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**AUGUST 15**  
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# BALANCE SHEET

★ by P. C. JOSHI

It is customary and proper that every year on August 15 the Indian people, the Press and the political parties, according to their own light, engage in stock-taking of the past achievements and failures and suggest the path forward for the future.

**T**HIS year the heart is sad with news of the fratricide in Assam, the mouth bitter with the mass victimisation of thousands of Central Government employees on whose devotion and contentment depends the efficiency of the Indian administration and the implementation of the Third Plan.

On this Independence Day, we solemnly salute the supreme sacrifice of our national martyrs and the old unity, courage and heroism of our patriotic people that achieved the liberation of our motherland. We also think anew how to carry forward our noble heritage, eliminate the old and new evils in our national life, and safeguard and strengthen the advance and achievements already made.

Thirteen years of broken pledges and misrule under the Congress regime have produced the present national mood of bitterness and frustration and a chronic crisis in every sector of the national life. Right reaction finds such a situation its happy hunting ground and this is being widely recognised.

Recognition of the failures of the Congress rulers is not enough. Realisation of the new dangers of the Right is not enough. New thought and prompt action must come from all thinking and serious elements to stop the rot and carve the way forward for the realisation of the nation's cherished goal.

## India And The World

All Indians are justly proud of our country's independent foreign policy of anti-colonialism, world peace and international cooperation. It has already placed India, morally and politically, among the great Powers of the world.

India's Prime Minister gave full-throated support to the Summit Conference and the idea of settling all outstanding disputes among the Big Powers through negotiations instead of war. At the Poona AICC Session, he also placed the blame for failure of the Paris meeting on the U.S. provocation, the U-2 spy plane. The USSR and other Socialist countries are for India, Indonesia, People's China and UAR participating in the Big Power talks to guarantee peace to mankind. It is the Western imperialists' side that does not want us in.

India's Prime Minister has also given whole-hearted support to Khrushchov's proposal for universal and general

disarmament and the aim of a world without arms. It is gratifying that the Indian Government is in favour of the U.N. General Assembly discussing the disarmament issue and not the Disarmament Commission. In the U.N. General Assembly, India along with the other uncommitted nations must give full support to the proposals of the USSR which Nehru has already acclaimed. This is not only our duty to the cause of world peace but is also in our national interest. The USSR has pledged a good part of the funds saved from the armaments race for aiding underdeveloped countries like ours.

## Vital Sectors Of Struggle

India is a great nation, our people are peace-loving. Our tradition is anti-colonial. But is our Government doing what it can and should in the various vital sectors of the world struggle today.

In South Korea, the U.S. side has broken times without number the armistice agreement. Its sole aim is to keep Korea artificially divided despite the mandate of the U.N. India has not publicly protested against this high-handed colonialism. South Korean patriots in ever greater numbers are rising and seek peaceful unification of their motherland. The Indian Government has not expressed its solidarity.

In Vietnam, India bears special responsibility as the Chairman of the Commission. Here again, the U.S. side is violating the agreement in every possible way. The North Vietnam Government has lodged numerous protests and the Indian representative pretends being neutral and has legalised the coming in of U.S. armed personnel. Again, armed revolts are growing against the puppet regime and fascist terror is being unleashed against the people but our representative pleads helplessness.

India-China relations stand frozen but freeze is no solution but only a situation in which the pro-imperialist Right keeps active and acts aggressive and dons the national mantle to cover up its own pro-imperialism.

Where Burma and Nepal have succeeded, why cannot India? The truth is that the offensive of the Right has paralysed the Indian Government. The time has come for all the same elements in Indian public life to realise, whatever their opinion be of the failings and the shortcomings of the Chinese, that

the time has come to patiently pursue the path of peace and friendly negotiations with our greatest neighbour and rebuff all provocateurs.

The Panchsheel agreement between the two countries and the memory of our joint leadership of the Ban-

ding Conference are constant reminder to all that India - China negotiations must be kept up with the will to settle in terms of our accepted principles.

The unfortunate dispute with China has become the basis for Indian reactionaries

to campaign for an Indo-Pak Defence Pact which is designed to take India right to the door step of the U.S.-led military alliances and far away from the path of non-alignment and peaceful relations.

★ SEE BACK PAGE

# NEW AGE

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## HAIL CUBA! HAIL CONGO!

# THE PATH FORWARD



# NEHRU WAS VICIOUS

Two contradictory impressions of the debate (August 8 and 9) in the Lok Sabha on the Central Government employees strike will long linger, both as facts and as pointers. One is the vicious and unprincipled performance of Prime Minister Nehru, the other is the hurling back of his challenge by the Communist and PSP speakers—the Central Government employees' plight, courage and unity lent wings to their words.

NEVER since the shameful show on the Central intervention in Kerala, has Parliament — and the country — heard — so irresponsible and anti-democratic a speech from the Prime Minister. Nath Pal expressed the feelings of very wide sections of our people when he stated that the Prime Minister had shattered the illusions of many about Pandit Jawaharlal.

## Abuse And Threats

It was clear enough that Nehru's was the policy speech of the Government. Pant's hattering ram approach and the unenviable equivocation by Gulzarilal Nanda (with his talk of "package deals") only underscored the attitude which lay behind the Prime Minister's misplaced militancy.

His first point was that the strike was "vicious". He added "therefore, I venture to say that this was an act—I am putting my case at the highest—of utterly irresponsible and immature persons who somehow got on the back of this tiger" (the general strike). Earlier he had been more abusive—the JCA leaders were dubbed as those "who tried to ride a tiger when they could not ride a donkey."

He brushed aside all the demands of the employees, all the faults of the Government—to which a most devastating reference was made by Nath Pal, who quoted the Prime Minister's letter to the State Chief Ministers on June 30, 1960—as being irrelevant to the issue.

He made his hackneyed plea that this strike "of tremendous political consequence" had been brought about when the country was "considering the Third Plan and facing the frontier situation." According to him the strike was a blow at Indian democracy itself.

He went on to utter a scarcely veiled threat: "I wish members of the Communist Party will realise, in spite of the various coloured goggles they wear which prevent them from looking straight, that these are serious matters because of the frontiers and other things."

The whole international situation and its deterioration was brought in—"do people realise all this when they play about with words and with a general strike" was his rhetorical question.

## Justification Of Repression

Justifying all the outrageous repression and intimidation he stated, "If you take up some activity which leads to war, war follows. There is no use expecting a one-sided

war.... It was not only justified but incumbent on the Government to take every step to meet the situation.... It was quite inevitable to have some legal apparatus to meet the situation, i.e., the Ordinance."

As for the future, apart from Pant's welcome declaration about the dearness allowance formula, there was Nehru's complete backing of the proposed ban on all strikes by Government employees. He went on to theorise about this by terming strikes as "out-moded.... The fact of the matter is that strike is inevitably a concomitant of the capitalist system." And since India was building a "Socialist structure" strikes were out of place. Certainly this is not a novel nor subtle theory but it is fraught with dangerous implications for the democratic rights of the people. Came the crowning insult.

# Communist-PSP M.P.s Defended Central Government Employees

Not a word of sympathy for the employees but a demand that they repent, do penance. His final word was "perform prayaschit."

This then was the Government stand: the war against their own employees was just and would continue; in the name of the "alive frontier" and the Plan the hacking attacks against democracy would persist; the people must surrender or be mowed down. A good gift indeed on Independence Day eve.

## Counter-Offensive

It was against this outrageous attack that the spokesmen of the Communist Party and the PSP took up the cudgels for the Government employees, the common man and the future of our democracy.

Opening the counter-offensive with steady eloquence was A. K. Gopalan. Notable among those taking up the good cause were Asoka Mehta, Nath Pal, A. B. Vajpayee, R. K. Khadilkar and Indrajit Gupta—the last-named made his debut in the Lok Sabha with sure oratory and implacable reason.

A. K. Gopalan concentrated on three points—the causes of the strike, the intolerable attitude of the Government after the strike and the sordid role of the official information agencies.

He began by stating: "The Central Government employees' strike was an unprecedented event of recent times. The conduct of the

Government before the strike, during the strike and after the strike, has been something which has shocked the conscience of every honest man in this country, barring some, perhaps, on the other side."

## Why The Strike

As for the root causes of the strike he stated: "The most important things are the holding of the price line and the giving of a need-based minimum wage.... To these two most important demands the Government's answer was: no question of talking about a need-based minimum wage and no question of linking dearness allowance with the cost of living index...."

"If the cost of living index goes higher and higher and Government is not able to hold the price line, certainly wages must also increase. (The employee) wants not merely the slogan of a Socialist pattern of society. He had been hoping all these 13 years that there would be a rise in his standard of living. Now he only wants that his standard of living should not go down."

ed, because I did not go on strike? There are five Vishwanathans there. So when he complained orders of suspension were passed on all the Vishwanathans."

He went on to give sadder and more gruesome cases of physical assault, insult and personal vindictiveness from Calcutta, Madurai, Madurai, Trivandrum and elsewhere. He pleaded, "we are soon going to celebrate Independence Day. Let the Government be magnanimous and let them ensure that all Government employees are back in their offices by August 15. If this vindictive attitude is continued, it is not good for the country, for national reconstruction and for the people."

## Misuse Of News-Media

Gopalan seriously warned against the abuse of official news media—which was one of the more sordid aspects of Government behaviour. "What was the role of All-India Radio? It gave false news to the people in this country.... In places where the strike took place it said that there was no

## COMMUNIST M.P.s NOT TO TAKE PART IN AUG. 15 CELEBRATIONS

The Central Executive Committee of the Communist Party of India which commenced its meeting in Delhi from August 10, has adopted the following resolution:

"The Central Executive Committee of the Communist Party of India directs the Party's Members of Parliament that, in order to register the protest of democratic-minded people in the country against the policy of victimisation of Central Government employees pursued by the Government and against the proposal to ban strikes, as well as to express the sense of sorrow at the tragic happenings in Assam, they should abstain from attending the Governmental functions organised on August 15. "Party units, however, should, as usual, hoist the State Flag on their offices and otherwise participate in celebrations of Independence Day."

# CEYLON

On July 20, 1960, the people of Ceylon, voting in a general election for the second time within four months, inflicted a crushing defeat on the forces of reaction. The progressive forces—the Sri Lanka Freedom Party (SLFP), founded by the late Premier Bandaranayake), the Communist Party (CP), and the Lanka Samasamaj Party (LSSP, Trotskyite)—united in a no-contest alliance and won 93 out of the 151 seats in Parliament.

OF these 93 seats, the SLFP won 75, the LSSP 12 and the CP four. The reactionary and pro-imperialist United National Party (UNP) won only 30 seats. On the basis of these results and in terms of the no-contest agreement, the SLFP was called upon to form a Government on July 21 and its leader, Mrs. Bandaranayake, became the first woman in the world to become a Prime Minister.

This victory is no mean achievement. It was won in the face of tremendous odds. It was one of the most bitterly fought elections. The UNP used every resource at its command. It knew that if its defeat in 1956 was followed by another defeat in 1960, its chances of raising its head again was very remote.

The earlier election of March 1960 ended in a stalemate, with no party being able to form a Government. Although the UNP tried to form a Government with fifty members in Parliament it was defeated on the very first day in Parliament. It was then that it recommended dissolution of Parliament and another election in the hope that it can bamboozle the people into electing the UNP with a stable majority.

## UNP Campaign

This it proceeded to do in the most systematic way. The big capitalist firms, both foreign and local, supplied it with plenty of money. It received powerful backing from foreign imperialism and the hierarchy of the Catholic Church. The monopoly daily Press turned its newspapers into propaganda sheets for the UNP in the most unashamed way. The UNP, in the main, carried out a three-pronged attack on the SLFP and its allies.

FIRST, it invented a secret pact between the SLFP and the Federal Party (FP, a party representing the Tamils of the Northern and Eastern provinces that has put forward the demand for a federal State) and on that basis campaigned that every vote for the SLFP would be a vote for the division of the country. Using this line of argument, anti-Tamil feeling was whipped up among the Sinhalese on the basis of a crude appeal to communalism and chauvinism.

SECONDLY, the UNP raised the usual stock-in-trade of all reactionary parties, the Marxist bogey. It attacked the SLFP for its alliance with the avowedly Marxist parties and accused it of paving the way for Marxist dictatorship. It even dragged in the

SOVIET Ambassador into this ugly campaign and almost imperilled the good relations between our country and the Soviet Union. Pretending to read a sinister significance into an innocent dinner given by the Soviet Ambassador to two of the leaders of the LSSP, the monopoly Press accused the Soviet Ambassador of interfering in local politics and went to the extent of calling for his recall. They even organised a handful of UNP followers (who fled at the approach of the police) to demonstrate outside the Soviet Embassy.

Further, the daily Press concocted a speech alleged to have been made by a Communist leader in which he is said to have divulged instructions received from Iraq about how to infiltrate into the SLFP and then prepare a Communist coup.

UNP to be the biggest party, the SLFP, the CP and the LSSP signed a no-contest agreement between themselves by which they agreed not only not to contest each other but also to extend mutual support to each other. As a result of this agreement, the widest forms of unity were achieved all over the country and speakers from all three parties addressed joint election rallies.

## Unity Makes Difference

It must be remembered that this unity was not merely between the two Left parties but also between the Left parties and another non-Left party which fundamentally represents the interests of the national bourgeoisie. This is a measure of unity not yet achieved in any other non-Socialist, Asian country. The same parties contested the March and July elections but the results were different. There were two main reasons for this change. One was the unity of the progressive forces. The other was the

# How reaction was defeated

personal and dynamic leadership of the campaign by Mrs. Bandaranayake. It is idle to speculate as to which contributed most to victory. If we say that the unity of the anti-UNP parties was the main reason, we are not in any way trying to detract from the courageous role played by Mrs. Bandaranayake in leading the SLFP to victory.

## New Govt.

The new Government has been formed exclusively by the SLFP. The CP and the LSSP are not participating in the Government but have

## People's Choice

Against this formidable, highly-financed, efficiently-organised and powerfully-backed campaign of the UNP the people stood up and fought back. The lies, the fabrications and the slanders did not cut any ice. As far as the ordinary people were concerned, the choice was simple. To them, the UNP was the party that represented the interests of the big capitalist class, the vested interests, both local and foreign. The SLFP and its allies, the LSSP and the CP, on the other hand, represented the interests of the common people. They were parties that were pledged to carry forward the progressive policies inaugurated by the late Mr. Bandaranayake in 1956.

But what generated the mass enthusiasm and upsurge that ultimately brought the UNP tumbling down was the unity forged between the main anti-UNP parties on the eve of the elections. Profiting by the bitter lessons learnt in the March 1960 election when the disunity of the progressive forces enabled the

There is no point in minimising the task facing the new Government. Mrs. Bandaranayake has to start where her husband left off. The late Mr. Bandaranayake was prevented from fulfilling his progressive policies by obstruction from Right-wing forces both inside and outside the Government as well as by lack of cooperation from the Left movement. The new Government must take steps to overcome both these obstacles.

It is assured of the support of the Left movement for the implementation of Mr. Bandaranayake's progressive policies. But it will have to protect itself from obstruction from reactionary forces. These are still powerful. They are powerfully entrenched in the State apparatus—the army, the police, administrative service, etc. We cannot also

GOVERNMENT OF INDIA

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# THIRTEEN YEARS AFTER

"Whither do we go and what shall be our endeavour" asked Prime Minister Nehru on August 15, 1947, which he called "the day appointed by destiny." He then reminded us: "We have hard work ahead. There is no resting for anyone of us till we make all the people of India what destiny intended them to be."

THESE words of the Prime Minister would naturally be recalled by us on this thirteenth anniversary of our independence. We would ask ourselves the question: how far has the nation gone, or rather the Prime Minister and his Government have taken the nation, towards what he then called "destiny's intentions"? We would ask how far the Government and the Congress Party have helped us "to build up a prosperous, democratic and progressive nation and to create social, economic and political institutions which will ensure justice and fullness of life to every man and woman"—declared by the Prime Minister then to be the objective for whose realisation the whole nation will endeavour?

## Claims They Make

There would no doubt be Congressmen who claim that their party and the Government led by it have gone several steps in that direction. They no doubt claim many achievements that can be credited to their party and the Government headed by Prime Minister Nehru.

One of them has claimed that what he calls the Indian revolution is not only equal to but exceeds the three great revolutions of the world in the modern epoch—the American Revolution of 1776, the French Revolution of 1789 and the Russian Revolution of 1917. While these latter were all violent revolutions, which, therefore, led to painful results for the peoples of those countries, the Indian revolution, he claims, was based on non-violence.

"Acceptance of non-violence and persuasion," he points out, "has paid great dividends. The whole princely order has become a thing of the past and yet not one of the princes was killed. They have lost their power, prestige and substantial portion of their wealth, but because this social revolution has been brought about through non-violent means, these princes are today loyal citizens of India."

"Capitalists have been heavily taxed, landlordism has been abolished, vested interests of possessing classes have been curbed in every sphere of life, but nowhere has such curtailment led to the embittered feelings exhibited in the French or the Russian Revolutions."

"Internal peace and external friendliness have been the direct and immediate reward of the acceptance of non-violence and democracy as the basic principles of Congress ideology." (Humayun Kabir in India Quarterly, January-March, 1960).

