

A QUARTERLY OF LIBERAL IDEAS

Freedom First

April-June 1992
No. 413
Rupees Ten

39th YEAR OF PUBLICATION

India: The Tiger Uncaged — Almost

D.R. Pendse
Jiban K. Mukhopadhyay

Bureaucracy in the New Order

— Descent from the
Commanding Heights

J.B. D'Souza

Representing the People — How Much our MPs Cost Us

M.S. Srinivasan



PETITION

We reprint a copy of the petition from Amnesty International and hope that our readers will collect signatures and send them to the following two addresses as well as sending a copy to us.

General Saw Maung
Chairman,
State Law and Order,
Restoration Council,
C/o Ministry of Defence,
Signal Pagoda Road,
Yangon,
Union of Myanmar

The Ambassador,
Embassy of Myanmar,
3/50 F Nyaya Marg,
Chankyapuri,
New Delhi 110 021



We, the undersigned, call on the authorities in Myanmar to immediately take all measures to ensure that arbitrary arrests, detention without trial, torture, the death penalty and extrajudicial executions will no longer be inflicted upon the people of Myanmar.

We make this call to express our deep concern at reports that:

- more than 300 political prisoners, many of them prisoners of conscience, have been identified by Amnesty International
- torture is widespread, and anyone suspected of criticizing the government is at risk
- hundreds, possibly thousands of political prisoners have been detained for prolonged periods, some since September 1988
- many have been sentenced to death after summary and unfair trials by military tribunals; some are prisoners of conscience
- thousands of people have been killed in pro-democracy demonstrations, in the context of internal strife in areas with ethnic minorities, or for alleged political opposition to the government.

We urge the authorities in Myanmar at all levels to start impartial and thorough investigations into all reports of torture and extrajudicial executions, to make the findings public and to bring those responsible to justice. Prisoners of conscience, detained solely for the non-violent expression of their opinions, should either be released or brought promptly to a fair trial. All death sentences should be commuted, and legal steps should be taken to restrict the use of the death penalty, with the aim of abolishing it completely.

We call on the authorities in Myanmar to ensure the right to peaceful assembly and freedom of expression to everyone, as proclaimed in the United Nations Universal Declaration of Human Rights.

Name

Address

Occupation

Signature

Freedom First

A Quarterly of Liberal Ideas

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PUBLISHERS

Democratic Research Service
4th floor, Maneckji Wadia Bldg.
127, Mahatma Gandhi Road
Bombay 400 001
Tel: 27 39 14

Published by J.R. Patel for the
Democratic Research Service and
printed by him at Parsiana Publications
Pvt. Ltd., 300 Perin Nariman Street,
Bombay 400 001

Typeset at Ace Fototypesetters
8, Kalyandas Udyog Bhavan
Near Century, Worli 400 025
Tel: 437 4368

Single Copy: Rs. 10
Annual: Rs. 30
Life: Rs. 400
(add Rs. 10 for outstation cheques)

Overseas (II Class Air Mail)
Annual: USD 20 or £ 12
Life: USD 120 or £ 70

Cheques to be drawn in favour of
Freedom First and mailed to publishers
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BETWEEN OURSELVES...

Readers will recall *The Economist's* Survey of India entitled "India: The Tiger Caged," excerpts from which we published in the July '91 and October '91 issues of our journal.

The Indian tiger is now uncaged though we have qualified it with an 'almost'. You will agree that there are still many areas under government control – perhaps with good reason – which government spokesman say will also be free in course of time.

The Indian tiger is out after a forty-year incarceration. The tiger will take some time before it gets used to the wide open spaces. *The Economist* observed in its Survey:

"Left to arrange their own economic future, India's remarkable people would undoubtedly thrive. They have nothing to fear from competition or the uncertainties of an unplanned world."

Two economists Mr. D.R. Pendse and Mr. J.K. Mukhopadhyay share their views on the reforms in the context of the Union Budget 1992-93. The news is good – provided the government does not cave in to the privileged class of the permit-licence-quota raj.

Of crucial importance is the role of the bureaucracy. Will they cooperate in honestly implementing the new economic policy. Distinguished bureaucrat (since retired) J.B. D'Souza takes a look.

While bread and butter issues are important, of no less concern are questions concerning the rule of law. The Amnesty International's Report on India has raised much public comment. What must cause us anxiety is the question: Are we deluding ourselves that we are living in a society governed by the rule of law? We carry a letter from AI's General Secretary.

In a similar vein history teacher Louis D'Silva shares his worries over the erosion of political authority and political legitimacy in India. How far down have we gone?

We take a look at the salaries and perquisites enjoyed by our law-makers. Are they fair? or more than fair?

And then we offer you an interesting insight into South Africa by Dr. Padma Srinivasan.

We are a little disappointed that not enough readers respond with their comments. Please write in. It makes our efforts worthwhile.

S.V. Raju, R. Srinivasan

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WITH MANY VOICES

"The deep moans round with many voices. Come, my friends
'Tis not too late to seek a newer world" – Tennyson

A return to Nehruvian socialism may well mean that we are taking the first step on the Burmese way to socialism.

Thomas Abraham, *The Hindu*, February 10

The *New Statesman*, gasping for oxygen, is the gospel only for Third World visionaries of the Left.

The Times of India, February 11

It is true that NRIs love India but they love their money too.

P.N. Dhar, *The Times of India*, March 10

The good news is that Imelda Marcos is running for President. The bad news is that she's running in the Philippines.

National Review, February 3

Haiti's sole organising principle is terror.

The Economist, February 29

Many of India's politicians and intellectuals prefer ideological purity and poverty (for others) to progress tainted by capitalism.

The Economist, March 7

Economic paranoia has become an American habit.

The Economist, January 18

It is in the nature of Indian political cussedness to make issues of non-issues just to score debating points.

Business Today, March 7

Pakistan's success in tweaking the Indian tiger's tail in Kashmir has provided a deep source of psychic satisfaction, a sense of "getting even" for Indian support of the 1971 Bangladesh secession.

Seliq S. Harrison, *International Herald Tribune*, March 4

Why are we supposed to applaud these highly paid intellectuals (eg. Prof. Robert Heilbroner) when it takes them 40 years to discover what "my maid has always known"?

Thomas Fleming, *The Free Market*, July 1991

Who says the commies get it wrong when they speak of a division of society into classes? In independent India, there are just two classes. The politicians and the rest of us.

T.V.R. Shenoy, *The Week*, April 5

We cannot have a brave, new, economically liberalized India, if everything else remains the same.

Tavleen Singh, *Indian Express*, March 29

I am standing here, a Christian in a Jewish Synagogue praying for the soul of a Hindu.

Portuguese President, Mario Soares, after observing a two-minute silence for Mahatma Gandhi at a Cochin Synagogue.

India Today, February 29

Economic policy in India has generally been intuitive in character and not based on sound economic theory. It goes by trial and error and progresses by a process of learning by doing.

A.M. Khusro, *Indian Express*, March 12

A Reader's Voice

DENATIONALIZATION OF BANKS

Banks are not ends in themselves; but are only means to an end. Unfortunately the employees of nationalised banks consider public sector banks as instruments for their own welfare and not for any other purpose.

Diligence, achievement, responsibility, accountability, control and supervision are totally absent in the work culture of nationalised banks. They look more like recreation clubs or trade union offices. The utterly incompetent and irresponsible have found refuge in public sector banks. They know they are no good and do

not put in a fair day's work for a fair day's salary. These slovenly staff enjoying trade union protection cannot unwind to stretch themselves and perform diligently any time in the future. That is why they are 'crying wolf' over de-nationalisation. The public are fed up with the atrocious service they get from public sector banks. De-nationalisation of Banks is a must and is most urgent. The common man looks forward to it

K.N. George
Madras

OF CABBAGES AND KINGS

"the time has come," the
walrus said,
"to talk of many things:
of shoes-and ships-
and sealing wax-
of cabbages -
and kings -"

- Lewis Carroll



MPs' Pensions Challenged

Elsewhere in this issue we carry a contribution by Dr. M.S. Srinivasan on the salary and perks of our legislators. Dr. Srinivasan will be delighted to know that the indefatigable Mr. H.D. Shourie the founder of 'Common Cause' has challenged in the Supreme Court, the constitutional validity of pensions to members of parliament.

A Writ Petition which has been accepted by the Supreme Court prays for the issuance of a "Writ of Mandamus or other such writ, direction or order directing the respondent to convey to the Chairman of the Rajya Sabha and Speaker of the Lok Sabha that the pensions which are being paid to the members of parliament are not in accordance with the law and violative of the provisions of the Constitution in particular the provisions of Article 106 of the Constitution."

Explaining why the writ has been filed, Mr. Shourie points out that the MPs sanctioned themselves a pension of Rs. 300 in 1975 and subsequently enhanced it to Rs. 500 with a stipulation of an additional Rs. 50 for each year if the period served in parliament exceeds five years. There is no maximum ceiling.

'Common Cause' points out that pension in some countries ("mostly affluent") are not unknown. But there "the system of pension is based on a contributory pension scheme wherein the members contribute during their term of office to a pension fund from which the pensions are given to them on retirement from parliament and the pension becomes admissible only where a person has served two terms of five years."

The full text of the Writ Petition is reproduced in *Common Cause* (Vol XI No. 1, January 1992) so that readers can, *inter alia*, "know how matters of such importance ...can be presented, even without the help of a lawyer..."

Readers who would like to know more about *Common Cause* should write to: Mr. H.D. Shourie, Common Cause, A-31, West End, New Delhi 110 021.

SVR

Medical College Admissions - Bihar Style

In recent decades, Bihar has not been known for public civilities though individually many from Bihar are perhaps some of the finest specimen of Indian gentlemanliness. We now know it to be a land of mafia barons, of gun-toting politically influential dacoits and more recently a few of the legislators being from the rogues gallery, with definite police records. But the polity jogged on and whatever semblance of civic order there was, was provided by the bureaucracy. This is now under assault and the latest developments do not auger well for the future of the state.

Ram Sharan Yadav, a Janata Dal M.P. from the state of Dr. Rajendra Prasad, sought admission for one of his friends' son in the Mahatma Gandhi Medical college, Jamshedpur. This was obviously an admission sought, not on merit but on an out-of-turn basis. The Health Commissioner, F.C.A. Shrinivasa Ramanujam while attending to his duties in his chamber was visited by Yadav and when he was told of its impossibility (the four seats on quota having already been allotted) he was "abused threatened and assaulted with murderous intent by the M.P. his son and followers in the very chamber."

What is reprehensible is that the immediate political boss of the Health Commissioner, Mudrika Singh Yadav instead of protecting his officer, tried to brow-beat him into approving this illegal admission. The assailants came to the chamber of the officer from the Minister's office and went back to it after this disgusting and ignoble act. The Chief Secretary Shri Aroon Pathak and the Chief Minister's Principal Secretary Shri Mukund Prasad tried to use their influence to prevent Shri Ramanujam from instituting a criminal case against the offending M.P. It was mainly because of the show of strength of the high official that the police have registered a case against the M.P. and his followers.

It is worthwhile noting that the Chief Minister, by calling a meeting of the district officers on the very same day and time as a scheduled meeting of the IAS officers, almost rendered the latter quorumless. Also the Yadav members of the higher echelons of the service did not participate in the protest demonstrations. The Chief Minister has reminded that members who go on strike may be subject to disciplinary action. Of course all these prove that he is an astute politician, but whether he is a statesman is another question.

That the Governor supported Mr. Ramanujam and promised action if the government failed to act is heartening. What is comic is the statement of the Health Minister Mrs. Sudha Shrivastava that Shri Ram Sharan Yadav would move a privilege motion against Mr. Ramanujam. One of the fall out effects of the incident is the obvious casteist division of the steel-frame - it is said that Yadav members of the service were lukewarm in their response to the assault.

RS

Friedrich Hayek

The century's greatest champion of economic liberalism died on March 24th, at the age of 92.



Like Maynard Keynes, Friedrich von Hayek achieved fame less for what he wrote than for what others said he wrote. The economic philosophy he developed over six decades, and especially during the 20 years he spent at the London School of Economics after 1931, was not, as so many now suppose, "neo-conservatism". Still less was it the underlying rationale for Thatcherism or Reaganomics, whatever those might be. And as it happens, the supposed "godfather of monetarism" had no time whatever for the assumptions on which that narrow, technocratic doctrine is based. None of these labels fits the great man. Call him instead an original thinker in the tradition of classical liberalism – perhaps the century's finest.

Much of Hayek's work is difficult; all of it is idiosyncratic. His writings seem especially peculiar to economists trained in the modern Anglo-American way, because Hayek rejected that school's paradigm: the idea of a static system in which certain stable properties (many buyers, many sellers, perfect information, homogeneous goods) yield certain stable results (an optimal allocation of resources). Hayek was interested in markets and economies as systems in flux. In his scheme, sequences, of events, not states of affairs, were the object of study. Anglo-American economics starts by abstracting from change and time – and is then obliged to reintroduce them, with difficulty, to make its analysis more informative. Hayek, and others of the so-called Austrian school, put change and time at the centre from the outset.

Other themes seem to follow naturally from the perspective. They recur in almost everything Hayek wrote.

The most crucial is the notion of a market as a process of discovery. Modern economies are vastly complicated. Somehow they must process immense quantities of information – concerning the tastes and incomes of consumers, the outputs and costs of producers, future products and methods of production, and the myriad interdependencies of all of the above. The task of gathering this information, let alone making sense of it, is beyond any designing intelligence. But it is not beyond the market, which yields "spontaneous order" out of chaos. Hayek looked on the miracle of the invisible hand with the same delight as Adam Smith. He celebrated it anew, and made it his mission to understand it.

A related idea from his early writings reappeared, after a pause, with new clarity in his later works – and especially in his last book, "The Fatal Conceit", published in 1988. Hayek was always at pains to emphasise that civilisation did not come about by design: rather, it is human actions, with consequences both intended and (more often) unintended, that yield another sort of spontaneous order. Systems of human interaction are in competition with each other. Some thrive; others fail. With time, and many a reversal, history chooses the winners. (Perhaps that sounds familiar: Francis Fukuyama, author of a best-seller, "The End of History and the Last Man", owes a debt to Hayek as well as to Hegel.)

Hayek brought these ideas – the market as a processor of information, natural selection as a filter for systems of interaction – together in his critique of socialism. Like Smith, he took a kinder view of human nature than other writers in the liberal tradition. He asserted that, within small groups, co-operation is the instinctive mode of human interaction. Such groups depend on altruism and loyalty to survive; at that level, those traits are successful. But as the range of interaction extends, this sort of co-operation is no longer feasible. The socialist fallacy – the "fatal conceit" – is to try to stretch small group virtues such as loyalty and selflessness too far.

Co-operation makes impossible demands on the ability of large groups to gather and process information; competition is the only way to regulate interaction on this scale. The attempt to extend co-operation beyond its natural limits is

not just doomed to fail, it is also extremely dangerous. Competition requires no designer; co-operation on the large scale does. Socialism, the most ambitious and misguided form of large-scale co-operation, cannot be implemented without a strong central authority. Hence another Hayekian theme: economic and political freedom are tied together.

Hayek carried his distrust of the state to an implausible extreme. He argued, in effect, that governments could never legitimately pursue goals of their own – not even on behalf of "society" (a term he disliked). Goals and values are for individuals themselves to choose. The state ought not to be a policy-maker with an agenda, but an arrangement of rules that allow people to go about their business in peace. Hayek was especially worried about the appearance of legitimacy that majoritarian democracy lends to the interventionist state. Where, he asked, is the minority's defence against the power of the majority? On Hayek's view, most of the economic powers that modern governments take for granted – from industrial policy to redistribution of income – are not merely ill-advised but immoral.

Few could find that position satisfactory. The modern state may presume too much – but to deal with some economic ills, collective action (and hence the coercion that Hayek detested) is almost universally agreed upon. In some cases, moreover, it is simply inescapable. Hayek's greatest weakness was that he had almost nothing to say about market-failure. This justification for state action is often falsely invoked – but sometimes the argument is convincing. In cleaning up the environment, for instance, the state must indeed intervene on behalf of society; externalities mean that free markets are unable to discover the outcomes that individuals seek.

If there is one label that Hayek would have accepted with pride, it is this: scourge of socialism. For decades his tireless attacks on what he saw from the beginning to be a profoundly evil system won him little praise from fellow economists. In the 1960s and 1970s he was a hate-figure for the left, derided by many as wicked, loony, or both. How marvellous it is that he lived to see communism collapse, as he said it would, with all its corruption, insanity and injustice laid bare.

Courtesy: *THE ECONOMIST*, March 28

Bureaucracy in the New Order

— Descent from the Commanding Heights

J.B. D'Souza

Without a drastic change in our civil service rules and practice, we will continue to suffer from an administration that is negative, sluggish and dishonest, whatever the colour of the government that tries to serve us.

It was about twenty seven years ago that Prof. Parkinson called attention to the existence in every organisation of the Abominable No-Man. The man who says 'No' to every proposal, partly to avoid taking responsibility, partly to save himself from the work that a positive decision might involve. "To say 'Yes' raises the awful possibility of something being done. There is always a risk in agreeing to anything which may turn out to have been a mistake. To say 'No' is far less of a hazard, for nobody can then prove that the action proposed would have served the end in view."

Parkinson simultaneously recognised that in our changing world the Abominable No-Man has given place to the Prohibitive Procrastinator. "Instead of saying 'No', the PP says 'In due course', these words foreshadowing Negation by Delay... If we suppose that a drowning man calls for help, evoking the reply 'In due course', a judicious pause of five minutes may constitute, for all practical purposes, a negative response. Why? Because the delay is greater than the non-swimmer's expectation of life".

Negation by Delay

If, as seems likely, Parkinson wrote all that after a study tour of the administrative labyrinth in India, a repeat visit a quarter century later would have shown how perfect the drowning parallel was to India's condition a year ago. Delays had become almost a creed by which bureaucrats lived. There was something unholy about speed in operation or decision. When the Panshet dam burst near Poona in the 'sixties, an outstanding administrator, S.G. Barve, was put in charge of rehabilitation of the city. He had by then left the ICS out of impa-

tience with the obstruction all his initiatives had suffered at the hands of fellow-bureaucrats. He set about Poona's restoration with characteristic drive and speed, setting a striking example of efficient disaster management. A few years after Barve's death I wrote: "Here it was that I saw a good deal of evidence of what had irked him in the civil service: persistent bureaucratic resistance to his vigorous and successful effort to restore the flood victims to a tolerable level of subsistence. Was the resistance due to... an impression among those steeped in red tape that relief had necessarily to be slow to be orderly?"

Motives for negativism and delay are not, of course, as pure as they are made out to be. They are often diluted by greed for graft. But even aside from such dilution they are disastrous to a nation's economy. There is a famous story of the researchers in an institute in Peru who travelled from one public office to another to collect the various permits and licences they required to set up a small garment workshop. They were averse to bribing, unless they reach a dead end. Working full-time, it took them 289 working days (about a year) and two bribes to get the new activity approved. They tried it later in New York; it took four hours and no bribes. We in India would celebrate our luck if we could get all our clearances in a year.

Resistance to Change

Public exasperation with the brakes our administrative machine has imposed on enterprise has occasionally in the last forty years led the Government of Delhi to declare an intention of loosening its control and permit system. Each time prominent

names like those of L.K. Jha and the now discredited Rajiv Gandhi have lent some dubious authenticity to these declarations. Euphemisms like 'liberalisation' have floated about, a pretence of relaxation has followed, and we have usually ended up with a system enmeshed in even more red tape than before. Indian Airlines traffic to and from Delhi has for years contained a disproportionately high percentage of business-pilgrims to the Shrine of Obstruction and Control, businessmen and their lackeys seeking multiple clearances.

But now the Government of India has at last committed itself, first to dismantling its elaborate permit-licence system, and second to cautiously thinning out its bloated public sector overload. There will be a descent from control of the commanding heights of the economy to less pretentious objectives. Given less stridency from the Opposition parties, the first of these measures, which has already gathered some momentum, will proceed, with lower speed perhaps. The second will evoke far more resistance, as it already has. From the vast numbers of public sector employees at all levels threatened with redundancy, and from ruling party politicians eyeing their enterprises as potential not only for nepotism in hiring, but also for possible chairmanships and opportunity for graft and plunder.

How long the Government's present policy will survive these threats is a tricky question. "There is nothing more perilous to conduct", wrote Machiavelli, "or more uncertain in its success than to take the lead in the introduction of a new order of things. For the reformer has enemies in all those who profit by the old order, and only lukewarm

defenders in all those who would profit by the new order."

Bureaucratic resistance to change is far more insidious than the opposition encountered at the political level. Because, aside from the disingenuous motivation we have noticed, even dedicated and discerning officials are in danger of assuming they are the true and only guardians of the people, as Philip Woodruff called his ICS colleagues. This is not something peculiar to India. A perceptive observer had this to say: "There is a conflict between civil servants' superior intellect and the little they have to offer in a practical way. There is, or should be, no role in our society for people with little to offer in a practical way, but civil servants have got round this stumbling block by inventing a role for themselves... that of governing the country. They see themselves, to the detriment of democracy, as politicians writ large. And of course, as politicians writ large they seek to govern the country according to their own narrow, well-defined interests, tastes, education and background, none of which fit them on the whole to govern a modern... society".

