 lakhs. It is a well-known fact that Cochin was never given any reduction for the non-delivery by the Company to Cochin of the many valuable tracts of land, scheduled in the treaty, and that most of the detachments of the infantry force stationed in the State were withdrawn before 1860, and that no remnants of it were left after 1900. We have both the Davidson Committee and the White

Paper on our side when we contend that this yearly payment must be forthwith stopped. "Travancore, Cochin and Gwalior," says the Davidson Committee Report "supply instances of tributes imposed for the maintenance of a subsidiary force. No unit on entry into the Federation should remain burdened by these exceptional contributions in addition to the contribution which it makes through the incidence of indirect taxation common to all alike." The Cochinites think that they have a right to request that it must be stopped in any case.

The Butler Committee left the Postal Systems untouched; but the Davidson Committee Report, strangely enough, has this remark about the refusal of certain States to give up their own arrangements for the transmission of tapal within their territories. "We regard it as very unfortunate that such a demand—secession from postal unity—should be in evidence on what we believe to be on the eve of India's Federation." Seductive rhetoric like that will not be able to disguise facts. Shall we look at them from the standpoint of Cochin? The Imperial Post Office accounts of 1926 to 1928 (I am sorry I have been able to get at the figures of these years only) show a balance in 1926—7, of-5.17 lakhs and, in the next year, of —29.91 lakhs. The Report clearly states that it cannot accept the claims of States to share in the

Postal
System.

profit, if any, of the department, even though they have to face the deficit of lean years. Our Anchal service has been in existence from 1791 A. D. We have our own Anchal Regulation, our own stamps, our own hundi and value payable systems. Our net balances for the above years are Rs. 6,577 and Rs. 9,523. In 1931-32, the State got a net revenue of Rs. 32,400/ and a gross revenue of Rs. 1,11,000. Apart from the question of this increasing revenue, which is not a negligible item with us, there is the other consideration that this department entertains, on its permanent establishment, 200 and odd individuals. Are these to be disbanded and left to shift for themselves along with the families that depend on them on the eve of the Indian Federation? Where will then be the fixity of tenure in service which Lord Irwin has rightly emphasised as one of the essentials of good administration? Thus the retention of our Anchal service is to the State something more than owning what the Davidson Committee is pleased to call "a privilege of a political or sentimental nature rather than an immunity to which a cash value could be attached." I am here reminded of a sentiment of the great Lord Morley who on one occasion said, "To seek measure, equity, and balance, is not necessarily the sign of a callous heart and a mean understanding. For the thirst after broad classifications works havoc with truth; and to insist

upon long series of unqualified clenches only ends in confusing questions that are separate, in distorting perspective, in exaggerating proportions, and in falsifying the past for the sake of some spurious edification of the present."

In the matter of Railways and certain other subjects classified as federal, Cochin fully supports the view, advanced by the States' members of the Committee appointed by the Third Round Table Conference, that the States do not intend to give plenary powers to the Federal Government but to cede legislative jurisdiction only to the extent to be specified in their Instrument of Accession. The Memorandum of the Diwan of Cochin to the Joint Committee on Indian Constitutional Reforms further urged that, where civil and criminal jurisdiction over Railway lands has been ceded by States, it should be restored to them, a contention which has the support of the Butler Committee Report which recommends that 'States should be given back all jurisdiction criminal and civil, on this term that the States possess proper machinery for the administration of justice.'

Here, permit me please to digress for a minute to explain what is meant by the Instrument of Accession. That is the deed by which a Ruler of a State will transfer to the Crown for the purpose of the Federation his powers and jurisdiction in respect of those matters which he is

willing to recognise as federal matters. Dr. A. B. Keith, in his work on the *Laws of the Empire*, remarks "it is important to note that the relations of the native States are essentially with the British Crown and not with the Indian Government. It is clear that it is not possible for the Crown to transfer its rights under a treaty without the assent of the native States to the Government of India under responsible Government." "In My former Proclamation," so runs the 1921 Proclamation of His Majesty the King-Emperor; "I repeated the assurance, given on many occasions by My Royal Predecessors and Myself, of My determination even to maintain unimpaired the privileges, rights and dignities of the Princes of India. The Princes may rest assured that this pledge remains inviolate and inviolable." That is why the deed of transfer from the State is to the Crown. The powers and jurisdiction of the Federation in the case of participating States will be strictly confined to the terms of the Instrument of Accession. The States out of the Federation and, except to the extent of the transfer, the States acceding to it, will maintain, as heretofore, relations with the Viceroy as representing the Crown and not with the Crown as represented by the Governor-General, who will be the executive head of the Federal Government. There will be no compulsion on any State to join the Federation; nor any penalty will be visiting it for a refusal to take part in it.

