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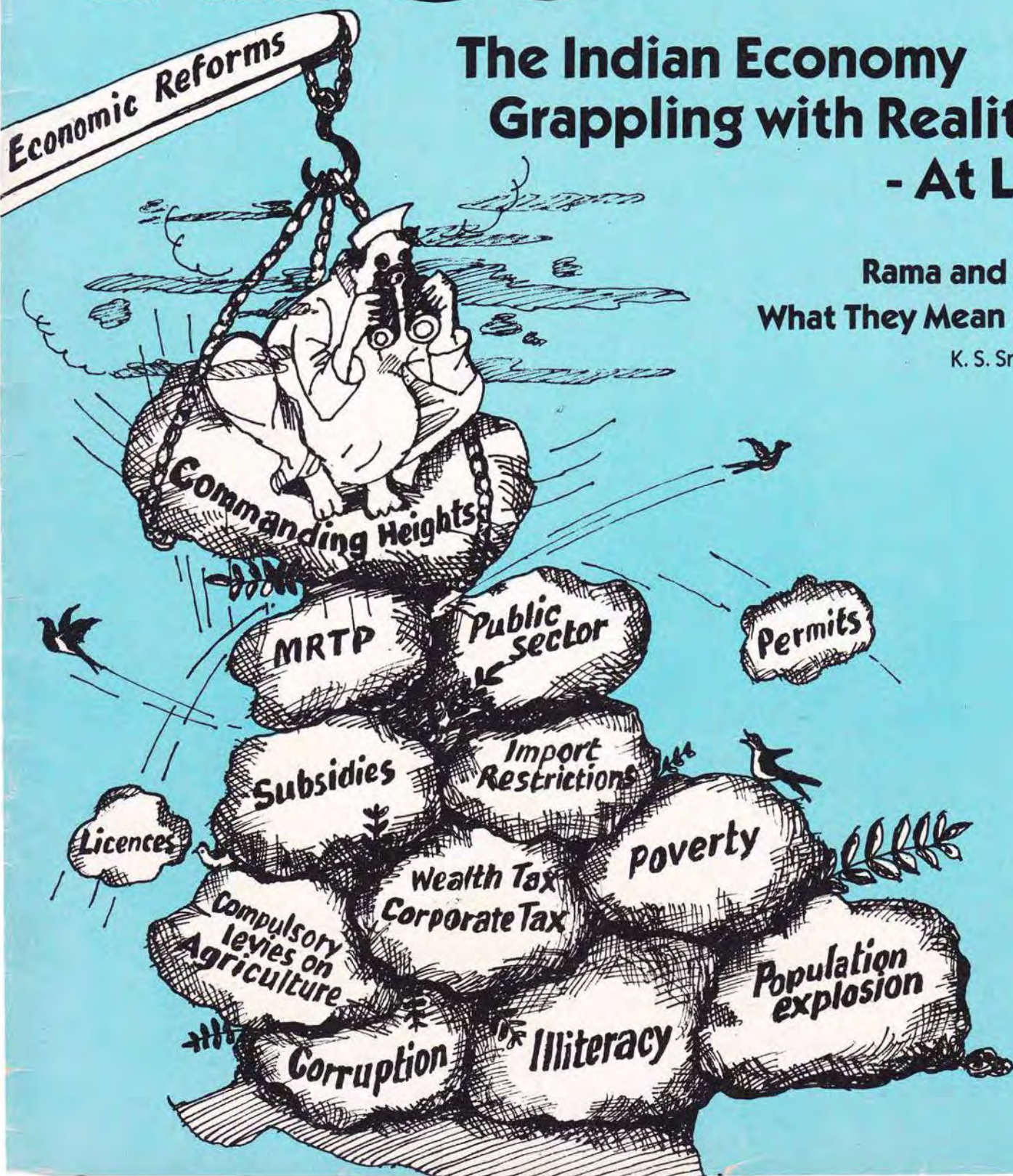
39th YEAR OF PUBLICATION