A New Role for the Bureaucracy

The new decisions to dismantle the strangulating controls that retarded our economic development will altogether dispense with some of the functions that officialdom had assumed to itself. One hopes that they will not be replaced by new requirements and clearances that bureaucrats have been so adept at devising when earlier liberalisations were attempted. One hopes too that the effect will be a dilution of the control mentality in which officials have wallowed. If it does, officials will now be able to turn their energies and skills to enabling and promotional functions, to doing more effectively what private enterprise cannot do.

Our education system, particularly at primary level, has seldom attracted the interest of our most competent officials; it has remained perhaps the most neglected part of our apparatus of governance, notwithstanding the unequivocal language in the Constitution's Directive Principles of State Policy. Public Health has been another casualty; the manner of operation of our rural health-care system has been a scandal. Population control has never recovered from the savage treat-

ment it received from Sanjay Gandhi. Police administration has probably deteriorated faster than the rest (the others were never good). Land administration suffered a similar landslide (no pun intended); much of the congestion in our courts is due to the chaos that has overtaken the cadastral record system, which was fairly sound when the British left.

Each of these sectors, and many others nearly as vital to our economic health and development, cry out for competent official attention, and should absorb the energies of the senior civil servants released from the obsession with controls.

But besides this there needs to be a re-orientation of officialdom, first to accent the positive in general, but specially when it administers the few controls that will remain.

Second, there is a crying need for officials to understand that their clientele, the objects of their paternalism, consist very largely of people who do not belong to their own class socially, income-wise, and educationally. To understand that under-privileged people too are entitled to their place in the sun. To understand that, if they are administering trade and industry, it is not just the organised sector they must serve but also the large informal sector that probably accounts for most of the employment of our country.

Third, officials must be encouraged to shed their delusions of God-given omniscience; to shed the notion that they, and they alone, know what is best for everyone else. Perhaps aggressive paternalism produced good administrators in the British days. It is of less value in today's pluralistic environment. Too often our officials not only think they know what is best, but pursue it unrealistically against formidable odds, till they lose even the second and third best. The best is often the enemy of the good.

Change Civil Service Rules

Fourth, and unrelated to the new Government policies but long overdue, is a rehashing of the laws and regulations that govern the civil service to make it possible for the Government to eliminate the dishonest, the incompetent. Today, the removal of such persons even from the so-called elite services is a virtual impossibility. To the rigid civil service regulations the

Government has added more and more safeguards that protect useless officers and even require their promotion. Cosy security has led to sterility. There are in every State IAS officers who were never good enough to be Collectors or Deputy Secretaries, but today are Secretaries to the Government.

In Maharashtra we have just seen a scandalous instance of how the rules operate: Six years ago fourteen patients died at the JJ Hospital after adulterated glycerine was administered to them. The public outcry that followed prompted the State Government to order a judicial enquiry, which was held by a distinguished judge of the Bombay High Court, Justice B. Lentin. After a very detailed public enquiry Justice Lentin indicted several officials whose conduct had been indefensible. Some of them were then suspended. On 8th March 1992 the press reported that the former Dean of JJ Hospital, whom Lentin had castigated as negligent, brutal, inefficient, lazy and unfit to hold any responsible position, had been appointed as the Dean of Poona's largest teaching hospital, the Sassoon.

Without a drastic change in our civil service rules and practice, we will continue to suffer from an administration that is negative, sluggish and dishonest, whatever the colour of the Government that tries to serve us. "Labour Governments, Conservative Governments, they all come and go", a British Foreign Minister wrote in 1984. "They (the bureaucracy) are absolutely secure.... They are just part of the general slide and decline, and they have been a big contributor to it. They are the people who can always find an argument against doing anything, a brilliant analysis as to why you should do nothing." To which another observer added this: "The civil servant is seen... as an unelected, unaccountable, bureaucratic empire-builder, unresponsive to the will of the people, determined at all cost to defend his own power and thus maintain the status quo... This, in short, is why the British Government does not work. It has the engine of a lawn-mower and the brakes of a Rolls-Royce."

How much more true this is of our own officialdom!

Mr. J.B. D'SOUZA, a distinguished civil servant served as Chief Secretary, Government of Maharashtra and Commissioner of the Bombay Municipal Corporation.

Economic Reforms

— No Soft Options Left

Jiban K. Mukhopadhyay

The burden of high inflation in particular and that of the reform process in particular inevitably falls on the common man, the lower 75% of the population, for no fault of theirs. This is the price to be paid for the wrong economic policies of the past four and half decades.

The high growth of the Indian economy in the 1980s was financed by massive internal and external borrowings at high rates of interest — and through deficit financing. Government expenditure — 'Plan' and 'Non-plan' — went through the roof. At the same time revenue earnings from taxes even at punitive rates had reached saturation levels. The astronomical sums (over Rs. 400,000 crores) invested in State Owned Enterprises (SOEs) yielded negligible returns. They needed continuing financial support to merely keep functioning.

Despite such a desperate situation, successive governments were not prepared to abandon their "commanding heights" concept. India's policymakers were just not willing to come to terms with the fact that we were living way beyond our means; that we were hurtling toward bankruptcy.

Meanwhile the twin deficits on the external front — the trade deficit (on account of export and import of goods — and the current account deficit — on account of external transactions of goods and services — kept rising.

This was hardly surprising. The highly inward-looking and restrictive trade policy based on the concept of import substitution (and not export dynamism) was bound to lead to serious and chronic Balance of Payments (BoP) problems. In the name of 'self-reliance' what the ideologically hide-bound economic planners had succeeded in achieving was to isolate India from the rest of the world's economic activity.

Ironically the policy of import substitution had actually resulted in increasing the import intensity of Indian industry. Easy access to foreign concessional aid discouraged the earning of foreign exchange through dynamic exports. For instance India used to receive 40% of its aid from the

International Development Assistance (IDA) of the World Bank on very soft terms till the end of the 1970s.

With the drying up of concessional aid, government was compelled, in the 1980s, to seek commercial borrowings. This helped growth but added enormously to the repayment burden. Then came the Gulf War putting greater pressure on the country's BoP. By mid 1990-91 India was on the verge of defaulting on her external debts.

There was no alternative but to seek the assistance of the International

Monetary Fund and the World Bank. In fact the two predecessor governments to the present one had started negotiations with the IMF to obtain 're-purchase facilities' (loans, in common parlance) from the IMF and 'structural adjustment' (in other words postponement of repayment) and other loans from the World Bank.

In fact loans from the IMF amounting to around \$ 1,449 million were received by the previous two governments between July 1990 and January 1991. In addition the present government received in July 1991 \$ 1,025

'The Indian Economy is Rescuable, it's Polity is not

...the pace of reforms has been breathtaking. The Rao government has slashed red tape, liberalised trade, made exports attractive through devaluation, wooed foreign investment, loosened interest rates and encouraged private business to replace the public sector as the dynamo of the economy. It has built up its foreign-exchange reserves from almost nothing to more than \$ 4 billion, mostly through amnesties to Indians with illegal hoards abroad. The rupee is to be fully convertible in three to five years.

But the government has yet to grasp two nasty nettles — the need to shed surplus labour and close sick industries, and the need to restructure the inefficient public sector. India's trade unions believe that jobs should be forever, that automation is a wicked device to cut employment, and that wage demands should be related to class war rather than productivity. Public employees have threatened to strike if there is privatisation. All political parties, including Mr Rao's Congress, have a strong trade union wing.

Mr Rao has operated so far by consensus, which allows no open confrontation with trade unions. With the help of the World Bank, a fund is being created to give a golden handshake to surplus workers, but the unions recently refused even to look at a government proposal to give several years' pay as redundancy compensation.

Such obstinacy does not bode well for Messrs Rao and Singh. Nor does the weather. After four good monsoons in a row a drought might seem overdue, with its attendant inflation and unrest. If they come, the opposition parties, which have not wanted a fresh election so soon after the last one, may decide it is time to try to topple the government. They may not succeed, even though Congress and its allies are seven votes short of a majority in Parliament. But the uncertainty is one reason why commercial banks still do not regard India as credit-worthy. They reckon that, though the Indian economy is eminently rescuable, its polity may not be.

Courtesy: *The ECONOMIST*, March 7

million negotiated by the previous government. This is conveniently forgotten by the members of the erstwhile governments when they criticise the Narasimha Rao government for going to the IMF and the World Bank!

When you need a loan to run your business and go to your bank for a loan, the bank will want to ensure that it will get its money back. It puts conditions. This is what the IMF/World Bank does not only when India asks for a loan but when any other loan-seeking country does. In the 1970s the United Kingdom had to travel this route. The UK did not sell its sovereignty any more than India has. The conditionalities are to ensure that the economy is able to reform itself to be able to pay back the loans.

The 1991-92 Union Budget, Dr. Manmohan Singh's first, introduced a series of 'market-friendly' measures which meant abandoning fabian socialism and Soviet-type centralised planning. Among these: The Rupee was devalued by 20%; a new industrial policy was announced opening up (albeit not fully) the Indian economy to MNCs; and an outward-looking trade policy to enable India take the first steps toward becoming a global player.

The Union Budget 1992-93 continues this process. The details are well-known and there have been numerous articles in the press analysing the various path-breaking provisions (including the removal of obnoxious ones). We shall therefore not dwell on these.

Suffice it to say for the purposes of this article that had there been no IMF/WB loan the country would have defaulted on its payments with the serious implications involved. Imports would have virtually stopped. Debt repayments would have had to be re-scheduled with everyone in the world being told that India had been unable to service its debt repayments. All this would have pushed up prices by 25% to 30% or more, apart from the ignominy we Indians would have faced. The Budget for 1991-92 which got us the loans we needed enabled us to avoid the nightmarish scenario outlined above.

The 1992-93 Budget should therefore be seen as a Budget initiating

India Can Do It

What then are our real strengths? Our history, culture and heritage are inseparable parts of each one of us. We are intelligent, hardworking and have an abiding concern for our fellow men; attributes which many envy. We have a modern communication and transport infrastructure, as well as reasonable levels of natural resources and minerals. In spite of a history of subjugation, our farmers and urban middle class have demonstrated their ability to raise productivity and have taken advantage of modern technology. They are also as forward looking as the best in the world. We have two important raw materials, cotton and jute, whose role in an environmentally conscious universe could become quite spectacular provided, of course, we will it. There are many many more. How do we transform these strengths into economic output and use it to tackle problems of population and poverty? The only way we can do this is by adding value to ourselves, our country, and to our global trade. If it were so straightforward, why have we not done so up to now? Like many other people living in centrally planned societies, we were happy to believe that some higher forces would make things happen on our behalf.

Today I feel heartened by the dawning of reality as reflected in the transformation of our economic policies without sacrificing our commitment to social justice. In the post liberated period no accomplishment will be worthwhile or even sustainable if 300 million of our fellow countrymen remain in the utter misery of poverty. My submission is that we will be better able to serve them if we let free the rest of the 600 million to get on with their jobs and missions.

Dr. Ashok S. Ganguly

From his A.D. Shroff Memorial Lecture

massive reforms of a complex and over-regulated economy. It cannot satisfy all sections of society at one go. But there is one area of grave concern – galloping inflation. Government's pledge to bring it down to 9% in 1991-92 was not kept – it will probably be around 14%. This is likely to be the level for the current financial year as well.

A sectoral recession in certain industries plus a high rate of inflation (known as 'stagflation') is on the cards. It will create difficulties in the initial years. An IMF type reform package usually generates stagflation though this is not openly admitted. Considering our kind of fiscal imprudence all these years, we have no option but to live with this unhappy phase for some time. But it is of crucial importance not only to ensure that the rate of inflation does not move further up but is brought down to manageable levels.

With the budgetary attempt at fiscal stabilisation, rationalisation of tax rates, improved industrial growth as a result

of liberalised industrial policies, inflation could be contained within a couple of years. Let us pray for a good monsoon this year. A bad monsoon may well extend the period of our agony.

It needs to be noted that the burden of high inflation in particular and that of the reform process in general inevitably falls on the common man, the lower 75% of the population, for no fault of theirs. This is the price to be paid for the wrong economic policies of the past four and half decades. But the sad fact remains that we have run out of soft options. No government, this one, or any other, has any choice notwithstanding the noises made by some people most of whom have not the faintest idea of balancing a household budget let alone that of a nation. They could contribute most to making India prosperous by vowing to maintain a long period of silence while those who know what needs to be done, do the job.

MR. JIBAN K. MUKHOPADHYAY is an Economist.

The Union Budget 1992-93

Some Economic Implications

D.R. Pendse

This budget has shown what a dextrous economist can achieve when he is also a dedicated patriot. It is a pity that we had to reach the brink to see this.

It is perhaps the most significant, the most welcome and an overdue signal coming from the Budget, that India is far more restless now for becoming an effective part of the world economy than any time since independence. Measures to introduce partial convertibility of the Indian rupee; the reduction of import duties at a sacrifice to the centre of over Rs. 2000 crores of revenue in the midst of a tight fiscal squeeze; the decision to permit imports of gold under baggage rules, and the gold bond scheme are four of the many critical steps revealed in the Budget. All these need to be assessed in totality. Seen in the perspective, the following observations may be of interest.

The stark reality is that the Indian rupee has for long been a fully convertible currency, via the well-developed 'havala market' (why it is called that, I wonder); and quotations appear on the front pages of national dailies. The new system known as the 'Liberalised Exchange Rate Management System' (LERMS) more or less brings the de-facto convertibility to surface.

Since a negative list will continue, all possible transactions will not be covered under LERMS, and there will still continue to be a *havala* market.

The new partial convertibility is not a devaluation any more than the *exim* scrips (with its fluctuating market premium) were. The difference is two-fold: The *exim* scrip regime got caught in bureaucratic trap, and all that goes with it; Market will now do what bureaucracy failed to. Secondly, the coverage under LERMS, is almost double – 60%, vs. 30% under *exim* scrips. Since the market prices can now fluctuate, we now have a partially floating rupee.

I particularly welcome that remittances from Indian worker abroad will now receive the (higher) official market price. The supply of precious foreign exchange to the *havala* market will to that extent be reduced. We have treated our citizens working abroad very shabbily. When they return home for holidays or for good, far from being garlanded 'for earning forei-

gn exchange by the sweat of their hard labour' they have been treated at the airports as if they were criminals and penalised and humiliated for bringing Two-in-ones, or some extra sarees or blankets for their families. Returning from abroad, this has every time been a shocking sight for me. I am very happy therefore that at least this Finance Minister would like to join me and a few others, in 'saluting our workers working abroad' and 'expressing our appreciation of their magnificent contribution to India's foreign earnings.'

One small improvement suggests itself. Under the LERMS, the exporter has to surrender his foreign exchange to the banks in India immediately; and he has to buy foreign exchange when required

even for his own permitted imports, again from the banks. He could be allowed to keep his own earnings to his own credit for, say, two months at the most, so that he will at least save on bank charges both ways. This facility is unlikely to be misused because foreign exchange earned lies idle, but if surrendered, the rupees can be productively employed.

The decision to permit imports of gold is most welcome. It is a crucial link in the opening up process. Having written on this subject separately, I will not repeat, except to repeat any conclusion that the scheme drafted in pursuance of this decision is so inadequate that unless some major changes are made the scheme may ruin the decision and give it a bad name.

Let's Revile the Wreckers

When countries go to the IMF and World Bank for policy loans after having proved themselves incompetent, they have to submit themselves to detailed supervision. Since countries like India go bust because they have lousy budgetary and trade policies, these are necessarily areas where many conditions are imposed. The country faces a Hobson's choice. It can suffer the humiliation and distress of default, alternatively, it can suffer the humiliation of a policy loan. Almost all countries choose the latter, because it offers the hope of revival and prosperity after a difficult period of adjustment.

India faces the same dilemma. One alternative is to listen to the wreckers of the economy, and so ensure that the wreckage is complete. The other alternative is to go in for policy-based loans from the IMF and World Bank, using the services of people like Dr Manmohan Singh to ensure that the policies are tuned to the national interest to the maximum extent possible. The second alternative is clearly preferable. Instead of beating our breasts about Bank-Fund conditions, we need to resolve that we will never again mismanage our affairs so badly that we have to go abroad with a begging bowl in this manner.

The synthetic moral outrage of the wreckers is astonishing. We have an ancient feudal tradition in India, where important people make a mess, and then the *bhangis* who come to clean up the mess is kicked and reviled. This is what is happening today, and it makes us a laughing stock in the world. We need instead to revile those who brought us to such a sorry pass – Rajiv Gandhi, VP Singh and Chandra Shekhar.

Swaminathan S. Anklesaria Aiyar
The Times of India, March 1.

Outlook for Inflation

For many years every budget has been criticised for being inflationary. This budget does not warrant that criticism.

The scheme of the Budget suggests that for the year 1992-93, the Finance Minister is reconciled to an inflation rate of about 9%, as measured by the average increase in the wholesale price index. During the current year, inflation was much higher at about 12%. Assuring a reasonably good fiscal management, (a difficult assumption in the past), I am ready to share this view.

Excise duty hikes will place a burden of Rs. 2211 crore. This is criticised as inflationary. But what about the customs duty relief of Rs. 2023 crore? In totality the cost-push effect of indirect tax levies will be practically nil. The net additional tax burden on society will be only Rs. 983 crores (mostly from direct taxes). This is relatively a modest 0.8% of total government expenditure of Rs. 1191 Abja. In fact the Finance Minister has shown an exemplary courage, not common among some of his predecessors, to have chosen the hikes and reductions in a manner which leaves all the surplus for the states and the centre is left actually with a deficit of over Rs. 500 crore. Unfortunately, the states have not yet shown any matching sense of fiscal discipline.

Similarly, the attractive budget deficit figures, some of which were quoted at the outset, shows a commendable effort at load-shedding.

Inflation is written in our system now – again largely a result of years of fiscal mismanagement. Inflation is also a world-wide phenomenon, yes. But that is no solace. Because, it hurts a poor country worst, as its vast multitude has no 'safety nets'. Unfortunately, let us face it, for at least three years, inflation is inescapable. One hopes it becomes less and less acute.

Those who criticise the Budget as inflationary are duty-bound to produce a shadow-Budget of their dreams which in totality will be less inflationary than the present. The debate can then be somewhat meaningful. Without it, it remains fruitless, if not acrimonious.

Is It Anti-poor?

Inflation is the worst enemy of the poor. So, as long as no one is able to produce a shadow-budget which will be demonstrably less inflationary than the present budget, I reckon this budget to be the least anti-poor that we can have.

Moreover, poverty cannot be alleviated by producing a long list of so-called poverty-alleviation schemes. One recent Budget produced, I remember, about

eighteen anti-poverty schemes: one (or more) per paragraph of a good portion of that Budget speech. Was poverty alleviated? Have not economists repeatedly shown from their painstaking studies, that the funds under these useless anti-poverty schemes do not reach the poor and that they remove the poverty only of the 'middlemen'. When will our politicians stop brainwashing the gullible public and creating a divide in society with such empty criticisms? I am glad that the Finance Minister has at long last started talking about launching a public awareness programme. He has no time to lose to impress on the people that sus-

tained economic growth tempered with equity is the best, if not the only, medicine for the removal of poverty.

The Finance Minister has in fact produced a plan to set up a small farmers Agro-Business Consortium. Frankly even after a careful reading of his speech, I am not at all clear about this scheme. I am sure, poverty will be removed one day; but at present I only visualise a mad rush and pulls for filling up posts; getting grants, fixing office-space and for similar other matters in getting the consortium going.

White Ghosts and Brown Elites

Dr. Manmohan Singh did well to speak of our persistent fear of the East India Company. It should be brought out in the open. The nation needs to talk about it. Some of us may deny it for all its worth but it is that fear which has bred in us a low national self-esteem and allowed many of us in the elite to get away with a relative lack of accountability in public life.

The fear is evident in the xenophobic rhetoric that still marks public debate in India, 235 years after the Company bribed Mir Jafar to clinch the Battle of Plassey. Perhaps the way in which the West, with its superior technology and efficient use of capital, streamrollered over India in the following 100 years, we were hit by a catatonic seizure that we are yet to recover from. They left in 1947, but the white ghost stayed back to haunt us.

On the one hand, we meekly became mimic men – an English-speaking brown elite, which took over a largely unchanged system of administration from a white elite whose manners we faithfully copied – for, after all, there was no alternative but to do what the masters had equipped us for. It happened in colony after liberated colony. On the other hand, our fear of the white ghost made us suspect conspiracies brewing in every corner of the globe, with a hundred reincarnations of Mir Jafar plotting in every nook.

Defiant Rhetoric

We gained political freedom 45 years ago but the minds of many of us in that brown elite – the neo-Brahmins, the neo-Raj, call it what you will – remain hopelessly colonised. We still suspect that we are no good, that the West will again conquer us somehow, that we are permanently handicapped by our history. In short, we have low national self-esteem. To cover that up we put on a mask of ultranationalist bravado and speak in a defiant rhetoric developed by the forces of reaction, of the right and of the left. But all along we look over our shoulders and wait anxiously for parental accolades from the West. We reprint in our papers even ordinary news items published in western papers if they contain a drop of praise for us. Thus, for example, "Washington Post welcomes India's budget" can be the subject of a story on page one of a leading Indian paper, even though it may be no more than a recycled news story originally filed by the Post's correspondent in Delhi.