While Prof. Kabir thus lists the "great achieve-

ments of the Congress have remained and even worsened.

The extent to which group rivalries among the Congress leaders have gone can be gauged from the fact that, according to the Prime Minister himself, one of the factors that led to the recent fratricidal conflicts in Assam was the efforts of those Congressmen who are opposed to Chief Minister Chaliha to take advantage of the linguistic tension to discredit him and bring him down.

ments of the non-violent revolution" led by his party, a great debate is going on among the leaders of that very Congress. The central question involved in that debate is the present and

by E. M. S. NAMBOODIRIPAD

future of the Congress Party.

Prof. Kabir himself is a participant in that debate and poses the question as to what will happen to the Congress after Nehru. He and several other leaders and ideologues the Congress publicly acknowledge that the only factor that keeps the Congress united is the personality of the Prime Minister.

The seriousness of the situation can be seen from one of the recent forthright statements made by Congress Pre-

These Assam developments, it is acknowledged by all, can be compared only to the partition-eve fratricidal war between Hindus and Muslims. Prime Minister Nehru characterised them as "a tragedy of an extreme kind, not only for the present but, with all its implications, for the future." They led to "something new in our country, our own people becoming refugees, rendered homeless and having to be placed in camps."

Group rivalries in Congress are only one of the factors at the root of the

It required big mass movements in other States for the States Reorganisation Act to be passed and new States formed more or less on linguistic lines.

## Refusal Still

It required still bigger movements entailing enormous sufferings and sacrifices lasting for nearly four years for the notorious bilingual Bombay to be split and the States of Maharashtra and Gujarat formed.

Even when these new States were formed, the Congress Government not only went on repeating its opposition to "linguism", went on repeating that formation of linguistic States was wrong in principle; it refused to adopt the twin rational principles of village as the unit and contiguity in fixing the borders.

Furthermore, using the unfortunate fact that the Hindus and Sikhs in the Punjab are divided on communal lines, they still refuse to accede to the legitimate demand of the Punjabi people for the application of the linguistic principle in their case. To this end, they give encouragement to Hindu communalism which goes to the extent of denying one's own mother-tongue.

This same false "nationalism" of the Congress leadership has made them blind to the political aspirations of the tribal peoples. Even those

tribes inhabiting the various parts of the country, whose demand for regional or local autonomy has not been recognised as a legitimate demand to be conceded as part of building "a prosperous, democratic and progressive nation."

Furthermore, even in the case of Naga Land, there is no guarantee that the autonomy of the new State will be really respected. Seeing that the Central Government has in the last ten years been increasingly encroaching upon the rights of the 15 States of the country and that Manipur, Tripura, Himachal Pradesh and Delhi have been denied their democratic rights, it is difficult to believe that the Nagas who want full autonomy within the Indian Union will be allowed to exercise their autonomy the way they want to.

It was these policies of opposition to the formation of linguistic States, to the use of the State language as the language of instruction and administration in the States, to the protection of the rights of linguistic minorities in every State and to the autonomy for the tribal peoples inhabiting the various parts of the country that led to conflicts in the various parts of the country and have resulted in the tragic developments.

## Mutual Hatred

It is true that liberal-minded Congress leaders did theoretically agree to the

# CONGRESS POLICIES ENDANGER INDIAN UNITY

sident Sanjiva Reddy to the state of the Congress today.

Addressing the members of the Mysore Legislature Congress Party and Members of Parliament at Bangalore on July 24, the Congress President gave his opinion that "after 12 years of freedom, they as a people had degenerated." He asked: "Where is the zeal with which we gave up our studies and sacrificed all for the service of the country? Let us search our hearts."

He then made the revealing confession: "At the present day, every Congressman is presumed to be corrupt unless otherwise proved, while in law even the person accused is assumed to be innocent until it was proved otherwise. Why is it that the Congress is abused? Have we given any thought to this? There must be some smoke somewhere. There must be something wrong somewhere." (Hindu, July 25).

illnesses in Assam. The anti-Chaliha group could take advantage of the linguistic tension in Assam only because that tension was there in the State. The Congress, however, cannot escape responsibility for the very existence of this tension. As a matter of fact, it was the policy adopted by the Congress leadership on the question of State language, the formation of linguistic State and the protection of linguistic minorities, that created the tension in Assam, as it had done and is still doing so in some other States.

## Ills Remain And Worsen

Despite this open admission that there is something wrong with the Congress organisation, despite the several discussions that have taken place in Working Committee and AICC meetings on the causes and remedies for the same,

tribes in Assam. The anti-Chaliha group could take advantage of the linguistic tension in Assam only because that tension was there in the State. The Congress, however, cannot escape responsibility for the very existence of this tension. As a matter of fact, it was the policy adopted by the Congress leadership on the question of State language, the formation of linguistic State and the protection of linguistic minorities, that created the tension in Assam, as it had done and is still doing so in some other States.

Taking a so-called "nationalist" stand of ignoring the legitimate demand of the various linguistic groups in the country for the formation of their own linguistic States, as well as the demands of the tribal peoples for autonomy for the tribal areas, they sowed the seeds of discontent and disaffection among the various linguistic and tribal groups in the country. This discontent had to take the form of organised mass action before any concession was made to what was contemptuously called "linguism", "parochialism", etc.

It required a big and united movement leading to the sacrifice of a great soul—Potti Sri Ramulu—for the Andhra State to be formed.

Congress leaders who have genuine sympathy for the tribals cannot extend their sympathy beyond the protection of social customs, manners and the culture of the various hill tribes. They cannot fathom the depth of the feelings and aspirations of the tribal peoples which go much beyond social and cultural fields. They cannot realise that what the tribal peoples ask for is nothing less than their own rule. They, therefore, cannot see that the tribal problem cannot be settled except on the basis of regional or local autonomy within a particular State and in the case of bigger tribes inhabiting larger areas, separate States within the Indian Union.

## Reason For Conflicts

It was only after several years of protracted struggles by the armed Nagas of the North-eastern belt that they agreed to the formation of a separate Naga State. But even now, there are several other

principle of Assamese being the State language in Assam, except in those districts and regions where the Bengali or the tribal people predominate. But, despite this theoretical acceptance of the principle of Assamese as the State language and protection for the minority rights of the Bengalis and the tribals, the Congress as an organisation, in its day-to-day work and contact with the people, conducted itself not in the spirit of the unity of the Bengalis, Assamese and tribal people, but of their mutual hatred.

Bengal Congressmen would not be satisfied with getting protection for Bengali as a linguistic minority in the State of Assam, but would demand equality of treatment between the Assamese and Bengali languages. Assamese Congressmen, on the other hand, would refuse to take into consideration the fact that the Bengalis in Assam are not an ordinary linguistic minority, but is a big minority in the whole State with majority in a whole district (that

\* SEE PAGE 17

AUGUST 14, 1960

## THIRD PLAN DRAFT HAS ALL INDICATIONS OF MAKING OUR ECONOMY MORE DEPENDENT ON FOREIGN ASSISTANCE, YET . . .

by A. K. NAIR

The Indian planners may lack imagination or audacity when it comes to the actual contents of the plans they prepare, but only an unfair critic would deny them these two qualities when it comes to coining slogans to capture the imagination of the public.

PUBLIC memory is proverbially short and our planners take skillful advantage of that fact to coin a fresh "catching" slogan at the time of launching each new plan, keeping very quite about the promises that were made at the time of launching the previous plans and which were not of course

## The Slogan Then

One remembers the publicity and the fanfare with which the Second Five-Year Plan was launched; one remembers that before the publication of the Plan in its final form, there were many utterances by responsible leaders about the Plan being designed with the express purpose of liquidating the unemployment problem; that a whole philosophy of subsidising and propping up uneconomic small-scale industries was developed with a view to "resolving the unemployment problem".

One would have expected the Draft Third Five-Year Plan to explain to the public how far it has succeeded in that noble task; but it observes a discreet economy of words over the whole question of unemployment. It admits, in a small paragraph tucked away in an obscure corner, that the unemployment situation, far from improving, has actually become much worse. This patent failure does inject some amount of soberness in its discussions on unemployment, but then, very judiciously, the space given to the question is also reduced to the barest minimum. But does such a conspicuous failure to keep a big promise make the planners shy of all big promises?

## More Audacious Today

Far from it. On the contrary, the planners have, displaying an imagination and an audacity that call for admiration, come out with a still more breathtaking promise, namely, leading India on to the path of a self-generating economy already by the end of the Third Plan, that is 1965-66. If the public has not yet experienced any difficulties about breathing, that is because not many of its members know the full meaning of the expression "self-generating economy".

What then is a self-generating economy? As the term itself implies, an economy that develops by itself; one that does not require either foreign aid, nor any excessive amount of authoritarian planning to sustain its momentum of growth; that is to say, an economy sufficiently industrialised and with a sufficiently high standard of living to have high rates of saving and investment without the necessity of any forced saving or of

any foreign assistance. A self-generating economy is comparable to a power driven vehicle that requires neither pull nor push to make it move. If this be the meaning of a self-generating economy, it is indeed a very wonderful future promised to us.

## Domestic Resources

There is after all no magic formula by which a foreign-dependent economic growth can be rendered into a self-dependent one. What is necessary is to replace foreign resources by domestic resources—that is to say, increase domestic savings. That underdeveloped economies have huge potential economic surpluses that can be tapped for purposes of development has been convincingly argued by Paul Baran in his Political Economy of Growth. However, the potential can be realised only through suitable changes in the organisation of the economy. But the Draft of the Third Five-Year Plan does not talk of

the development of the heavy industries during the Third Plan—which is far from an evident truth—the trend of increasing dependence on foreign countries as revealed above is hardly calculated to reassure us that we shall all of a sudden become self-sufficient.

The solution obviously lies in the formation of cooperative farms following upon an effective land reform. But the Plan has absolutely no concrete programme for either of them: it still continues to talk of the Community Development movement being its spearhead in the promotion of a revolution in the rural economy and mentions with enthusiasm the activities of such "public cooperation" bodies as the Bharat Sevak Samaj, Sarva Seva Sangh, etc., whose activities have so far managed to make precious little impression on the public mind.

## Land Reform

As to land reforms, the only thing made clear is that no fur-

Diversification of export both in terms of its product composition as well as its destinations is one way of obtaining better terms of trade and thus obtaining further resources (in terms of profit in foreign trade) as well as increasing foreign exchange earnings. While the need of diversification is verbally stressed in a platitudinous language, once more no concrete programme is suggested.

## Problem Of Unemployment

The very meagre provisions made for shipping, however, has all the appearance of a policy decision in favour of increasing foreign assistance. For, here is a situation of outright exploitation of Indian exporters by foreign shipping interests, who have to pay annually about Rs. 100 crores of foreign exchange by way of freight and insurance charges; and yet in spite of the widely expressed demand for a major shipping programme only Rs. 55 crores is provided for its development, which comes down to an outlay of Rs. ten crores per year.

The absurdity of the talk

# OUR PLANNERS TALK OF SELF-SUSTAINING GROWTH!

Let us first of all take foreign assistance itself. It is written in paragraph 17 of Chapter I that an important aspect of the problem of self-sustained growth is the creation within the country of an equipment manufacturing industry so as to obviate the necessity of importing capital goods.

This is putting the matter wrongly. There are two distinct problems involved: one is of having insufficient savings and the other of insufficient export surplus. The creation of a machine-building industry in the country will largely solve the problem of export surplus, but will not at all affect the problem of insufficient savings. The volume of foreign assistance found necessary for the Third Five-Year Plan is as much as Rs. 3,200 crores, i.e., practically one-third of the total investment target of the Plan. This represents investment for which there are no corresponding savings in the country.

## Lack Of Incentives

The Plan rightly talks about the utilisation of idle labour power as a means of massive capital formation, especially in the countryside. It, however, fails to suggest any institutional form through which such mobilisation could effectively take place. It talks about labour cooperatives, insistence on the customary obligation of village communities regarding irrigation and other works, levies of labour contributions imposed by panchayats, etc.

But none of these can be expected to arouse the enthusiasm of the masses, as these are only different ways of robbing Peter to pay Paul. That is, as long as land is not owned collectively or cooperatively, benefits of any

ther evolution in policy is to be expected, for "the main" task during the Third Plan will be to complete as early as possible the implementation of policies evolved during the Second Plan". Similarly, as to agricultural labourers absolutely no promises are held out. As to cooperatives, the Plan has nothing to say at all, quite literally. For, it is reported that concrete programmes have not yet been worked out on the basis of the policy decision of the National Development Council. Only tentative targets are put forward and mention is made of different topics still being considered by different committees.

Again, in the whole volume there is hardly any mention of State trading. This, coming after the repeated declarations of the Prime Minister about the private sector being eliminated from the trade in essential commodities, would have caused great surprise if silence on every single crucial issue were not the very essence of the Draft. The matter, as the reader has most probably guessed, is still "under consideration". For "what structure of regulating devices, including price control, zonal arrangements, prescription of minima and maxima, State trading, etc., will ensure the optimum results needs to be carefully examined".

## Foreign Trade

Equally vague is the Plan's approach to foreign trade.

of the economy becoming self-sufficient by the end of the Third Plan acquires a dramatic character when one considers the impact of the Third Five-Year Plan on the unemployment situation. According to the reckoning of the Draft Plan itself, unemployment that stood at 5.3 millions in 1955-56 is expected to rise to 8.8 millions at the end of the Second Plan and to 13.3 millions at the end of the Third. (Our figures differ somewhat from those of the Plan as we reject the assumption that agriculture can absorb still more persons from among the new entrants into the labour market.)

## Fantastic Promise

To suggest that a process of growth which permits unemployment to go up at such an alarming rate is leading economy to its "take off", to its self-reliant, self-generating, autonomous growth, so that our poor underdeveloped country will soon become one among the developed ones, is so fantastic that one has to be simply speechless in stupefaction. We indeed ought to take our hats off to our brave planners.



# FUNDS FOR 3rd PLAN

★ by P. K. SHARMA

The draft of the Third Five-Year Plan which is just out reads like a magic book. There are targets and promises, very little of reasoning and arguments. The undiscerning reader may be impressed or be sceptical, according to his disposition. The discerning reader cannot but be puzzled. He would like to know the why's and how's of the Plan. It is the why's and how's that make a plan a plan. The mere statement of targets do not. The Draft Five-Year Plan, however, does not bother to give any explanations or show the connecting links (if there are any!) between its different elements.

It is indeed a joke that such a draft should be released to the public for "discussions". There is hardly any possibility of serious constructive discussions taking place on the basis of such material. Those members of the public who are willing to be fascinated by the magic incantation of targets may feel enthused about it. But they are not many and it is therefore not surprising that the publication of the Draft Plan has not caused any sensation among the members of the broad public.

## Magic Aspect

The magic aspect of the Plan is nowhere better apparent than in the discussions on Resources. This is a fundamental matter. We know that the Government has been talking of a large Third Five-Year Plan, a plan large and decisive enough to bring out the self-generating growth of the economy, its "take-off"—to use a current expression that has been found very useful by our leaders in "selling" the Plan to the public.

The prospect of the Indian economy steadily riding a rising curve under its own steam, without any further assistance being needed from abroad and soon becoming one among the developed economies is indeed a glorious one and is worthy of the imagination of our great leaders who also promised to solve the unemployment problem in India by the end of the Second Five-Year Plan. Cynicism and defeatism melt like mist before the sun of such a positive programme.

Yet, one likes to feel sure about certain details. The Third Plan makes an investment target of Rs. 10,000 crores. One would naturally like to know where and how the funds are to be raised; whether at all it is possible to mobilise so much of resources under the existing arrangement of our society, or whether it is possible to mobilise even more and thus have a still bigger plan and a still more glorious prospect.

It is however difficult to make much headway in such an investigation. Very little is said about how the resources are to be raised and what little is said has a strong flavour of the sleight of hand. Resources seem to come out of nowhere just as a whole stage full of objects comes out of a small magician's hat.

talks of the size of the plan, one talks of the sum of the public sector investment and the private sector investment. When one talks of public sector outlay, one talks about the sum of public sector investment and the public sector current development expenditure. The position of the Second Plan and the Third Plan in respect of their sizes are as follows:

Foreign assistance received for the "Second Five-Year Plan" is larger than Rs. 982 crores shown in the table by the amounts received from the P. L. 480 funds deposited by the United States with the State Bank of India. As a matter of fact foreign assistance has been about Rs. 1,200 crores, so that it constitutes a little above a quarter of the total public sector outlay.

more than this, for there is Rs. 300 crores of foreign assistance expected for the private sector and Rs. 200 crores to build up a buffer stock of foodgrains. Even this last amount ought not to be kept out of the Plan accounts: for if the building up of a buffer stock is considered essential for the success of the Plan—as it should be—then assistance received to build it up ought to be regarded as assistance for the Plan.

	Second Plan (original)	Second Plan (final)	Third Plan
Public sector investment	3800	3650	6200
Private sector investment	2400	3100	4000
Total investment (size of plan)	6200	6750	10,200
Public sector current plan expenditure	1000	950	1050
Public sector outlay (investment & current plan expenditure)	4800	4600	7250

The Second Five-Year Plan had a much smaller target—Rs. 6,200 crores of investment in the public and the private sector taken together. Still the Plan, even in its final version, left Rs. 400 crores unaccounted. But the much larger outlay target of the Third Plan is completely accounted for.