Economic Reforms

The Indian Economy Grappling with Realities - At Last

Rama and Sita :
What They Mean to Us

K. S. Srinivasan





Signature Campaign for a Free Tibet

Petition to the UN Secretary General

March 10, 1991 to March 10, 1992 is being observed as **The International Year of Tibet**. The Kashag Secretariat (Parliamentary Office) and the Office of Information and International Relations of the Tibetan Government-in-Exile have launched a worldwide **Signature Campaign** on the following petition to the U.N. Secretary General:

Friends of Tibet – Bombay appeals to all subscribers and readers of **Freedom First** to sign this appeal and mail to Mr. Tenpa C. Samkhar/Mr. Sonam N. Dagpo, Co-ordinators of the Signature Campaign, Office of Information and International Relations, Central Tibetan Secretariat, Gangchen Kyishong Dharmashala, Himachal Pradesh – 176 215.

We, the undersigned citizens of the world, address this plea to the Secretary General of the United Nations on behalf of the six million captive Tibetans, who are prevented from expressing their feelings.

Following the brutal crushing of the national uprising against the Chinese occupation in March 1959, the United Nations General Assembly passed three resolutions (Resolutions 1353 (XIV) of 1959, 1723 (XVI) of 1961, and 2079 (XX) of 1965) calling on China to respect the fundamental human rights of the Tibetan people, including their right to self-determination.

Today the situation in Tibet is as grave as it was at the time those resolutions were passed. The very survival of the distinct cultural, religious and national identity of the Tibetan people is being threatened. Yet the United Nations has taken no steps to implement these General Assembly resolutions. We would therefore like to make the following appeal:

- 1) We call on the Secretary General to immediately initiate an independent study of the Tibetan question in order to seek an early peaceful resolution.
- 2) Whereas Tibet today has no representation at the United Nations, we call on the Secretary General to use his good offices to ensure the granting of observer status to the Tibetan Government-in-Exile.
- 3) In recognition of His Holiness the Dalai Lama's great contribution and continuing efforts to promote world peace, human understanding and to further freedom and human dignity through non-violence, we urge that an invitation be extended to the 1989 Nobel Peace Prize Laureate to share his views on world peace and other global issues with the United Nations.

Name:

Address:

Signature

Freedom First

A Quarterly of Liberal Ideas

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BETWEEN OURSELVES...

We continue our focus on the economy. At no time in the history of post-Independent India have more exciting developments been taking place than in these last few months. The reversal of policies and the return to commonsense may be the result of compulsion rather than conviction. Whatever the reason, the new policies need to be supported.

This ought to be the one and only item on the agenda of India's rulers, to the exclusion of all else. There are of course distractions galore – the separatist movements in the north and north-east; the Mandir-Masjid and Mandal conflicts, the activities of Naxalites in Andhra. But these movements are fed by economic discontent. A better fed, better housed and better clothed people will be less inclined to fall victim to such agitations which are fanned by politicians in their pursuit of power.

We bring to you a report of the proceedings, of what we hope will be the first of many discussions on the economy and related issues that the Freedom First Foundation intends to organise.

In the context of the silly Mandir movement, we bring you an article by an eminent scholar on what Rama and Sita should mean to us. Rama and Sita reside within each of us and not in stone, brass or bronze. Let's leave that to politicians, dead or living, who will get their come-uppance in course of time – witness what's happening to statues of leaders long since dead in Eastern Europe and the Soviet Union.

We begin a new column "Reflections Serious and Facetious" by Mrs. Louella Lobo Prabhu whose enthusiasm for freedom and *Freedom First* is irrepressible. We are sure readers will enjoy reading her comments on men and matters.

Once again this issue has been delayed. We do sincerely apologise. The circumstances were truly beyond our control.

m46

Editors.

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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

So, let us go back to Marx and Lenin. They were liberals.
R. K. Karanjia, *MID-DAY*, September 1

Kidnapping people is wrong. So is paying ransom to get them back, because by paying ransom governments encourage kidnappers to kidnap again.
The Economist, August 17

Privatisation is a dirty word in the corridors of the information and broadcasting ministry.
Rashmi Saksena, *The Week*, August 18

Equality before law. Ask any parliamentarian, any judge. All of them would tell you we are equal. True. We equally pay for the inequality.
TVR Shenoy, *The Week*, September 8

They (the government of India) call us terrorists but look who their MPs are? There are people sitting in the Lok Sabha with murder charges against them. They are the criminals, not us.