Alas, we harm no one but ourselves. Fortunately, among us a new generation has come up, straining at the bonds we have imposed on them. They may be the ones to really change things, for they have lost the colonial chains that shackle the minds of so many of us. Perhaps it requires a good generation or two before a former colony can truly rid itself of the brooding spirit of its masters.

Gautam Adhikari
The Times of India, March 17

Implications For Industry

Turning from poverty to industry is not turning from one end to the other. In fact, accelerated industrial growth is trebly blessed: it produces jobs and it produces more goods and services needed for consumption by the growing population; and it produces more than 75% of government revenue and help reduce deficits.

In my view this budget has done more for industry as a whole than any recent previous budget did:

- (i) The office of the Controller of Capital Issues is going (long overdue).
- (ii) Wealth Tax scrapped for shares, bonds and other corporate financial instruments.
- (iii) Lending interest rate floor is lowered by 1%.
- (iv) The import compression of mid 1991, which resulted in such an adverse impact on industrial production, revenue and exports, has been liberalised.
- (v) Customs duties lowered on a wide range. A further reduction is planned (or threatened?).
- (vi) Companies allowed to float convertible bonds/shares abroad.
- (vii) Foreign investors, like pension funds, welcomed for portfolio investments.
- (viii) Mutual funds permitted in (they should have been reserved for) the private sector, and their incomes are tax-free.
- (ix) A reduction of the SLR will release thousands of crores of bank funds for lending in industry.

Most important (even before the Budget), by conferring a Bharat Ratna on Mr. J.R.D. Tata, this Government has unlike any Government in the past, declared that a good industrialist is an honoured citizen of this country. All of it adds up to an impressive list.

But industry should stand cautioned on two counts: First, the growth in Government expenditure is being quite drastically curbed to the tune of about Rs. 7000 crore within a year, in comparison with the inherent trend. Since one man's expenditure is another man's income, and since (so the economists seem to tell us) money changes hands about four times a year, curbs on government expenditure will amount to a significant reduction in the overall purchasing power in the system in this and the coming year. Different areas of industry will have to bear the brunt of this reduction. This is not good news. But the deficits-induced tea party had to come to an end.

Capitalism and Democracy

- Capitalism is a necessary but not sufficient condition of democracy under modern conditions.
- If a capitalist democracy is subjected to increasing degrees of state control, a point (not precisely specifiable at this point of time) will be reached at which democratic governance becomes impossible.
- If a socialist economy is opened up to increasing degree of market forces, a point (not precisely specifiable at this time) will be reached at which democratic governance becomes a possibility.
- If capitalist development is successful in generating economic growth for which a sizable portion of the population benefits, pressures toward democracy are likely to appear.

Peter L. Berger, *The Capitalist Revolution*

Secondly, with the opening up of the Indian economy, with deregulation, with liberalisation and all that, Indian industrialists will have to accept in corporate planning, competition as a factor rather than getting and stopping licences (as in the past). 'The Market' will be their friend (or foe), not Delhi.

I for one have full confidence in the ability of the Indian entrepreneurship to stand up to this challenge, and in giving a run for their money to the foreign investors. Government should however go out of its way to ensure a level playing field.

There was almost a euphoria about the Budget in industry circles for the first few days. Gradually, it has given way to doubts and apprehensions. At times, I feel almost aghast seeing industrial lobbies now-a-days so much worried about relatively petty matters. There are unabridged depreciation worries; there are worries about only 15% of the foreign exchange earned being allowed to be kept; worries that import duty reliefs are nullified by 'devaluation'; worries even about the clubbing of incomes of minors with parents, and indeed numerous industry-specific worries. Genuine grievances and errors, omissions and oversights will of course have to be addressed. But in the fast changing economic environment of today, it will not help industry to portray itself as a cry-baby.

The new Economic Policy & The Budget

It is the New Economic Policy (NEP) that is important. The budget is essentially one instrument to carry forward the NEP. Having launched the NEP, there is now no turning back. Prior to the Budget, I considered that there were at least ten areas on which policy decisions had to be announced no later than the Budget-day.

These were (in alphabetical order): (i) Black Money, (ii) Bureaucratic Reform, (iii) Centre-State Relations, (iv) Energy Policy, (v) Exit Policy, (vi) Financial Sector Reform,

(vii) Gold Policy, (viii) Planning process, (ix) Privatisation and Tax Reform.

The Budget has taken significant steps, or at least made some noise and shown awareness about quite a few of the above. The areas which still are largely unattended are: (i) Bureaucratic Reform, (ii) Centre-State Relations, (iii) Energy Policy, (iv) Planning Process and (v) Privatisation.

I am aware that even if days were made of forty-eight hours each, the time would not normally be enough to accomplish what Dr. Manmohan Singh and his team has. This Budget has shown what a dextrous economist can achieve when he is also a dedicated patriot. It is pity that we had to reach the brink to see this. It will be a greater pity if whole-hearted all-round response is still wanting, but when chartering through unknown waters, it is always good to keep a list of unfinished or half-finished tasks.

Tallpiece

The Budget has been criticised that it does not do anything for creating employment. What an absurdity! Export-Import Control has gone but not the CCIE office. Steel prices are decontrolled, but steel distribution is retained, and so are the thousands in the Ispat Bhavan. 'Licences' and 'approvals' have gone and 'automatic approvals' have come: and so has the proposal to create a separate 'Dept. of Automatic Approvals' in the Industry Ministry. Exchange control is virtually gone; but the thousands in the RBI's Department have stayed. Mr. Dandvate abolished Gold Control, but thousands that worked in it were 'absorbed' elsewhere. One million assessors will go out of the tax-net with the exemption limit being raised from Rs. 22,000/- to Rs. 28,000/-. But the Income Tax officer and their paraphernalia doing that assessment will continue. If anyone's conscience is still worried, Mr. Palkhiwala's suggestion to create a new 'Ministry of Simplicity and Stability' will be handy.

MR. D. R. PENDSE is an eminent Economist

The Left Argument

In its essence, the Left's argument is that not just India, but the whole of the third world is being organised into a single economic system that works solely for the benefit of the already rich countries and against the poor. The weapons being used to do this are trade, especially the insistence on free trade now not only in goods but also services, and private foreign direct investment, mainly by multinationals, which act as the standard bearers of global capitalism.

The goal of this two-pronged onslaught is to destroy the young, independent entrepreneurial class in the developing countries by denying them the protection that infant industries need, and forcing them to face competition from large well-established foreign brand names. The only way that some of them will be able to survive is as very junior partners of the multinationals who invest in the country. In short, liberalisation will see the death of independent capitalism and its speedy replacement with dependent capitalism.

Since the foreign companies will invest only in those products which are of interest to them and can be sold in the markets with which they are familiar, the resulting development in the third world will be patchy and unbalanced. While the export sectors become swollen out of all proportion to the size of the home market, receive the latest inputs of technology and become islands of high wages and managerial remunerations, (in the 18th and 19th centuries it was plantations; in the first half of the twentieth it was minerals, and now it is labour-intensive manufactures), the rest of the economy will stagnate, or fall further and further behind. The end product is the fracturing of once homogeneous societies, into dual economies, and what Andre Gunder Frank called the "development of under development".

The only way to withstand this onslaught on one's sovereignty is to opt out of the global economic system and concentrate on developing the home market. Since this can grow only if domestic purchasing power

grows, the right course of action is to concentrate on generating more employment, and raising labour productivity in the traditional sectors of the economy. So employment should be given priority over growth, rural development over industrialisation, and handicrafts and appropriate technologies over hi-tech.

There is some allure in this vision of the future. Mahatma Gandhi had, after all, drawn a somewhat similar picture of India's ideal strategy of growth. But the country is already 45 years down one set of tracks. How does it get off these to get on to another. Over the last four and a half decades, India has pinned all its faith on industrialisation. It has adopted a heavy industry oriented strategy of growth to short circuit the process and catch up with the advanced nations. In the process it has built a very large industrial establishment employing over ten million workers directly, perhaps four times that number indirectly. That industrial establishment is in dire peril today. It is imperilled by its own past inability to export enough to meet its growing need for imports, and by its inability, in the case of the public sector, to earn profits and finance its own future growth. There are only two ways to go. The first is the one chosen by the Government of trying to make it more efficient and export oriented. The second is to pull down the shutters on imports and opt out of the global economic system. Opting out would require abandoning this industrial establishment. It would mean putting up import barriers in the almost certain knowledge that most of the newer industries would die. That would create far greater shortages, and therefore far more inflation than we have today, and throw far more workers out of work than the number that would be displaced by modernisation.

The plain truth is that for better or worse India is now trapped on the growth path that it once chose. The factories that have already been built must keep working, so that people can remain employed and goods keep being supplied...

...there is an impressive amount of evidence that the global economic

system is not as heavily loaded against the third world as Frank's theory of under-development would have us believe. First, the actual performance of so-called dependent economies, i.e., those that have unabashedly accepted the need to gear themselves to world demand, and produce what the advanced countries, and the middle classes of the developing countries want to buy, have lost their economic sovereignty. The most outstanding case is, of course, that of South Korea. Beginning as an exporter of mainly textiles, to a world market that had been vacated by India when it put a ceiling on loom capacity in the mill sector, Korea had graduated by the end of the Seventies to exporting electronic goods, household electricals, chemicals and ships. At that point only a small part of its exports was of products in which brand names counted, but that is precisely the sector that grew most rapidly in the Eighties. For nearly a decade-and-a-half Korean manufacturers sold their television sets, videos, toasters and refrigerators under prominent proprietary European and American department store labels, and cheap manufacturers' brand names. They did this till they judged that consumers abroad had become sufficiently familiar with Korean products, and developed enough confidence in them to accept the brand names of the original manufacturers. Only then, in the mid-Eighties, did Cold Star, Samsung, Hyundai and Daiwoo start selling under their own names. Today they are fast becoming familiar household names in the West.

This is no isolated example. Even Japan travelled exactly the same route, about 30 years before South Korea.

There is no other way to go. The important point is not that India has lost or is having its sovereignty sold out. The truth is that one road to economic sovereignty has led to a dead end, and we are embarking on the other. There is no place to go but straight ahead.

Prem Shankar Jha
The Hindu, March 11

Obstacles to Liberalisation

The Project for Economic Education organised a two day seminar in Bombay on Saturday and Sunday, April 4 and 5 on "Liberalisation of the Indian Economy: The Obstacles and Measures to Overcome Them".

Eminent economist Mr. D.R. Pendse addressed the Seminar on the Obstacles to Liberalisation and the Union Budget as an instrument of Liberalisation. Mr. Gurcharan Das, the Chief Executive of an MNC in India spoke on the question of economic sovereignty vis-a-vis the IMF/WB and the MNCs. Former MP and industrialist Mr. D.N. Patodia traced the progress of the reforms so far and what remains to be done.



The following is a brief summary of the discussions:

- There was general agreement that the policy of State Socialism followed by successive governments in the forty years since independence had failed.
- The present ills in the economy and the inflationary pressures are not due to the liberalisation measures but the cumulative effect of past economic policies.
- The new economic policy must be given a chance to succeed. It was still too early in the day to predict the outcome.
- To be able to succeed the new economic measures will have to be implemented honestly. There is real danger of the new policy being scuttled by vested interests – politicians, bureaucrats and businessmen who were beneficiaries of the Licence-Permit-Quota Raj.
- The new economic policy is really conventional economic wisdom and a pure *Swadeshi* product. The late, Prof. B.R. Shenoy, Mr. Minoo Masani and Mr. Nani Palkhiwala had repeatedly pleaded for a market economy if India was to avoid bankruptcy and

Seminar Participants

Mr. Gurcharan Das, Dr. C.S. Deshpande, Mr. J.B. D'Souza, Mr. Adi Godrej, Mr. M.M. Govardhan, Mr. Yogesh Kamdar, Mr. M.V. Kamath, Mr. Jamshed Kanga, Mr. Jagdish Khanna, Mr. N.V. Khote, Mr. M.R. Masani, Mr. J.K. Mukhopadhyay, Dr. B.L. Mungekar, Mr. M.R. Pai, Mr. D.N. Patodia, Mr. D.R. Pendse, Mr. S.V. Raju, Mr. Navroz Seervai, Mr. Rahul Singh, Mr. A. Solomon, Mr. S.E. Songhadwala, Mr. S.S. Tinaikar, Mr. Arun Vakil, Prof. Sadanand Varde.

prosper.

- The emphasis on competitiveness and better performance in the new economic policy is bound to benefit the consumer.
- The problem of unemployment is likely to be solved more by the services sector than the manufacturing sector. The latter strategy adopted hitherto has failed to reduce unemployment.
- The cry that the country's sovereignty is in danger from international

financial institutions and the MNCs is a bogus cry. One participant expressed surprise that of all people, this cry is led by the communists who have, according to press reports, been the recipients of large sums of foreign money!

- To curb inflation, government must learn to live within its means. Unless inflation is controlled, the new economic policy will not succeed. There was general acceptance that the fight to control inflation will take time.
- The need to ensure the autonomy of the Reserve Bank of India was stressed. On the question of reorganising Public Sector Undertakings (PSUs) the general feeling was that the policy should make sound economic sense and be consumer oriented.
- The success of the measures taken will very largely depend on follow-up steps taken at various levels lower down the line – at the level of state governments, local bodies e.g. municipal corporations and government authorities. For instance, octroi not only prevents free movement of goods within the country but is a major source of corruption. Or for instance the ability of State Electricity Boards to provide efficient and uninterrupted power supply was crucial.

... Ill-will cannot be overcome
except in the way our
beloved leader (Gandhiji)
taught. There is much war-
like talk about peace and
much belligerent demand
for goodwill. But fire cannot
be quenched by pouring oil
on it... Do not demand love...
Begin to love and you will be
loved... This is the law and no
statute or logic can alter this.

Rajaji



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Representing the People – How Much Our MPs Cost Us

M.S. Srinivasan

What is the picture of our nation vis-a-vis our politicians? What is the scenario of our democracy, which is the biggest in the world in terms of population? Representing the people at one stage was considered an honourable public service. Today, is it a public service? At what cost? The burden is a heavy one on the people. People have to know about it and think about it.

Once in five years, the leaders walk to the huts of the humble citizens, bend their back, eulogize the voters, enquire about their problems, and promise instant remedies as soon as they succeed in the elections. But mostly these promises are not intended to be kept, unless they also qualify as lucrative sources of profits, visible or hidden. Often, the elected representatives become unapproachable lords of the entire period, till the next election is around the corner. People console themselves: "at least now he has come to us". What does representing the people mean in reality? How much it costs the nation? What do the elected politicians do in the interval between the elections?

Anyone who gets elected to Parliament has an excellent time, even in the ordinary course of events, even without taking into account hidden conduits. Just look at the assured rewards a Member of Parliament gets; the following are the facts:

- A salary of Rs. 1,500 per month.
- Rs. 3,000 per month as Constituency Allowance.
- Daily allowance of Rs. 150 per day whenever the Lok Sabha or any Committee meets; this equals Rs. 4500 per month.
- Office Expense allowance Rs. 1000 per month.

The above works out at Rs. 10,000 per month during sessions (or Rs. 5,500 per month in non-session period); and the entire sum is tax exempt. In addition, perquisites include the following:

Representing the people at one stage was considered an honourable public service. Today, is it a public service? At what cost? The burden is a heavy one on the people. People have to know about it and think about it.

- Liberal air travel (16 air journeys along with wife or companion) and railway journey facilities anywhere within the country.
- Two telephone connections with 30,000 free calls.
- Housing facilities in Delhi – from nominal rent or virtually rent-free apartments to rent-free bungalows, costing in the range of Rs. 10,000 to Rs. 50,000 per month.
- Free water and electricity upto Rs. 3,600 per month.
- High quality medical facilities.
- Car advance at reasonable rates of interest, repayable in instalments.
- Non-deduction of income-tax at source.
- Heavily subsidized food and snacks at Parliament House, involving a loss of Rs. 20 lakhs per annum to the exchequer.
- On the spot services in banking, railway and air booking, and super bazaars.

Each Member of Parliament is costing the nation at least Rs. 4 lakhs per annum. For the 800 MPs in the Lok Sabha and the Rajya Sabha, the total bill for salaries, allowances, and perquisites exceeds the figure of Rs. 30 crores per annum. And we are not including the state legislators and the gubernatorial group. I do not precisely know the figures but I suspect that there is a head-tax on every citizen of the order of Rs. 100 per annum on each eligible voter to finance this show of democracy!

As if this is not enough, Members of Parliament are given a *pension* of Rs. 500 per month for a qualifying service of 58 months, with an additional pension of Rs. 50 per month for every additional year of service, and the same pension is to be extended for 5 years to the spouse or dependent, in the event of the death of a former member of parliament. There is no disqualification or debar on the pension, for any illegal activity or moral turpitude.

Efforts were made recently by the legislators to vote for increasing pensions for themselves; pension was proposed, even when the period as member was only one year, and the pension ceiling was to be raised to Rs. 5000 per month. Since 1954 when the Member of Parliament Act 1954 was adopted, it has been amended 17 times; so much attention has been given to their own personal needs. There was hardly any difference of opinion among the MPs on such conferment of bounties on themselves.

What do we get in return? The writer visited the House of Commons in London and occupied the visitor's gallery. On that day, a member was presenting a private bill on Coal Mines, for the consideration of the House. He was presenting information and argument in support of his proposals. We do not have any such constructive proposals presented after serious studies together with the logic thereof by any

member of parliament. We do not know whether the members (with a small number of exceptions) devote time to study various proposals being brought before the legislatures. On the other hand there are scenes of commotion, exchange of abuses and insults, which have often been expunged from the records of proceedings on the orders of the speaker.

The huge expenditures on the members of our legislatures are wasteful and unjustified. If the costs are reduced, democratic functioning would not suffer; further, the huge benefits serve as a strong incentive for the legislators to stick to the chair, by hook or by crook, even through undemocratic ways.

We must radically change the system of payments to legislators and reduce the burden on the public. Here are the proposals:

1. Salary should be fixed at Rs. 3,000 per month.
2. Standard type apartments should be constructed and allotted to the legislators and ministers. Only such standard type accommodation should be available for rent-free allotment to the legisla-

Politics and Politicians

"Politics is perhaps the only profession for which no preparation is thought necessary.

— Robert Louis Stevenson

"Political party: A kind of conspiracy against the rest of the nation"

— Lord Halifax

"Political party: the madness of many for the gain of a few."

— Alexander Pope

"A politician is an animal who can sit on a fence and yet keep both ears to the ground."

— American Proverb

"An honest politician is one, who, when he is bought will stay bought."

— Simon Cameron

"If I would not go to heaven but with a party, I would not go there at all."

— Thomas Jefferson

"The only purpose for which power can rightfully be exercised over any member of a civilized community, against his will, is to prevent harm to others. His own good, either physical or moral, is not sufficient warrant."

— John Stuart Mill

tors and ministers. All the luxury bungalows should be done away with or be divided into smaller accommodation.

3. No pension should be allowed to the legislators. Instead, there should be a contributory provident fund scheme in which the participating legislators and the government contribute equally and the amount can be withdrawn by the legislators at the end of their terms of office or when the legislatures are dissolved.
4. Travels for the legislator and his spouse (not companion) is to be permitted from the place of election or residence to the capital and back at the end of every legislative session. No other liberal travel or transport facilities are to be allowed.
5. Two telephones, one at the constituency and another at the capital be allowed but the free calls be limited to twice the number of free calls allowed to any private telephone installation.
6. Medical facilities available to Government officials be extended to the parliamentarians under the same rules, for the period they are representatives in the legislatures.
7. Car allotment and advances should follow the same rules as are applicable to government officials.
8. In view of the fact that housing and other facilities are being provided, no constituency allowances and no daily allowances be provided to the legislators.
9. Salaries and other incomes of the legislators should be subjected to taxes, in the same way as the citizens of the country are taxed.
10. The Lok Sabha/Rajya Sabha secretariat should establish a research wing with teams of researchers. In case any legislator wishes to get genuine research assistance, he should be allowed to draw upon the research facilities of the secretariat.

Let the citizens beware; there is a clamour for increasing the number of legislators. By increasing the number of representatives, with the present scale of benefits, only vested interest groups will grow and the cost of democracy will increase manyfold. And we do not have real democracy, we only have the emblems of democracy.

First Public Education Trust

The article alongside is excerpted from Dr. M.S. Srinivasan's book *India's Maladies and Remedies*. The book is published by the First Public Protection Trust. Commenting on the objectives of the Trust, Dr. Srinivasan, its founder has this to say:

Politicalization of all aspects of life, economy, agriculture, monetary systems, industrial development, banking, social systems, religious administration, public utilities, judiciary, executive, labour movement, youth development, media, infrastructure and civic services, municipalities and village administration — has taken place. This has aggravated the maladies and is driving the nation to a crisis. Depoliticalization of all aspects of national life is a basic policy change, which is an essential condition to work on the remedies.

The First Public Protection Trust has been established with the objectives of public service and education, mobilizing the educated sections for the public education, and finding remedies for the maladies. To know there are remedies for maladies infuses a sense of confidence. To read the remedies along with the maladies is the starting point for implementing the processes of cures."