Again, the Second Plan had a target of Rs. 1,200 crores of deficit financing and the target has been probably slightly exceeded. But the Third Plan sets only a modest target for this item and yet the resources seem all to be available. Again, practically all the economic pundits in the country have maintained that resources for the Third Plan can indeed be mobilised to the desired extent, but only if certain new and far-going financial and organisational measures are undertaken.

Several such measures have actually been suggested. It has been suggested that more resources have to be obtained from agriculture and for that a thorough reorganisation of the agrarian economy is called for. It has been suggested that the only way of leading India on to the path of self-generating development lies in the activating of idle man power in the country. But no such organisational efforts are visualised in the Draft Plan.

There are however two commendable features in the above table, comparison between the final and original positions with regard to the Second Plan is as important as that between the final position and the target for the Third Plan. It is seen that in money terms, and therefore even more so in real terms, the public sector outlay has fallen short of the original target; on the other hand, total investment has been actually more than what was anticipated, though in real terms they are perhaps more or less equal. It is further seen that this has been made possible by a short fall in the public sector investment being made up by an excess in the private sector investment. This is an interesting matter on which we shall be commenting at a later stage.

There are however two commendable features in

Foreign assistance, accounts for a much higher percentage of the public sector outlay in the Third Plan. According to the table above, the proportion is 30 per cent.

## Foreign Assistance

But even this is an understatement, the result of a clever piece of statistical falsification indulged in with deliberate intent to deceive the unwary reader. For, the total foreign assistance to the public sector alone is expected to be Rs. 2,700 crores, and not Rs. 2,200 crores as shown in the table. The difference of Rs. 500 crores is required to account for the repayment of external loans falling due during this period. Now, repayment of loan ought to be

## Deficit Finance

It is being widely taken as one of the better features of the Plan that deficit financing has been given in it a very much smaller role to play than in the Second Plan. The matter however is not so simple. Deficit financing is one among a number of alternative means of injecting money in the economic system; credit creation through banks or cooperatives is another mode of doing so. There is a given quantum of increase in money supply that has necessarily to accompany a given increase in overall production level if the prices have to be stable. If a higher dose leads to price inflation, a smaller dose leads to price fall, which is not any more

# WHERE WILL THEY COME FROM?

the pattern of financing the Third Plan shown above which deserves to be underlined. This is that the relative increase in the public sector outlay in the Third Plan over that of the Second is very much more than that for the private sector investment. Secondly, that the share of non-investment current plan expenditure in the total outlay is smaller in the Third Plan than in the Second. It is however doubtful whether the first feature mentioned above would be preserved intact when the Plan is actually implemented.

## Domestic Resources

It is a good thing to have a big plan, but what proportion of it is financed with domestic resources is also a very important consideration. The table alongside compares the resources position of the Second Plan with that of the Third.

treated as a normal capital account of the budget, and if it is so treated, the domestic resources have to be less by that amount. As such, in the above table, domestic resources have been inflated to the extent of Rs. 500 crores and foreign assistance deflated to the same extent.

Thus, the correct position is that foreign assistance is to account for 37 per cent of the public sector outlay, as against 26 per cent in the Second Plan.

The total amount of foreign assistance required is even

Source	Second Plan (final)	Third Plan (target)
Taxation (surplus over current expenditure)	900	2000
Loans from public	800	850
Small savings	380	550
Other budgetary sources	213	510
Surpluses of public enterprises (including railways)	150	590
Deficit finance	1175	550
Foreign assistance	982	2200
	4600	7250

\* SEE PAGE 8

India has now completed nine years of planned development and is preparing the framework of another quinquennium of planning. Rightly at this time, when she is also celebrating the thirteenth anniversary of her attainment of freedom, her people as well as the policy-makers are taking stock of the progress made so far, the difficulties faced in making it, and the friends who came to their help. Also, now that a certain experience has been gathered they have to decide as to whose assistance has been really worthwhile and how.

PROGRESS, however, is too general a term. A little more production of certain inessential commodities can also be put up as an instance of progress. But the real progress, especially for a predominantly agricultural country like India, has to be weighed in terms of its industrialisation. Here, too, it is not the development of any and every industry which can be equated with real progress. It is only the development of heavy industries—steel, heavy engineering and fuel—which lay the foundations for sustained progress.

## Progress In Second Plan

India's record in this sphere, although not adequate, has not been insignificant. Its steel production has gone up from 1.0 million tons in 1950-51 to an anticipated 2.5 million tons in 1960. Similarly, its aluminium production is expected to increase from 3,700 tons in 1950-51 to 17,000 tons in 1960-61. Among engineering industries also cement machinery manufacture in 1960-61 is expected to be of the value of Rs. 80 lakhs as against Rs. 34 lakhs in 1955-56, while the value of sugar machinery, to be manufactured in 1960-61, is expected to be Rs. 550 lakhs as against Rs. 19 lakhs at the beginning of the Second Plan. The value of machine-tools manufactured in the last year of the Second Plan is expected to be Rs. 550 lakhs as against Rs. 29 lakhs in the first year of the First Plan, while progress in other spheres—like locomotives, diesel engines, electrical goods, etc., has been equally impressive. The fact that a good part of this production was in the public sector makes it doubly gratifying.

A notable feature of India's industrialisation during the Second Plan has been the initiation of a programme to create heavy machine building capacities in the public sector. The Forge Foundry Project and the Heavy Machine Building Plants being set up at Ranchi with Czechoslovak and Soviet assistance respectively are the harbinger of a new era, when the country will be able to fend for itself, as far as its machinery requirements are concerned.

The Forge Foundry Project, for which Czechoslovakia has given a long-term credit of Rs. 23.10 crores, will produce grey iron, steel castings and heavy forgings weighing up to 100 tons. These will be used by the heavy-machine building plant, being set up by the Soviet Union, to produce rolling mills, complete steel plants, cement-making machines, etc. The USSR will also be setting up a coal-mining machinery plant at Durgapur besides the second heavy electrical plant during the Third Plan. The Czechs are also assisting in establishing a heavy power equipment plant for manufacture of

# OUR INDUSTRIAL DEVELOPMENT

## An Important Question: Assistance From Whom?

★ by ESSEN

In the main, however, they have not resiled much from their earlier rigid position, although, with increasing availability of oil within the country, and creation of capacities to refine it, they will find it hard to keep it in future.

## In The Private Sector

The progress attained by the country's heavy industry hitherto will be continued during the next five years. The Draft Outline of the Third Plan—rejecting the counsels of despair of Jeremiahs like Tata, to whom increased steel output in the public sector had the prospect of creating a glut—has recommended a target of nine million tons of steel ingots (6.9 million tons of finished steel) and 1.5 million tons of pig iron. The forge foundry project will deliver its first products during the Third Plan, which will also witness the country's first machine-tool plant, and also probably the first steel plant being set up entirely with locally produced equipment.

## Heavy Industry

A particularly beneficial result of the Soviet Union's purposive efforts to find oil in India, and of its offer of oil products and crude oil at cheaper rates has been the "nervousness" caused among Western companies. Compelled by the necessity to keep the Indian market in their grip, and also by the logic of glut in the oil market, they are now vying with each other in offering token price-cuts.

overcome (which, however, is an important political task) will surely take the country a step nearer the "take off" stage.

India, however, has not developed industrially only in the public sector. In the private sector its progress has been much more and that, too, outside the Plan. The private sector, however, apart from the TISCO and IISCO, whom the World Bank gave loans for development, has mostly been concerned with creation of capacities in consumers' and very often luxury goods.

## External Assistance

Emboldened by the Government's tendency to shift its position in respect of the Industrial Policy Resolution, the private sector has also recently made its way into certain industries which had been earmarked for the public sector. In aluminium all the new schemes have been assigned to it. In fertilisers a sizable part has been earmarked for development by it, and now it is even aspiring to make inroads into oil. In all these acts of corroding into the sphere of the public sector it gets active encouragement from foreign investors whom the Government also placates.

While taking note of this disquieting development it is necessary to distinguish between the two types of external assistance which India has been receiving.

The Soviet assistance for the Bhilai Steel plant is well-known, as also the role

it played in making the British rush up with their proposal to help in setting up the Durgapur plant. Its assistance in oil finding and now production, in heavy machine-building, in drugs manufacture and in mechanisation of coalfields is also known. What is not so well known, however, and is not publicised by the Government so often, is the fact that the USSR has also been the first to offer assistance for Third Plan projects. To date this offer entails about Rs. 180 crores, a figure which even according to newspapers like the Hindustan Times is likely to be increased soon.

## Western Demand

Apart from the USSR, it is the Czechoslovak Republic, Rumania and other Socialist countries which have helped to set up basic industries like the forgings plant and the oil refinery. Rumania's credit of Rs. 5.2 crores and Czechoslovakia's of Rs. 23.1 crores along with Yugoslavia's and Austria's are about all that the country has got so far for the Third Plan. In fact, all the projects included in the Draft Plan with external credits assured, except two (raw films project to be set up with French assistance and watch manufacturing project in which the Japanese are collaborating) are those which the Soviets and Czechs are helping to set up. For the rest

\* SEE PAGE 14

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give rise to doubt as to the intention behind putting such a small target for deficit financing. It is true that working capital has to be supplied by the bankers to industries in the private sector, but sacrificing a few hundred crores from the Plan resources to enable that operation smacks of a concern for the private sector that does not altogether agree with the spirit of a "Socialist pattern of society".

Of course if the bank credit is to be used to supply working capital to cooperatives, that would itself be a positive contribution to the success of the Plan; but then as much as Rs. 200 crores of the public sector plan resources are earmarked as contribution of the public sector towards capital formation in the private sector. Hence, it is not quite clear to what extent bank credit outside the plan accounts would be necessary to finance cooperatives.

Again, it has been said that a large volume of bank advances would be necessary to finance State trading in foodgrains. Now, it is extremely doubtful that State trading in foodgrains on any significant scale will be started in course of the Third Plan. No such firm assurance is to be found anywhere in the Plan.

### Public Enterprises

But even conceding that this would indeed take place, it would not be necessary to create new money to carry out its operations, as the advances now given to the traders will be idle and therefore available for the purpose and it should also be possible to mobilise in some way or other the working capital privately owned by the traders for the Plan. Hence, the suspicion remains that the real significance of the very low figure set for deficit financing lies in an anxiety for the welfare of the private sector, and that it might lead, not even to industrial development in the private sector, but merely to its speculative activities being intensified.

For the first time in Indian planning surpluses of public enterprises occur as an item in the resources budget for the public sector plan. Reinvestment of profit has been the classic source of developmental finance in all developed countries, whether capitalist or Socialist.

In India, however, until the end of the Second Plan, the public sector did not have any profit-making enterprises making any significant volume of profit. The railways, of course, constituted an exception. The railways contributed Rs. 150 crores to the Second Plan resources and are expected to contribute the same to that of the Third Plan. Besides that, Rs. 440 crores are expected from the other industries set up in the public sector in the Second Plan.

This is an item of resources mobilisation in the true spirit of developmental planning and deserves to be hailed as such. It is, however, open to serious doubt whether this figure really represents the maximum contribution that can be obtained from this source. Public enterprises in India, even in industries, are run more on bureaucratic lines than on business principles.

We are not in a position to establish here and now that it is so but that it is true of the railways is well known and requires no emphasis. The railways have become a white elephant in India, eating up an extremely disproportionate share of the total investment funds and yielding much below what might be expected from a commercial enterprise. Maximisation of surplus generation has never been a criterion in railway planning, or for that matter in transport planning in general.

### Higher Yield Possible

If it was, the pattern of transport development would have been very different from what it is now. Freight distances would have been cut short by judicious location of industries and mines in concentrated industrial zones or belts, railroad coordination would have been introduced in practice and not merely on paper; inland navigation would have been more seriously taken and coastal shipping given further attention.

None of these things are taking place; the railways are expanding their empire, irrespective of economic considerations under the strong pressure of the bureaucratic vested interests linked with the system. That the industrial enterprises in the public sector could at least be reasonably expected to yield further profits finds confirmation in the fact that in earlier internal papers of the Planning Commission on resources, much higher figures were set against this item.

While even more than

# Burdens On People

the target quantity of resources could be expected to be realised from the public enterprises, it is doubtful whether the projections made with regard to the other budgetary resources can be seriously taken, namely receipts for Plan through taxation, loans to Government, etc.

### Budgetary Resources

Contribution to the public sector plan resources from these items is expected to amount to Rs. 3,910 crores, whereas the corresponding figure for the Second Plan is nearly Rs. 2,000 crores (after making allowances of the PL 480 rupee deposits used for subscribing loans to Government), so that the contribution to the Plan from these sources is expected in the Third Plan to be twice that in the Second Plan.

Whether this projection is dependable or not requires careful examination. For, one would think that at a time when the national income is expected to grow at the rate of five per cent per annum only, budgetary surplus over non-plan expenditure can hardly be expected to double itself in so short a time, especially as no basic changes in economic policy nor any important reorganisation of any aspect of the institutional

set-up of the economy is being contemplated.

It may be estimated that the total non-plan Government expenditure (on revenue account) at the Centre and in the States, has been during the years of the Second Plan of the order of Rs. 5,000 crores. As the revenue receipts have left a surplus of Rs. 900 crores, the total receipts (on revenue account) may be placed at Rs. 5,900 crores. Now the target of a surplus of Rs. 2,000 crores in the revenue account during the Third Plan period implies that the total revenue receipts during the period must be of the order of Rs. 9,500 crores. That is because the non-plan expenditure with revenue account will have to go up from the level of Rs. 5,000 crores to that of Rs. 7,500 crores; about Rs. 1,000 crores by way of normal growth in administrative expenditure and another Rs. 1,500 crores to maintain the different non-profit-making public establishments brought into existence by the Second Plan. The Second Plan has spent Rs. 950 crores over their maintenance. Allowing for the increase in the tempo of plan activities over a five-year period, it may be assumed that the maintenance expenditure during the last year of the Plan will be Rs. 300 crores. Maintenance ex-

penditure during the next five years will have to be at this annual rate. It is thus that the figure of Rs. 1,500 crores is arrived at.

The other figure of Rs. 1,000 crores is not at all overlooked. As a matter of fact this amount would be made necessary by the sheer operation of the famous Parkinson's law. A very much larger allocation would have to be made for non-developmental expenditure if the sabre-rattling Indian militarists and reactionaries can win the day and impose burdens of a heavy defence programme.

While even more than

# Still More Burdens On People

amount of depression of the rate of personal consumption, especially if it is to be the broad masses who are going to be subjected to the treatment? Not by the gentle method of the Expenditure Tax, of course. There are various weapons in the armoury of the Finance Minister, besides deficit financing. But even after making full use of all the weapons available, he cannot guarantee that the target for domestic resources will be attainable.

### 60 Per Cent Increase

Rs. 9,500 crores thus corresponds to the minimum revenue yield targets set. But this in itself constitutes a 60 per cent increase over the yield over the Second Plan period. This is a measure of the effort required on the taxation front. Receipts (including provident fund, betterment levies, etc.) also are expected to increase by 140 per cent, but it is difficult to know what it really implies, for the different items of receipts and their relative importance are not explained in detail.

The question arises whether

it is within the bounds of practicability to raise resources of such magnitude through the usual budgetary channels. But we shall comment on that after having reviewed the position of the private sector.

### Private Sector Resources

Statistics relating to the private sector resources are extremely poor—so poor that one cannot but wonder what sort of planning is possible on the basis of such flimsy data. A comparison of the original expectations and final estimates are instructive. Private capital formation in agriculture was originally expected to be Rs. 275 crores. Now it is expected to be Rs. 675 crores, which is no less than about 2½ times the original estimate.

Again, the original expectation of private capital formation in transport and small-scale industries was Rs. 85 crores and Rs. 100 crores respectively. The present estimates are Rs. 135 crores and Rs. 225 crores respectively.

While these are statistical errors of estimation, the divergence with respect to the "large-scale industries and mining" sector are significant in a different way. There are no statistical

between the two Plans is of the order of 25 per cent, tax receipts are being expected to go up by about 60 per cent, loans and small savings by about 45 per cent, and at the same time private capital formation in industries and transport by about 50 per cent.

The percentage of increase in either of the three cases is significantly higher than that in income. There is, therefore, no possibility of a sharp increase in one of the three ways of disposing of non-consumed income being compensated by a relatively small increase in one of the other ways.

That means that the above scheme of financing the Plan is possible only by forcefully repressing the rate of personal consumption (and not necessarily the absolute level of consumption). The Plan, however, keeps conspicuously silent about the sections of the population whose rate of personal consumption is thus to be depressed. Herein lies the secret of the shyness of the planners with respect to the taxation policy to be followed, the explanation for the air of magic enveloping the entire discussion.

It will, however, be natural for the ordinary reader to guess the class that will be called upon to make sacrifices to the national cause. During the last five years, yield from Central direct taxes has gone up only by 25 per cent, whereas that from Excise duties has done so by 100 per cent. The figures are tell-tale, though it is true that Excise duties do not by any means impinge only on the masses. How will the Government proceed to achieve the desired

obscurities, regarding this sector which is highly organised and thoroughly documented. This reflects an ignorance of the private sector on the part of the planners which has no objective justification.