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Before this necessary digression, I was dealing with Railways. Now I have to take you through one or two other matters before we come to the all-absorbing subject of the Cochin Harbour. They are dealt with by the Diwan in the Memorandum referred to above in his brief but inimitable, illuminating style. I shall follow that document as far as the nature of my paper will permit. The subjects are:—(1) Maritime Customs, (2) Corporation Tax, (3) Salt, (4) Inland Water-ways passing through two or more Units, and (5) Shipping and Navigation on Inland Waterways. With the first of these I shall deal last.

The White Paper provides the Federal Government with the power, after 10 years from the commencement of the new Constitution, to impose and collect Corporation Tax. Cochin regrets it cannot agree to this proposal, nor to any claim to direct taxation by the Federal Government. For one reason, this proposal will result in an inequitable distribution of taxation, as, with this imposition, some areas will have to contribute large sums to the Federal Exchequer, while others will have to pay little or nothing. In the light of the present policy of the Indian Government to stimulate indigenous industries by raising the Customs duty on articles imported, there will be a fall in the Customs revenue of the State, on which it will have

to a large degree depend for its progressive administration. This loss can be compensated only by this tax on new industries for the starting of which there are very favourable facilities in Cochin. The effect of the White Paper's proposal will be to decrease the Customs revenue of the State, to deprive it of the whole of the proceeds of the Corporation Tax, and to leave it to find the deficient funds necessary to carry on the general administration and also to meet the additional expenditure which the establishment of new companies and development of the port will involve.

Salt tax

Cochin will have no objection, if it is found essential, to adopting Federal legislation regarding the rate of the Salt tax to be levied in the State, provided the proceeds of the tax, which form an important part of the State's revenue, are permitted to be retained by the State. Even the Davidson Committee's Report has worked out the annual worth of this article to the State to be Rs. 4,66,576, an amount which it could ill afford to forego.

Inland
Waterways.

The authority to legislate for Inland Waterways the White Paper lays down as exclusively Federal. In spite of the presence of a network of good, metalled roads in the States of Cochin and Travancore, and of the Railway and motor vehicles, the rivers and backwaters still form one of the main channels of communication and of trade. At

present, laws to regulate traffic and the plying of boats in the Inland Waterways, when required, are passed expeditiously by the States themselves. Were the power to legislate given to the Federal body, considerable delay without any corresponding advantage would be the only outcome of that procedure. Similarly with reference to shipping and navigation there. It is, therefore, advisable not to make any deviation from the present course; at any rate, the Units should have concurrent powers with the Federal Legislature to make laws on the subject.

Next comes Maritime Customs. The White ^{Maritime} Paper, without any reserve, appropriates Maritime _{Customs.} customs as a source of Federal revenue, even though the Federal Finance Sub-Committee appointed at the third session of the Round Table Conference observed that existing treaties and agreements on this subject ought to be fully respected, and recommended that Maritime States could retain at least "the value of the duties on goods imported through their Ports for consumption by their own subjects." The Sub-Committee consider this income an 'immunity' or 'privilege' which the Maritime States own while it is denied to the Inland States and Provinces of British India. If this is to be treated as an immunity or privilege, a position to which Cochin does not

subscribe, what about the large expenses, what about the untold discomforts, that arise out of the proximity and maintenance of Ports and from which inland areas are immune? When every Committee that sat to consider the financial aspect of the Federation, and almost all great men who devoted any thought on the subject are agreed that it is impossible to equalise the burdens and profits of the several Units to the Federation, why should the Maritime States be penalised by dispossessing them of an income which is legitimately their own and on which they have to depend to carry on their administration? In the case of Cochin, it is neither an immunity nor a privilege; it is not merely a sovereign right, but one also secured as the result of a solemn, inviolable convention and of an agreement by which the State had to give up its other sources of revenue which it then enjoyed, and to undergo enormous expenditure for the development and maintenance of the Port. And even though the whole of the Port area was originally within the State and most of it still is so, the State only receives a third of the Customs revenue realised at the Port. For years past "Customs duties have formed one of the main sources of Cochin's revenue and they constitute to-day one of the very few elastic sources of revenue which the State possesses." If, for any reason, these are lost or reduced, Cochin will not be able