First Public Education Trust
Post Box 5094, Madras 600 028

The question is: by bearing all these costs and allowances, are we not buying the masters that enslave us? Then, once they have the taste, with these massive allowances and facilities and power, who would be willing to vacate the seat, or vote the system out? The temptation will be for them, by an edict of parliament, or using the Ambedkar formula for amendments, to become representatives for life, and beyond, making it a hereditary right! Will the people take up this question of exorbitant pay, benefits and allowances and bring about a change?

Excerpted from *India's Maladies and Remedies* by Mr. M.S. Srinivasan an Engineering Economist who has held senior positions in the Government of India and the Asian Development Bank, Manila.

Diplomatic Relations with Israel

Better late than never. That is the best comment that one can make on the belated decision of the Indian Government to establish full diplomatic relations with the state of Israel. I am glad the silly suggestion made by the Foreign Minister that such recognition would only come if and when Israel recognised the rights of the Palestinians, has been dropped. Do we make similar demands on Pakistan and other countries before we maintain diplomatic relations with them?

Anyway, let us be glad that the right thing has been done even though several years too late.

To whom should the credit for this achievement be given? First of all, of course, there is Mr. G. Becher, the Consul General of Israel in Bombay, who has done an excellent public relations job for his country and for sanity on this issue.

In so far as the Indian side is concerned, I can only make a guess and give the credit to the Prime Minister for over-ruling the Minister of External Affairs. In this I imagine, he had the cooperation of the Foreign Secretary, Mr. J.N. Dixit, who has proved to be an intelligent and innovative official.

Anyhow, what has happened is good for both the countries and removes one of the illogicalities of the foreign policy bequeathed to this country by Nehru.

Neo-Nehruism

Sol Sanders is a friend of mine who was a foreign correspondent in this country many years ago. He has since been writing a lot constructively in the United States. I cannot desist from quoting from a letter that he recently contributed to the *Far Eastern Economic Review* about an article that appeared in that journal. This shows that Sol Sanders has not lost his sure touch about what has been going on in this country since he was posted here:

"Neo-Nehruism — When I saw the headline, 'Paying for the Past' (26th December 1991), I thought that at last the *REVIEW* would finally live up to its responsibilities on India coverage. But alas, I read the same old rubbish in Hamish McDonald's new packaging — I think we should dub it 'neo-Nehruism'. The whole population debate is a red herring.

"What happened was that after the first Indian five-year plan, based purely on target planning, and the amazing economic growth during the mid-1950s, Nehru and Mahalanobis — with the help of Lange of Poland, Range of Norway, Bettelheim of France and all the other dreary foreign and domestic communist fellow-travelling economists — adopted Soviet-style planning for India. That dictated vast sums of foreign aid, but worse still, of Indian savings dumped into huge and totally unproductive state capitalist projects while the private sector was persecuted and crippled.

"That 35-years attempt to clone an Indian economic system from the Soviet model is the problem. For the current Indian disaster is only slightly less than the one in the former Soviet Union.

"One understands, if not condones, Indian politicians' unwillingness to face the grim reality that they adopted morally indefensible pro-communist positions throughout the Cold War. Concomitantly, they adopted economic strategies and geo-political positions which have ended in bankruptcy. But what is the *Review's* excuse for continuing to participate in the 'cover-up'?"

Re-writing Indian History

The most idiotic suggestion I have come across in recent times is that the Government of India should sponsor a history of India since Independence.

It is like Stalin asking for the commissioning of the history of Russia

under himself!

First of all, the present government which is a Congress Party government which has been in office for the last forty years is the least qualified to produce an objective history of the period.

Secondly, it is not the job of government to produce histories — that is the job of scholarships by individuals and universities.

I am glad, therefore, that Mrs. Dharma Kumar and other historians have refused to serve on the so-called Commission to produce the history.

It is not surprising that Professor Gopal who has produced an abjectly adulatory biography of Prime Minister Jawaharlal Nehru and has already behaved like a Poet Laureate whose job was to flatter the King, has been made Chairman of this Committee. No decent historian should associate himself or herself with this effort.

Finally, the history of India since Independence is an inglorious one of mis-management and opportunities wasted and it will go down in history as one that we better forget about.

In any event, public money should not be wasted on such a project.

Majority Rule is not Democracy

President F.W. de Klerk of South Africa deserves congratulations on the result of the referendum. But his troubles are not over.

First of all, there is a murderous conflict between the supporters of the African National Congress and those of Chief Buthelezi. Then there is the Communist influence in the African National Congress, who believe that black domination of whites is better than white domination of blacks. That is why they press for majority rule. They do not understand that in a polyglot country, majority rule is not democracy. Sharing of power is.

Minoo Masani

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The Erosion of Political Authority and Legitimacy

Louis D'Silva

The present crisis of authority and legitimacy in India is largely the creation of politicians who are hungry, like locusts, for power, office and money and for whom the genuine welfare of the people is nowhere on their list of priorities.

I believe that the single most ubiquitous and depressing phenomenon in our times is the erosion of political authority and legitimacy, even in the mature democracies of the world. Public confidence and trust in political authority have been replaced by opposite sentiments. Government, from being the protector of the lives of its citizens, has become the greatest source of exploitation in the minds of a growing number of people. As several polls and surveys reveal, government is perceived by large numbers of citizens as the domain of economic luxury, high social status and great personal power and arrogance. We are today witnessing a gathering revolt against a political clerisy and the entire structure of wealth, privilege and power that the contemporary democratic state has come to represent.

When major institutions perish or become weak, it is ultimately because of their loss of power to command respect and allegiance. The blunt fact is that a wide chasm between citizen and government exists in our time. Louis Harris, one of the most respected of poll experts, found in one study that throughout America, which we regard as the greatest democracy in the world, there is a rising conviction that something 'seriously wrong' exists in government; that political figures, whether appointed or elected, are in politics for their own enrichment in power and money, not for the welfare of the people they represent; and that, despite the many millions spent on social and political projects of reform, the rich get richer and the poor become poorer. These observations of Harris appear like an understatement when applied to India, the biggest democracy in the world.

Governing to Deceive

More and more it seems that the art of governing is the art of deceiving on a large scale. David Wise in his valuable work, *The Politics of Lying*, is right in his contention that any Presidency with constantly enlarging staff and powers, with a self-protective passion for secrecy and which is seized by the awareness of resolute opponents, is bound to create and then reinforce what Wise calls the "system of institutionalised lying". In the great mass societies we call democracies, a fateful circular pattern develops: the more the credibility in government's capacity to do all that it arrogates to itself drops, the greater is the amount of lying necessary by officialdom, and the greater the amount of lying, the faster the decline in governmental credibility.

Decaying of Political Parties

An even more fundamental indication of the waning of political legitimacy is the rapid decay of political parties which have, historically, institutionalised ideology, structured the popular sentiment and prevented the atomisation of public opinion. Today we see enlarging aggregates of atom-like individuals whose disenchantment with party politics has become translated into massive indifference — a dangerous circumstance in any democracy. Politics in our era has become devoid of genuine ideological divisions. We are in a condition like that which beset Rome during the last century of the republic, when all traditional intellectual and political issues disappeared, and with them parties in the true sense, to be replaced by mere power-blocs or agglomerations of entrenched interests, each with nothing more than lust for office to guide it. Today parties are preoccupied with

stunts and gimmicks, stratagems and tactics, no longer by values, norms and principles.

Bloated Bureaucracies

Bloated bureaucracies, through which governments discharge their responsibilities to the populace, are a particularly ugly feature of the contemporary state. A perceptive observer cannot but glance at the millions of bureaucratic employees organised in great complexity, the thousands of miles of bureaucratic corridors and the millions of file cases, without realising that means have conquered ends. A necessary evil, bureaucracies have become an enormous parasitic growth in bodies politic and most bureaucrats behave like the insolent masters of the people rather than their devoted servants.

Democratic Royalism

A prominent feature of the larger crisis of political authority and legitimacy is the objective fact of what can be truthfully described as democratic royalism. In the United States, the Presidency and the White House are the repositories of a pomp, power and splendour better known in the European monarchies which came into being during the Renaissance than in the kind of Republic the Founding Fathers had in mind. In India, the palatial grandeur and style of Rashtrapati Bhavan and the several Raj Bhavans are classic examples of democratic royalism and utterly anachronistic in our country in which hundreds of millions live in abject poverty and misery.

Collapse of the Rule of Law

Of all the basic desires in human life, security is surely the first. There is irony as well as tragedy in the relation of the

powerful modern state to the maintenance of order in the thousands of towns and cities in the world where today disorder has become the rule, where rulers who should protect the citizens are themselves covered by an inordinately expensive protective cloak and where human beings quite literally live in large sections in 'continual fear and danger of violent death', to use Hobbes's famous words on the state of nature. The concept of public order has long since become a concept of derision, as the spectres of organised crime and terrorism, in rising volume, hold most societies in their vice-like grip.

Some stark facts of our contemporary situation reveal paradoxes of a very pathological kind. For instance, the fantastic communications revolution wrought by technology has not yet been made to produce a revolution in interpersonal relations, thereby creating compassionate, caring and sharing societies. States appear to be more concerned about the material standard of living rather than the quality of life. That is why colossal expenditures to

increase gross national product have not generally resulted in corresponding increases in gross national happiness. German newspapers have recently brought home the terrifying truth about the European Economic Community: if one were to pack all the E.E.C. surplus goods into railway wagons such a train would encompass the entire globe; yet millions of people in the world are still being left to die of hunger! What a cruel world! Perhaps we could derive valuable insight into the causes of our contemporary maladies and discontents from the wise words of Edmund Burke: "Men are qualified for civil liberty in exact proportion to their disposition to put moral chains upon their own appetites". There is little or no evidence of these moral chains at the present time.

Religious Bigotry

The decline of political authority and legitimacy in contemporary times has been precipitous in India precisely because of unspeakable levels of bigotry and greed. A potent danger to the Republic today is represented by reli-

gious bigotry or, in other words, the whipping up of religious fanaticism for political ends. Whether in the shape of Khalistan or *Hindutva* or the negative manifestations of the latter, like anti-minorityism and anti-'pseudo-scularism', the attempt is aimed at creating schisms within the national community. Whereas genuine republican goals, like the commitment to a diverse civilisation, to speedy economic growth, to political pluralism and to the principle of equity, reach out to the entire citizenry, these movements strive to build parochial, introverted and exclusivist bonds of solidarity. For an authentic republican, the other is the one who seeks to exploit, marginalise and dominate; for the religious bigot in India, the other is simply one who belongs to another creed. For the genuine republican, the other needs to be persuaded or peacefully pressured in order that he may see reason, for the religious zealot in India, the other needs to be terrorised, psychologically or by wielding arms, into submission. Democracy is not enough if India has to survive as a nation. Its survival depends

Profligacy of Politicians

It is universally admitted that India's economic condition has reached rock bottom and no sacrifice can be considered too great for its citizens to redeem the situation.

As a remedy economists and international financial agencies have recommended devaluation of the rupee, liberalisation of industrial and commercial controls and privatisation. Government has exhorted the people to reduce their wants and tighten their belts further. The common man has no choice.

However, politicians forget that example is better than precept. New laws are enacted and special courts set up to remedy new and unforeseen situations arising in other spheres of life, but no steps are taken to control the profligacy of politicians.

India has adopted a political structure modelled after the Westminster pattern, but our politicians have discarded the salutary principles and practices of the British polity.

To take a recent example, Mrs. Margaret Thatcher promptly resigned as leader of the Conservative Party

when she found that her support had waned and made way for a more acceptable leader to head the Government. In India, when the BJP pulled the rug out from under the feet of V.P. Singh, he stuck to his post until he was bundled out by Parliament.

After Mrs. Thatcher resigned as Prime Minister she vacated her official residence at 10, Downing Street, within 24 hours and the new incumbent moved into the one and only official residence of the Prime Minister of England. Our former Ministers and defeated MPs hold on to their official reserved houses like limpets, do not pay rent and put the country to enormous losses, not to speak of the hardships caused to new Ministers and MPs.

Every Prime Minister is turned into a national hero after his death and his official residence, furnished and secured at fantastic Government expense, made his monument. The way things are going, New Delhi will be full of samadhis of deceased politicians a few generations from now!

And what about the splurging of the Government in power? Mr Rajiv

Gandhi would roam all over the globe with a retinue of officials and pressmen in mostly futile attempts to solve world problems, neglecting his domestic duties. Every time he flew out, two international flights were disrupted for days for special security and engine checks, one as a stand-by plane and the other for him to fly in.

State Ministers, instead of minding their local affairs and taking instructions from the Centre electronically or through correspondence whenever necessary, air-dash to New Delhi on the slightest pretext. And Central Ministers fly around the country to lay foundation stones and inaugurate even school buildings, not to speak of their ready acceptance of wedding and festival invitations from all and sundry at Government expense.

Every Prime Minister wants his own official residence, involving heavy expenditure on renovation, furnishing and security arrangements. And what about the lakhs of rupees spent in renovating, remodelling, furnishing and securing their private farm houses to live in happily after a few months as Prime Minister?

A.J. Souza-Roy
Indian Express, August 14, 1991

critically on the cultivation of republican virtue.

Politics – a Profitable Livelihood

Even more disconcerting to us in India is the phenomenon of insatiable greed. Politics has been reduced to a game of unscrupulous machinations and incessant self-aggrandisement. The present crisis of authority and legitimacy in India is largely the creation of politicians who are hungry, like locusts, for power, office and money and for whom the genuine welfare of the people is nowhere on their list of priorities. The average Indian politician makes politics a vastly profitable source of livelihood. His ability to sell himself is equal to his willingness to be purchased. While the average price of an MLA is said to be five lakhs, that of an MP could rise to even a few crores.

A cynic may well define an honest politician in India as one who, when he is bought, will stay bought. Faced with the painful predicament of the choice of a party during elections, many an Indian voter has asked the question, "which party is the lesser evil?" Not the question, "which party is the greater good?" I have heard people say, "it is better to vote for the devil you know than the one you don't!" In India, every party has split and often splintered into factions largely because politics tends to revolve around self-seeking persons rather than inspiring principles. India is the only democracy in the world where the largest party is named after an individual.

The average Indian politician suffers from such obesity of conscience that he appears unmoved by moral rectitude and moral turpitude alike. Can we not say with certitude that he is unmindful of the commonweal and most insensitive to the plight of the poor and the illiterate? Words like 'criminalisation' and 'brutalisation' of politics have gained wide currency in our country because money and muscle power in politics are commonplace. There are several instances in Bihar and Uttar Pradesh where the same polling booth has been successively captured by *goondas* of different parties. The Indian State of Bihar, to speak in a lighter vein, may be regarded as the only genuine Marxist polity in the world because the state there has largely withered away!

In the last general election, India touched abysmal depths when even dacoits with dozens of cases registered against them were put up as candidates for parliament. The disenchantment of one of our fellow-citizens over the unruly behaviour of our legislators and the regular pandemonium created by them was expressed cogently in a recent letter to the press. I believe that the words of the writer express the sentiments of most of our people: "We often hear on the television and read in the press that our legislators rush to the well of the house. How I wish the well of every house was seven feet deep, it was filled with water, and that our legislators did not know how to swim!"

The People's Responsibility

Fortunately, there are striking signs of the times which augur well for the future of democracy. These are evidenced by mass popular movements in support of significant segments of the populace, grass-roots action groups which organise, conscientise and empower the powerless, and imaginative people's initiatives to bring venal and errant politicians to the path of righteousness. These actions of the people must be reinforced and multiplied to restore the credibility of the modern state and compel representatives to redeem the trust reposed in them. In Daniel Webster's memorable words: "Nothing will ruin the country if the people themselves will undertake its safety; and nothing can save it if they leave that safety in any hands but their own."

As the world enters into a new millennium, the people must progressively ensure that those who guide the destinies of nations and determine the life-fate of billions of human beings must be men and women of the highest calibre, integrity and dedication. This would enhance the common good and the quality of civilisation. Its opposite would only spell catastrophe. As Daniel Bell incisively observed: "A society which does not have its best men at the head of its leading institutions is a sociological and moral absurdity".

Dr. LOUIS D'SILVA is Reader, Department of Civics and Politics, University of Bombay.

The Welfare State

The individual and his sense of responsibility constitute the 'secret mainspring of society, and this mainspring is being broken by the welfare State. "It is surely the mark of a sound society," says Ropke, "that the centre of gravity of decision and responsibility lies midway between the two extremes of individual and State, within genuine and small communities of which the most indispensable primary and natural unit is the family. And surely it is our task to encourage the development of the great variety of small and medium communities and thereby of group assistance within circles which still have room for

voluntary action, a sense of responsibility and human contact and which avoid the cold impersonality of mass social services."

If the State increasingly takes upon itself to hand out welfare and security on all sides, first to the advantage of one group, then of another, it must degenerate into an institution which fosters moral disintegration and prepares its own eventual doom.

People do not always realize that when they turn to the State for the fulfilment of their wishes, their claims can be satisfied only at the expense of others. A money claim on the State is

always an indirect claim on somebody else whose taxes contribute to the sum demanded. It is a mere transfer of purchasing power through the medium of the compulsory powers of the State. The more widely the principle of the welfare State is applied, the closer comes the moment when the giant pumping engine turns out to be a deceiver of everybody and becomes an end in itself, which eventually serves no one except those who make a living out of its manipulation, namely, the bureaucrats. These naturally have an interest in obscuring the facts.

Swarajya, December 31, 1960

Rajaji

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Vinod's Body Confidence Soap. Cinthol.

'Freedom First'

The *Festschrift* for Peter Sager

It is with great pleasure we notice 'Freedom First' the *Festschrift** for Peter Sager a writer, political thinker and publicist. He devoted his life to "countering communist propaganda – not by counter-propaganda, but by truth." Peter Sager is a symbol and hope of the power of ideas and the invincibility of truth. His faith in these were fully vindicated when the Soviet Empire collapsed under the weight of its own untruth.

Why is the volume called 'Freedom First'. Ian Tickle the editor of this book of essays in honour of Peter Sager, explains:

"The title of this *Festschrift*, Freedom First, is intended as a tribute to Minoo Masani, one of the fathers of modern India and a tireless fighter for freedom. Born in 1905 he has been engaged in the struggle for longer than most of us and is still engaged in it. Thirty eight years ago, he founded India's first liberal magazine, *Freedom First*, which has kept the torch blazing through many dark hours. The cause of democracy in India and all over the world owes him a debt that can never be repaid."

In his introductory article 'Peter Sager: A portrait', Ian Tickle describes what motivated Peter Sager:

"The ending of the Cold War and the liberation of Eastern Europe came with astounding speed. But they took years of preparation. Though Mikhail Gorbachov was the instrument, he was preceded by many thousands of figures, some unknown, some a little known inside the Soviet Union but also in Western Europe and in North

America – figures whose lives' work was to keep the torch of freedom burning by disseminating truth in a world polluted by propaganda. Peter Sager was one of these; from the beginning of his career it was this pollution by propaganda which offended him most and which he decided to fight. While many talked he acted: on a small scale in a small country – but to very great effect within the limits he set himself."

Peter Sager witnessed the rise and fall of one type of tyranny, Nazism, giving way to another, that of Stalinist socialism. Single-handedly, he made up his mind to fight it with truth and in 1959 he helped in the establishment of an independent research body the Swiss Library of Eastern Europe (later re-named Swiss Eastern Institute) to which he donated his collection of 12,000 books. The institution today is one of the most respected bodies specializing, on Eastern Europe. The institution did not qualify for government grant and Sager began to collect funds from the public and made such a fine art of it that he has left it financially sound. The publications of the Institute are read with care and used widely.

One has to go back in European history to find a parallel. Even as many dedicated, devoted clerics in the pre-Reformation and Reformation Europe were continually drumming for truth against the orthodoxies and collectively succeeded in weakening the ecclesiastical structure, so did a number of scholars in the twentieth century of whom Peter Sager was one, battle for truth and against political orthodoxy. The ultimate collapse of the system is due, in no small measure, to the tireless efforts of such men.

The *Festschrift* is a trilingual effort (English, German and French). Not knowing German and French (a pity

indeed) we can only comment on the contributions in English – of which there are four:

- Peter Sager: A Portrait – Ian Tickle.
- Moscow's Hand in India – Minoo Masani.
- The Medicalization and Criminalisation of Soviet Dissidence (1960-1990) – Mark G. Field.
- Scholarly Exchanges and the Collapse of Communism – Allen H. Kassof.

Minoo Masani recounts the iron grip of orthodox Stalinist socialism on Indian economic and political policy, how it all but destroyed the Indian economy and perpetuated the misery of the masses. Kassof's fine essay is a vindication of the lasting significance of Sager's championing of truth. No propaganda on behalf of freedom and democracy was as effective as the personal experience of scholars from the countries



* *Festschrift*: A volume of learned articles, essays and the like, contributed by colleagues and admirers as a tribute, especially to a scholar.