Private sector industrialists and capitalists have been, until recently, perpetually complaining that they were being strangled by the taxation measures of the Government. It now turns out that they have actually managed to invest more than what they themselves thought they would be able to invest (for targets for the private sector investments are nothing but the private sector's own estimates!).

While the total investment target for the private sector for the Third Plan is not disproportionately above that for the Second Plan, those for a certain number of sectors are extremely high. Thus, the targets for small and village industries, large-scale industries and mines and transport are 50 per cent above those for the Second Plan.

We can now face the question whether it is feasible to raise domestic resources to the extent envisaged in the Plan. There is, of course, no question of impossibility but there does not seem to be any way of achieving the purpose within the present framework of public finance. While the average increase in income

amount of depression of the rate of personal consumption, especially if it is to be the broad masses who are going to be subjected to the treatment? Not by the gentle method of the Expenditure Tax, of course. There are various weapons in the armoury of the Finance Minister, besides deficit financing. But even after making full use of all the weapons available, he cannot guarantee that the target for domestic resources will be attainable.

That does not mean that the Plan will not be "fulfilled". After all, it is always possible to raise whatever quantity of resources one likes if one is not too particular about the prices being stable. Also, any gap can be filled up with further doses of foreign assistance.

It is, therefore, not possible to say with certainty that the resources will not be raised. There is, however, one thing that can be said with certainty and that is that the Plan cannot expect to achieve any better success in setting the country on the path of self-generating growth than the Second Plan was in liquidating the unemployment problem. It indeed calls for courage as well as an obnoxious sense of humour to promise to lead the country to self-sufficiency through a plan that necessitates such dependence on foreign assistance.

amount of depression of the rate of personal consumption, especially if it is to be the broad masses who are going to be subjected to the treatment? Not by the gentle method of the Expenditure Tax, of course. There are various weapons in the armoury of the Finance Minister, besides deficit financing. But even after making full use of all the weapons available, he cannot guarantee that the target for domestic resources will be attainable.

# BONDED DEBT SLAVES

Thoroughly unpalatable are some of the facts revealed by the Second Agricultural Labour Enquiry, conducted under the auspices of the Ministry of Labour, Government of India in the year 1956-57. It so happens, however, that the results of this very big survey undertaken four long years ago are still to see the light of the day, having lost their way to the world in the labyrinth of the Cabinet Secretariat, the Ministry of Labour and the Planning Commission.

THE first non-official reference to this survey was made by Professor D. R. Gadgil in his contribution to the Papers of the Panel of Economists of the Planning Commission.

In that paper Professor Gadgil has characterised the consequences of the Socialistic labours in planning undergone by the Government of India and the Planning Commission, as follows:

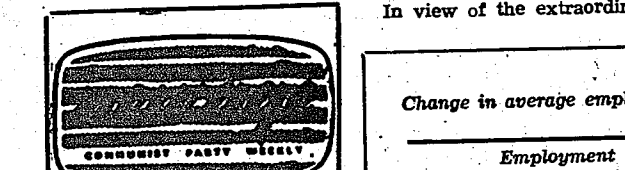
"Whereas there appears to have been some increase in per capita national income during the period, the results of this have been evidently spread very unevenly over society and the economy. The cities have profited as compared with the agricultural regions. Among the agricultural regions, the rich agricultural regions have done well but not so the poor ones, and in all agricultural regions it is only the top farmer strata, that appear to have made any net improvement in their position. Agricultural labour has distinctly deteriorated in its position and this most probably is what has happened also to the rural artisan industry and casual labour and labour employed in unorganised industry, trade and transport. Even the earnings of factory labour have not made any significant progress if 1959 is compared with 1951. The salariat which next to labour is important in the cities appears to be in a stagnant even perhaps a slightly difficult position. It is only the trader and industrialist who appear to have done consistently well and among them the larger and those in the largest cities with the largest organised business appeared to have done the best."

It is possible to undertake a full-scale analysis of distribution of income by classes. And, that is not possible so long as the white papers on national income remain what they are, namely, useless, as the famous American expert on National Income, Professor Simon Kuznets, is alleged to have said in his report on India's National Income Estimates submitted to the Government of India some two years ago.

In pursuing his thesis of increasing inequality all around—between regions as well as between classes—Professor Gadgil had to content himself with mainly secondary and inferential evidence. As regards the position of one of the major classes in India, i.e. agricultural labour, comprising more than a fourth of the rural population of the country, he made indirect use of the results of the Second Agricultural Labour Enquiry. The Third Plan Draft-makers, too, refer cryptically to this enquiry but fail to muster sufficient courage to come out with some of the results.

### Marx Had Said

Thus spake, too, not Zarathustra, but Karl Marx in the year



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importance of assessing the fulfilment of the Directive Principles of the Constitution embodied in the objective of reduction of inequality avowed in the economic programmes of the Government and the ruling party, we choose to present hereunder some of the most important indicators of the economic solvency—or insolvency, as one may like to put it—of agricultural labourers in India, who have been said to be the constant inhabitants of the fringe of beggary in the countryside since the subject called Indian Economics was born.

The indicators chosen here are average total employment (agricultural plus non-agricultural plus self-employment) in days per year head of male and female agricultural labour, wage rate in annas per head per day of agricultural operations, average annual income of agricultural labour in rupees per

family, average outstanding debt in rupees per indebted agricultural labour family and proportion of agricultural labour families in debt. The figures of the two agricultural labour enquiries 1950-51 and 1956-57 are presented for each indicator in Table I (see below).

Changes In Six Years  
Due to a difference in the definition of an agricultural labour family as adopted in the two surveys, the figures are not strictly comparable, as also because of the subsequent reorganisation of States some change in the regional breakdowns has taken place. That is why figures for South India and Northwest India are not presented by States. Further, in the Second Agricultural Labour Enquiry, figures for South India do not include those for Mysore and Coorg.

Notwithstanding such anomalies, the changes noticed are large enough to warrant a firm conclusion as regards the direction in which the economic position of agricultural labour has moved between 1950-51 and 1956-57. The First Agricultural Labour Enquiry, 1950-51, adopted the criterion of more than 50 per cent of the labour time spent on agricultural wage labour as the condition for categorising such a family as an agricultural labour family, whereas the Second Enquiry, 1956-57, adopted the criterion of more than 50 per cent of family income originating in agricultural labour for categorising an agricultural labour family as such.

### Extraordinary Worsening

It is possible that due to this change in definition a certain fall in the proportion of agricultural labour families among

agricultural labour but, earn less than 50 per cent of their income through such labour, and that the rejection of such families from the universe of agricultural labour in the Second Enquiry depresses employment and income of agricultural labour, itself cries aloud for a thorough overhaul of the property-structure in agriculture and the need for distributing land to the landless.

Above all, such a possibility indicates a historical tendency in Indian agriculture which is diametrically opposed to what happened in countries on the threshold of the agricultural revolution involving rapid development of capitalism in agriculture, namely, that the income-scales got oriented in such a manner that agricultural labourers no longer preferred to be poor peasants or tenant farmers. Lenin noted this in Russia in his famous comparison of the status

# AGRICULTURAL LABOUR ENQUIRY REVEALS UNPALATABLE FACTS

FROM OUR SPECIAL CORRESPONDENT

all rural families has taken place between the two surveys. And that is because agricultural labour may fetch less income per unit of labour-time than self-employment in agriculture, so that a family which spends more than 50 per cent of the labour-time in agricultural labour and is categorised as such in the First Enquiry may be earning less than 50 per cent of its income through that and is, therefore, not categorised as such in the Second Enquiry.

### Wage Rate

Lastly, while income and employment and even indebtedness may be somewhat affected as above by the definitional anomaly, it should be clearly noted that the wage rate is not affected by any such anomaly referring as it does to the wage rate per day of agricultural labour performed.

This may also be responsible somewhat for the extraordinary worsening evidenced by all the indicators in the table presented. However, the fall in the proportion of agricultural labour of the order of four to five per cent due to such definitional anomaly is not likely to account for the very large variations in the indicators of employment, wage, income and indebtedness.

Moreover, the very possibility that self-employment as poor peasant may be fetching a higher income per unit of labour-time for a certain fringe of agricultural labour households who spend most of their time in

of the horseless wage labourer with that of the one-horse poor peasant. Professor Unwin noted this in England in the 16th and 17th centuries.

### \* SEE PAGE 15

TABLE I  
Change in average employment, daily wage, family income and indebtedness of agricultural labour as revealed by Agricultural Labour Enquiries 1950-51 and 1956-57

States	Employment (No. of days per year)				Wage (As. per day)				Annual income (Rs. per family)				Av. debt (Rs. per indebted family) lies indebted			
	Men	Women	Men	Women	Men	Women	Men	Women	1st ALE	2nd ALE	1st ALE	2nd ALE	1st ALE	2nd ALE		
U.P.	321	260	143	145	18.8	14.7	16.8	10.4	551	355	32	151	21.9	72.1		
Bihar	281	246	111	151	20.2	14.6	17.7	11.8	534	380	95	150	41.8	69.7		
West Bengal	280	264	88	196	27.0	22.9	16.6	15.7	622	547	34	74	31.8	68.2		
Orissa	322	251	150	126	11.5	12.8	7.9	8.8	340	296	50	60	16.9	62.2		
M.P.	313	279	122	178	12.6	12.2	7.9	9.4	390	351	45	97	49.6	49.3		
South India	250	238	139	165	16.2	14.6	8.6	8.6	382	325	102	143	51.8	70.9		
(Madras, Mysore, Kerala, Andhra, etc.)																
N.W. India	283	266	115	137	22.8	26.0	15.8	12.6	651	619	335	365	75.8	73.6		
(Punjab, Delhi, Rajasthan, Himachal Pradesh, Jammu & Kashmir)																
All-India	283	255	134	169	17.5	15.4	10.8	9.4	447	385	105	138	44.5	64.5		



# THIRD PLAN & LAND REFORMS

One usually expects the draft of a new Five-Year Plan to start on its course of presenting before the country the programme for the next quinquennium with a thorough-going evaluation of the achievements and failures, if any, of the preceding plan-period. This is a measure of the seriousness with which the planning authorities look upon their own work and expect others to.

**T**HE Second Five-Year Plan Draft outline was, at least, not quite oblivious of this minimum requirement. The present draft outline, however, marks itself out in the unusually cavalier attitude exhibited in its treatment of this necessary aspect of planning work, namely, evaluation. The Planning Commission, in this particular case, has thought it wise to wash its hands of this obligation by dangling before the people a series of production figures only.

## Difficulties Of Evaluation

For the writer on the agrarian part of the Plan, however, it becomes an altogether thankless job to evaluate either the achievements or the targets in terms of gross production figures only. And that is because of two reasons:

First, notwithstanding the cryptic footnotes to the tables of agricultural production stating that "estimates of production adjusted for changes in statistical coverage, etc., up to 1956-57" one does not know how they have been made so, nor what "up to 1956-57" means, whether from 1956-57 onward or from 1956-57 backward. This becomes a matter of crucial importance, because in evaluating the rise in production, it is absolutely necessary to know the contribution of increasing agricultural production! Since production of more statistics is not equivalent to production of more foodgrains, and since the absolute production figures and the index of production published by the Monthly Abstract of Statistics of the Government of India are known to behave in wildly contradictory ways, it is necessary to know what has been done about "India's Elusive Agricultural Output", shown up as such so devastatingly by Dr. Daniel Thorner in his article bearing this name in the Economic Weekly, Annual Number, January 1960.

Secondly, in agriculture the evaluation of a programme, including the credibility of the official production figures, depends so much on information regarding the entire agrarian structure which decisively governs the actual operation of the production-system, that the beatifically innocent statement of the Planning Commission that it is unable to provide any evaluation of the legislations because the State Governments and the Panel on Land Reforms have not yet spoon-fed it on what to say, becomes in effect an exceptional disavowal of the responsibility of evaluation.

The disavowal becomes all the more reprehensible in view of the virtual abandonment of all pledges in

regard to reform of the property-structure in agriculture in the policy recommendations which are, in fine, nothing more than a mere promise to carry into effect the legislations already undertaken in course of the Second Plan.

Moreover, one is really amazed at this wonderful smugness in regard to the agrarian structure in view of the fact that the agricultural situation has been causing the greatest worry and is being used both by foreign and Indian Big Business, from the World Bank down to the captains of Free Enterprise, to plough under the very scheme of industrialisation. Even from their own production-figures it transpires that the 75 million tons of foodgrains "likely" to be achieved in 1960-61, is still short of the target by six per cent and is even less than the initial targets which subsequently underwent upward revision to reach the 80.5 million tons mark.

Without reviewing the entire agrarian situation, therefore, it makes no sense to set the target for the Third Plan to the 100-105 million tons range—not a very small range to choose "because of uncertainties inherent in agriculture"—when the requirement of 110 million tons of foodgrains estimated by the Ford Foundation Team was used by them as a "strategy of terror" to roll back the priority of industrial progress in our Plans.

## Agricultural Defeat

In view of the inability of the Planning Commission to provide us either with an evaluation of the reforms or with the method of computation and compilation of production figures—or with any other background material which might enable us to arrive at an independent estimate of the situation, we choose to start our appraisal of the Third Plan prospects with an assessment of the current situation made in an article published in the New Statesman and Nation, dated December 19, 1959, by Professor Rene Dumont who had first-hand information of "India's Agricultural Defeat", while working as a member of the U.N. Commission for evaluating Community Development schemes in India.

Dumont writes, "Like the Ford experts, I regard the present situation as tragic. But to abandon industrialisation will solve nothing—the contrary. To plan wisely we must first examine what has gone wrong... The chief obstacles, in fact, are not natural but human."

The Government's way of tackling the human obstacles is mainly through the Community Projects whose

main function according to Dumont, has in effect boiled down to dishing out quotas of conspicuous welfare for the "kulaks" of our countryside: "In the first village I visited in the Punjab, near Nilokheri—a show place evidently—the streets were paved with bricks, so that visiting bureaucrats would no longer get their feet muddy. But, there was no sign of a drainage scheme—the bottleneck of agricultural production—and no plans to start one." Thus, "comfort" of the privileged "has been given priority over production."

In the face of such damning criticisms, the Third Plan authors have found it necessary to admit that the Community Projects "did not provide adequately for the less privileged sections of the village community." They assure, however, that we shall have better luck next time, that the resources of Community Projects are to be devoted "more in the direction of assisting the less privileged sections."

## Only Way Out Of Rut

One does not quite realise how this is going to come about, nor do the Plan-framers enlighten us on the ways and means they have in mind. One can, however, predict with complete assurance, in view of the experience of pre-independence British attempts at rehabilitating agriculture in this country that, no amount of pump-priming of technical resources, projects and proposals from medium-size Ferguson Tractors down to fertilisers, irrigation, "Japanese methods" and sanitary latrines can stop the rot in the countryside, unless the modes of property relation and distribution and the forms of employment of labour—power undergo a radical overhaul.

As Dumont says: "After independence, the first land reform was the abolition of the feudal lords, the zamindars. To begin with, the operation of this law, which provided full compensation proved very expensive—money having to come out of funds otherwise available for productive investment. Moreover, the zamindar was able to retain a large part of his lands, often through a so-called voluntary renunciation of the sharecroppers. He is also their banker... Laws were then passed with the object of limiting rents... In virtually all cases the regulations were a dead letter... Unlike the European sharecroppers, the Indian pays for all production costs. He pays for the manure used in the Japanese method of rice growing while the landlord gets the surplus harvest for nothing. The sharecropper has learnt his lesson... The First Plan accomplished many major irrigation schemes. The peasants have not built any side-canal to bring the water to their fields."

Thus, to get at the root of our 'agricultural defeat' one should reckon with the perpetuation of a property

structure that absorbs all benefits of developmental expenditure for a very small minority of substantial landholders unwilling to undertake productive investments, while at the other pole of the same structure innumerable economic and non-economic constraints combine to smother the initiative and ability of actual tillers of the soil so much so that even after a decade of political independence there are no signs of an agricultural revolution through unhindered efforts and achievements of the working peasantry. It is the lesson of history, however, that the nodal aspect of land reforms consists in unleashing the vital potentialities of the working peasantry.

## Root Cause

Tracking down the human forces in the course of depar-ture from agricultural backwardness, emancipation of the working peasantry would unmistakably stand out as the most significant source of progress along the democratic path. Whatever may be the importance of the first enclou-

"was one for three centuries rather than for a single Parliament."

The French counterpart of this programme for centuries found expression in the Jacobin ideal of small peasant economy and diffusion of large estates.

## Lenin's Programme

Heralded by the Anabaptist manifesto in 1534 in the German city of Munster, the revolutionary initiative of the working peasantry found its final consummation in the programmatic distinction that Lenin made between two types of development in agriculture, in the character and sequence of transition from feudalism. The essential difference between the two paths consists in the transformation of the technical and social base of agriculture from below, with the bulk of the agriculturists transformed into middle peasants through the break-up of large estates, through the first path, the American path; or alternately, in the transformation from the top of the large estates into modern large capitalist farms with gradual elimination of the working peasant,

The session of the National Congress which adopted the resolution of full independence also recognised the need for "a revolutionary change in the present economic and social structure."