to carry on the administration, much less to maintain its level of efficiency and literacy. "Acceptance of the proposals of the Federal Finance Committee would" in the expressive words of the Diwan "almost certainly involve the extinction of the State as a separate Unit, and anxious though the State is to enter the Federation, it could hardly do so on such terms." This aspect of the question will become clearer when the question of the Harbour is taken up which I shall do at once.

In dealing with the Port, the Report of the Indian States Enquiry Committee (Financial) has hit us hard. The only consolation is that their recommendations are grounded on a misunderstanding which can be easily dispelled. The Committee had to travel from State to State, from one end of India to the other, to collect and to study the records and to interview individuals in connection with the various and varied contentions of the several States, and then to discuss and to decide among the Members themselves, in spite of the interludes of receptions and other functions, the recommendations to be embodied in their Report which they submitted within seven months, I believe, from the date of the institution of the Committee. The wonder is not that errors of all sorts have crept in, but that they are so few.

Davidson
Committee
Report.

I am sorry I have to trouble you with a few extracts from that Report, as these are very necessary for our study of the next important part of our subject.

Report on
Cochin Port

"The Port of Cochin is a British Indian and not an Indian State Port...An important part of the lagoon comprising the Harbour is also British."
"The Port of Cochin.....when fully developed... is of very great value and must in the future be of even greater value to an Indian Federation in whose undivided possession, unhampered by any obligations to third parties, it clearly ought to be."
"We recommend therefore that negotiations with Cochin for the adjustment of the difficulties arising from the divided ownership of the Port, and with Travancore and Cochin for the purchase of their existing rights in its Customs revenue, should not be delayed. With regard to the first, we understand that the subject is already under discussion between the parties concerned. With regard to the second, it is difficult to suggest an appropriate basis of an offer which might be made. A figure based upon the present receipts would necessarily be of a speculative character, and it must be borne in mind that a further large sum will be required to be expended before the Port is fully developed; but since a speculative element must enter into the matter, it is far preferable that the risk should be assumed by a Federal Government, which will

save the economic interests of India as a whole in its charge rather than Travancore and Cochin should continue the present system of grants-in-aid in expectation, though without any certainty of increasing their domestic revenues by a possible rise in the value of their share under the 1925 Agreement in the future Customs revenue of the Port." "There is no question here of a cessation of rights arising from sovereignty. The rights of the States concerned came into existence as the consequence of a mutual exchange of valuable considerations. They are in effect commercial rights, which should be susceptible of adjustment on a commercial basis agreeable to both parties."

Stripped of the trappings of the diplomatic language, the above extracts will reduce themselves into these categories: (1) Cochin is a fine, profitable Port now. There is every likelihood of its becoming more profitable in future. Consequently, the Indian Federation must have it. (2) The future development of the Port will be considerably prejudiced if the present conditions are not changed; because (a) a divided ownership and jurisdiction is not conducive to the best interests of the Port; and (b) it is unfair to make Cochin and Travancore invest large amounts on the development of the Port as the chances of getting adequate returns in the future are remote

and problematical. (3) To get rid of these troubles, the rights of the two States should be bought for and on behalf of the Federation. (4) The rights should be susceptible of adjustment as they are of a commercial character, and the Port a British Indian Port.

To remove misunderstanding will, let us hope, be the road to abiding harmony. We shall, therefore, try to show how the correct facts lie and thus to dispel the misapprehension which, I fear, is the basis of these statements and recommendations of the Committee. That the tiny Port of Cochin is an important one and is likely, in the near future, to become still more potential any one will easily concede. It is also not open to dispute that, as the State of Travancore came into the concern as a result of the four-party Agreement of 1925, its rights in the Port are purely commercial. But the past history of the Port will in no way support the other contentions of the Committee.

Cochin Port.
Its history.