Altaf Ahmed, 'Commander-in-Chief (Kashmir) Students Liberation Front, *Indian Express*, October 6

... if there is one word that these days touches my rawest nerve, it is the word austerity, especially when I hear it from a politician or bureaucrat.
Tavleen Singh, *Indian Express*, August 4

Show me ten villages with common wells for Dalits and other castes and I will give up my fight for caste-based reservations in colleges and schools.
Dr. A. Seepan, President of the Tamil Nadu Unit of the Republican Party, *The Times of India*, September 15

There is nothing wrong with communism in so far as the science is concerned. The science of Marxism-Lennism is valid even today.
The Economic Times, September 17

Left is Right and Right is wrong,
Red is dead and life's a song..
Tra-la, tra-la...

Rajinder Puri, *Indian Express*, September 22

Are we Tibetans any less entitled to our own country than the Kuwaitis? Are we any less justified than the Baltic States in their efforts to break the colonialism that binds them to the Soviet Union?

The Dalai Lama, *The Wall Street Journal*, April 3

If anyone says the public or the private sector is a holy cow, then the days of holy cows are over.
Prime Minister Mr. P. V. Narasimha Rao,
The Times of India, August 11

We do stand by Indo-Soviet friendship, but surely that doesn't mean we have to give jobs to everyone in Calcutta?

Mr. S. Astafier, Soviet Consulate in Calcutta,
The Sunday Observer, July 28

... I must say that Sita in the jungle was better guarded by Jatayu than diplomats are in Delhi.
TVR Shenoy, *The Week*, October 20

If you want to steal, steal a little cleverly, in a nice way. If you steal so much as to become rich overnight, you will be caught.
Zairian dictator Mobutu Sesa Seko, *Newsweek*

If you are going to evolve a national policy about kidnapping it only means you are accepting kidnapping as a way of life.
K. Doraiswamy, *Aside*, October 31

The Arabs say I am the only Western author who is still moral.
Barbara Cartland, *The Times of India*, July 28

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



Aung San Suu Kyi

Freedom First salutes Ms. Aung San Suu Kyi on being awarded the Nobel Prize for Peace. No one deserved this prize more than this courageous lady. Readers will recall the article we published in the last issue (Burma - A Country in Prison, *Freedom First* July-September 1991) in the course of which the writer Ms. Shirin Panthaki reported that Ms. Suu Kyi had been awarded the Sakharov Prize for Freedom.



Aung San Suu Kyi

No one (other than the military junta who have imprisoned her) know where she is let alone the question whether she is at all aware of the Nobel Award.

Her father Gen. Aung San and his colleagues who led the Burmese Freedom struggle were assassinated in one fell sweep. U Nu the gentle, democratically elected Prime Minister was ousted in a military coup in 1962 and since then this unfortunate neighbour has

been under the heel of a vicious military dictatorship. The people's urge for freedom opened up the prospects of a return to democracy. Ms Suu Kyi returned from the safety of Britain to join the movement to lead her country back to democracy. The military after an apparent willingness to go back to their barracks, turned on her and her National League for Democracy when their (the military's) nominees were routed at the polls.

It is a matter for shame or should we say the Government of India has been true to form, in conniving with the dictatorship in suppressing news about Burma.

We pray that the Nobel Peace Prize will prod the world's conscience in general and the West's (including the USA) in particular to stop dealing with the usurpers in Rangoon. If South Africa was compelled to abandon apartheid through world pressure, why not Burma? We owe it to them and to Ms. Aung San Suu Kyi.

RS

Seshan is No Mere Shastri!

Readers will remember Shri T.N. Seshan storming in and out of Bombay recently in a fit of anger at the discourtesy shown to him. One version is that none of suitable rank met him at the airport, though one learns that there was a posse of bureaucrats.

It appears that the offending, absent gentleman did apologize profusely but to little avail. Another version is that the Chief Election Commissioner did not find the Oberoi suite reserved for him measuring upto his standard. It might well be - but we live in an indigent

country and the very thought of someone lodging in a five star hotel at public expense when he could equally be comfortable at a more modest place is not something that sets high ideals for the younger generation to emulate.