The Resolution on Fundamental Rights and the Economic Programme adopted at Karachi stated that, "labour was to be freed from serfdom and conditions bordering on serfdom," that, "substantial reduction in agricultural rent or revenue paid by the peasantry together with exemption for uneconomic holdings" was to be undertaken, and that "progressive income-tax was to be imposed on agricultural income above a fixed minimum."

In the following session of the AICC in Bombay in 1931, the Karachi Resolution was adopted and elaborated incorporating among other things the clause that "the system of land tenure and revenue and rest shall be reformed and an equitable adjustment made of the burden on agricultural land."

Soon, however, did show up the other face of the then national leadership. The Working Committee hastened to assure the zamindars in a resolution adopted on January 1, 1932, that the "no-rent proposals

were in no way aimed at them but that they represent an economic necessity for the peasantry which is known to be half-starved and at present suffering from unprecedented economic distress" and that "the Working Committee, therefore, appeals to all landed or monied classes to help the Congress." Again, in a Working Committee Resolution of June 1934, the Karachi Resolution was subject to further erosion: "confiscation and class war are contrary to the Congress creed of non-violence."

However, the Recommendations of the National Planning Committee on Land Policy remain a memorable landmark, yet unsurpassed, in the annals of the battle for land to the tiller in this country. This programme came nearest to what Lenin would call a consistent programme of revolutionary bourgeois democracy, namely, nationalisation of land in the sense of abolition of absolute rent. In a way the National Planning Committee in its fervour went even a step further. It recommended that "the ownership in all forms of natural wealth must belong to and vest absolutely in the people of India collectively," and that "after the coming into effect of the Plan, there must be no rights of inheritance in any of these forms of natural wealth." Almost simultaneously the action had its inevitable reaction. In an amendment it was noted that "in such cooperative, private ownership of land will continue."

It is, nevertheless, a far cry from these full-throated recommendations to the insidious polemics of the Draft Outline of the First Five-Year Plan against nationalisation of land, and the clause of

merely resulted in effecting the legal demise of the top-most layer of intermediaries who were in any case already on the wane, while leaving intact and indeed strengthening the "interests-ladder" below this top stratum. The working peasantry seemed to have bargained only for evictions because they not only did not simply "take the land" as Gandhiji said but left Gandhiji's followers with the choice to "give" them the land.

## Powerful Force

And that is because the followers, in their turn, included not only the surviving spokesmen of the National Planning Committee's tradition but also the more "practical" spokesmen of those at the helm of that "interests-ladder" in the Indian rural economy, who had been emerging as the most powerful force in the countryside throughout the inter-war period, who had become de facto rulers in course of the inflationary speculative bouts during and after the Second World War, and who now, thanks to the post-independence legislations, come out as de jure rulers also both inside and outside the Congress fold.

It is the rise of this force on the Indian rural scene to which is attributable the refusal of the Congress policymakers to reckon with the consequences of their compromises and vacillations on the

type of landownership as conglomerate landlordism. The reasons for the growth of sharecropping in keeping with the conglomerate interests of the new type of big landholders was highlighted in the Memorandum of the Bengal Provincial Kisan Sabha to the Land Revenue Commission of Bengal.

"He has made his money by the exploitation of the cultivator and his natural inclination is to invest his earnings in the land, at the same time he is a petty trader in jute or wheat or rice; very often the village grain-dealer or he may be interested in transport. In any case the investment of capital in land is more attractive to him under present conditions than investment in industrial concerns. But he is not intending to cultivate the land himself any more than the old fashion zamindar did. His investment is purely business enterprise, and as likely as not he will be an absentee landlord. But, on the other hand, he will probably be a pushing and go-ahead business man, not content like so many of the old landlords to sit back and let his estate go to seed while the rents come in annually. Now, to a landlord of this type the receipt of produce rents has every advantage; not only is the higher rate-well worth the extra trouble of assessing and collecting his half share, but and this is most important, the new type of landlord is already a trader in grain or jute. It will pay him, therefore, to take as rent the jute or grain grown by his tenant

The Rural Credit Survey also yielded the information that 70 per cent of total borrowing of cultivators were from moneylenders and 80 per cent of the village cultivators were also "agriculturists". This type of "agriculturist"—cum-moneylender—cum-trader, the Report says, "commands the credit, commands the market and comes with the transport." (Ibid).

## First Plan

The anachronism of post-independence land reforms in India lies in the perfunctory manner of facing up to this basic reality of conglomerate landlordism. While the primary target of land reforms under the First Five-Year Plan had been proclaimed as abolition of intermediaries and conferment of full proprietary rights in land on actual tillers of the soil, the criteria laid down for personal cultivation were liberal enough to leave out sizable sections of intermediaries from the purview of abolition, over and above the infliction of the burden of compensation on the peasantry. The concept of 'personal cultivation' was ineptly over-stretched to include almost all landowners excepting those formally leasing out lands to tenants having full legal status.

In identifying the tiller of the soil most of the reforms went by the classical notion of an entrepreneur and did not insist on having manual tasks of tilling as the sine qua non of own cultivation. Thus a cultivator came to be construed as somebody quite different from the actual plough-pusher and all owners enjoying the 'net profits of cultivation' could pass off as a cultivator in the eyes of land laws aiming at the abolition of intermediaries. Ineptitude of the concept of 'personal cultivation' together with considerable rights of resumption and the absence, in most cases, of provisions for ceiling on the size of existing holdings under 'personal cultivation'—while leaving intact the ladder of interests—resulted in an unprecedented scale of evictions.

The findings of the Census of Landholdings brought out that within a span of five to six years consequent to the first spate of land reforms tenant-cultivators had been evicted from about two-thirds of the lands under different tenancy-rights. And this was not due to upgrading of tenants to the status of full ownership. The Report on 'Social Effects of Jagirdari Abolition and Land Reforms in Hyderabad' (1958) by Dr. A. M. Khuroo, gives the information that out of the originally created protected tenants in 1951 only 45 per cent remained at the time of enquiry in 1955. Out of every 100 tenants evicted 51 were evicted illegally and 43 had surrendered their lands. A similar scale of evictions was reported by the Poona School in their Report on the Working of the Bombay Tenancy Act, 1948, and two-thirds of the "voluntary surrenders" were reported to have resulted from threats.

We have already noted that

★ SEE OVERLEAF

# Virtual abandonment of pledges

tures of the 15th century and the final enclosures of the 18th century as sensational highlights of English agrarian history, marking respectively the beginnings of mercantile supremacy and the final triumph of the upper bourgeoisie over the yeomanry, we have to look for the trail of productive achievements culminating in the Agricultural Revolution, in the diligent, continuous, steady and un-conspicuous efforts by generations of working peasants during the three centuries in between the two landmarks of the enclosure movement.

## Foreign Experience

For the benefit of those Anglomaniac ideologues of Congress planning who are not prepared, in their intellectual slavery, to look beyond the limits of Anglo-Saxon history in taking their lessons in economic progress, we propose to draw their attention to these facts which constitute, to be it noted, the immortal saga of popular initiative on the bones of which the haven of bourgeois democracy has gone up. While at an earlier stage of feudal decline the brave heroes of the Peasant's Revolt of 1381 had been the precursors of those humble architects of the agricultural revolution, the ideals of Mile End and Smithfield were carried over, contained and developed in the 'good old cause' the Levellers and Diggers whose programme, though lost in the seventeenth century

which is the second way, the Prussian path.

The agrarian programme advocated by Lenin for the Russian Social Democratic Labour Party had been based on the objective of development along the first path and that in due course furnished the directive principles for the first Decree on Land of the Soviet Government after the Socialist Revolution. The same programme formed the basis of the Three Principles of Dr. Sun Yat-sen, which was bodily carried over and incorporated in the first Agrarian Reform Laws of the People's Republic of China, echoes of which could be heard in the National Planning Committee's Recommendations of the 'thirties when its Chairman Jawaharlal Nehru's voice was not yet quite muffled by the exigencies of squaring Cabinet decisions with the vested interests entrenched in his party and the State Governments.

## Karachi Resolution

Not that the voice of the National Congress was quite clear, even then. And it may be worthwhile to recall, in brief, on the occasion of the anniversary of our independence and of the debacle on the agrarian front, the drift and oscillations on the question of agrarian reform which have bedevilled our national leadership since the Karachi days.

Compulsory compensation payments in the Constitution—notwithstanding Gandhiji's famous words to Louis Fischer in June 1942 in answer to the latter's question of whether zamindars would be compensated. Gandhiji said: "No, that would be fiscally impossible... The peasants would take the land. We would not have to tell them to take it. They would take it."

## Congress Practice

Directed at the rising forces of the Left inside the Congress and the country as a whole in the 'thirties, these attempts to stem the tide of radicalisation of the National Platform of Economic Programme could not prevent the further evolution of the agrarian programme. The Lucknow and Falapur sessions of the National Congress bore testimony to the most comprehensive documents: on a thoroughgoing agrarian programme which found its consummation in the Recommendations of the National Planning Committee on Land Policy and Agricultural Labour.

Notwithstanding all these programmatic exercises, however, the Congress Ministries which came to power in the Provinces under the Govern-

ment of India Act, 1935, went merrily trampling underfoot all their pre-election pledges to the peasantry. It may be recalled that the issue of Right and the Left inside the Congress was actually related to the fact of peasant struggles in the Provinces under the rule of Congress Ministries.

## Sleight Of Hand

The peasants did not take the land. And, therefore, the cavaliers of the First Five-Year Plan raised the bogey of nationalisation of peasant proprietorship itself by disconnecting the act of acquisition of intermediary rights from automatic conferring of proprietary rights on the actual tiller—the man behind the plough—which is the essence of nationalisation. A sleight of hand, nationalisation of intermediary rights was made not to mean distribution of land to the tiller, so that acquisition of intermediary rights was separated in time from tenancy-reform while the Constitution of India mortgaged the peasantry to redemption and compensation-payments.

Fraught with the separation of acquisition from distribution of land rights, the right to compensation and the right to resumption granted to large landholders, the legislations undertaken during 1947-54

working peasantry on the one hand, and the transformation of all legislations into a weapon in the hands of this stratum of parasitic large landholders, on the other.

## New Class Of Landlords

The absence of progressive direction of any considerable effect in the course of post-independence land reforms is rooted in an anachronistic approach to the structure of landed property in rural India. The hierarchy of ownership and production relations as it had developed in Indian agriculture during the British rule resulted in a vicious, 'interests ladder' with layering of rights from those of the State, landlords, tenure holders, down to several tiers of tenants including substantial occupancy raiyats and those verging on landlessness—a phenomenon that came to be true both for zamindari and raiyatwari areas and thrived on the ever-growing margin of surplus between rent and revenue.

In this process of subinfeudation coupled with exploits of commerce and usury via the usual inroads of a money-economy superimposed on precapitalist bases of production, there emerged a new class of landlords who combined in their pattern of disposition and use of resources the motives and interests of trading, usury and rent-receiving. This pattern impels us to characterise this new

rather than to take cash and then have to buy these raw materials for his business in the open market. In other words he is rationalising his business vertically. Consequently we find that amongst these new landlords it is the usual practice to have their lands cultivated by bargadars. They generally have acquired their lands by buying them in auction sales caused by the eviction of tenants who were their own debtors. Here again in the same tenants are often reinstated as bargadars." (Report of the Land Revenue Commission, Bengal, 1940, vol. vi, p. 46. Emphasis added).

## Rural Structure

That the structure of rural landed property carried over to free India is dominated by this class of conglomerate landlords would be evident from the following observations in the report of the All-India Rural Credit Survey, 1951: "For several decades there continued to operate, as there still operates a mechanism of trade, finance, etc., the working of which has, by and large, been consciously or unconsciously against the interests of the rural population, generally, and the rural producer in particular. The bigger landlord has ways which conform with those of the moneylender, and indeed, he is often the moneylender or trader himself." (All-India Rural Credit Survey, General Report, Vol II, Chapter 22).



substantial landholders of the 'conglomerate' type have their lands mostly cultivated by sharecroppers and other kinds of lessees who do not have adequate legal status as tenants. Such being the case the catch-all concept of 'personal cultivation' was, so to say, held out to those landholders as a measure of protection for their non-tilling ownership-rights in land. More. It would be a gross understatement to characterise this concession only as a form of protection because the scale of evictions consequent to the first phase of land reforms could not but worsen the terms of employment for actual tillers and thereby add to the grip of exploitation wielded by big landowners.

### Legislations - For Whom

Thus the legislations have tended to become a weapon in the hands of this newly dominated stratum of large landholders inasmuch as they used the omission of sharecroppers from the definition of lease, consequent upon the euphemistic definition of "personal cultivation", to embark on a fresh drive at worsening the terms of employment of labour power.

Characteristically, therefore, as revealed by Dr. Baljit Singh's study, consequent upon the acquisition of rights in Uttar Pradesh, while fresh purchase of Bhumidhari rights comprised 42 per cent of the total area under such rights and 13 per cent of the total land area, indicating thereby the upgrading of such tenants to the status of owners who were able to pay ten times the annual rental, the omission of sharecroppers from the definition of lease resulted in a spectacular rise of leased area under sharecropping. It is revealed by another report pending publication, that in Uttar Pradesh between 1950-51 and 1953-54, the total leased area under sharecropping increased by 90 per cent approximately while the corresponding increase for the whole of India was of the order of 50 per cent.

### Dismal Record

In West Bengal, a recent publication of the Government of West Bengal reports that, in the major sharecropping districts of the State, the number of recorded sharecroppers has been on the increase since the 1951 Census, in spite of the fact that threats held out by landowners prevented many bargadars from recording themselves as such.

Thus, during the period of the First Five-Year Plan, the task of abolishing intermediaries could proceed little ahead of imprinting a legal stamp on landlordism of absentee landlordism of the old type that had very nearly died a natural death in the closing decade of foreign rule in India. The revenue landlords of the old type, in their turn, often tend to coalesce with the new type by virtue of the concessions granted to them for retention and resumption of 'khas' lands for 'personal cultivation'. So, that was the dismal record of land reforms under the First Plan. The admission of serious failures in the Draft Outline of the Second Five-Year Plan might lead one to expect that the future course of land reforms would be more effectively conceived to strike at the root of the problem. This expectation was all the more relevant due to the fact that while the First Plan had been a loose programme for State expenditure—really just an apology for planning—there were signs that the Second Five-Year Plan would consist of far more serious efforts at planning with primary emphasis on basic industrial development—the 4th Amendment to the Constitution was one such indicator.

It would, therefore, be reasonable to hope for a better deal this time for the actual tillers of the soil because without their unhindered efforts the conditions of agricultural stagnation must inevitably throw up insuperable obstacles to large investment outlay.

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### Land Panel's Proposals

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cord of land reforms under the First Plan. The admission of serious failures in the Draft Outline of the Second Five-Year Plan might lead one to expect that the future course of land reforms would be more effectively conceived to strike at the root of the problem. This expectation was all the more relevant due to the fact that while the First Plan had been a loose programme for State expenditure—really just an apology for planning—there were signs that the Second Five-Year Plan would consist of far more serious efforts at planning with primary emphasis on basic industrial development—the 4th Amendment to the Constitution was one such indicator.

It would, therefore, be reasonable to hope for a better deal this time for the actual tillers of the soil because without their unhindered efforts the conditions of agricultural stagnation must inevitably throw up insuperable obstacles to large investment outlay.

### Land Panel's Proposals

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choice of State Governments. The States did the rest! In the same way, the Panel on Land Reforms introduced the concept of "family holding" in place of "efficiently managed farms". In the Punjab, for example, the Security of Land Tenure Act provides for a total of 1,000 marks—mind you, marks as one gets in an examination—to be awarded galore by "distinguished examiners" to decide how "efficient" a "managed" farm is, with the maximum of 47 marks for layout, 62 for cultivation-practices, 63 for keeping of records, etc., etc., and 500 for yields. It is not clear whether the "standard yield" includes items which find their way, through the backdoor, into the examiners' domestic economy too, in view of the fact that the Board of Examiners is constituted of such august personalities as the R.D.O., a nominated non-official member and a nominated officer who are likely to be at least as corruptible as such personalities often are. That is the veritable mockery of ceilings, which the peasantry seems to have bargained for in not having just "taken the land" as Gandhiji deemed.

Not content with this, State Governments have gone on merrily applying the other exemption from ceiling allowed by the Second Plan making in regard to "efficiently managed farms". In the Punjab, for example, the Security of Land Tenure Act provides for a total of 1,000 marks—mind you, marks as one gets in an examination—to be awarded galore by "distinguished examiners" to decide how "efficient" a "managed" farm is, with the maximum of 47 marks for layout, 62 for cultivation-practices, 63 for keeping of records, etc., etc., and 500 for yields. It is not clear whether the "standard yield" includes items which find their way, through the backdoor, into the examiners' domestic economy too, in view of the fact that the Board of Examiners is constituted of such august personalities as the R.D.O., a nominated non-official member and a nominated officer who are likely to be at least as corruptible as such personalities often are. That is the veritable mockery of ceilings, which the peasantry seems to have bargained for in not having just "taken the land" as Gandhiji deemed.