The entire Port of Cochin originally belonged to the Cochin State and of course stood wholly within its limits. On a site granted by the then Ruler of Cochin, the Portuguese, in 1502, established a settlement at the southern mouth of the Harbour. The Dutch took it from the Portuguese in 1663 and had it with them till 1759. When the Zamorin of Calicut once invaded the settlement,

his force was expelled by Cochin with the aid of Travancore. And finally, in 1791, that bit of the Port which was with the Portuguese and the Dutch came to the possession of the East India Company. But all these three European powers used to pay to Cochin half the Customs revenue realised by them. It has also to be borne in mind in this connection that, at least for a long time in the early period of the annals of this Port, the holders of the site were conceding to the Ruler the sovereignty and the jurisdiction over the site thus given. Subsequently, in 1865, an Agreement, known as the Interportal Trade Convention, was entered into between the British and Cochin Governments, by which Cochin agreed *inter alia* to abolish all inland Customs, and the Government of India to make over to the State a moiety of the Customs receipts of the Port of Cochin which Cochin used to enjoy, and further to guarantee a Customs revenue of not less than one lakh of rupees and an import duty of not less than Rs. 10,500/- on foreign tobacco. As anticipated by Diwan Sankunni Menon, who was responsible for this Convention, it at first adversely affected the income of the State to a considerable extent. But that statesman had clearly shown that it would conduce to a gain in administrative convenience, free inland traders from frequent molestations from petty officers of the Customs Department, and eventually effect a substantial

increase in the income of the State. For several years after the Convention, the receipts in British Cochin did not exceed 2 lakhs of rupees. From Rs. 1,70,476 in 1864-5, the revenue from salt alone fell to Rs. 54,693/. But steadily the Customs revenue began to rise with the result that it now forms one of the few main elastic sources on which the State can now depend for its funds to meet the increasing demands of a progressive administration. Cochin's share of the receipts for 1927-28 comes to Rs. 9,93,231, and for 1928-29 it is Rs. 15,41,601, while the net Customs revenue for 1930-31 is 31.56 and for 1931-32 is 34.78 lakhs of rupees.

The conditions of the Convention were given effect to till 1931 when, under a new Agreement between the Governments of India, Madras, Cochin and Travancore, it was decided that the Customs revenue should be equally distributed among the Governments of India, Cochin and Travancore, which will similarly share the cost of the development of the Port. This was a heavy blow to Cochin, which it could have warded off legally and equitably; but it had, for certain special reasons, to bow to the decision. Here it will be opportune to express our gratitude to the Davidson Committee for the solicitude it has evinced in tendering an indirect advice to the States not to embark on this under-

taking of the development of the Port where, according to its Report, the cost is enormous and the returns distant and doubtful. But we may venture to assure the Committee that the fate of the State of Cochiu is linked with the Harbour, and that it is not afraid of any financial impediments now or in the future, provided it will always have a fair hearing and a just decision.

Here I wish once again to repeat clearly and with all emphasis, as historical indubitable facts, that the Port originally belonged to the State of Cochin; even now the major portion of it, all contests apart, lies undisputedly within Cochin; and the future development is to be carried out in the Cochin backwaters. The statement of the Committee that "an important part of the lagoon comprising the Harbour is also British" is not correct. Six of the nine moorings are admittedly in State waters; only one is wholly in British waters; of the remaining two, one is chiefly in British and partly in Cochin waters and the other *vice versa*. And the expert opinion is in favour of removing even these three into Cochin waters. There is also the very noteworthy fact that the reclamation, on which the wharves, warehouses, port houses and other necessary buildings are to be constructed, and round which the steamers and cargo vessels even now show a liking to nestle is wholly within Cochin and in its jurisdiction. It

would be difficult to find a more compact place, an area of more direct and immediate utility than this for the development of the Port. The location of this reclamation and that of the dry dock, which also is entirely within the State, are ideal. That is the opinion of the professional people engaged in the work.

British
Cochin.