Generally bureaucrats tend to be touchy about small things. I well remember spending some time in the India International lawns in the august presence of C.D. Deshmukh. By then he had retired as Chairman of the UGC and had had innings both administrative and political. Tea was served which we imbibed and found good enough for our plebian taste. But CD turned his cup away complaining that it was too tepid; a second cup was brought which too was sent off. I had heard CD giving his set of magnificent lectures in the University of Bombay and I had heard him elsewhere. But all these have vanished from my memory except the petulant Chintaman turning away cups of tea and the bearers scampering away like frightened rabbits.

Decades ago, one remembers reading of a touching incident. A union minister got down from the Bombay Central railway station with a piece of luggage and looked around. Finding none to receive him he walked out and was trying to negotiate for a taxi cab and trying to give the taxi driver indications of where he wished to go which the driver found difficult to follow. There burst up on the scene two or three worried man suited and booted. Obviously they had missed the minister a tiny sparrow of a man. For he was Lal Bahadur Shastri, who took these in his stride. But of course Seshan is no mere Shastri - he is the Chief Election Commissioner.

RS

Freedom First Honours the Memory of

Giovanni Malagodi

Senator Giovanni Malagodi, Leader of the Italian Liberal Party (PLI); President Liberal International for 18 years ('58-66 and '78-88) and Senator from Milan, passed away, on April 17 this year.

An outstanding spokesman for Liberalism, Senator Malagodi was a "great cosmopolitan in the true sense of the word". A thinker in politics (not a normal phenomenon) he was largely responsible for the 'Liberal Appeal of 1981'.



Paying his tribute to Senator Malagodi, Adolfo Suarez, former Prime Minister of Spain, and current President of the Liberal International observed that the 'Liberal Appeal' "liberated the Liberal International from its eurocentric character, opened it to the world at large and defined basic liberal values and concepts within parameters that are valid for the economic, cultural and social conditions prevailing in the third world."

R.V. Murthy

Economist, Educationist, Financial Journalist, Writer and Political activist, Mr. R.V. Murthy, passed away in Bangalore.

Mr. R.V. Murthy was editor of **Commerce** and later resident representative of the **Eastern Economist**. He was a founder member of the **Swatantra Party** and was closely associated with the party's policy making bodies. He served on the Regional executive of the Party for a number of years. He was a Founder-trustee of the **Rajaji Foundation** established to propagate Rajaji's ideals.



Mr. R.V. Murthy was an unassuming, transparently honest man easily accessible to all who sought his guidance.

Ramnath Goenka

Mr. Ramnath Goenka, the doyen of Indian journalism and Founder-Chairman of the Indian Express Group of Publications finally surrendered his life on October 5.

Mr. Ramnath Goenka was a courageous man. He had the courage of his conviction. His paper the **Indian Express** had been a thorn in Mrs Gandhi's flesh. Taking advantage of the bogus 'emergency' and the absence of Mr. Ramnath Goenka who was lying in coma in a Calcutta Hospital, Mrs. Gandhi got a Government stooge appointed on the Board of the **Indian Express**. Coming out of the coma and on being told of the attempt to control his paper, Mr. Goenka despite the risks involved both physical and political, simply dismissed the Board. Mrs. Gandhi's Government did not react. Lesser mortals might have been intimidated by Mrs. Gandhi's emergency powers. But not Mr. Goenka. This was the hallmark of his character – his total devotion to press freedom, even if, as has been pointed out, he could be quite arbitrary in his management style.



The Indian Economy

Grappling with Realities — At Last

This is a report based on the proceedings of a seminar organised by the Freedom First Foundation, in Bombay, on August 31, 1991

Since the late '80s, Statism has been in retreat everywhere; defeated, not by peoples' struggles for civil liberties but by economic reality. Statism had proved singularly incapable of feeding, clothing and housing its people. If this is true of the Soviet Union and East Europe, it is equally true of India. Even where Statism survives, it has had to jettison much of its economic baggage, as in China.

Qualitatively, Indian Statism or the 'socialist pattern of society' as it is referred to euphemistically, is different from the totalitarianism of erstwhile communism. Fortunately for India it had not practised what Galbraith called 'wholesale socialism' as in the Soviet Union. To this extent India had an advantage. It possessed the infrastructure for a market economy.