Moscow's Hand in India

When I visited the state of Bihar (1965), I learnt of the case of a newspaper owner and editor who had the following experience. His newspaper was critical of the Soviet Union, though not violently or exaggeratedly so. A few years ago he was invited on a tour of the Soviet Union. His report of the tour – couched in terms of innocent enthusiasm – gave signs of an incipient change of attitude. From this time on there appeared in his newspaper upwards of 15 reproductions from Soviet press service per week. Before the independence of India this editor was a courageous and universally respected man. His conversion to Communism appeared to have been sincere. But the investigation which followed his sudden death in an accident brought to light the fact that he had been receiving payment from the Information Department. It was no personal gain which had driven him to this, but the fact that his newspaper would have had to close down without the subsidy which was offered him by the Soviet Embassy.

In the state of Andhra Pradesh a more or less precise tariff has been worked out for this. In 1963 in this state, officials of the Madras Regional Office of the Information Department approached 70 newspaper editors and told them that they were prepared to pay the sum of 5 rupees for each item published. A further 12 rupees would be given if the newspaper in question published a photograph provided by the office. For the publication of a longer item, such as the text of a Khrushchev speech, the Information Department was prepared to pay the full page and printing costs.

There is a permanent shortage of newsprint throughout India, and from time to time the Information Department is able to give additional supplies of it to certain newspapers. This is either taken from the unused allocation of the Information Department itself or is imported into the country through the use of diplomatic privilege. It is known that in many cases when a Soviet book is published in India application is made for enough paper to cover twice the number of copies that are actually printed. This additional paper is then used either on the black market or to help Communist-inclined printing firms. There is no doubt that these techniques require further investigation.

Peter Sager

Moscow's Hand in India, Indian Edition, pages 97-98.

behind the Iron Curtain spending time in US universities and research institutions. These scholars gradually saw the futility of the policies of socialism and the emptiness of its ideology. They were responsible for a new set of attitudes and philosophies which ultimately led to the collapse of the system.

Mark Field traces the abuse of psychiatry by the Soviet Union to curb dissidence. He points out that the technique was "to label the dissident as a person who is mentally ill and therefore not responsible or accountable for his actions (writing, publishing, talking in public, and so on). The dissident is therefore transformed into a fool, a buffoon, and incompetent and irrational being". This conferred "medical legitimacy" and "naturalises what is in fact a social or political judgement. This was how dissidence was dealt with by Khrushchev and Brezhnev. An outstanding paper that needs to be read.

Peter Sager is of particular interest to India. In 1966 he published a 224-page book entitled "Moscow's Hand in India".* For an excerpt from the book please see box.

Peter Sager was a member of the Swiss Parliament for two terms. He devoted his parliamentary work to foreign affairs and was a member of the Swiss delegation to the Parliamentary Assembly of the Council of Europe.

In 1991, in his late 'sixties he retired from all his posts including that of director of the Swiss Eastern Institute and decided to settle down in Ireland to "devote his life to writing – and to hobbies which he has always loved but never had time to practise."

We cannot end this without paying our tribute to Peter Sager and our own thanks for all that he accomplished to establish the truth. Mahatma Gandhi would have approved.

The *Festschrift's* ultimate message was put by another equally dedicated man of letters who was as European in his outlook as Peter Sager is – Lord Acton.

"Liberty is not a means to a higher political end. It is itself the highest political end."

R. Srinivasan, S.V. Raju

* An Indian edition of "Moscow's Hand in India" was published in 1967 by the Democratic Research Service publishers of *Freedom First*.

Illusion and Reality in South Africa

Padma Srinivasan

The South African scenario is full of shifting visions, so that things appear both true and false at the same time. Nowhere else do illusion and reality intermingle so confusingly as in South Africa.

No one can talk about South Africa without thinking about 'Black' and 'White'. There is an obsession with 'colour'. No one writes anything without the words 'Black Majority' and 'White Minority'. In South Africa we see a bi-polar picture: Oppressors-Oppressed, Whites and non-Whites or Whites and Blacks. But this bi-polarity is an optical illusion that confounds our understanding of South African realities. For, South Africa is, indeed, a peculiar State.

South Africa is 'peculiar' because politics and ethnicity mingle there with ferocious intensity. It is 'particular' because it has two unique features:

A. The Premises of Racial Superiority

by which sovereign power is permanently vested in a racially distinct and mythically superior minority.

B. The Imperative of Ethnic Exclusivity

by which every human activity within the confines of the State is defined by the ideological imperative of racial exclusivity or Apartheid – which is total, complete, compulsory separateness. Implicit in this is the idea of separate development.

As these two features are ideologically functional, we shall refer to them as Function A and Function B. This will help us to refer back to them as we continue our discussion. I shall argue that South Africa is a peculiar State:

- i) because the union of politics with ethnicity (being a structural feature) has made politics all-permeating and total,
- ii) because our common sense notions of 'race' and 'ethnicity' take on different meanings in different contexts in South Africa – so that there is a cloud of confusion which must be cleared before we understand what is happening this very minute in South Africa,
- iii) because it is easier to fight a falsehood than to fight a truth that is in the service of falsehood,

- iv) because in South Africa a lie can look like a truth and a truth can look like a lie.

Let us consider three different peculiarities about South Africa.

1. Peculiar Totalitarianism

The mixing of ethnicity with politics happens in most other countries but here it is extremely intense, because the ethnic features of Function A and Function B are both built into the ideological foundation of the State. So, the mixing of ethnicity and politics is organic and not merely conjunctural. And since ethnicity is what imparts meaning and fullness to human life, its mingling with politics results in the complete invasion of life by politics. South Africa has been a totalitarian State in this sense.

2. Ethnic Shiftiness

Our commonsense notions of 'race' and 'ethnicity' take on different meanings in different contexts. So, the politics of South Africa is confusion worse confounded by cunning shifts in the use of ethnic terms.

I use the term 'shift' in the sense of "dodge, trick, artifice, piece of evasion or equivocation."

After 1950, everyone in South Africa had to be registered as White, Coloured, Asian or African. These are highly reductionist, oversimplified, official categories that do not reveal many aspects of group dynamics in South Africa. Groups in South Africa are not what they are but what they are deemed to be. For instance, the Whites are deemed a single racial group in spite of serious 'racial' differences among them. So this a fictitious category. But the Africans are not deemed a racial group; here anthropological realities are stressed: 'just look at the Khoi Khoi and the San, they are so different from the Bantu'. So while fiction is applied to the former group, scientific facts are

applied to the latter. The White group belongs to Function A, it is the category of 'race'. Now, a different category, not that of 'race' but that of 'tribe' is applied to Africans. And the official mind deemed Africans as ten different tribes. Note that even as we have been talking there has been an invisible shift from Function A to Function B. It is like a sudden drop from a higher level to a lower level of political being. It is a shift from the Premise of Racial Superiority to the Imperative of Ethnic Exclusivity.

If 'White' is deemed a racial category, and 'African' is not, the Africans decided to adopt a similar label, – so they adopted that of 'Black'. This is not a racial category either; though politically useful. It appears broader than 'African' and can be stretched to cover both Asians and Coloureds. Politically, Asians and Coloureds are marginalized groups. Neither functional feature can apply to them. Asians have a shifting sense of identity. Sometimes they think of their Indian origins. At other times, they try to think that they too are black. The only unchanging fact about them is their label 'Asians'. The Coloureds are an even more ambiguous group who do not know who they really are or what they ought to imagine themselves to be. Whether one would apply the term 'racial' to the category 'Asian' is either a matter of opinion or of anthropological exactitude. But, politically, it has meant little in South Africa, through the past decades. Politically they were marginalised by the superior exclusivity of the Whites. Nothing revealed the marginalised status of both the Coloureds and the Asians as did the carrot of representation in Botha's Tricameral Parliament in 1984. That constitution was first mooted by the Vorster regime in 1977. It took seven long years for the Whites to take this giant ideological step towards associative politics. It was a move that reveals the position of both the Coloureds and the Asians as medi-

ate groups. Here were people who were not-White and yet who could be brought into a relationship of symbolic equality in the highest governing circles of the State.

It is the application of different criteria to groups that has led to the denial of political justice. The rejection of the humanity within every black man, woman and child was the result of raising Function A to the n^{th} power. Yet, the Government under Verwoerd gradually moved from Baasskap to Separate Development stressing Function B rather than Function A.

The Question of Self-Determination

In South Africa we see that it is much more difficult to fight a truth, that is in the service of wrong than to fight an overt falsehood. If everywhere in the world minorities have yearned for self-determination, in South Africa it is compulsory. If everywhere else tyranny has meant a deprivation of self-determination, in South Africa it has meant the imposition of self-determination. As Macbeth's witches sang: 'Fair is foul, and foul is fair' – in South Africa. There was nothing wrong with the primordial identities of Black African groups. What was wrong was the compulsory splintering of these people so that the Whites would appear to be the majority. So a truth is falsified and made an absurdity. This absurdity is well-matched by another absurdity invented by the ANC – viz. that the Whites are the minority and that all the rest are the majority, labelled 'Black'. This seems most convincing at first

sight and the rest of the world agrees with the ANC that "there is only one majority – the Black – and ANC is its representative." The ANC in its fight has tried to counter each move on equal terms. But the government had used a truth – that of self-determination – with which to cheat the world and to hit the African people. But the ANC stand is not true at all. What is needed is to release the truth from the bondage of falsehood and realize that there is no real majority at all in South Africa. The ANC countered the White Lie (We Whites are the Majority) with the Black Lie (No, We Blacks are the Majority). Political situations need to be greatly simplified to be put into political slogans and strategies. And over-simplification often leads to falsification.

When the Whites said: 'We are the majority as one race, but you are several small ethnic minorities' (a subtle combination of both A and B) – there was an undeniable truth in the latter part. It is more difficult to fight a truth than to fight a falsehood.

The precious truth of self-determination had been distorted, with the result that today no Black African minority group can ever hope to stand up for its own legitimate rights. For to do so would be to be killed violently as 'collaborators'. The great truth of self-determination is now deemed a lie, a Big Lie.

The Crucial Question

The world, especially after the heady days of Nelson Mandela's release, has acquiesced to the illusion of a Black/

White bi-polar view of South Africa. The world has accepted the ANC doctrine of: 'There is one majority, the Black, and ANC is its sole representative'. If this interpretation is accepted, small, black minorities need have no hope for themselves in the future. But Black majority implies White minority. The White minority can continue to talk legitimately of its own group rights; moreover, they are the powerful, economic top-dogs not only within South Africa but also outside it, for they partake of the White ascendancy in the rest of the world. But poor, Black, dissident, tribal groups will have to succumb to the tyranny of rich Black elites – a situation not uncommon in the rest of Africa – and consider themselves lucky if they are not annihilated by some Black genocidal wave. The so-called Westminster model, with its Africanised versions of uni-cameralism, unitarism, uni-partyism, majoritarianism and one-man-one-vote-once syndrome, seems to be in store for South Africa. Black tyranny and Black racism are not better than White tyranny and White racism. De Klerk has rightly been saying that black majority rule cannot replace white minority rule, and that the interests of all ethnic minorities must be protected. So, the most crucial choice between alternatives is:

'To Share Power?' or
'To Transfer Power?'

DR. PADMA SRINIVASAN is Reader for East African Studies, Bombay University.

Indian Secular Society

- The Indian Secular Society is a non-political organisation of men and women committed to secular human values and their promotion in Indian Society.
- It seeks to combat obscurantism in all its forms, in all spheres of life, and to educate public opinion, particularly where public sentiment runs counter to public interest.
- It believes that the most serious threat to the development of India as a secular democratic state guaranteeing individual freedom and social justice to its citizens comes from religious obscurantism.
- The bimonthly journal of the Society *The Secularist* is sent free to all its members.

Write to:

The Indian Secular Society
850/8A Shivajinagar, Pune 411 004

India and the NPT

Santishree D.N.B. Pandit

The signing of the NPT in India's was a perpetuation of international power inequalities. It was an unequal treaty system reinforcing the already unequal international system and dividing the world into nuclear "haves" and "have-nots".

In recent months the NPT (Nuclear Non-Proliferation Treaty) and India's refusal to sign it have been in the news headlines. What is this treaty? Why has India refused to sign it?

The problem of nuclear proliferation is as old as the advent of nuclear weapons. The control of the knowledge and know-how of nuclear weapons are the hallmarks of the nuclear age. This led countries which possessed nuclear weapons to declare themselves as an exclusive club. The members were the USA, USSR, UK, France and China. The control, management, prevention and destruction of the spread of nuclear weapons have led these countries to implement their strategies through concepts like Nuclear Weapon Free Zone (NWFZ) and the Nuclear Non-Proliferation Treaty (NPT).

NPT legalised the proliferation among the Big Five and appropriated the right to make binding rules for other nations. It permitted vertical proliferation among the Big Five. NWFZ went a step further in that it aimed at preempting the threat of further proliferation at any time in the future.

Coming to the major issue of the NPT, what is it? What were the reasons for such a treaty? What are the articles? Finally, what are the reasons why India has refused to sign this treaty?

Why the NPT?

The reasons for the NPT are several. The NPT was signed at London, Moscow and Washington on 1 July 1968. It came into force on 5 March 1970. The depositories of the NPT are the UK, the USA and the USSR (now Russia). Recently, China too signed the NPT. The proliferation of nuclear weapons seriously enhanced the danger of a nuclear war, which would mean global

disaster. It was in conformity with the resolutions of the United Nations General Assembly which called for the conclusion of an agreement on the prevention of a wider proliferation of nuclear weapons. It called for the application of International Atomic Energy Agency (IAEA) safeguards on peaceful nuclear activities. Cooperation in peaceful nuclear activities was envisaged at an international level between nuclear weapon states and non-nuclear weapon states. This would lead to the fullest possible exchange of scientific information.

It was envisaged by the world body that such an effort would lead to a cessation of the nuclear arms race and enable effective measures to be taken in the direction of nuclear disarmament. It foresaw the easing of international tensions and hence strengthening the trust between nation-states. This process would entail the cessation of the manufacture of nuclear weapons, the liquidation of all the existing stock-piles and the elimination from national arsenals of nuclear weapons and their delivery systems by the nuclear weapon states.

These were the noble ideas expressed by the UNO which has as its motto "Wars are born in the minds of men. Hence it is in the minds of men that the defences of peace have to be built." With this idealism, it is to be seen what a realistic treaty like the NPT actually embodied.

The NPT's Provisions

The NPT has eleven articles. Article I calls upon each nuclear weapon state party to the treaty to undertake not to transfer directly or indirectly nuclear weapons or explosive devices. It entailed on the nuclear weapon states not to

encourage or induce or assist the non-nuclear weapon states to manufacture nuclear weapons.

Article II binds non-nuclear weapon states not to receive, transfer, manufacture or assist in the manufacture of nuclear weapons.

Article III has three sub clauses. Clause (i) wants all signatories to accept IAEA safeguards. Clause (ii) requires each state not to provide the source of fissionable material or provide equipment or material specially designed or prepared for the processing, use or production of special fissionable material. Clause (iii) requires each nation-state to have a treaty with IAEA.

Article IV permits the peaceful uses of nuclear energy for research, development and production.

Article V brings international observation, scrutiny and ratification of existing nuclear facilities.

Article VI requires each to undertake to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date. It gives a call for nuclear disarmament.

Article VII allows the signatories the right to conclude regional treaties in order to assure the total absence of nuclear weapons in their respective territories.

Article VIII permits any party to the treaty to propose amendments to this treaty. The amendments must be approved by the majority. Every five years a review conference will be held. The first one was held in Geneva.

Article IX opens the treaty to all nation-states for their signature. It shall be subject to ratification by signatory

states. This treaty is registered by the depository government, pursuant to Article 102 of the U.N. Charter.

Article X allows each party to exercise its sovereignty, to have the right to withdraw from the treaty, if it (the nation-state) decides that extraordinary events, related to the subject matter of this treaty, have jeopardised the supreme interest of the nation-state.

Article XI informs that the treaty is available in the five international languages – English, Russian, French, Spanish and Chinese.

Why India Won't Sign the NPT

The Indian Government has refused to sign this treaty as, in its view, it obstructs its political independence, technological self-reliance, economic development and hinders India's strategic options.

India adopted the Sarabhai Nuclear Energy and Space Programmes. This led to the detonating of a peaceful nuclear device in 1974 at Pokharan. The signing of the NPT in India's view, was a perpetuation of international power inequalities. It was an unequal treaty system reinforcing the already unequal international system and divided the world into nuclear "haves" and "have-nots". This led to the notion that some states are inherently more responsible than others, which is unacceptable to India. Added to this, the timing of the treaty put India in a precarious position as her nuclear capabilities have reached a stage when a take-off is possible in the civilian sector as well as in the military application of the technology.

India's position on disarmament is a wider one. It calls for a total freeze on all nuclear weapons production and eventual disbanding of the weapons from the earth. India cannot accept the system of international safeguards in the field of nuclear energy, which is not applicable to a few states just because they chose to bend nuclear energy to weapons' purposes before the cut-off date prescribed in the NPT – 1 January 1967.

Nuclear exclusivity is tantamount to nuclear anarchy on the part of a few nuclear-weapon powers. It promotes vertical proliferation among them, but only restricts horizontal proliferation to the "nth" state. This leads to inequity in the nuclear field which legitimises the nuclear weapons of the big powers,

thereby threatening the fabric of international justice.

India's opposition to the non-nuclear proliferation regime is also in consonance with its non-aligned posture of treating the major issues on merit, while not yielding to the whims and fancies of the big powers. Especially on the question of independence in her foreign policy. India fears China's designs as she is a country that is exempted as she detonated a nuclear device in 1964. India's experience with China has not been promising.

In 1950 China occupied Tibet and in 1962 occupied Indian territory – the Aksai Chin. With Chinese nuclear weapons having a strike capacity to hit any part of India, India cannot afford to be complacent. Pakistan has a close military relationship with China, and both have been belligerent neighbours.

Accepting the nuclear safeguards completely would thus entail permanent dependency which may affect policy stances on crucial international issues affecting the interests of one big power or the other. The NPT in reality has not been able to stop horizontal proliferation. During the last quarter century, no state has been officially accepted as a new nuclear weapon state. Horizontal nuclear proliferation is believed to have taken place in the following categories:

- I Crypto-nuclear weapon states:
– Israel; – South Africa; – Pakistan
- II Threshold states:
– India; – Argentina; – Brazil
- III States suspected to pursuing a nuclear weapon programme:
– Iraq; – North Korea; – Iran
- IV States hosting nuclear weapons deployment for use from territory/military systems:
– South Korea; – Germany

The nuclear weapons reduction by the USA and USSR at the end of the Cold War has not brought about corresponding reduction in China. Instead, China continues with the modernisation of its nuclear forces. The recent evidence of Pakistan possessing nuclear weapons has legitimised India's stance of keeping her nuclear options open due to regional threats to her national security.

Peaceful Nuclear Explosion (PNE) benefits are yet to be harnessed on a wider scale throughout the world. India

hopes to make use of this technology in the future for its economic development. The NPT has had the debilitating effect of the regime's rules and regulations on the economic growth of developing countries. This conviction is based on the fact that nuclear energy is increasingly becoming a major source of power generation.

India's nuclear policy is a dual policy, that is, development of nuclear technology and capability for peaceful purposes, and at the same time, keeping the option open for possible military uses. At the international level, India has been a relentless campaigner for universal nuclear disarmament. In the South Asian context India faces intensified nuclear asymmetry which is adverse to India's national and security interests. There are two possible ways to remove the asymmetry; one, denuclearisation, which both Pakistan and China are in no mood to accept and two, acquisition of nuclear weapons by India and adoption of a strategy of minimum deterrence.

Linked with these reasons is the fundamental postulate of Indian foreign policy, that is to exclude economic imperialism in all its manifestations. It has also strong nationalistic implications too. It forestalls any international control on India's future nuclear weapons building option.

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Statement about ownership and other particulars about Freedom First

Place of Publication	Bombay
Periodicity of its Publication	Quarterly
Printer's & Publisher's Name	J.R. Patel
Whether citizen of India	India
Address	285, Javji Dadaji Marg Adenwalla Baug Bombay 400 007
Editors' Names	S.V. Raju
Whether Citizen of India	Indian
Address	L/9/72, Tilak Nagar Bombay 400 089.
	R. Srinivasan Tarun Sadan Kings Circle Matunga, Bombay 400 019
Name and address of individual who owns the newspaper and partners or shareholders holding more than one percent of their capital	Democratic Research Service, 127, Mahatma Gandhi Road, Bombay 400 023

I, J.R. Patel, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Dated 1st April 1992

J.R. Patel
Publishes

And they Shouted Happily Ever After...

Louella Lobo Prabhu

Setting: MP's Flat in South Avenue, with the usual PWD furniture.

Dramatis Personae: 1. **Megha Arya**, Female member of the Cheering Squad in Parliament.

2. **B.B. Balram** in the safari suited livery of the Rajiv era.

3. **Chimanbhai Chanda**. 4. **E.N.T. Specialist**. 5. **Godman**.

Megha Arya (as the *E.N.T. Specialist* peers into the recesses of Chimanbhai's throat and puts instruments away) Is there anything the matter with his throat, doctor? Why, it is quite some time since he has been uncannily silent in Parliament. There were so many opportunities, for us, members of the Cheering Squad to shout. But he seems to have neither the heart nor the voice for it, now.

E.N.T. Specialist: His vocal chords are in prime condition, Madame.