### In The States

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### Kerala Bill

And, perhaps, the Communist Government's attempts in Kerala to steer clear of the confounding anomalies of "person" and "family" by getting at the aggregate land owned by a family—irrespective of its being held jointly or individually—coupled with the straightforward three-fold grading of different qualities of land and avoidance of all blanket exemptions on the count of "efficiently managed farms" etc., made for the crux of the so-called "law and order" situation, the plea of which brought about its allegedly "constitutional" liquidation.

### Nagpur Resolution

In result of all this the progress of the Second Five-Year Plan has been subject to ever-growing strain on the count of the agricultural sector. Achievements in production have been extremely uncertain and elusive and real shortage, aggravated by speculative practices, continues to tend to jeopardise the very basis of planned allocation of resources. It was against such a background of utter quandary that the Congress Party in its once-famous and now-fogged-out Resolution at the Nagpur session (January 1959) affirmed that 'the future agrarian pattern should be that of cooperative joint farming' and a resolution in similar vein was adopted by Parliament in following March.

Perhaps, the spirit of the Nagpur resolution revealed a desperate attempt to salvage the course of economic development from the deadly grip of conglomerate landlordism. But the prospects for cooperation can only be realised through a drastic widening of the antecedent property structure marked by extremes of concentration and impoverishment. So long as that task of land reforms remains

\* SEE FACING PAGE

AUGUST 14, 1960

## LAND REFORMS

\* FROM FACING PAGE

That the Nagpur Resolution is the swan song of the radical trend in the national leadership which had registered its unmistakable stamp in the National Planning Committee's Recommendations of the 'thirties and once again in the Panel on Land Reforms, is evidenced by this recent admission of Professor Dantwala, a distinguished member of that Panel: "Only those reforms are radical which can be implemented". Undoubtedly, the status quo is, by this definition, the height of radicalism as it stands perennially "implemented".

It is the counsel of despair—despair born of the realisation that all policies have foundered on the rock of implementation. Not only that, the forces of conglomerate landlordism have taken the laws in both hands, and with the connivance of the powers-that-be in the States, have ensured that the reforms boomerang on the heads of the working peasants and the agricultural labourer, boomerang on the policy-makers themselves.

Therefore, when the sole programme during the period of the Third Plan is announced to be merely "to complete as early as possible the implementation of policies evolved during

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# THIRD PLAN

## SILENT ON VITAL PROBLEM OF PRICES

The fruit of independence for the common people has to be weighed in terms of availability of goods and services to them at prices which they can pay, and while for the sake of building the foundations for future development they might, and have to be, prepared for sacrifices for some time, social justice demands that others with strings of production in their hands are not allowed to fatten their coffers at their expense. In India, however, something like the latter phenomenon has actually been happening, as typified in the abnormal rise in prices and the resultant discontent.

Who is responsible for the price rise, and how can the price line be held are the two problems which are the current topics of discussion in political, trade union and academic circles, and while a good many suggestions have been offered to prevent prices from rising, there is a marked reticence on the part of the Government and its apologists to pin down the culprit or culprits. While this is so—and there might be various reasons for it—it is generally agreed that a price problem exists and has to be solved.

### Was This Inevitable?

Price increase, it is said, is inevitable in a developing economy, and surely, when the economy in our country is on the upgrade, prices, too, should be increasing. Still, even according to the official claims, there has not even been a doubling of the national income since 1951, whereas the prices have surely risen by more than 100 per cent. In fact, according to the Hindustan Standard Economic Survey, the rise since 1939 has been more than 500 to 600 per cent.

What else causes a price increase? Scarcity of goods is one factor which can give rise to it, and in the case of foodgrains, it has certainly been an important factor. And yet, it is also true that the Government, which ought to know—and surely does know—the causes behind a stagnant agriculture, has consistently refused to take measures which will take it out of its ruts.

Even the Planning Commission's Panel on Land Reforms, meeting in the capital this week, has expressed disappointment at the slow pace of agrarian reforms. According to the Chairman of the Panel, Gulzarilal Nanda, "the fixation of ceiling on landholdings was still a subject of controversy". About other reforms also, he said, there were considerable delays. Obviously, the failure to give land to the tiller to enable him to give his best to the nation, cannot be offset by PL 480 deals, which, besides making the country dependent on the United States, gives rise to inflationary trends through the mechanism of the counter-part funds.

Besides foodgrains, textiles and sugar also are at times faced with scarcity of cotton and sugar-cane. This, too, is principally a malady arising out of a stagnant agriculture, which can be remedied only through comprehensive land reforms.

### Who Gained? How Much?

Apart from scarcity, other factors behind price rise can be generation of too much purchasing power, which, when centred in wrong hands, can play havoc. In our country, it is said, the increase

in developmental expenditure has given rise to a surfeit of spendable incomes, which the people extravagantly deploy on purchase of goods. While there is no doubt some truth in this statement, it is necessary to see as to who gains and how much.

The salaried employees, no doubt, get their wages and salaries, but as things stand, these invariably lag behind the rise in prices. The cry for an adequate dearness allowance was behind the recent strike by the Government employees, and seeing the draconian character of the measures designed to suppress them, they could not have raised it merely for fun. What is true of the white collar employees is truer still of industrial workers, to whom low wages go together with threats of retrenchment through rationalisation.

The agriculturists, too, it is said, have benefited from improvements in the countryside. The Community Development programmes, increasing availability of fertilisers, etc., are

## Industrialisation

\* FROM PAGE 7

foreign credits have yet to be arranged.

As against this the assistance from the United States and other Western countries—although impressive in quantum—has been given so far for schemes and purposes which do not speak highly of their professed concern for India's development.

Apart from the Durgapur and Rourkela plants (which as the readers of New Age know have had many pitfalls) they have to date not helped to set up a single unit in basic industries. All the time they clamour for incentives for private investments, which the Government has gone a long way to meet. And yet, what they prefer is collaboration with local entrepreneurs rather than lending of finance and know-how for creation of capacities in the public sector. They have besides been charging a high rate of interest (five to six per cent as against 2½ per cent charged by the Soviet Union) on their credits, which have till recently been all repayable in dollars or sterling. The Soviets and other Socialist countries, on the other hand, accept repayment in rupees which they spend on purchase of Indian goods.

In spite of this all-too-manifest and clear-cut a difference between the two types of aids—the Socialist, for basic industries in the public sector, on low interest, and repayable in rupees, and the capitalist for consumer and luxury industries in the private sector

on a high interest and repayable in foreign currencies—the Government of India has not been able to give up its ambivalent attitude. It welcomes the Socialist assistance and then seeks to utilise it to bargain with the West which in itself is not bad. And yet it has to take lessons from its own experience and the trends in the international sphere to take a positive stand.

The Socialist market is growing. It has set for itself targets which require ever-increasing trade with countries like India. The capitalist market, on the contrary, is a world riven by diverse walls. Its members are at "sixes" and "sevens" with each other, while some like the U.K. seek to have the best of both the worlds. Through their internecine tariff war they injure the interests of the underdeveloped world. No longer can India sit on the fence in such a world, for, that way it will not be able to utilise to the fullest the prospects of development offered through closer economic relations with the Socialist world.

It is high time, therefore, that it makes up its mind to seek assistance from quarters, which stood with the country when its industrial base was nil, and which—now that this base has been created with their assistance—promise to help in building a virile industrial nation on it.

(August 8, 1960)

by S. N. SENGUPTA

claimed to have created a heaven for the peasant. And yet, it stands to reason that only those agriculturists could have benefited from these measures who had their own land to till. Also, only those with a marketable surplus could have amassed wealth out of a spurt in agricultural prices. The percentage of such peasants being less than 20 of the total agricultural population, and with less than a quarter of the landholders holding more than three quarters of the cultivated land, the agriculturists as such could not have contributed much either to a surfeit of consumption or increase in prices.

There are, however, certain other sections of the people, the nouveau riche, as well as old timers in the game of minting money, to whom increase in developmental expenditure has brought direct and immediate benefits. The contractors and the higher echelons of the bureaucracy are one section to whom have accrued windfall bounties from construction and other undertakings. The industrial circles have also been accumulating a lot of wealth through declaration of high dividends and curtailment of reinvestments.

Quite a few among these and others of their ilk indulge in speculative practices which even journals like the Capital have decried. The Reserve Bank with all its credit squeezes and curbs has so far been powerless to stop them. The main traders in commodities also being among these worthies, the effect on prices can be very well imagined. These thus are the sections benefiting from increase in developmental expenditure. These are also the people who directly or indirectly help raise the prices. Hence to hold the price line it is their mischievous activities which need to be checked, but which the authorities through their policies or lack of them only spur.

### Foodgrains Trade

Take foodgrains trade, for example. The Asoka Mehta Committee had made some very good suggestions to contain prices. It had suggested creation of a Price Stabilisation Board, as well as increasing socialisation of the wholesale trade. The National Development Council (NDC) also adopted a resolution making it obligatory for the Government to undertake State trading, but the shape in which this fine principle was ultimately embodied turned out to be only its caricature. Later, even this caricature was given up because of the ideological antipathy of a Minister.

This treatment of the Mehta Committee's recommendations is typical of the nonchalance characterising the Government's handling of commodity prices. In sugar and now in textiles, its policy has been equally of drift, combined with occasional threats which—in the absence of action to back them—cut no ice.

Similarly, in respect of curbing surplus spendable incomes the Finance Minister has been applying the axe on the wrong quarters. Direct

taxation, he says, has nearly attained the saturation point, while indirect taxation has still a vast field to cover. Surely, to let the rich wallow in their wealth while the poor are soaked to their very bones cannot be the way to mop up "surplus" purchasing power.

No amount of curbs on spendable incomes will, however, do the trick unless price and distribution controls are also imposed at least in respect of the essential items. Here, too, the Government's has been a policy of inaction and drift on the plea that controls give rise to corruption. Past experience is cited to buttress this view which otherwise is rather puerile. Controls when partial and worked under the aegis of officialdom do, no doubt, give rise to corruption. But this will certainly not be the case if they are implemented by peoples' committees and under a popular discipline.

A correct price policy can, therefore, be evolved only if the Government is prepared to take certain positive policy decisions both in terms of economics as well as politics. Politically, it has to opt between the interests of the people as a whole and the economy and those of the propertied classes. Concretely it has to decide whether it stands for and is prepared to work out and implement, comprehensive land reforms to free the peasant from the shackles of an outmoded tenancy system, as against the continuance of a pattern of aid which only helps landlords to become big farmers. In trade it has to decide whether to the interests of the consumers are near or those of the speculators and the wholesalers. As regards raising of resources for developmental purposes, it has to choose between the bulging coffers of the trader and the monopolist, bureaucrat and the contractor, and the empty pockets of the common people.

Yet when the whole nation is alarmed and anxious, the Third Plan-framers have only this comment to make: "It is essential to ensure that for the Third Plan period a suitable price policy is formulated and carried out." As to the policy itself we are given platitudes: "Price policy as well as the techniques of price regulation raise complex issues. They involve a balancing of several conflicting claims. Prices, incomes and costs are closely inter-related."

"It is essential, therefore, that the regulatory devices adopted function effectively and in a coordinated way. There is scope within limits for varying the techniques that might be used for securing the right relationship between prices, but Government must be in a position to exercise control effectively at all strategic points, should the situation so warrant."

This is literally all that the Draft Third Plan contains on so crucial a problem. It is enough to leave anybody gasping at the criminal complacency manifested. The people have to shatter this complacency—and worse—and impose on the Government a price policy corresponding to the needs of rapid growth and the people's welfare.

# HOMICIDE

Whose face was this? Two black plaits of hair hanging down the back—a slight small figure, wrapped up in a sari, guiding by the hand a blind old man; perhaps her father—the father of a telephone girl or a girl-assistant working at one of the Audit or Income Tax offices, a girl who was knocked out of her hearth and home along with her family when she was still a child used to romping about the open spaces of what was once East Bengal, a girl who has just found her name in one of the many lists hung up at the different slaughter-houses of the Dalhousie Square.

AND what were those silvery streaks down the pallor of her shrunken cheeks? Tears. Tears streaking down the face that Tragedy put on, that fateful day, the 17th of July 1960, on the streets, footpaths, corridors and labyrinths of the House that Jack Built at the Dalhousie Square, that incubus which has been Bengal's plague-spot for the last century.

### Retribution Will Follow

Prime Minister Nehru, one who has never had the good fortune to be fed by the two hands of his daughter—because she has been able, by the Grace of God, to get along without working all her life—may not be able to realise the cannibalism of it all; but, the Father who has written Letters to His Daughter, one who has, after a few sojourns in world history, chosen to don the mantle of the Prime Minister of a country of 400 millions, should be able to remember readily occasions when such tears have had their retribution in history—retributions which have been equally remorseless.

And, throughout the last decade too much tears have been flowing down this beautiful poor divided land of ours, let down by the Ruling Class of India at every twist and turn of their policy. We are being made to pay too much. People are being wounded too much. Some do not even let the tears.

### Inhuman Treatment

Imagine that, in the Calcutta Telephones, with its large complement of women workers, employees were reported to have been forced to sign a declaration addressing the head of the office to the effect that: "I surrender myself to your mercy." Let us all never forget nor tell anybody of the other instances of inhuman, filthy, mud-throwing by certain persons, akin to bullies and common rowdies, masquerading as the protectors of Mr. Nehru's administration—these are unprintable.

Nonetheless, this indomitable lion-hearted city has sent such a mighty roar from its depths that the depredations of these sordid speculators of humanity started

tapering off within a week after the strike was withdrawn—what with the twenty-five thousand-strong meeting convened by the Citizens' Committee, which kept on squatting and would not disperse even after the President had given his closing speech, the two-mile long procession of the employees of mercantile firms, banks and other concerns in the Dalhousie Square on July 29, the demonstration of women, of mothers and sisters, before the Chief Minister's residence, the commendable role of most of the dailies in Calcutta and the statement issued by eminent litterateurs, scientists, film directors, barristers and lawyers condemning the atrocities.

### Deep Wounds

Wounds have gone too deep in the State of West Bengal—much maimed and much kicked about by the powers that be—and that is the reason why 205,000 out of

Consider, whether it can ever be forgotten that, right

## An Account Of Govt.'s Vindictiveness

by an EYE-WITNESS

in broad daylight, in the same department, a lady stenotypist, having been persistently interrogated by her officer for two successive days in an attempt to coerce her into a certain explanation for her absence during the strike-period, collapsed and fainted after the last spell and had to take leave on medical grounds for fear of nervous breakdown.

Only such a context of a deep sense of wrong can explain the unprecedented, memorable phenomenon at the Calcutta Telephones, where one hundred and fifty one-gazetted supervisory officers turned down, en masse, the offer of promotion to gazetted ranks on the eve of the strike and asked of their authorities an explanation of the motives behind such unusually gratuitous procedure. Mr. Nehru and his orderlies cannot find anything in this instance of utter renunciation—true to the traditions of our land—that might add to their Discovery of India; but, such instances are undying heralds of that ancient nobility of which this country will be restored sooner or later once the present regime of Homo Homini Lupus meets its death and the ancient Brotherhood of Man prevails once again bathed in the sunlight of 20th

century consciousness. For the moment he has chosen, rather, to play up the sepoys against the strikers' lack of patriotism, oblivious of the Day of Judgment.

It is the same sense of being badly let down by the new rulers at New Delhi that has created the altogether amazing example of nearly a thousand employees, mostly of the P & T Department, who were members of the Territorial Army and who when drafted for 'national service'—for which they had volunteered, innocent of the Government of India's connotation of "nation" which is increasingly becoming coterminous with the army and not the people—during the strike refused to do so. Many resigned saying that acting as blacklegs is not the usual meaning of "national service". 897 of these were put under arrest, 41 under "close arrest"—which is the alibi for not allowing them to see their relatives—of whom ten were women, and another 24 women were under "open" arrest.

A large number of these

and the public sectors. Naturally, the private sector will only follow in the footsteps. This is the Grand Strategy of wrecking, sabotaging, undermining the basic premises of the Indian State.

And so, you have this not quite complete broad-sheet of man-slaughter, the toll of leonine violence:

In the offices of the P & T Department alone in Calcutta, suspension orders served were 1,495 of which 943 were withdrawn, service termination notices were 2,262 of which 2,193 were withdrawn. In the South-Eastern Railways, 1,049 suspension orders were served, 100 workmen were reverted to lower grade, 63 have been convicted and 330 are on bail still under trial. In the Eastern Railways suspension orders number 3,688, service termination orders 609, 2,220 arrests were made, 1,365 are still in jail, 820 are under trial, 34 have been convicted.

### Thousands Involved

In the Defence installations in West Bengal, 161 workmen were suspended, the services of 929 terminated with notices, 59 discharged without notices. The list will grow very much longer when the other offices are added.

The total number of suspensions and dismissals involved had been of the order of more than 11,000 in West Bengal, in the beginning, and the cases still pending are over 6,000. The practices followed in different offices, in pursuance of whatever direction or guidance there may have been from the Government of India in regard to the treatment of the strikers, are widely divergent.