The town of British Cochin has only an area of one square mile, with a population of about 100 Europeans and say 20,000 Indians. This one square mile takes in British Vypeen and the Candle Island. The mouth of the Harbour is about 440 yards wide. The Candle Island is just inside the mouth of the Harbour, while what is called British Cochin and Vypeen cover two tiny tracts of land on both sides of the mouth of the Harbour. This area is, comparatively speaking, sparsely populated. On the other hand, the Cochin Taluk, in which the State part of the Harbour is situated, is amongst the most densely populated areas in the world. "If the uninhabitable area occupied by the lagoons is deducted from the Coastal Tract", states the latest Census Report, "and the density calculated on the basis of the habitable area, Cochin Taluk will have a density of 3,472 per square mile." "Thirty years ago" it goes on to say "Belgium and England and Wales were more densely peopled than our State, whereas now the density of Cochin

is far higher than that of these countries. "The extreme density of population" rightly stresses the Diwan's Memorandum "which exists in the Port's neighbourhood is unquestionably due in part at least to the demand for labour which the trade of the Port stimulates.....Thus, if the Customs revenues are to be surrendered, the State would be left with the liability to provide for and administer a large and rapidly growing population, while it would be deprived of one of the very few expanding sources of revenues from which it could legitimately meet its inevitably increasing expenditure."

The Vypeen Island is about 14 miles long with an area of a little over 23 square miles. It was the scene of a battle between the Zamorin and the Raja of Cochin. The Dutch outpost of Ayacotta, 'the oldest existing European structure in India,' in the north of the island, is not with the British. In 1662, the Raja of Cochin placed the southern half of the island under Paliyath Acchan, who became the hereditary prime minister of the State. It is 23½ acres of the southern extremity of this half that is now with the British. If a bold, disinterested tribunal were to sit in judgment over the question, hear the case and examine the evidence of the contending parties we can have no cause for despair; for the decision as to jurisdiction and even as to ownership can

Vypeen.

Question of jurisdiction.

only be in our favour and to our advantage. There is no question of sentiment here; and suppose it is there, it is no offence. Will the British Government hand over Aujengo, a small fishing village in an out of the way place in Travancore, an insignificant speck of British territory surrounded on all sides by that State which owned it originally? Will, I ask, the British Government give it back to Travancore or permit the State even to exercise criminal and civil jurisdiction over it? In that small tract of a square mile called British Cochin, the British Government maintains the costly establishment of a Deputy Collector's Office. The Deputy Collector is, as we know, a purely revenue officer, and, as a rule, the incumbent in British Cochin used to be one without legal training. And yet he has to do the duties of a Sub-Judge and of a First Class Magistrate. Why not, one can turn round and seriously ask, hand over at least the criminal and civil jurisdiction to the State of Cochin which, within the radius of a mile, has its criminal and civil Courts presided over by fully qualified and equally able officers? If sentiment can have play in negating that question, why should any one wonder in the attitude of the State where that quality colours the decision, if at all, but slightly? With the State, it is a struggle for life, and the past does not give us any hope or encouragement, for the future. What do we find

even now? The constitution of the Port Trust Board, the policy adopted in manning the offices and other sections connected with the harbour works, and the procedure followed at harbour and railway conferences, leave room for complaint. Let us pray to our Durbar that it is high time that it looks into these matters, for we can be sure of sympathy and support from the Political Agent and the Indian Government who will see our grievances redressed when they are constitutionally placed before them. I trust you will not think that my anxiety has taken you far afield; for all the points touched here we have to bear in mind when we have to expose the fallacy of the arguments of the Indian States Financial Enquiry Committee and to oppose their recommendation that, because the Port has a glorious future about it, it must be purchased for the Federal Government, as a divided ownership and jurisdiction is detrimental to the best interests of the Port. This recommendation has made the avenue of our approach to Federation both stiff and steep. 'It has tarnished the splendid hope. It was not in the original dream.'

Sale of ownership is out of the question; for that is tantamount to the 'eventual termination of the existence of the State itself as a separate Unit' as, by the transfer, the State would deprive itself

Sale of
ownership.

of the means at its disposal that are necessary to carry on the administration. The Diwan's Memorandum has made this point clear. It will also lessen the prestige and the status which it now enjoys in the company of Indian States.

Divided
jurisdiction.

It is nowhere explained how a divided ownership and jurisdiction will tell upon the future interests of the State. They have not done so up till now. At the time of the Interportal Convention in 1865, there was no apprehension of any catastrophe consequent on a divided ownership, no dispute as to the right or capacity of the State to exercise criminal and civil jurisdiction in its Harbour area. The financial results of the Convention have already been touched upon. Judged by them, the presence of two partners and a dual jurisdiction have not in the least adversely affected the growing prosperity and popularity of the Port. Even after the 1925 Agreement, nothing has taken place to justify the alarm now raised that a divided jurisdiction will affect the best interests of the Port. In matters of this kind we have to rely more on analysis than on animation. When, recently, there has been a cry of bad returns in almost every Indian Port on account of trade depression, "Cochin Port had a brisk trade in June, the landing and shipping fees collected having reached the proud total of Rs. 92,945, which is more than twice the