Megha Arya: Don't Madame me. I am Indian, Indian, Indian. Don't you see the tikka I sport on my forehead. Not for me, the corruption of power, lipstick and chiffon. Kindly address me as Shrimathiji.

E.N.T. Doctor: Indeed, that does suit you, much better! But if I may so so, since your friend is all right, and you have summoned me here, why not I look at your throat? Your voice sounds rather... I should say very much abused.

Megha Arya: Yes. I suppose you had better look at my throat also. It feels a bit tight. What with the tears I shed for our late leader, and the shouting I did, over the succession issue.

(Doctor examines her throat)

E.N.T. Specialist: A tiny polyp. A mite of silence will not do you any harm.

B.B. Balram: Impossible! With Chimanbhai here, in this odd state, we have dual need of Megha's considerable lung and vocal power. We want the nation to hear us shouting for the royal family. Its fortunes and ours are so intimately linked.

E.N.T. Specialist: (pointing to Chimanbhai). Can you tell me when exactly he lost his voice?

B.B. Balram: Yes, at the time our beloved leader, of most sainted memory, was blown to bits. And the Signora compounded our trauma, by refusing to become Congress President... Oh how he shouted... we shouted... we shouted in the well of the house...

E.N.T. Specialist: (dryly) Yes... I heard the cacophany... I beg your pardon... the chorus... Indeed I am surprised the Signora who does or should know, something about Opera... did not at once agree to be Congress President if only to stop the cacophany... I mean chorus. Well. I have one suggestion. Our friend's state is that of Othello "his occupation is gone." The person for whom he wanted to shout... is no more... the person for whom he now shouts, won't listen... but your magnificent lung power should not go wasted... why not shout for your newest political master?

Megha Arya and B.B. Balram look at each other, thoughtfully: We never thought of that! But how shall we do it? Chimanbhai seems to be in a daze.

E.N.T. Specialist: No problem. I know the P.M. has been embarrassed by your antics. I'll send one of his Godmen along, to appropriately "psyche" our friend here. I understand the Godman, like Rasputin, adds hypnotism to his other skills.

Doctor dials a number. A tall *tantric* enters, and nods curtly to those present. He holds a shiny object before him, and addresses Chimanbhai.

Tantric: Look at this globe... carefully... intently... your eyelids are becoming heavy... you are falling asleep... you are asleep... asleep... now listen to me... you haven't lost your VOICE... you have only lost the person for whom you shouted.

Never mind... persons are expendable... the P.M. goes on... when you wake up... you will regain your voice... and you will begin to shout for the NEW P.M.... louder than you ever did before. YOU WILL SHOUT FOR EVERY P.M. WHO COMES!

(He snaps his finger, and Chimanbhai wakes up rubbing his eyes. He speaks, slowly at first, then louder and louder: He Rao! Narasimha Rao ki jai!)

Megha and Chiman: A miracle – and a strategy too! God knows we came out in the open, for our late lamented leader, when we could have been quiet. Now, our lung power could serve the rising sun... or rather... the rising lion. The little 'Southie' is a "Narasimha" you know.

Balram: And if we continue shouting long enough, and loud enough, in the fullness of time, he may even forget we shouted for anyone else!

AND SO THEY SHOUTED HAPPILY FOR EACH NEW P.M. EVER AFTER!

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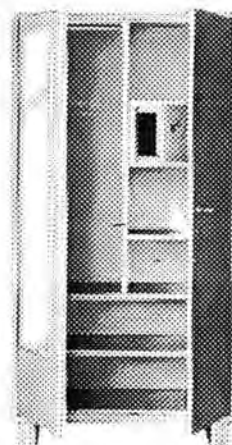
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Human Rights Violations in India

A letter from AI's Secretary General

Amnesty International (AI) has been in the news these last few weeks. This international body based in London has been unequivocal in its defence of human rights everywhere. It is a matter for gratification that notwithstanding the churlish attitude of the Establishment and of the country's politicians – of all hues incidentally – a number of well known columnists have read AI's report on India and have drawn attention to the many instances of State brutality and denial of justice to Indian citizens cited in AI's report.

The following letter from Mr. Ian Martin, Secretary General of Amnesty International to the editor of The Times of India was not published in full. We do so for the benefit of our readers as the letter seeks to answer the charge that the AI's report is prejudiced and one sided.

I am writing to comment on three articles which appeared in the 28, 29 and 30 January issues of your newspaper under the heading: "Human Rights".

Firstly, let me express Amnesty International's keen interest in your report, citing the Union Home Minister, Mr. S.B. Chavan, that the Indian government is considering setting up a Human Rights Commission. Such commissions can play a crucial role in the protection of human rights, provided they are impartial and independent of all political influence, with members chosen for their integrity and ability to instil confidence in a wide range of people, including the victims of human rights violations and those who wish to assist them.

However, while we look forward to hearing more about the proposed commission, we are concerned about the complete misrepresentation of Amnesty International which is attributed to Minister Chavan. Your readers deserve to have the facts. Here they are:

The Minister is quoted as saying that Amnesty International has taken an "extremely prejudiced view", that it is "carried away by propaganda" and has taken a particularly unbalanced view in its human rights reporting on Punjab and Kashmir. The minister maintains that Amnesty International has ignored the actions the government has taken against erring security forces personnel in Punjab and Kashmir, that the organization has taken no note of the killings of innocent people in these states, that its estimates of political prisoners in detention are "thoughtless" and that we have failed to take into account government information on allegations of "encounters" and extrajudicial killings. None of these assertions is true. Amnesty International has made numerous attempts to reflect the position of the Indian government even though the present government, like previ-

ous administrations, has denied us the opportunity of direct discussions about our human rights concerns in India, including in Punjab and Jammu and Kashmir.

The Minister is quoted as saying that "we have nothing to hide". It is therefore regrettable that successive governments have refused us permission to do human rights research in India. Amnesty International works openly. It visits countries only in its official capacity and with the approval of the government. It has repeatedly sought dialogue with Indian governments on these terms. It wished to learn their views in detail about reported human rights violations; to discuss what they had done to halt violations and bring the perpetrators to justice; and to make on the spot assessments of what has been happening in India to arouse such widespread allegations of gross human rights violations by police and military personnel. You may be interested to know that Amnesty International has recently been able to visit all other countries in the region of the South Asia Association for Regional Cooperation (SAARC) to discuss its concerns or carry out research. Our most recent substantive reports about human rights in the region addressed "disappearances" in Sri Lanka and deaths in custody in Pakistan (emphasis ours).

The Indian Government has also failed to respond to numerous appeals that it establish independent investigations into specific allegations of human rights violations and abuse committed in Punjab and Kashmir and make public their outcome and any action taken to bring the perpetrators to justice.

The Minister acknowledges on the one hand that wrongdoing cannot be left unpunished but suggests on the other that any such prosecutions have a demoralizing effect on the forces, suggesting that a "balance" has to be struck. In fact Mr. Chavan mentions only two cases of army officers

having been sentenced to terms of imprisonment of more than one month for committing "excesses" in Kashmir, despite the numerous allegations of persistent human rights abuses in that state.

This should not be so. For people to have any faith in a government's commitment to human rights it must properly and publicly punish all those who have breached their obligation to uphold the law and protect human rights.

Amnesty International's report on human rights violations in Punjab in May last year noted that even Supreme Court orders to bring to justice 21 named police officers accused of torturing detainees had been flouted. Our report noted further that "no police officers to date have been convicted for committing human rights violations in Punjab". The government has never contradicted this. Instead it offered the bland response that: "If in some cases any lapse is noticed, action is taken against the defaulting officers".

Indeed, the government has failed to give details of any action to bring the perpetrators of human rights violations to justice in Punjab.

Nor is there any truth at all in Mr. Chavan's claim that Amnesty International has ignored the killings of innocent people in Kashmir or Punjab. The contrary is the case. Amnesty International's report, *Punjab: use and abuse of the law*, described in considerable detail the threats issued and the killings carried out by armed Sikh groups of "hundreds of policemen, officials and politicians, members of rival Sikh groups as well as numerous Hindu and Sikh civilians, sometimes after keeping them hostage". The report highlighted the killings of journalists and editors for what they had written, named the various groups carrying out such killings and concluded: "In the case of armed non-governmental groups also, there

can never be a moral or legal justification for the arbitrary or indiscriminate killing of people."

Amnesty International's response to abuses by armed opposition groups has been consistently unambiguous. A well publicized example occurred in April 1991, when an armed Kashmiri group threatened to kill two hostages unless the United Nations and Amnesty International were allowed to visit the state. Amnesty International issued a statement deeply deploring the threat to the hostages and specifically condemning "the torture and killing of prisoners regardless of any reasons that may be given to justify them. To make

such threats in connection with human rights is just as unacceptable".

Minister Chavan also reportedly questioned our data about allegations of "disappearances" and extrajudicial executions. Amnesty International's 10 May report, *Human rights violations in Punjab: use and abuse of the law*, contained detailed allegations of such violations. For the first time the Indian Government actually responded to an Amnesty International report – but provided only some information on 24 out of the 42 specific examples of torture, unacknowledged detention, "disappearances" and extrajudicial executions described in our report. The response consisted mainly

of brief general denials that any human rights violations had occurred. It failed to substantiate this. It presented no evidence from official inquiries which might have been carried out into those incidents. The thrust of the government's response was simply to list the cases in which the people mentioned in our report were wanted by the police.

The Minister appears to maintain that Amnesty International's reaction to the government's information somehow proves the organization was influenced by "propaganda material supplied to it". That is not true. On 19 August 1991 Amnesty International presented to the government a

"A Horror Story"

What I am about to tell you is a horror story. I hesitate to describe it as the story about police brutality because, although that is what it is, we read these two words so often in our newspapers that apathy generally sets in the moment they are mentioned. We have learned to associate them almost totally with what goes on in Punjab and Kashmir and secretly most of us don't really mind if some terrorist somewhere is tortured and brutalised. We think of the hundreds of innocents that die every year from terrorist bullets and rationalise police brutality, no matter how bestial, on the grounds that in Punjab and Kashmir it is necessary.

This story, however, is not about a terrorist affected state. It is about Bombay and the victim, Rajiv, is an advertising executive whose father is one of the highest officials in the government of India. Rajiv describes himself as a law-abiding citizen who has always been a little extra proud of being Indian. In his own way he has gone out of his way to do whatever he can to do his bit for India. Recently, for instance, he raised more than Rs. 30 lakhs for a little girl who was dying of cancer and needed a bone marrow transplant. Rajiv, 34, lives with his wife and young son in Juhu.

Two weeks ago he had a friend over to dinner who was catching a flight out of Bombay later that night.

After dinner he and his friend got into a taxi and set off for the airport. He intended to drop his friend and return in the same taxi but the taxi driver was a little nervous about this because, he said, traffic policemen permitted only airport taxis to leave with a passenger. Rajiv assured the taxi driver that he would not even be getting out of the taxi and so could not be taken for a passenger but the taxi driver continued to be nervous and sure enough as they were leaving the airport they were stopped by a policeman.

Since Rajiv considered himself responsible for what had happened he got out of the taxi and tried to settle things with the policeman when he demanded to see the driver's licence. The policeman resented the interference and said, "Can't you see my uniform – who are you to ask me anything. Shut up and go and sit in the taxi". Rajiv insisted that the policeman

speak to him since he was the person who had hired the taxi but this only irritated the policeman more and he ordered them to come with him to the nearest police station (I have been requested by Rajiv not to identify it).

Rajiv readily agreed to go to the police station thinking that it would be easier to sort the matter out there and a little worried that if he did not go the taxi driver would be harassed about something that was not his fault.

At the police station the constable took him to an officer and explained what had happened. The officer started berating him for obstruction of a policeman from doing his duty but when Rajiv explained that he had not even got out of the taxi at the airport he calmed down. Then another officer arrived who started shouting at him again and this provoked Rajiv into saying that he should be more polite or he would report him to his superiors.

Then began the nightmare which is best described in Rajiv's own words. "Something seemed to snap inside him, because he snarled at me in Hindi, saying '*saala, saheb logon ka naam leta hai, lock-up mein dalo, saale ko*'. He gestured and two or three of the constables held me by my arm and one by my collar... As I tried to halt, they started pulling my hair and hitting me.

"The officer who had instructed them also joined in, and at least three or four of them together started raining blows on me. They were using their fists, knees and boots on my chest (I had fallen down by then) midriff and legs. I was terrified and was absolutely convinced that I would be killed. I was crying out in terror and pain. I had soiled myself thoroughly and told them so, but there was no respite, even as I cowered on the floor and tried to protect my face and body. All this while they were abusing me and the blows never seemed to stop. I remember this scene extremely vividly and feel it shall haunt me for the rest of my life.

"...By this time I was absolutely convinced that they were going to kill me since there was no other possibility – given that they had beaten me mercilessly for absolutely no reason and because they obviously realised that I might complain against them.

"For the next 10-15 minutes, I kept on crying loudly, calling them sir, bowing deeply

before them and begging them to let me go in God's name, shouting that I realised my mistake, that I was an idiot, that I had a small child at home, that I would never repeat the same mistake. Simultaneously, I was touching their feet, including those of the traffic constable with whom the whole incident had begun. I was dead certain that I had absolutely no choice but to beg for mercy in this manner, if I was going to live another day. The constables, at first, seemed to be amused, at my calling them sir, since evidently I was well-educated and of a high socio-economic status, and so full of righteousness a little while earlier."

In any case the grovelling appears to have pleased the policemen enough to stop beating him and throw him into the lock-up instead. The next 75 minutes were for Rajiv 'living hell'. "The lock-up was a very tiny, dark area, smelling of excrement, urine and sweat, with more than 20 people cramped in the place. There was absolutely no light inside, including in the toilet in the middle of it, and the whole area was pervaded with thousands of mosquitoes."

Rajiv's nightmare only ended when, at some point, his torturers realised that he may not be lying about his high connections. He was released at around 4 a.m. but admits that he will never get over what happened that night. Rajiv's father is among the senior-most officers in Parliament so it was possible to immediately initiate action against the policemen who tortured him. They have been suspended pending a departmental inquiry but no action is being taken against one of the senior officers present on the grounds that he came later.

Perhaps, it will be at some point. Perhaps the policemen involved will even be dismissed. But, what would have happened if Rajiv's father had not had access to the home minister? What happens to those Rajivs who do not speak English and do not have high connections? If this can happen in Bombay what must happen in the villages of Bihar? And, in Punjab and Kashmir where even the right to life is suspended under TADA? How long can we continue to pretend that our policemen are custodians of law and order and not criminals in uniforms.

Tavleen Singh, *Indian Express*

25-page document entitled *Response to the Indian Government's comments on Amnesty International's report on Punjab*. In it, we gave additional details about the cases, described in that report as evidence for our conclusion that, although we welcomed the data provided by the government, these did not invalidate our findings or conclusions. For example: the government dismissed numerous reports that detainees in Punjab had been held in unacknowledged detention. We showed the government's position to be invalid by, for example, providing copies of the judicial record in the case, for example, of Surinder Singh, alias Pappu (pp 22-23 of AI's 10 May 1991 report) in which a judicial official appointed by the Punjab and Haryana High Court reported to that court in writing that he had actually found Surinder Singh in illegal detention in Jodhewal Police Station without there being any record of his arrest. Again, however, the government chose not to respond.

As regards Kashmir, Amnesty International believes that the Armed Forces Special Powers Act, in force in that state as well as Punjab and the north east, does indeed give a licence to kill. Minister Chavan questions this. Yet Section 4 of that Act gives broadly defined powers to the armed forces to shoot to kill by permitting armed forces personnel to "...fire upon, or otherwise use force, even to the causing of death, against any person who is acting in contravention of any law for the time being in force in the disturbed area prohibiting the assembly of five or more persons...". Section 6 of the same Act provides immunity from prosecution in specific terms: "no prosecution, suit or other legal proceeding shall be instituted, except with the previous sanction of

the central Government, against any person in respect of anything done or purported to be done in exercise of the powers conferred by this Act".

Most members of the United Nations Human Rights Committee found in March last year that the powers of the Act were incompatible with India's international obligations to uphold and protect human rights, in particular the right to life. The committee reached this conclusion when they examined India's report about its human rights obligations under the International Covenant on Civil and Political Rights, which was presented by India's Attorney General.

The Minister also questions Amnesty International's use of the term "armed separatists" and "political prisoners" for those who are, may be or are suspected of being engaged in often violent activities to establish a separate state. The Minister describes them as "terrorists". As an impartial non-political organization, Amnesty International must remain neutral and use neutral language in such situations: it may not seek to distinguish between legitimate and illegitimate rebellion against a government. Amnesty International uses the term "political prisoner" to describe anyone held in connection with real or perceived political activities or views, regardless of whether such persons advocate separatism or the use of violent tactics. We always make clear that we do not classify people who use or advocate violence as "prisoners of conscience".

Amnesty International welcomed the statistics the Minister provided on the number of prisoners held under the Terrorist and Disruptive Activities Act (TADA) for 1990, especially since such statistics are rarely

issued or made public. Yet many more political prisoners are held under laws providing for detention without charge or trial other than TADA, such as the National Security Act and the Jammu and Kashmir Public Safety Act. Still more political detainees are held on criminal charges without ever being brought to trial.

Amnesty International estimated that well over 10,000 political prisoners were held in detention without trial during 1990. This the Minister dismisses as "thoughtless" – but official sources in Delhi themselves were quoted in a Reuters report on 20 April 1991 as saying that the number of Sikh detainees held, mostly in Punjab, was 11,000, just before an amnesty involving the release of 450 political detainees. And this was for only one of India's 25 states.

Amnesty International welcomes the information the Minister has provided in your article which demonstrates the government's concern about human rights. Yet rather than exchange data like this through the columns of your newspaper, we think it more appropriate to discuss them directly with the government, as we do with many other governments in all regions of the world, including Asia. That would allow our reports to reflect fully the information the government has to offer. It would also allow us to contribute perspectives from our work around the world to the important discussion about how better to protect human rights in India.

Ian Martin
Secretary General
Amnesty International

TEN STEPS TO STOP TORTURE

1. Adopt an official human rights policy
2. Conduct independent investigations into all allegations of torture
3. Implement and strengthen legal safeguards
4. Bring the perpetrators to justice
5. Investigate the causes of torture
6. Provide redress for the victims
7. Provide rehabilitation for the victims
8. Inform detainees of their rights
9. Train the police and the security forces to uphold human rights
10. Strengthen India's international human rights commitments

From Amnesty International's Report on India.

BREEZY DAYS BLOW IN
ON THREE WINGS. WHEN YOU SWITCH
ON YOUR ORIENT FAN,
EYE CATCHING COLOURS,
SUBTLE SHADES. DAZZLING
RANGE OF SLEEK DESIGNS.
YOUR QUIET COMPANION FOR LIFE.
THINK COOL AIR. THINK ORIENT FANS.

ORIENT FANS

A lifetime of refreshing air.



ASP-D/OGI/91

Lessons of the East European Revolutions of 1989

Gale Stokes

If anything is clear about the sudden swoon of the hollow East European regimes in November and December 1989 it is that those collapses were the result of moral rot at least as much as of economic or political failure.

At the beginning of 1989, most specialists recognized the political and economic dangers facing the communist regimes of Eastern Europe. Foreign debt, loss of legitimacy, weakening of support from the Soviet Union, and the pathologies of central planning were only the most obvious and well-known deficiencies of the region. However, these weaknesses did not seem to be significantly undermining the ability of most East European regimes to maintain control over their societies...

One year later, Eastern Europe was unrecognizable. Not only was Honecker replaced, but the Berlin Wall was down and what had been called East Germany was on a headlong path toward becoming eastern Germany. Hitherto illegal Solidarity had formed a government in Poland and had begun to apply shock therapy to the country's moribund economy. Vaclav Havel, almost straight from prison, was

president of Czechoslovakia, and Czechs were greeting historical videos of their former leaders with a devastating response: laughter. Ceausescu was dead, and Zhivkov was gone. If one believes that a widespread change in government personnel, coupled with a total rejection of the philosophy of the previous system, dynamic efforts to utterly transform an economic system, and the creation of a new social basis for rule constitute a revolution – whatever the level of violence – then 1989 was a year of revolution, or at least a year in which the necessary beginnings of a revolutionary transformation took place.

Now, only two years later, our memories of the revolutions of 1989 have become dominated by conventional wisdoms about the fate of communism, the failures of centralized planning, and the virtues of Western policy, while the efforts of the East Europeans to right themselves, so to speak, increasingly are greeted with

yawns. Before the thrilling moments of 1989 lose all their freshness, therefore, it seems appropriate to attempt a sketch of what lessons those dramatic and unanticipated events might hold for students of Eastern Europe.

There is little doubt what the greatest lesson of 1989 is: communism failed. This failure was not a parochial event limited in its significance to Eastern Europe, to the resolution of the cold war, or to Western policy initiatives, but rather it was a moment of global importance in the family of most important events of the last few hundred years. These long-term phenomena do not have a satisfactory general name, even though we all know how fundamental they are. We can call them the industrial revolution, modernization, the great transformation, the single transition, the emergency of capitalism, or the energy revolution, but whatever name they go by, the unprecedented economic and social changes they have brought about

An Offer from The Dalai Lama

The People's Republic of China claims that Tibetans are happy under Chinese rule, and that it is only a "handful of splittists" who think otherwise. As I have said before, the feeling of the Tibetan people can best be ascertained by plebiscite. But the official Chinese attitude concerns me deeply because Peking refuses to accept the reality of the situation. So long as the Chinese do not understand the true feelings and aspirations of the Tibetan people, it will be very difficult to find a satisfactory solution to the problem.