At the Defence installations at Kankinara, Panagarh, Cossipore and Ichapur for example, a total number of 1,500 temporary employees were retrenched forthwith and 184 casual labourers laid off. The Panagarh and Kankinara Ammunition Depots have been virtually closed down. In the Calcutta Telephones 500 persons had been served with termination notices. In the Customs office, 141 employees were discharged on one month's notice and there has not been any case of withdrawal so far. In the office of the A.G., West Bengal, 134 employees have been served with termination notice without any withdrawal up till now. Only 99 cases of withdrawal of termination notice out of a total number of 929 served at the Defence establishments in and around Calcutta have been reported.

It should be mentioned here that the provisions of Rule 5 of the C.C.S. (T.S.) Rules or their equivalent do not admit of any opportunity of defence nor of showing any cause for termination of service on one month's notice. The provisions of the rule, incidentally, have been plaguing the temporary

\* SEE PAGE 16

# IN DALHOUSIE SQUARE



# VICTIMISATION

\* FROM PAGE 15

employees of the Union Government for a long time past and these embody the most arbitrary modus operandi of summary dismissal. Undoubtedly, therefore, this rule has come in very handy for such large-scale retrenchment, although the assurances of the Government of India were to the contrary.

In a rather whimsical contrast come, however, the offices like those of the Controller of Stationery, Government of India Press, Forms Stores and Inspection Directorate, Commercial Intelligence where neither any notice of termination of service nor of suspension was issued. The conclusion seems inescapable that there was no uniform direction or guidance in regard to the treatment of the striking workers; even if there were any, arbitrary whims and individual vindictiveness of the heads of offices concerned got the better of humanity, because the Government professing to be "lenient" left the rather wide power of both Prosecution and Judgment to heads of offices and their subalterns who were, in some cases, themselves susceptible to various charges.

## Tense Atmosphere

Among those suspended the majority, for example, 24 out of 34 in A.G., West Bengal's office, 20 out of 23 in the office of the Income Tax Commissioner, West Bengal, 13 out of 29 in Telegraph Check office, 20 out of 32 in the office of the Deputy Accountant General, Post and Telegraph, West Bengal, 21 out of 37 in the office of the Regional Director of Food (Eastern Region), 182 out of 194 in Civil Aviation Deptt. (Eastern Region), etc., are neither members of the executive committees or office bearers nor anything more than mere members of their unions. Though the axe of suspension or dismissal has not spared one office-bearer of all the unions in different establishments, the foregoing figures cannot but lead to the presumption that the former were victims of personal

vindictiveness of their respective authorities.

The atmosphere in all these offices particularly in the P & T, Telephones, Railways and Defence establishments was vicious with suspicion, fear and possible recriminations by the local heads. All of the suspended employees were denied entry into their office premises although many of them are either members or functionaries of the cooperative organisations situated in their office premises. These members, in certain offices, have been forced to queue up outside office precincts to receive their subsistence allowances during the period of suspension.

That some of these officers were, at least, not quite the competent persons to entrust such wide powers with would be evident from the following instance.

R. S. Maunder, I.A.S., Deputy Accountant General (Admn.) West Bengal, whose competence and education for the office he holds had previously been widely questioned is one such. An extract from a representation made by the Association citing specimens of his writings is reproduced: "Office Order (Admn. Series) No. Estt. 20 dated 19th May 1960.

It came to my notice in one or two cases that journeys to have taken was performed without prior intimation to Estt. Section that leave travel concession will be availed of as prescribed in para 2 of Government of India, Ministry of Home Affairs O.M. No. 43 (1)55-Estts. (A)-Part II dated 9.11.56 (extract reproduced below for ready reference). It should be noted that prior intimation availing of leave travel concession is a condition precedent to the grant of such concession and, therefore, no leave travel concession will, in future, be granted in the absence of such prior intimation in prescribed form which will be available from the Estt. Section when necessary. . . . (Particular emphases ours)

Comments on the literary exploits of this worthy are unnecessary. What a judge

and prosecutor to hand over the employees to!

In the office of the Regional Director of Food (Eastern Region), Calcutta, an officer who was recently reverted to a lower position owing to misappropriation of public money has been found to be merrily engaged in similar missions of calumny and vendetta.

On top of this were police and military atrocities. On an assessment made by the Eastern Railwaymen's Union of the magnitude of the strike among their workers, it becomes evident that about 75 to 80 per cent of the workers were absolutely behind the union. There was a complete stoppage of movement of trains at the Sealdah Division and between Howrah and Jhajha on the main line and Howrah and Gomoh on the Grand Cord line. All the railway sheds, stations, cabins in Howrah, Sealdah, Asansol and Dinapore Divisions were totally closed for all the days of the strike.

An impression of police repression can be had from the fact that union offices in various places were raided, indiscriminate arrests were made all along the line. At Dhanbad including the surrounding coalfield areas, police broke into houses, manhandled the inmates including women and children. Similar deprivations were also carried out in Gomoh and Barkakana. Firing was resorted to at Burdwan and lathi-charges made consecutively for three days at Asansol, Ondal, Dhanbad and other places. Further, in many places Section 144 and curfew were clamped down. The railway quarters at Sealdah and Howrah were visited by officers including the General Manager, Eastern Railway

accompanied by armed forces who went on threatening the loco and traffic staff either to resume their duties or face arrest and vacate their quarters. Railway establishments at Naihati, Ranaghat, Jhaja, Gomoh and others experienced similar threats.

Some railwaymen arrested at Madhupur and Sakrighat were convicted and sentenced with imprisonment and fine on the ground of mere participation in the strike. Those arrested at Sakrighat were tied round their waists and dragged up to the police lock-up at Sahibganj. The total number of E. Ry. staff arrested is 2,200 among whom 1,336 are still in police custody—the amount for bail demanded for each of them ranges from Rs. 10,000 to 15,000 in different courts of Bihar.

On the South-Eastern Railway which runs through four States, widespread police repression was let loose on almost every railway colony or establishment particularly in Bihar and M. P. The colonies were virtually turned into concentration camps with jeeps full of armed police roving around all through the strike period. The leaders of the union were imprisoned and some members of the staff were forcibly taken into custody and pushed into the sheds or offices and were asked at the point of bayonet either to resume duty or face arrest and vacate the quarters. Even members of their families were not spared indignities. A deputation of 500 women consisting of the wives and relations of the employees went to the Deputy Commissioner at Purulia and sought his intervention.

The Final Act in this drama of putting the clock back started with the withdrawal of the recognition of associa-

tions. Orders from the Government of India withdrawing recognition forthwith from the Staff Associations of the office of the Regional Director of Food, the A. G., West Bengal, Dy. Accountant General, Telegraph Check Office, Dy. Accountant General, Post and Telegraph and C.A.O.P.R. & S. have just arrived; in the first case the recognition has been withdrawn merely by a reference to rules which have long since been superseded by the Central Civil Services (Recognition of Service Associations) Rules 1959 promulgated by the President of India. These are but forerunners of many more to come.

So, it seems we have reached the beginning of the end. The ruling class is increasingly finding democracy too expensive. So it is preparing to get rid of it, leaving the benefits only for such barbarous juntas as those ruling the roost in Assam or for a gang of racketeers as in Kerala. Let all the political parties in India decide and decide forthwith what they are going to do about this down-hill crash toward which the Indian State is plunging. The defence of jobs of those slaughtered all over India, and in West Bengal and the Dalhousie Square in particular, has to be the starting point of the battle for the prevention of this impending crash.

Let us all take the vow in the name of the slight small figure with the two black plaits of hair, the discharged tuberculous patient, the ageing railway clerk, the stenotypist with the hacked nerves to do all we can to prevent this terrible crime. The Government of India must be brought to trial. The charge is culpable homicide.

# LAND REFORMS

\* FROM PAGE 13

on land, commerce and finance to masquerade as "cultivator"—or even as "efficiently managed farms" receiving marks—it is going to spell disaster not only for the economy but the entire body politic.

## Disaster For Economy

It is going to spell disaster for the economy because however "efficiently managed" such "farms" may be, even if they receive all the 1000 marks, it is an economic absurdity to expect that private extensive farming on a mechanised scale is a feasible proposition in a country where the man-land ratio has been increasingly adverse for the last two centuries, so much so that even the Malthusian checks of recurrent famines throughout the 19th century and almost even ten years—the span getting narrowed to three years in West Bengal—in the 20th century have failed to create any labour shortage in this country. And private large-scale farming can only be extensive, i.e. you can raise the productivity per unit of labour and not productivity per unit of acre through private large-scale farming.

That is why most of the recent surveys show that productivity per acre and intensity of cultivation per acre is higher in small and middle size farms than in large farms in India. Intensive large-scale farming raising the productivity per acre, which is the only solution in the short-run for a surplus-labour country, cannot be undertaken unless the productive energy of the working peasant is released, unless his calloused hands are freed from the tentacles of the conglomerate landlords' grip. Production cannot and will not rise substantially and steadily in the short run unless the working peasant becomes the monarch in the village.

## Disaster Politically

It is going to spell disaster politically because—as again the General Secretary's Report to the AIKS session in Ghazipur drew urgent attention to—these conglomerate landlords on the offensive in the countryside also constitute the base, in rural society, of Right reaction, of the darkest forces of communalism and casteism. The me-

nacing way in which such forces as represented by the Akali Dal in Punjab, the Jan Sangh in the North and Central India, the Ganatantra Parishad in Orissa and the Janata Party in Bihar have recently been emerging on the Indian scene, is the political reflex of economic victories scored by the forces of conglomerate landlordism through their use of land legislation in reverse gear. Once these forces can forge the necessary links via the Swatantra Party and the increasingly powerful Right inside the Congress, the very base of Indian democracy may be undermined. That is also the lesson of history.

Wherever the second way of capitalist development prevailed from the start, e.g. in Germany, Japan, and the period of Stolypin reforms in Russia, democracy has always been slaughtered at the altar of the landed latifundia. On the other hand, if the working peasant is allowed or is able to make a break through like the yeomanry of Cromwell's army—at least the future of democracy can be salvaged, though the yeomanry can live on and not become a mere lingering shadow in the writings of a Wordsworth or a Hardy only if the working class leads the way to Socialism.

# WHY HAS CONGRESS COME TO THIS PASS?

\* FROM PAGE 4

of Cachar) and therefore, they are entitled to special consideration which is not ordinarily given to small linguistic minorities in other States. Both the Assamese and Bengali Congressmen refuse to realise that the tribals are not interested either in the Bengali or in the Assamese language or in English but in their own language and, above all, in regional autonomy.

The all-India Congress leaders in their turn are blind to the fact that over and above these complex issues of the language is the sense of frustration felt by the Assamese people that the development of their State is neglected by the Government. This erupted some time ago in the mighty demonstrations of the Assamese people on the issues of location of the oil refinery in Assam. The same sense of frustration is felt by the tribal peoples that their own development is neglected both by the Central as well as the State Government of Assam.

Do the Congress leaders at least now realise that the armed revolt of the Naga people and the fratricidal conflict in Assam are not accidental but are the outward manifestations of the simmering discontent that cannot be removed by showing an attitude of contempt for linguism and parochialism? Do they realise the folly contained in the unanimously adopted resolution of the recent Poona meeting of the AICC that the Congress Party will not countenance the formation of any new State—a resolution which had to be ignored in the matter of less than two months of its adoption when the Government of India had to agree to the formation of the new Naga State? Is this one development not enough for them to realise that there is something fundamentally wrong with the stand that they have so far taken with regard to the formation of linguistic States and the demands of the tribal peoples?

## Modesty Will Do Good

It would, therefore, be worthy of the leaders of the Congress and of the Government if they are a little more modest in the claims that they make with regard to the 13-year-old record of their rule in independent India.

Nobody would object to their taking pride in the good things they have done, such as the adoption of a Republican Constitution, the elimination of princely rule, the abolition of the zamindari system, tenancy reforms in several States, the formulation of Five-Year Plans, the implementation of a policy of friendship with the Socialist and peace-loving countries of the world, etc., etc.

While taking credit for these things, let them not blind themselves to the obvious deficiencies and weaknesses of their rule.

AUGUST 14, 1960

# REMEMBER THEM!

## They Have Been For Years Behind The Bars

COMRADE Gajendra-nath Mall, undergoing a 25-year term in the Kakdwip case, who has already spent eleven years in prison, writing to E. M. S. Namboodiripad on July 1, from Dum Dum, says:

"We received your letter of June 9 on 29.6.1960. We are all very happy on getting the letter. We all firmly believe that one day the Communist Party will secure our release. We have told quite a lot to Comrade Bhupesh Gupta when we met him. We remind him of our long incarceration. It remains our wish that you will implement the desire you have expressed, even without our prompting, of carrying out your duty. We hope that success will attend your efforts. For your efforts please accept from us personally

and for the Central Executive Committee and the National Council our heartfelt greetings and revolutionary Red Salute.

"Please let us know soon what steps you are taking."

cere compliments and convey the same to all who so kindly lent their support for the cause of our release."

## APPEAL TO BASHTRAPATI

In a petition addressed to the President of India on behalf of 15-long-term prisoners (14 sentenced for life), each of whom has already spent eight to ten years in prison Comrade V. Meenatchinathan says:

"We are very glad to receive your letter dated 9.6.1960. Everybody here appreciates your sympathy and concern for us, the long-term political prisoners.

"Please accept our sin-

"In view of your Excellency's visit to our State, specially our district (Madurai), and in view of the fact that your Excellency is celebrating this year's Independence Day in Madras and considering the fact that we the young political prisoners have not participated, not even in one of the Independence Day celebrations in the Republic of Bharat, we most earnestly pray your Excellency to remit the unexpired portion of our sentence and release us during this year's Independence Day."

In West Bengal, in Tamilnad, in Bihar a number of long-term prisoners are languishing behind the bars. Remember them on this Independence Day and demand their immediate release.

of these deficiencies and shortcomings in the matter of implementing national policies that the Congress as an organisation is finding itself in an acute organisational crisis. The group rivalries and factional squabbles which Congress leaders deplore and nauseam are not accidental but a degeneration of the once-great national organisation.

## Why This Situation

If the Congress President and other leaders are sincere in their desire to rid their organisation of these evils whose existence they have themselves to openly admit, they have to turn the torch of criticism inwards. They have to ask themselves the question why the great national organisation, which, in the days of anti-imperialist struggle, had fired millions on millions of young and old in our country with the idealism of freedom-loving people, has now been reduced to such a state that, in the words of the Congress President himself, Congressmen are considered to be corrupt unless otherwise proved.

Such an attitude of humility and self-criticism will be in keeping with what the Prime Minister had said thirteen years ago: "We have achieved much, we have to achieve much more. Let us then address ourselves to our new tasks with the determination and adherence of high principles which our great leader has taught us. . . . If we aim at the big things of life, if we dream of India as a great nation giving her age-old message of peace and freedom to others, then we have to dedicate ourselves as worthy children of Mother India."

NEW AGE



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PAGE SEVENTEEN

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# THE SEA OF ANGER

It is the fifteenth anniversary (August 6) of the first atom bomb dropped on Hiroshima. We are pleased to print a poem by Wataru Kaji, Japan's veteran poet, who took part in the Tokyo demonstration on July 11 against the military pact with the U.S.

**K**ISHI, the dirty dog because Hagarty's car was surrounded by a mass of angry people who smashed car windows, this same Kishi burst into tears, shamelessly! His Foreign Minister said "really this was too impolite" so now we can write his name in the foreign way, as more befitting him; Hagarty, now that you have been here you can see that those who call themselves a government are but a dummy defence post on a bridgehead and your master Eisenhower—the unwelcome—dreamed that you could so easily penetrate this sea of anger to salvage the filthy, stinking bit of paper you call a treaty! We the Japanese people, know best what kind of courtesy we should use in dealing with you.

A raging sea whose waves rise continuously, with the strength that an unbreakable unity endows; youth, workers, students, girls and boys streaming with sweat, I salute you! A free and peaceful motherland will express deep-felt gratitude! Don't laugh at me when I can no longer

withold tears; in the midst of your earth-shaking cries impossible not to be gripped by emotion! Flames have erupted from the volcanoes of the island of Japan, heating my blood to boiling point, recalling my youth; All down the streets, from every window come voices shouting support; waving hands from the scaffolding of every construction site; uncles with towels



Japan's NO to Military Pact

around their heads, children on their shoulders, join the ranks; aunts rush out of the houses drying their hands on aprons; monks with arms raised high then Christians, singing hymns; never have I felt this way before; everyone so near to each other, so closely knit together; arms linked to arms, so let us hold together under the dancing banners that lead the people, becoming a great sea with each great wave higher than the last! Let us with our own hands, snatch back democracy, recover our motherland! Now the express train on which we ride is hurtling towards a precipice, so must we halt the locomotive; a hundred million people standing firmly; in the driver's seat there sits a messenger of hell who says there is no way to change direction; so must we throttle him; pull him down, for he is one of those who have driven wickedly before, but who still arrogantly says the passengers have no power to halt their road to doom! Now must we teach him a hard lesson—get him to know what are the regulations, who makes them; that democracy is real; that it must be the people who make rules; we, ourselves; the soundless voices still come from the precipice of Okinawa, from under the monument there, where a group of girl students were killed, then at the sites of Hiroshima and Nagasaki, pitiful sobbing still breaks through; halt this train! Change its driver! The time has come for our Motherland to drive forward on the great road that leads to freedom and peace.