amount collected in June 1932, and about Rs. 10,000 in excess of the previous best monthly total." Certainly the State has not deteriorated in its code of laws or in its capacity to administer them. Cochin administers practically the same set of laws as are in force in British India; and it will be quite contrary to well-known and admitted facts and an insult to the integrity, intelligence and the legal equipment of the Cochin Judiciary if it were hinted that it is not competent to administer justice as well as British Indian tribunals. The proposal to develop the Cochin Harbour was under discussion for many years before it finally materialised in 1919. Neither during the long period of its gestation nor at the time when it was actually brought into being it was doubted that the divided ownership or jurisdiction would hamper the development of the port or present difficulties in its administration. The Durbar has all along been conducting itself on the basis that the participation in the scheme is not at any time to involve any surrender of its rights and privileges, a position which it will always adhere to in future. The Port is the greatest asset of the State; more than nine-tenths of the port area is in Cochin territory, full in front of the courts and public offices of the Capital of the State; the retention of the rights and privileges is essential to the vital interests of the State and to the maintenance of

its status and dignity. Cochinites can very well ask what distinct, concrete benefit their State is to gain by entering into the Federation with the concerns of which it will have no direct, practical interest. Is it not strange that not one single State has yet given its consent to enter the Federation, whatever the scheme may turn out to be. The rulers are, if there is no irreverence in using the figure, now sitting on the fence to see what the scheme would be like. Not a little dismay is caused among them by the nationalists who want to devest them of their invested rights; and the moderates only demand silence of the nationalists at this critical juncture. If for the sake of the larger patriotism, Cochin has to contribute a decent amount and also make sacrifices of the sort catalogued in the Davidson Committee's Report, our Durbar can regretfully give only one definite and decided answer. If, on an anxious examination of the position of affairs you also come to the same conclusion, please give all your moral support to it to enable it to give without any further delay that frank and fearless answer. That is my prayer. For we are fortified in our position by the Royal Proclamation, no less than by the memorable words of our late Ruler. "I may tell you at once" said His Highness "that the agreement involves no cession of territory, not even a square foot of Cochin land or water. There is to be no cession

of jurisdiction either. The Madras Government is keenly alive to the importance of preserving unimpaired the rights and privileges of the Cochin State, and while the carrying out of the scheme will add considerably to the revenues of the State and the income of its people, the prestige of the State will in no way suffer, rather it will be enhanced.....I trust this statement will remove the apprehensions I have seen expressed in certain quarters as to whether the rights of the Cochin State may not be sacrificed in the making of the Harbour. You perhaps hardly need an assurance that I will not be a party to any policy involving the whittling down of the State's rights." Very recently, the non-official members of the Cochin Legislative Council and the public of the State have submitted to the present Ruler, memorials on the subject. The memorials state that the thought that is uppermost in the minds of the people is 'the definite determination of the position of their State in the scheme of the development of the Cochin Harbour.' They refer to 'the uneasy feeling that exists in the public mind throughout the State as to the outcome of the recommendations of the Davidson Committee' regarding this Harbour. The memorials conclude with these words: "Two circumstances, however, afford us some consolation: one is the conviction that Your Highness will never consent to be a party to

the surrender of jurisdiction and sovereignty over the most vital portion of Your Highness' sacred heritage, which the Harbour really is; and the other is that the innate sense of justice and fairness of the British Government will not allow the perpetration of such a serious wrong as the insistence on the surrender of sovereign rights and jurisdiction over the Harbour area involves, on such a loyal and faithful Feudatory like Cochin.'