The Chinese government's refusal to reciprocate my efforts to start negotiations has increased the impatience of many Tibetans, especially young Tibetans in Tibet, with the non-violent path we follow. Tension in my country is increasing as China encourages demographic aggression in Tibet, reducing Tibetans to a

second class minority in our own country. The harsh repression and intimidation of Tibetans is increasingly polarising the situation. I am extremely anxious that, in this explosive situation, violence may break out. I want to do what I can to help prevent this.

In view of these developments, I am considering the possibility of a visit to Tibet as early as possible. I have in mind two purposes for such a visit.

First, I want to ascertain the situation in Tibet myself on the spot and communicate directly with my people. By doing so I also hope to help the Chinese leadership to understand the true feelings of Tibetans. It would be important, therefore, for senior Chinese leaders to accompany me on such a visit, and that outside observers, including the press be present to see and report their findings.

Second, I wish to advise and persuade my people not to abandon non-violence as the appropriate form of struggle. My ability to talk to my own people can be a key factor in bringing about a peaceful solution. My visit could be a new opportunity to promote understanding and create a basis for a negotiated solution.

A visit to Tibet can, of course, only take place if Tibetans are permitted to meet with me and to speak freely with me, without fear of retaliation. For my part, I must be free to travel wherever I want to and to meet with any Tibetan I wish to meet. Many of my friends who will be keen to accompany me on such a trip should be free to do so without any hindrances. This courtesy must also be extended to international media in a spirit of goodwill and openness.

Tibetan Bulletin Nov-Dec '91

in just a few generations have forced every human society to find new ways of organizing itself. In my view, three basic genres of solutions to the fundamental challenges of the past few hundred years, all first broached in the 18th century, have been tried in the 20th century: the anti-rationalist genre, the hyper-rationalist genre, and the pluralist genre.

By the first of these, I mean those movements of rage and rejection from the first half of the 20th century that craved the power of the great transformation – the technology, the military strength, and the standard of living – but rejected the economic calculus of market capitalism and the political calculus of parliamentary democracy. Instead they espoused what Thomas Mann called “a highly technical romanticism,” adopting Friedrich Schelling’s view that the universe contains “a primal, non-rational force that can be grasped only by the intuitive power of men of imaginative genius.” Nazism and fascism repudiated the 18th-century bases of middle-class culture for what they believed were the superior principles of mass culture, rejecting reason for power, individuality for *sacro egoismo*, virtue for vainglory, transparency for obscurantism, constitutions for the *Fuhrerprinzip*, humanitarianism for racial fanaticism, objectivity for prejudice, and, in the end, the guillotine for the gas chamber.

The hyper-rationalist genre, on the other hand, moved in the opposite direction by routinizing the application of reason into a rigid political formula. Stalinism is the *reductio ad absurdum* of Descartes’ assertion that we humans can “render ourselves the masters and possessors of nature,” a dream that found a confident echo as late as 1961 in the statement of the Hungarian author who wrote that socialism was on the verge of “the final maneuvers... for the ultimate conquest of the material world.” In the 20th century, the agent for accomplishing this end was first the Leninist vanguard party sustained by its allegedly scientific (i.e., rational) understanding of human history, then the vanguard of the vanguard, and finally the great leader, who imposed himself as the ultimate source of human rationality that was to transform the world.



COURTESY: The Week

The third genre is pluralism, which, in contrast to the other two genres, is not so much a system as it is an indeterminate set of political devices for structuring process. Because pluralist institutions are based on the prosaic observation that human beings are fallible and liable to contention, they are designed to prevent any “primal non-rational force” or “vanguard scientific party” from directing the affairs of society for very long. This does not mean they will not err, but it does mean that they will change – not immediately, not easily, and often with a great deal of pain and political struggle, not to mention cant and humbug. Pluralism’s balanced and multilayered political configurations and processes, variety of ownership forms, diversity of associational possibilities, and openness of public discourse have proven flexible enough to match the protean surge of economic and social development that has characterized the past 200 years.

Without going into any detail, it seems to me that the experience of the 20th century has taught us something about political organization that we did not know when the century began, namely that both the anti-rationalist and the hyper-rationalist genres are incapable of successfully solving the problems posed by rapid social and economic change. The year 1945 revealed the bankruptcy of the anti-rationalist genre, and 1989 demonstrated the bankruptcy of the hyper-rationalist genre. The message of the 20th century is not, as some observers would have us believe, that pluralism is the final answer to the challenges of modernity and that history is over. Indeed, the paradox of Francis Fukuyama’s notorious claim of

two years ago is that the “end of history” has occurred because of the victory of the only genre within which history can occur. Both the anti-rational and hyper-rational systems sought final solutions and found stasis instead. The ease with which pluralism incorporated the information revolution of the past 15 years compared to the difficulties socialist systems had with computerization is a recent instance of pluralism’s ability to respond to the unexpected.

But this does not mean that pluralism has adequately solved the modern problematic. When we observe the misery in which not just most people in the Third World, but a large number of people in the First World, live, we understand that many issues remain on the agenda, not the least of which is the problem of finding a plausible framework for opposition to injustice in societies that are suffused with self-satisfaction. The great message of the 20th century is not the positive accomplishments of pluralism, although there are many, but the negative message of the other two genres: we have not learned what works as surely as we have learned what does not work. Pluralism has its problems, but the other two genres are dead ends. History is not over, just the 20th century.

The most important lesson of 1989 – the reason that year can be added to the short list of dates that students will learn as the landmarks of the modern era (the others are 1789, 1848 and 1945) – is that the second of the 20th century’s two great experiments failed. “We have made one important contribution,” Soviet reformer Yuriy Afanasyev said, “We have taught the world what not to do.”

Unfortunately, however, that failure does not present the same kind of unique opportunity for positive reconstruction that the failure of the anti-rationalist genre in 1945 did. In 1945, Europe was devastated not only physically, but psychically as well. The optimism of the 19th century was not only long gone, but the entire civilization that had spawned with disasters of two great wars seemed spent. This was a calamity, but a calamity with a positive side. Moments like 1945 are rarely seen in history – a wiping of the slate, if not clean, then close to it. Of course, the wiping was done with blood – not something we would choose, but it was precisely the grotesque and bloody futility of the great 30 years' war from 1914 to 1945 that convinced men like Alcide de Gasperi, Konrad Adenauer, Henri Spaak, Robert Schuman, and Jean Monnet – in a way that conferences, speeches, articles, and diplomacy never could have – that the old obsessions could not form the basis of a stable Europe. They built their new community not on *sacro egoismo*, but on voluntary association and a politics of accommodation.

Surprisingly, given all the ink that has been spilled about the failure of the early dreams of creating a European political union, in a little more than 30 years this new community has become not just a strong economic unit, but also a vertical structure for containing the passions that burst the traditional European system of empires apart earlier in the century. Today, if you live in Florence, for example, you can be a booster of your neighborhood and city, a Tuscan patriot, a citizen of Italy, and an advocate for Europe, all at the same time, or singly on the appropriate occasions. One may fear that the increasingly inward-looking preoccupations of the European Community will eventually turn Europeans into multinational nationalists, but the absurdity today of Germans shooting Frenchmen or Italians bombing Spaniards, both commonplace of our fathers' time, is obvious.

One of the greatest costs of Stalinism in Eastern Europe was that it excluded the East Europeans from the unique caesura that made new solutions possible in the West. Eastern Europe had no *stunde null*. In 1989,

many East Europeans emerged from their own devastating era of grotesque obsessions with no sense of despair over the collapse of civilization, but rather harbouring both enthusiastic expectations and a host of ideas from the past that had been suppressed for 40 years. Francois Furet has said that the most striking thing about 1989 was the absence of new ideas. East Europeans are exuberant at their release from lies, but some of them appear anxious to create their own deceptions; other East Europeans are convinced that their particular people has been unjustly treated for 40 years, but stand ready to do the same to others; East European elites are frustrated by a long generation of humiliating compromises, but for that very reason find it difficult to practice a politics of accommodation. Some authors have suggested that these data show that the East Europeans have reverted to the mentality of the 1920's and 1930's, to that moment at which they distanced themselves from Europe 60 years ago. It would be more accurate to say that, having missed the unique window of opportunity that the bitter tonic of 1945 offered to others, they have not yet had the chance to learn first hand the futility of some of the old ideas. This does not mean they will find it impossible to create the structures that will contain their passions, because, unlike 1918, the existence of the EC will exert a constant pressure on them to democratize and to marketize. But, feeling that their predicament is not their fault but rather something imposed on them from outside, being socialized to the ethic of a paternalistic state, and retaining a sense that some of the bad old ideas are not really all that bad, they will find it more difficult to take advantage of their particular caesura.

A third thought on the revolutions of 1989 came to me when I saw those first pictures of Soviet tanks being loaded on trains in Hungary for their journey east. For the past 40 years, Western governments have quite naturally focused on the military and economic strengths of the Soviet Union and Eastern Europe. Enormous bureaucracies are devoted to understanding and countering every military threat, especially at the technological level, to evaluating relative strengths in the leadership

elites, and to analyzing the details of trade, finance, and investment. In the world of power relationship that civil servants and politicians inhabit, only data of that sort carried the conviction of being realistic...

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The events of 1989 clearly show how limited a view this was, how, if you like, unrealistic. If anything is clear about the sudden swoon of the hollow East European regimes in November and December 1989 it is that those collapses were the result of moral rot at least as much as of economic or political failure. After the Soviet invasion of Czechoslovakia convinced East European intellectuals that it would be impossible to create socialism with a human face, they turned from debating how to reform the system to something much more devastating – total rejection of the regimes' thorough-going falsity.

What is the basis of hope in a hopeless situation? Living an ethical life, Leszek Kolakowski answered in 1971. Hope is not a prognostication about the future, Vaclav Havel said, but the conviction that something has meaning, which is what permits the undertaking of the hopeless enterprise of living in truth. "Even if people never speak of it," Havel said in his open letter to Gustav Husak in 1975, "they have a very acute appreciation of the price they have paid for outward peace and quiet: the permanent humiliation of their human dignity." The desire, necessity even, to live in truth is what lay behind the creation of KOR (Committee for Defence of the Workers), Charter '77, and even Solidarity. "What all of us had in mind were not only...bread, butter, and sausage," said the Solidarity program of October 1981, "but also justice, democracy, truth, legality, human dignity, freedom of convictions, and the repair of the republic," which is why Andrzej Gwiazda characterized Solidarity as a "moral revolution." It was not economic deprivation that brought the people into the streets in Eastern Europe in November and December 1989. They had suffered economic hardship for a long time, and in countries like Czechoslovakia and Bulgaria, times were not even that hard. It was their humiliation, their disgust with the falsity of their regimes, their desire for freedom. That is why when the fall took place it was the uncompromised advocates of living in

truth — cultural leaders such as musicians, historians, philosophers, sociologists, and playwrights — who came to power. All the studies of strategic balances proved inappropriate and useless. The Soviet troops simply got on their trains and went home.

The events of 1989 had not only shown that strategic studies do not adequately take into account such intangibles as ethical values, religion, and national sentiment, but they have greatly altered the kind of analysis we need in the future...

Michael Howard has put this point well in his recent book, *The Lessons of History*. The real lessons of history, he says, are not so much about pride, folly, and stupidity, as about "people often of masterful intelligence, trained usually in law or economics or perhaps political science, who have led their governments into disastrous miscalculations because they have no awareness whatever of the historical background, the cultural universe of the foreign societies with which they have to deal. It is an awareness for which no amount of strategic or economic analysis, no techniques of crisis management or conflict resolution... can provide a substitute." Professor Howard wrote those words in 1981, but they constitute an elegant way of saying that 1989 made a good case for soft analysis.

My fourth suggestion is closely connected with this third point. The events of the past two years have shown how important leadership is. For a historian like myself, there is little question that we all operate within historically determined and relatively limited range of creative possibilities. But 1989 has shown once again, if it needed showing (and it apparently does), how important and unpredictable is the ability of individual leaders to stretch that range. Whatever the final assessment will be on Mikhail Gorbachev, whether he is the Alexander II of our day, beginning a reformer and ending a conservative, or the Kemal Ataturk who completely changed his nations' direction, there seems little doubt that his decision to let Eastern Europe go was original, unexpected (probably even by him), and difficult.

If there was one thing we thought we knew for certain about the Soviet

relationship with Eastern Europe, it was that whatever else might happen, the Soviet Union would never relinquish its special relationship with the region. To have done so was not a socio-economic imperative or a structural necessity, although arguments in that vein are being made. The loss of Eastern Europe was the outcome of a policy conceived and introduced by a particular individual, representing a significant strain of Soviet thought, who saw, perhaps briefly, a possibility to revivify socialism while at the same time creating a constructive place in Europe for the Soviet Union that it had never had in the past. If we compare Gorbachev's rhetoric about autonomy of choice and his actions about arms reduction and withdrawal from Afghanistan with what we reasonably might have expected from his Brezhnevian rival from 1985, Viktor Grishin, we can grasp the power and originality of Gorbachev's leadership.

And Gorbachev was not the only original leader of 1989. It was not written that a German chancellor should have moved as single-mindedly as Helmut Kohl did toward unification, nor that he should have done so in such a relatively restrained and un-nationalistic way.

For the next few years, I think, leadership will be a key factor in determining whether the individual countries of Eastern Europe will be able to make rapid transitions in the aftermath of 1989. One of the striking differences between East-Central Europe and Southeast Europe lies precisely in this sphere. Moderate men with great prestige now lead Poland and Czechoslovakia, and even in Hungary, Jozsef Antall at least understands parliamentary democracy. Unlike many of the politically inexperienced members of their societies, both among the public and among elites, these men recognize the fragility of their current position, know that it takes time to create the institutions of interest representation, and understand that democracy is a politics of accommodation. This is true even of Lech Walesa. Despite the fears many Poles express about the possibilities of a Pilsudskian resolution in Poland, one of the basic characteristics of Walesa's career has been his ability to seek out solutions rather than confrontations. During the Solidarity period, he

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probably spent as much time advising the workers not to strike as in any other single activity.

In Southeast Europe, by contrast, we have at least one and probably more inward-looking and radically selfish leaders in Yugoslavia, a self-appointed and none-too-legitimate government in Romania, and a scramble that has not yet produced any clear leadership in Bulgaria, although Zhelyu Zhelev's honesty and common sense have begun to have an impact. This contrast can only have a differential impact on the future development of these two regions. Unfortunately, we can only dream of the benefits for Yugoslavia if Serbia and Croatia had leaders of the stature of a Walesa or a Havel. Structural analysis is useful and important, particularly when it is turned to past events. But 1989 has reminded us that leaders can make original decisions and that they can shape forces...

Although leadership was important, I do not want to give the impression that it was leadership alone that brought 1989 about, or that Gorbachev simply called a tune and the East Europeans danced. Centralized planning failed, regimes lost their moral underpinnings, and Soviet policy changed, but unless internal developments in Poland and Hungary had created a strong independent society in the first case and forces for reform both inside and outside the government in the second, Gorbachev's initiatives might have had far less effect. When we admire Poland and Hungary's primary role in getting the avalanche of 1989 started, we tend to forget that Honecker, Jakes, Ceausescu, and Zhivkov rejected *perestroika*. Had Jaruzelski turned out to be a Honecker, and Kadar, a Husak, or, put another way, had the internal developments in Poland and Hungary been less pluralistic in the 1980's, then 1989 might not have been 1989 at all.

This point is linked with a much larger theme, the last one I want to raise. Many people understood the weaknesses of centrally planned systems very well. But the actual drama of 1989 was foreseen by no one. The final lesson of 1989 is to remind us of something that in an intellectual sense we already know: the near-term future is unpredictable.

And yet laymen and specialists alike

harbour a touching hope that we will find just that knowledgeable person who can tell us what the future holds. Anyone who has given a public talk about Eastern Europe or the Soviet Union recently can attest that the first question posed after the talk is certain to be "What is going to happen next?" One of the things that sustains the hope that someone will know the answer, I think, is that historians find it possible to trace causal strings through past events. We feel that the same kind of linear logic should permit us to extrapolate events into the future. But linearity only works backward. Forward, we live in a non-linear world where surprises lurk. The historian's ability to trace causal strings is an illusion, a slight of hand granted us by the fact that we already know, in a certain sense at least, what happened.

The future, by contrast, is subject to what chaos theory calls the butterfly effect, which is the modern version of that old tale of how the empire was lost for want of a nail. Its point is simply that no matter how large the amount of data we accumulate about complex systems, there always exist uncertainties that radically transform outcomes. Vaclav Havel has a more personal way of putting the point: "We never know when some inconspicuous spark of knowledge, struck within range of the few brain cells, as it were, specially adapted for the organism's self-awareness, may suddenly light up the road for the whole of society, without society ever realizing, perhaps, how it came to see the road." The year 1989 has turned the post-World War II era from current events into history, so that we now can talk about postwar Eastern Europe with a confidence that we did not have in 1985, let alone 1975 or 1960. We know what happened. But we must resist the temptation of turning our newfound confidence that we understand 1989 into a newfound memory that we understood it, because that will only continue to sustain our already overdeveloped hunger to predict the unpredictable.

*

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Extracts from the article (based on a talk delivered in 1991) published in *Problems of Communism* (Sept-Oct. '91)

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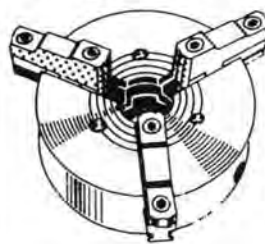


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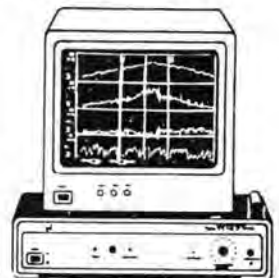
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BOOK REVIEWS

SIR PHEROZESHAH MEHTA MEMORIAL VOLUME edited and compiled by Godrej N. Dotivala; published by the Mayor's Fund Committee, Municipal Corporation of Greater Bombay, 1990; pp 339; Rs. 100



"Liberalism", said Gladstone, "is trust of the people tempered by prudence". And, another contemporary British statesman, Lord Sherbrooke, identified four hallmarks of a true Liberal: "He was a man who, firstly, hoped more from the good that is in human nature than he feared from its evil; secondly, looked to the embodiment of great principles in legislation rather than to the manipulation of details by rule of thumb; thirdly, subordinated personal, sectional and local to national interests; and fourthly, respected institutions not because they were, but because they ought to be." Liberalism, in short, "works from faith in human nature, by means of general principles, on behalf of universal interests, and towards an ideal standard" (cited by Robert Wallace, "The Philosophy of Liberalism", *The Nineteenth Century*, Feb. 1981, pp. 302-332).

Sir Pherozeshah Mehta, a brilliant Elphinstonian, conformed to the above

typical mid-Victorian British version of a "true liberal", as did Justice Ranade and their common disciple Gopal Krishna Gokhale. With the exception of a few scholars of Marxist persuasion, Indian intellectuals generally hold the view that Indian liberalism was a product of the impact of British rule. Pherozeshah, like most 19th century Indian liberals, beginning with the great Raja Rammohun Roy, deeply valued the Indo-British connection and even regarded it as "Divine Providence", but, at the same time, did not hesitate to expose the ills of the British administration, and to lead a constitutional agitation to secure the liberty of his country. His words and deeds entitle him to be ranked among the best exponents of a humane, secular and democratic nationalism.

Hailed as the "Uncrowned King of Bombay", Sir Pherozeshah has left an indelible stamp on the pages of modern Indian history as a scholar, educationist, brilliant orator, fiery debater, founder of institutions, zealous labourer for public causes, promoter of local self-government and peerless patriot. The present Memorial Volume sponsored by the Mayor's Fund Committee of the Bombay Municipal Corporation comprises write-ups by eminent persons from different walks of life, on varied aspects of Sir Pherozeshah's multi-splendoured personality. The editor has also done well to include in the volume some significant excerpts from Sir Pherozeshah's speeches and writings. Together, they provide us with an incisive insight into the man and the Liberal that Sir Pherozeshah Mehta was.

Intelligent and intellectually curious, Pherozeshah was fortunate to receive a sound liberal education at the hands of Sir Alexander Grant, Principal of the Elphinstone College, who also secured for his pet pupil a scholarship for higher studies in England. Formative liberal influences on him were vastly reinforced by his four years' stay in England studying for the Bar at the Lincoln's Inn.

Besides law, he had other literary interests. Tennyson, Thackeray and Dickens were among his favourite authors! He was a keen student of French revolutionary literature. He imbibed the spirit of what Gladstone called "an agitated and expectant age" enriched by the great parliamentarians, literary masters and men of science.

It was in England that he first came under the influence of Dadabhai Naoroji who, by his own example, inspired the young Pherozeshah to passionately champion the cause of progress and the liberty of his country.