(Translated by Rewi Alley)

## KOREAN PEOPLE'S REPUBLIC

**Fifteenth Anniversary**

**T**HIS August 15 the people in North Korea celebrate the 15th Anniversary of Liberation.

These 15 years have been a period of an unprecedented upsurge and tremendous changes in the history of the Korean people.

The Democratic People's Republic of Korea has turned from a backward agrarian country to an industrial-agricultural country with a firm, self-supporting foundation.

### Upswing Of Production

In the Korean People's Democratic Republic the exclusive domination of the Socialist relations of production has been established in all realms of the national economy. The exploitation of man by man has been eliminated once and for all.

Production has shown a rapid upswing. In the 14 years since the liberation to the end of 1959—three years of which were spent in war and roughly eight years in rehabilitation—the industrial output grew 19 times and grain output by 79 per cent. Thus all these changes and growth have been made in the brief period of five to six years through all sorts of difficulties and obstacles.

The Japanese colonialists left behind in Korea a backward agriculture shackled to the feudal tenant system and a lopsided, backward industry. Furthermore, when retreating,

they wrought havoc with the Sopoong and 18 other power stations, scores of major factories including the Whanghai Iron Works, the Kim-chalk Iron Works and the Chongjin Spinning Mill, 242 mines and 80 per cent of the locomotives.

The occupation of South Korea by U.S. imperialism severed industrial North Korea from agricultural South Korea.

The U.S. imperialist aggressors provoked a war when the rehabilitation of the national economy was almost complete. During the war, the enemy destroyed some 3,700 factory buildings and destroyed 371,000 hectares of crop fields. The losses sustained by the national economy amounted to 420,000 million won (in old currency), or more than six times the total national income in 1949.

### High Growth Rate

During the period of the Three-Year Plan for post-war rehabilitation and construction (1954-1956), the average annual growth rate of industrial production was 41.7 per cent and in the first three years of the First Five-Year Plan (1957-1959) it stood at 44.6 per cent. The average annual growth rate in the postwar years (1954-1959) was 43.1 per cent.

The high growth rate surpassing that of the postwar rehabilitation period was one of the most important characteristics of the industrial

development in the fulfilment of the First Five-Year Plan.

The Three-Year Plan for rehabilitation and construction was fulfilled in two years and eight months and the First Five-Year Plan in two-and-a-half years in the total industrial output value, which rose 6.8 times in 1959 compared with the pre-liberation year of 1944.

The tempo of growth of industry in the Republic in the recent five years has been three to four times faster than that of Japan—



KPDR Premier Kim Il Sung in the Wanghai Iron Works.

the fastest in the capitalist world.

A rapid increase has been made in the volume of retail goods turnover thanks to the increase in the income of the working people. Unemployment has been long eliminated in the KPDR.

In 1959 the State fund for social insurance, paid leave, rest, free education and free medical treatment showed an increase of ten times compared with that in the prewar year 1949.

Middle school compulsory education system has been enforced and the preparations for the technical compulsory education system are now under way.

All school education is free of charge, all people are entitled to free medical treatment.

Through the successful fulfilment of the First Five-Year Plan by 1959 the colonial lopsidedness of industry has been wiped out and the foundation for a self-supporting national economy and Socialist industrialisation firmly laid.

### Looking To The Future

The Korean people are now dedicating this year to preparation for conquering another, higher peak. In this sense, the year 1960 is called a buffer period.

Next year, the Korean people will launch a full-fledged struggle for surmounting another peak in the way of their victorious advance. A new, long-range plan will start in 1961 during which signal advance will be made in the Socialist industrialisation of the country and enhancement of the people's living standards.

The Korean people consider it the key to the peaceful unification of their divided country to fulfil the task of building a developed Socialist industrial country with a high living standard for the people.

## Lok Sabha Debate

\* FROM PAGE 2

atmosphere of mutual trust and goodwill and not for settling scores in a spirit of political vendetta."

### A Vallant Speech

Speaking right after Nehru's broadsides and theatrical bursts of temper, Nath Pai made a vallant speech. He began by stating that one of the mistakes of the employees had been that they had taken the Prime Minister and his teachings too seriously.

He said that it was the "adamantine attitude" of the Government on the issue of dearness allowance which led to the failure of the negotiations which were carried on to the very last minute before zero-hour, making the strike inevitable.

Was it anti-social, he asked, for the employees to demand that they be given at least what they had in 1947? This would have meant the slightest of modifications of the Pay Commission's recommendations which the Government point-blank refused. For Government to talk of the absolute sanctity of the Pay Commission's report sounded rather odd when it had most ungraciously pigeonholed the recommendations of the Law Commission and drastically modified other awards.

He contrasted the authoritarian manner of the Government towards its own employees with its utterly liberal approach to blackmarketeers and hoarders. Far from hanging them from the nearest lamp-post, as Nehru had once threatened, even the provisions of the Essential Commodities Act were not being applied against them.

### Plea For Social Justice

Nath Pai went on to make a passionate plea for some measure of equality and social justice. He wanted to know where the increase in national income was being siphoned off—there were the employees with a bare Rs. 80 per month and there was the magnate who, as the papers had reported on August 9, bought a car from a diplomat for Rs. 80,000. Where was Socialism in all this?

He made a direct hit with the next point—the atmosphere in Government offices. Snobbery and arrogance were as much at a premium as in the British days. He quoted from Nehru's Autobiography where it had been written that the change in the colour of the skin of the bureaucrat would not mean freedom. Yet now the Prime Minister tolerated and petted this brown-skinned inheritors of the British mantle.

It was here that Nath Pai created quite a flutter by quoting from the Prime Minister's letter to the Chief Ministers on June 30 where he had said that the Government had "thus far not evolved any adequate machinery

for settlement of disputes of this type....

"A problem which perhaps could have been solved with greater ease becomes more difficult, frustration takes place and passions are aroused. All this leads to conflict, which is good for no one." After this disclosure the pose of injured innocence on the part of the Prime Minister could no longer be maintained.

Indrajit Gupta delivered the coup de grace on behalf of the insulted and injured employees. He began by noting the Prime Minister's "invitation to appear before him in sackcloth and ashes. I am afraid I must decline that invitation firmly but politely."

### Central Issue

There was no use, he said, of trying to avoid the central issue of the strike which was—"are the Government employees to have any sort of guarantee that their existing real wages are going to be protected?... The employees were out for some sort of release, release from this perpetual nightmare which has been haunting them for the last so many years, this nightmare of rising prices and falling real wages."

He completely exploded Nehru's attempt to work up hysteria about border defence by referring to the manner in which the Central Government had allowed the total breakdown of law and order in the border State of Assam. Besides, he added, "defence has no meaning without a strong rear—could you treat the workers here to starvation and hunger and expect your defence to be strengthened?"

Taking up Nehru's simile about riding a tiger he said, "the tiger (mounting frustration) is there even if the rider may have fallen off... One should beware lest the tiger become a man-eater."

### Effect Of Strike

A telling point made by the Communist M.P. was that, even if defeated with regard to its immediate demands the strike had given a jolt to the Government and made it act with regard to new pay-scales and assurances of a dearness allowance review in case the cost of living index rose ten points in 12 months and its partial neutralisation. What would have normally taken months was effected in a few days—"there was obviously some catalytic agent working somewhere."

### Basic Lesson

The strike and its aftermath had only confirmed, he said, the basic lesson of the past decade and more—only by struggle could the people hope to gain anything. This, in itself, would be an enormous gain for the mass democratic movement.

Taking up the ban on strikes, Indrajit Gupta stated

that there were the objective realities of "rising prices, blackmarketing, profiteering and speculation. If you can ban them, you can also ban strikes. Otherwise, a hundred bans will not prevent people going on strike if their living conditions become intolerable."

On the problem of excluding "outsiders" from the employees' unions he stated that the AITUC had officially accepted the Government proposal some months ago—it was the INIUC which was apprehensive on this score. But, he added, "your outsiders must not include ex-employees." Otherwise it would be all too easy for the Government to sack office-bearers of employees' unions and then term them "outsiders."

Condemning the whole-sale victimisation, he emphasised that there had been several

Supreme Court rulings to the effect that no employee could be dismissed simply for participation in an illegal strike. Yet this was being advanced as the reason for a large number of dismissal orders served on the strikers. He demanded that the employees, who had been proceeded against by their department heads, should have some appellate body or appellate authority to which they could take their cases.

### Congressmen's Role

It is a significant fact that, apart from Sucheta Kripalani, not a single Congress M.P. had a word of cheer to offer to the Central Government employees. Most of them were vociferous in their support for the speeches of Nehru and Pant

and vied with each other in interrupting those who defended the employees.

Thus, the debate concluded in the Lok Sabha. Much is talked of the virtues of discussion as an integral part of our democracy. Yet, it was obvious enough that no amount of reason and eloquence would move the Government. The debate rubbed home the same lesson that the strike had conveyed—struggle, reinforced by united strength, alone will get the people anywhere. And it is only in the solidarity with such struggle that the Members of Parliament can be worthy of their calling—tribunes of the people. On the eve of Independence Day celebrations the people would do well to ask and to discover how many of their representatives were thus worthy.

—MOHIT SEN (August 10)

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# THIRD PLAN

★ FROM FRONT PAGE

tions with all our neighbours. They exploit the healthy sentiments of our people for amity and friendship with Pakistan to make us repudiate in practice our policy of non-involvement in military alliances. The Prime Minister has rejected their counsel. Yet the reactionaries, even those inside his party, are keeping up the pressure.

## Congo And Cuba

This is the decade of irresistible African resurgence and today Congo is its symbol. The imperialists, through their puppets within and under the cover of the U.N. flag from outside, seek to make another Korea out of Congo. The USSR and the independent African States have openly pledged all support to the Lumumba Government to preserve the unity and integrity of Congo and expel the Belgian aggressors. The Indian Government is yet silent while the greatest imperialist plot of the day against Congo, and not only Congo but the whole of Africa, is afoot. Now is the time to express not only in words but in deeds Afro-Asian solidarity.

In far off Latin America, Cuba has become the symbol of the struggle of the countries of the American continent against U.S. overlordship. The USSR has pledged support for the defence of Cuban independence and aid for its economic development. India has not yet spoken up against the U.S. bully.

The above broad sketch of

the anti-colonial struggle of the day reveals that the Indian Government is playing a passive role which is not worthy of our national tradition and if persisted in can only be regarded by suffering Afro-Asian countries as indirect aid to the imperialist aggressor.

A decade of Indian planning is nearly over. We are on the eve of the Third Plan.

The most significant achievement of the last ten years of planning is the stride in industrialisation already achieved. India's industrialisation is the very foundation of our economic independence.

The basis for further industrialisation has been laid by the significant growth of steel, cement, minerals and power resources.

The Third Plan targets, if successfully implemented, could still further carry this historic endeavour by laying the foundation of heavy engineering, heavy electricals, chemical and oil industries.

Official propaganda, however, hides from public view the weaknesses that have inevitably crept in and which if not rapidly and promptly checked can and will create serious erosions.

The FIRST danger signal is that the private sector has grown faster than the public sector and at the cost of the latter. Gone is the Prime Minister's old talk of

"the commanding heights" to be occupied by the public sector. The latest official mantra is that both the sectors are complementary and so on.

The SECOND danger is that new and harmful concessions have been made to the private sector. It has been given the monopoly of aluminium, a vital industry both for defence and further industrialisation. It has been given a big share in the fertiliser expansion programme, a real big money-earner, which in the public sector would have been a very useful source of profit for the further expansion of the public sector. The private sector has become bold enough to demand entry into the oil and steel industries as well.

## Anti-National Theory

The THIRD danger is the new anti-national theory advanced by Union Minister M. M. Shah himself on the floor of the Lok Sabha this week that foreign capital participation, in cooperation with Indian capital, is the quickest and cheapest way to industrialise the country. Shades of decrepit Chiang and not so decrepit Ayub!

The Achilles heel of Indian planning, however, remains the agricultural sector and the lag in food production, the shame of an ancient agricultural country feeding its people with foreign food, under P.L. 480.

Here, too, a big policy shift is taking place and in the wrong direction. Land to the tiller has not only

country against its reactionary and deceitful resource policy. The Third Plan will also get into crisis like the Second and perhaps a deeper one just over the same issue of resources.

The taxation proposals outlined are unfair and unjust. It is taken for granted that the rich are already paying their due share. The bulk of new taxation is to be on the common people. Such a policy cannot but lead to political turmoil and sharp conflicts with the mass of the people.

Another major weakness is the heavy dependence on foreign aid, as much as for one-third of the Plan outlay.

India is a vast and populous country and is part of the world economy which itself stands split between the two sectors, the Socialist and the capitalist. India has sought aid from both and we have accumulated enough experience to evaluate the aid we get from both the sides.

The capitalist countries are against India's real industrialisation, against adding the public sector to build up basic industries. Whatever industries get started they want them to be under their own control and in the private sector as far as possible. Their rates of interest are high and they treat technical know-how as their trade secret.

On the other hand the Socialist countries willingly aid the building of heavy and basic industries in our country. They give us really favourable terms, low rates of interest, repayment in rupee and in terms of Indian goods

The draconian measures against the amazingly peaceful all-India general strike of the Central Government employees revealed how easily the Congress ruling class trampled underfoot the democratic rights of our people.

It is the experience of every part of our country that whenever any section of our people goes into mass action they are denied all civil liberties.

The power of the police and the bureaucracy is not less, but the same or more as under the British.

However, those who openly campaign against the peace policy of the nation and incite war hysteria as well as anti-social elements like the speculators, the blackmarketeers, the tax-evaders go scot-free.

Such a sad situation has been created that a section of the people are losing faith in democracy itself.

The erosion of national unity, rise of casteism, linguism and chauvinism together with the weakening of faith in democracy because of democratic rights being made the first casualty whenever the people seek to change the existing state of affairs in their favour are the menacing dark clouds on the Indian political horizon.

## Dawn Of Hope

The dawn of hope, however, comes from the marching feet of India's millions who are learning to discern their friends from their foes, who are coming out to fight more and more for their just rights.

WE SALUTE the Central Government employees who organised against all odds their five-day general strike, the textile workers of the country who successfully enforced the Wage Board Award and the various detachments of the Indian proletariat that went into action.

WE SALUTE the Indian peasantry, their massive food satyagraha that shook Calcutta, their morcha in the Punjab against the so-called betterment levy, their glorious pad yatra in Kerala for the implementation of the land law passed by the Communist Ministry.

WE SALUTE Assam's patriots who through joint peace committees are struggling for the triumph of Indian brotherhood.

On this independence day, we Indian Communists pledge anew to join hands with all patriotic and democratic elements in our national life, to defend India's foreign policy of peace and anti-colonialism, concretely express our active solidarity with all Asian-African and Latin American countries, to organise the most broad-based, free and frank discussions on the Third Plan to eliminate its weaknesses and mould it nearer national ideals so as to guarantee a better life for our people and a more rapid advance of our economy, to cement the bonds of national unity by guaranteeing the just democratic rights of every section of our people and above all, to work for the day when all Indian patriots and democrats come together from their own experience to fight the reactionaries, both foreign and native, who only seek to move back the clock of our nation's destiny.

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been a national slogan in the old anti-imperialist days but the urgency and need for land distribution was stressed in the text of the First and the Second Plans. The peak point was reached in the Nagpur Resolution of the Congress and the anticlimax has been reached now in the Third Plan.

The Planning Commission's Panel on Land Reforms dare not discuss the current ceiling legislation of the States for it was freely stated that after the new Acts on land ceiling come to be implemented there would be no surplus land left to be distributed!

The Third Plan puts the main emphasis for increasing food production on technical aids through the Community Projects. This was also the policy of the British under their Rural Development Schemes. What failed under the British cannot obviously succeed under the Congress. It can at best stabilise the support of the upper rural strata behind the Congress Raj and increase food production in the farms of the big holders but they are far from being the majority of the Indian farmers!

In the coming days when the Third Plan discussions gather momentum it is important that all popular elements unitedly press the Government to implement and not betray its solemn pledge about land distribution.

While we welcome the targets of the Third Plan, we also consider it our national duty to warn the

exported to their countries. It is significant that all the major public sector projects of the Third Plan for which foreign aid is guaranteed are those aided by the Socialist countries.

During the coming months and years one of the most decisive battles of Indian planning would be to what extent the Indian Government overcomes its prejudices and hesitation in securing maximum aid from the countries of the Socialist camp which is really selfless, fraternal and in mutual interest. And, on the other hand, to what extent the Indian people can stop the Government making anti-national concessions to the selfish Western monopolists whose main aim is not aiding the full and all-round development of Indian economy but securing strategic grips over it and exploit it in their own interest.

## Indian Unity And Democracy

Comrade E. M. S. Namboodiripad in an article in this issue shows how under the Congress ruling class, Indian unity is in danger after 13 years of independence. It is not only national unity and integrity that is being corroded, but it is Indian democracy as well that is under fire.

From Assam comes the anguished cry that law and order has broken down, that life, liberty and property of the minorities are not safe.