False alarm. It now only remains to answer the arguments of certain false alarmists who, under the screen of anonymity, have begun to propagate the mischievous idea that, if jurisdiction is not unconditionally surrendered forthwith, the rest of the harbour works will be stopped, a step that will, according to them, result in an incalculable loss to the State. I would not have cared to touch upon this exhibition of voluble and vacuous patriotism but for the fact that I notice a tendency in certain leading dailies to make capital out of their points. Let me at once tell them that the question of jurisdiction and the fourth stage of the harbour have absolutely no connection whatever, and that the authorities in charge of the harbour works are men endowed with great intelligence and practical experience who will not advise the British Government to adopt a self-destructive procedure like the one these people advocate in order to coerce Cochin to a course of action which that State thinks is derogatory to its

dignity and which will ultimately lead to its total extinction. That is certain. Cochin has staked not a little on the development of the port in the hope that the prestige it now enjoys as a political entity will greatly be augmented in a not distant future with the growth of the harbour. Even for gold it cannot be sold. 'The jingling of the guineas' will not compensate the irreparable loss the wounded honour of the State will suffer by the surrender of its ownership or its jurisdiction over it. That also is sure. If you look at it calmly and carefully, you will realise that Cochin will suffer less by stopping the work at this stage—if stopped it will be—than by the other and graver loss. For, even as it is, though very large ocean-liners may not enter the port, the State can maintain its dignity and its touch with the great commercial centres of the world, and the returns will be handsome and the State will get what it wants to meet its modest demands and the two other partners good interest on their investments; there will not be then the menace of that oppressive influx into Mattancherry and Ernakulam and their surrounding parts of foreign capitalists who will monopolise the trade and, for fabulous prices, buy up the residential quarters for purposes of trade; Cochin will be free from congestion and contagious diseases and all those dangers and discomforts that inevitably follow in the train of a major port; and above all, our Government

may not have occasion to transfer the hospital, its courts and public offices, and other institutions to other quarters.

The stock arguments of these false alarmists are generally put in the form of a few questions: “(1) What of the Railway jurisdiction? (2) What will Cochin do if foreign ships create trouble in Cochin waters? (3) Will Cochin be able to handle a complicated question of naval law? (4) Whose judgment and decree will command and inspire respect, England's or Cochin's?” These questions they put in a jesting fashion, and they do not stay for an answer. These do not appear to be baffling posers; though made to appear ponderous they are not deep; they are more brawny than brainy. Opinions of this sort prevail in certain quarters not by the weight of any argument but by the predisposition to receive them. The questions admit of easy answers; and they have been answered. But as it is only frequent and varied reiteration that unpleasant truths can be impressed on very reluctant minds, I too shall try to reply these once again.

That there is no close analogy between the Railway and the Harbour administration a little reflection will show. Our line is only an infinitesimal point in a long chain of railways in British India managed under the control and supervision

Alarmists
answered.

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of the Indian Government. Instead of creating a costly establishment to construct the line and to conduct its management, it was thought advisable to entrust the work to an existing body with all the needed equipment for both for a definite period after which the State can take back the line with its entire administration. Even then, the surrender of jurisdiction was considered by competent citizens at that time as a hasty act of unmellowed enthusiasm. And today our Diwan is agitating to get it back; and the Butler Committee, as I have already pointed out to you, is on the side of the States there.

Other States than ours, like Travancore, Baroda, Bhavanagar and Navanagar own ports. We have not heard of any trouble there made by trading vessels or of any maritime trials of an international importance for the solution of which British assistance had to be sought. Ships loaded with merchandise and passengers enter ports not with the idea of starting a fight or picking up a quarrel. Their owners are wise enough to know that it will not pay, and cautious enough to avoid unseemly scenes which will only prejudice their custom and bar their further admission into the Harbour. If it comes to the worst, our police and our courts will be quite equal to the occasion. The orders, judgments and decrees of our courts on matters maritime will have the same force and

command the same respect as their orders, judgments and decrees in other cases, except it be that the former have the additional strength engendered by the moral support and sanction of the other two partners. Our alarmists forget that, even apart from the Port Agreement, the British Government will be on our side as it is bound by treaties to assist us also on occasions of, to adopt the favourite phraseology of our critics, international maritime quarrels.

Cochin's
future.

Cochin, though small, has behind it an history, and a culture, with roots in a remote past, of which any country may be proud. *Comitas gentium*, that international courtesy by which one state gives effect to the laws of another, has always paid due homage to its status and antiquity. It stands on the border of a new age when far-reaching changes are imminent. Let us have faith in the hope that the great is yet to be. Please remember that we are the heir of ages and the custodians of our country's future destiny, and that we should exert our best to the utmost to make the future of our motherland more glorious than its past. Let us pray that God may grant light even to our few misguided comrades so that they may go about not to destroy but to fulfil its traditional aspirations, that He may guard our country and guide it aright.