Back home, in 1868, he did not confine himself merely to the practice of law. He took up municipal and national causes with the zeal of crusader. The ground for his great work was steadily prepared by the pre-University English educated liberals in the City of Bombay like Jagannath Shankershet, Bal Shastri Jambhekar, Dadoba Pandurang, Bhau Mahajan, Bhau Daji Laad, Naoroji Furdunje, V.N. Mandlik and Dadabhai Naoroji. It is important to note that the declared object of the first Anglo-Marathi newspaper, *The Bombay Durpan*, started in 1832 by Jambhekar, a revered teacher of Dadabhai Naoroji, was "to spread liberal sentiments in matters of religion and politics that might promote the improvement of our countrymen". This work of discussing Indian political, economic and social maladies, and of spreading enlightenment among the people was carried on by Bhau Mahajan's *Prabhakar* (1841), and Dadabhai Naoroji's *Rast Goftar* (1851). They made full use of the freedom of the press granted by Sir Charles Metcalfe in 1835. Lokhitawadi Gopal Hari Deshmukh, an early exponent of Indian nationalism, published his celebrated *Shatpatre* in *Prabhakar* between 1848-50. It was these liberals who took the lead in the founding of the Bombay Association in 1852, which marked the beginning of constitutional agitation in the Bombay Presidency.

This nascent political activity how-

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ever came to a grinding halt with the Revolt of 1857. The Bombay Association became moribund. Press censorship was reintroduced. The so-called Policy of Association inaugurated by the Council Act of 1861 was too narrow to satisfy Indian aspirations. Promises made in the Queen's Proclamation were observed more in their breach than in their fulfilment. With mounting discontent, reaction set in, and it looked as though Indian liberalism was on the wane.

It was in this critical situation that Pherozeshah Mehta provided political leadership of the highest order and kept the nationalist agitation on a chosen constitutional path. In this work he was ably supported by K.T. Telang and Badruddin Tyabji. Together, they formed a grand triumvirate. Building on the lead given by men like V.N. Mandlik, he played a crucial role in making the Bombay Municipal Corporation a model civic institution in the country. He became a co-founder of the Bombay Presidency Association in January 1885, and took the lead in the establishment of the Indian National Congress towards the end of the same year. He remained the dominant leader of the Congress in its Moderate Phase. He made an appreciable impact on the proceedings of the Bombay Legislative Council and the Imperial Council during the tenure of his membership of these bodies. He was forthright in expressing his views on problems of national concern. He had a thundering voice and his speeches were liberally spiced with high-class humour.

Equally important was his contribution in the field of education, journalism and banking. Indeed, he was in the forefront of all endeavours for national uplift. For his great nationalist work, he won the respect and admiration not only of the entire Indian political leadership but even of the British rulers. Even Lord Curzon, a crass imperialist, had a word of praise for him.

All through his life, Sir Pherozeshah Mehta lived up to the then guiding principles of Liberalism: Individualism, constitutionalism, nationalism, freedom of conscience, of expression and of economic pursuit. The word "subservience" had no place in his dictionary. He was ready to shake hands with the rulers and commoners alike, but on equal terms. He always conducted him-

self with dignity and grace. He was a genuine liberal. He died full of years and full of honours.

Though in a Memorial Volume like this, some repetitions are inevitable, the editor could have taken a little more care to minimise them. For example, instead of three different write-ups, a single comprehensive account of "Pherozeshah on Education" would have better served the purpose. While some write-ups are commonplace and merely impressionistic, there are a few which are well-researched. However, on the whole, it is a fine effort, and it does vividly bring out the qualities of head and heart of the great Indian that Sir Pherozeshah Mehta was. Mr. G.N. Dotivala has done his "labour of love" very well, and he deserves our compliment and thanks.

We recommend this volume as compulsory reading at the graduate level. Our students could, indeed, learn a lot from the life and work of this illustrious son of India.

Reviewed by DR. J.V. NAJK, Reader, Department of History, University of Bombay.

INDIAN IDEA OF POLITICAL RESISTANCE by Ashok Chausalkar; Ajanta Publication (India), Delhi; 1990; pp 131; Rs. 125.



Over the past hundred years and more, Indian political thought was developed in a discourse that was not common to the general theme of politi-

cal theory. The dominant Indian approach was that of rebellion against the state, and concepts such as Rights, Equality and Justice were seen through it. While elaborate intellectual exercises were developed on the theme of political resistance, the theorists had neither the inclination nor, perhaps, the capacity to engage in the more difficult task of elucidating the nature of rights, equality and justice in the context of resistance. This has remained the central weakness of Indian political theory though its theories of resistance have remained unique contributions to political thought and experience.

Resistance is therefore the overarching theme and a number of eminent men have contributed to clarifying and defending it; the theme of Dr. Chausalkar's book deals with one aspect of resistance – the political – and he examines how political activists have developed it. There were other aspects of resistance eg. against existing social arrangements, and against sections of society. These were internal to the social system even as political resistance was external to it.

Theories of resistance as developed here were not mere intellectual exercises but were responses to distinct political contexts, changing their perspectives with changes in the environment. Hence we could see them historically evolving, one approach giving way to another – a simpler approach gradually becoming complex even as the social contexts were changing and ultimately developing as a well-rounded theory under Mahatma Gandhi.

The theories will have to be seen in their context; only then are their adequacies clear and their role fully comprehended. What worked admirably in one situation could have been hopelessly inadequate later. Thus while petition and prayer were partially effective in one era, their futility became clear by the 1880s when the social and political context had totally changed.

This is not generally emphasized by historians of political ideas and Dr. Chausalkar also tends to do this. Hence the different theories of resistance assume a presence that actually distorts social realities.

Dr. Chausalkar points out as to how Sri Aurobindo's pioneering attempt in developing a four-fold approach to the theory of resistance was later given a

metaphysical content by Tilak who took inspiration from the *Gita* and the message that he discovered in the Book. Gandhiji was to absorb all these and, fortified by the experience in South Africa, was to give the theory of resistance a complexity that was strikingly and extremely innovative. He was also honest in admitting of the enormous difficulties in carrying on *Satyagraha* and was not ashamed to own defeat and call it off whenever required. It was a bold and daring intellectual construct and a call for action that went beyond what had been attempted in earlier times. Unfortunately its great potential is not fully realised even today.

While earlier theorists developed philosophies of resistance against the state, it was left to Dr. Ambedkar to emphasize a novel aspect of resistance which was against Hindu society itself. He reversed some of the central theses of Gandhi such as the primacy of means over ends. Violence or non-violence to Dr. Ambedkar were matters of indifference – and end to him was important. Unlike the other leaders he saw the real dimensions of the tragedy of his people who had “to fight on two fronts” – Caste Hindus and the government. He also saw the need to capture power for the amelioration of his people – something that the earlier theorists had not even conceived of, living as they did in a different context.

The theories of resistance were to be of significance as much after independence as before. Resistance against a colonial government had a legitimacy all its own, but after freedom, environmentalists, voluntary agencies, the *dalits*, civil rights activists no less than the “militants” have been using resistance as an expression of grievances not heeded by the state. Resistance theories and techniques will perhaps have as much relevance in the coming decades as they had earlier.

Dr. Chausalkar has done a very useful job in elucidating the complex skein of arguments relating to political resistance and it should have a wide readership. But why is it that the dust jacket prints Resistance with an “e” while the title page spells it correctly?

Reviewed by Dr. R. SRINIVASAN

DALIT PANTHER MOVEMENT IN MAHARASHTRA: A SOCIOLOGICAL APPRAISAL by Lata Murugkar; Popular Prakashan, Bombay; 1991; pp 264; Rs. 250.



For many sympathisers of the Dalits the phrase Dalit Panthers (DP) in the post-Ambedkar depressed peoples' movement in Maharashtra evokes nostalgic memories. It promised much to the long oppressed communities who felt betrayed by the opportunistic splits and counter-splits. At the end of it all one of its major factions (led by Ramdas Athavale) has become a part of the Establishment.

In the 'seventies, a new younger generation of Dalit youth was articulating its ambitions and frustrations and giving it a literary form: Dalit Literature. It symbolised the rebellious spirit – a rebellion not only against the age old caste system, or against the so-called literary 'standards' set by the caste Hindu Marathi literateurs; it was as much a rebellion against the spiritless, sold-out, compromising older generation Dalit leadership of the Republican Parties of India (RPIs). Yet, the spring time of Dalit unity was shortlived. The DP splintered on the rocks of factionalism based on selfish considerations. The book under review – a Ph.D thesis – unfolds the story of the organisation and seeks to analyse the reasons for its failure.

The disturbing socio-economic conditions in the 'sixties in Maharashtra led to the establishment of the Dalit Panthers in 1972. The severe famine of

1972, increasing atrocities against the rural Dalits and the rise of an educated generation of politically conscious Dalits provided the backdrop. Its founders obviously took inspiration from the Black Panther movement in the U.S.A.

The DP's founder leaders – Raja Dhale, Namdev Dhasal, Sangare, Mahatekar and J.V. Pawar – were able to attract considerable following, mainly in urban Maharashtra, estimated at one time at two lakhs. However, the DP had a loose organisation, little discipline and a floating support base mainly among the neo-Buddhist students. Ideological ambiguities and personal angularities led to the parting of ways of its leaders in 1974. The two groups led by Dhale and Dhasal split further. In the words of the author, “infighting and groupism was so rampant that nobody could tell definitely how many groups of Dalit Panthers existed at a time.” Opportunism was so widespread that Dhasal supported Indira Gandhi during the Emergency, the Shiv Sena in 1978 and the Janata Party in 1979! The excuse put forward by a leading light of the Dalits, that “clarity of thought, a sense of commitment and discipline perhaps could be expected from only the generation of Dalit community which would experience an affluent life with good *samskaras*” appears lame, to say the least. The rise of any community can be built only on the foundations of the selfless efforts of its leaders. The Worli (Bombay) riots of 1974 and the Marathwada riots of 1978 exposed the vacillations and impotency of the organisation.

The DP was not able to decide its priorities between caste-related social issues and class-related economic issues. The Dalits shared the latter with non-dalit rural masses. However, the DP leaders ran the risk of losing their leadership role if the DP collaborated with non-dalit organisations on economic issues, while sticking to social issues alone meant a degree of isolation. The DP leaders, according to the author, were unclear about the meaning of revolution. They rejected parliamentarianism but did not, adopt armed struggle; there was nothing militant about them except their stance. The author concludes that in comparison with the Black Panthers in the U.S. “the Dalit Panthers... continued to remain isolated from other radical groups... did not undertake any pro-

grammes in the interest of the Dalits and never proved their sincerity in this regard.

The author finds fault with the DPs for not building a grass-roots organisation; ideological confusion and lack of committed leadership. However, many sympathisers of the cause would join issue with her when she faults DPs for their uncritical acceptance of Ambedkarism and Buddhism and attributes the DP's failure to their influence. One also wishes the author was more careful in gathering her facts: Madras University is not renamed after Ramaswamy Naicker and M.B. Chitnis was not the Vice Chancellor of Marathwada University. Such lapses apart, this book is a useful contribution to the understanding of the Dalit movement in Maharashtra.

Reviewed by Dr. R.S. MORKHANDIKAR,
Professor of Political Science, Marathwada University.

**RED STAR & THE LOTUS, THE
POLITICAL DYNAMICS OF INDO-
SOVIET RELATIONS** by S.S. Rai;
Konark Publishers Pvt. Ltd., A-149,
Main Vikas Marg, Delhi 110 092;
1990; pp 347; Rs. 200.



The Soviet Union has been replaced by the Commonwealth of Independent States (CIS). An attempt to review the book on Indo-Soviet relations may

therefore seem to be irrelevant in the present context. We nonetheless wish to undertake this review, because the theme of Indo-Soviet relations still continues to have historical significance and the knowledge of such relations will assist us in commenting about future relations between Moscow and New Delhi. Secondly, the disappearance of the USSR from the world arena is matched by the withering away of the attraction for the "Nehru Model" in India. The assessment of the Soviet-India relationship is thus timely because it helps us in understanding how Jawaharlal Nehru rushed to shower praise on Moscow and how Soviet leaders subsequently realised the importance of the Nehru model. Thirdly, communists in India now tell us that they are quite independent and hence the demise of the USSR will have no effect on the future course of their activities. A study of Soviet-India relations reveals that the Indian comrades were devout worshippers of the USSR.

The book reviewed here consists of three parts. If the first part highlights the background of Indo-Soviet relations, the second part elaborates the dynamics of these relations, and the third part informs us of Indian communism and its role in the relations between New Delhi and Moscow.

It is in the first part of the book that readers are informed of a contrast between Gandhi & Nehru as far as their views regarding the USSR were concerned. Thus the information contained on page 34 is quite revealing as it conveys to us how "Gandhi and many other Congress leaders had a deep dislike for communism and the Soviet system of government". As evidence, we are told that at the Belgaum session of the Congress held in 1924, Gandhiji, the President of that session opposed the resolution expressing sorrow over the death of Lenin. On page 35, readers are given to understand that Jawaharlal Nehru used the occasion of a speech he delivered in Brussels in 1926 to oppose British plans to encircle the USSR. Thus we come to know that Nehru's affection for the Soviet Union expressed during the post-independence period of India had its roots in the 1920s. The author draws attention (page 44) to Nehru's soft reaction to the Soviet invasion of



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Finland in 1936 and points out that this enables us understand why independent India under the leadership of Nehru ignored Soviet intervention in Hungary in 1956.

The second part is really the crux of the book in which the author very logically proves that the USSR gave utmost attention to political considerations in its relations with India. That the Soviet approach was *realpolitik* was more than obvious and the book is full of convincing evidence in this regard. It was this approach which led Moscow to change its stand on the issue of Kashmir. Thus in the mid-1950s, the Soviet Union was extremely annoyed with Pakistan. Hence it rendered full support to Indian claims on Kashmir. In the mid-1960s however, the Soviet Union succeeded in developing a rapport with Pakistan. In the new circumstances, the Soviet Union opted in favour of keeping quiet regarding Kashmir. The information given in the notes (page 237) is of great significance indeed:

"Thus, for example, the Indo-Soviet joint statement issued at the conclusion of President Radhakrishnan's visit to Moscow (September 1964) did not include any mention of Kashmir. A year later, references made to India's appreciation of the Soviet Union's stand on the Kashmir question in Aruna Asaf Ali's speech accepting the Lenin Peace Prize (Moscow, August 1965), were discreetly dropped by *Pravda*.

The information contained in the note on page 85 of Chapter 6, is again highly relevant, because it conveys to us that though in the early 1970s, the USSR denounced China's anti-Indian policy, the maps published by the USSR continued to show disputed areas between India and China as "undecided", that is, not belonging to India.

India also tried to maximise its independence of the Soviet Union particularly during the Prime Ministership of Mrs. Indira Gandhi. The book under review lucidly highlights India's efforts in this direction. During the Indira Gandhi era, there were, of course, signed two significant documents: the Friendship Treaty of 1971 and the 15-year economic agreement between Moscow and New Delhi signed in 1973. The Indian leaders however tended to play down the significance of the Treaty by refusing to comply with

the Soviet request to let Leonid Brezhnev pay a special visit to New Delhi on the occasion of the second anniversary of the signing of the Treaty. Indian leaders also opposed according the status of a treaty to the 15-year economic agreement. India indeed manifested its independence of Moscow through a number of other ways. Thus it refused to sign the nuclear non-proliferation treaty; it incorporated Sikkim in its jurisdiction as an associate state; it took the initiative in developing relations with Washington, Teheran and Beijing; it refused to be involved in the so-called Asian Security Scheme sponsored by Brezhnev. A small section in the last chapter of the book analysing Indo-Soviet relations during Rajiv Gandhi's Prime Ministership reminds us of India's moves to earn the goodwill of governments and multinational companies in non-communist countries. Thus if the decade of the 1950s marked the beginning of Indo-Soviet friendship with the blessings of Jawaharlal Nehru the next two decades witnessed India's efforts to follow a line independent of Moscow, and the latter half of the 1980s saw Rajiv Gandhi facilitating liberalisation. The Soviet Union nevertheless continued to have cordial relations with India.

Chapter 7 is a remarkable piece in itself, as it elaborates the genesis and growth of military relations between the Soviet Union and India. The author correctly points out that till the Chinese aggression in 1962, India underestimated the importance of defence preparedness. And once the simplistic credulity of non-alignment was proved catastrophic in 1962, there began a serious search in India for acquiring significant military strength. It was the realisation on the part of India that capitalist countries were determined to extract a heavy price for military assistance which led the Indian Government to approach Moscow. And Soviet leaders offered military assistance, initially to meet the threat from Pakistan, and subsequently to contain China as well. The author rightly recognises the contribution made by the USSR in India's efforts to develop defence production. His criticism of Western powers in this regard is valid, because it was the reluctance of these powers to render military assistance to India that compelled the latter to rely on Moscow in the field of defence development. The comment

made by the author at the end of the seventh chapter is equally valid: "India's exclusive dependence on the Soviet Union for supplies, fabrication and research and development has imposed certain strains on this otherwise fruitful relationship". Surprisingly, there is no chapter on economic relations between India and the USSR. Although, the author admits that "the Soviet Union attached great importance to India's economic development, he devotes just three small paragraphs to the discussion of the role played by the USSR in the development of the Indian economy.

The analysis of Indian communism attempted mainly in chapter 8 and marginally in other chapters is quite convincing. As is known to all, communists in India altered their policies to suit the interests of the USSR. The author thus brings to our notice the fact that Indian communists, who condemned the Muslim League as the offspring of the British imperialist policy of "divide and rule" in the 1930s, suddenly started supporting the Muslim League's demand for Pakistan in the early '40s, because such support strengthened the war effort to serve the interests of the USSR. The extract quoted below is of great relevance in this connection.

"As the Soviet government became more and more friendly towards the Indian government, the CPSU became more and more insistent that the CPI should completely abandon its strategy of armed struggle and temporarily suspend any intensification of class struggles in India.

No one can dispute the conclusion reached by the author at the end of chapter 8 that communists in India had long back abandoned a revolutionary programme and opted in favour of sharing power with bourgeois and petit bourgeois parties! The subsequent statement that the Soviet Union also contributed to the weakening of the left popular movement as a whole in post-colonial India is equally a matter of consensus.

Certain statements, made perhaps inadvertently, need to be criticised because they do not fit in the otherwise well argued analysis of Indo-Soviet relations. Thus the author refers on page 173 to the so called "forward policy" adopted by India in 1959. Actually, this reference recalls Neville Maxwell's

"India's China War". He uses the same wording to defame India. If India established police *chowkies* in the so-called disputed area, it was merely setting right its earlier credulity and negligence. Actions to defend the nation's boundaries can hardly be called a "forward policy".

On the whole, the book leaves a favourable impression on readers. The observation made by the author in the concluding part of the 9th chapter is worth quoting:

"The net result of the Soviet Union's policy towards India has been to strengthen the Indian national bourgeoisie and to secure the control of the power of the Indian state in the hands of its political representatives.

The author has indeed convincingly proved that the USSR in its own national interests ignored the objective of promoting the cause of socialist revolution in India.

Reviewed by DR. A.G. MODAK, Reader, Centre for Soviet Studies, University of Bombay.

MANAGERIAL PERSPECTIVES by M.K. Raju, Universities Press; distributed by Oriented Longman; 1991; pp. 185; Rs. 225.



The author Mr. M.K. Raju, has headed private and public sector firms during his career. It is not too often that professionals of his type write such books and most management books in

India are written by people with plenty of theoretical knowledge. In that sense it is pleasing to read the opinions of somebody who has practical experience at the highest level.

The book is actually a compilation of assorted speeches given by Mr. Raju dating back to 1970. Barring one chapter on 'Change Agents' the rest relate to speeches delivered in the '70s and it is obvious that in the changing business environment a number of his views have become obsolete. For example an entire article on 'Management by Growth' is of no consequence to readers since it talks of statistics relating to the '60s. In the dynamic environment of today issues such as internationalisation of Indian business are changing by the day and a speech delivered in 1979 is of little current relevance.

It is also important to mention that these speeches were obviously aimed at specific target groups at the time he gave his talks. Hence these should not have been clubbed together. For instance some speeches are written for graduating students at convocations, some at management seminars and some at international forums.

Nevertheless, as mentioned earlier, Mr. Raju's practical experience is visible

right through the book and the examples that he has mentioned about typical business situations are those which many professional managers would have experienced themselves. To that extent professional managers may find the book of interest.

However, the most dated parts of the book are the statistics relating to the '60s and '70s. For example there is a criticism of the automobile industry in India which manufactured 30,000 cars a year. This fact was possibly true for 1978, when the speech was delivered. Today one single manufacturer, Maruti Udyog, manufactures four times that number. This does disturb the reader's thought process because if Mr. Raju had to develop a theme based on the remark that Hindustan Lever controls 71% of the soap market in India, the reader is likely to find the rest of the paragraph meaningless because he is aware of the fact that the data and therefore the conclusions are outdated.

And finally, a word about the price. Rs. 125 (for a book of 185 pages) is very high particularly since it is likely to be more useful to students and less to professionals and academicians.

Reviewed by MR. PARESH VASA, a business executive.

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Since July 1990, the present Government in Delhi has clearly demonstrated that it does not wish to be "meddlesome". But this demonstration welcome though it is, comes, not from conviction but from the compulsions of saving India from bankruptcy. And any conviction that does not come from conviction could easily change.

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