It is not anybody's case that there has been no growth these last forty and odd years. There has been, but only marginally. Growth in meaningful terms occurred only in the '80s—the period when some tentative groping towards liberisation started. Throughout the last decade the growth rate was, for the first time, between 5% and 5.5% per annum. Encouraging though this was it was not enough to sustain the Indian economy which was fast sliding towards bankruptcy.

Political uncertainties and unstable governments delayed the drastic corrective action desperately needed to arrest the fall.

In an almost parallel development the era of one-party dominance was coming to a close. Poetic justice perhaps for the dominant party which had reduced India to beggary.

The era of hung parliaments had begun. The Congress party, led for the first time since 1965 by a person not drawn from the Nehru family, took power as the single largest party but without a majority of its own. The much awaited reforms were pushed through almost overnight. The situation had become so desperate. Old shibboleths were forgotten and a new economic language begun to be spoken. Private enterprise was no longer the villain. It was looked upon as a saviour. Multinationals were no longer the whipping boys. They were actually being wooed.

Throughout the 39 years of its publication, *Freedom First* never lost an opportunity to warn its readers of the perils of Statism and the disaster that would befall the country if socialist planning was not abandoned in favour of a market economy. This journal therefore welcomes the new reform measures.

But what are the implications? The main problem of the Indian people is the problem of poverty. Will the new reform measures solve this problem?

Do we have a model to follow or a success story we could emulate. The well-being of society has to be judged by the well-being of individuals who make up that society. By this yardstick is Korea, for instance, where the per-capita income has leapfrogged in recent years our ideal? Has the quality of life of the average Korean improved commensurate with the increase in GNP and GDP? Or do we adapt the Danish model where 'socialist' concerns blend with the freedom of the individual?

Participants at the Freedom First Foundation Seminar on a New Politics for India, Bombay, August 31, 1991.

MR. ADAM ADIL, former Secretary, Bombay Pradesh Congress Committee • **Mr. M.M. BHORE**, Industrial Consultant • **DR. M.K. BHATTACHARJEE**, Techno-Economist • **MR. CORREIA AFONSO**, Management Consultant • **MR. C.S. DESHPANDE**, Economist • **MR. P.H. DOSHI**, Architect • **DR. LIONEL FERNANDES**, Lecturer in Politics, Bombay University • **MR. S.P. GODREJ**, Industrialist • **MR. AUROBINDO GUPTA**, Student of Communications • **PROF. V.B. KAMATH**, Freedom Fighter • **MR. YOGESH KAMDAR**, Civil Rights Activist • **MR. F.T. KHORAKIWALA**, Businessman • **MR. AZIZ MADNI**, Businessman • **MR. D.B. MEHTA**, Chartered Engineer • **MR. J.K. MUKHOPADYAY**, Economist • **COL. S.S. OBEROI (Retd.)**, Businessman • **MS. JEANNE PRASAD**, Journalist • **MR. VENKATESH RAGHAVAN**, Student of Communications • **MR. S.V. RAJU**, Editor, Freedom First • **MR. M.A. RANE**, Advocate and President, Indian Radical Humanist Association • **DR. V.S. SHETH**, Lecturer, Centre for East African Studies, Bombay University • **MR. RAHUL SINGH**, Journalist • **A. SOLOMON**, President, Indian Secular Society • **DR. R. SRINIVASAN**, Professor of Politics (Retd.) and Editor, Freedom First • **DR. USHA THAKKAR**, Head of the Department of Politics, SNDT Women's University • **DR. MANEESHA TIKEKAR**, Lecturer, SIES College, Bombay • **MR. AJAY VARADACHARY**, Journalist.

The Failure of Socialism

The objective of any good economic policy ought to be to improve the living standards of the people, decent enough to provide their basic needs and create opportunities for individual growth and development.

It needs to be realised that the word 'socialism' still has an appeal in India. No major political party has disavowed socialism --not even a discussion of its continued relevance. That it still has an appeal in poor countries is evident from the success of the communists in the recent general elections in Nepal.

The continuing currency of this word as symbolising justice to the 'have-nots', despite the fact that its former practitioners were so disenchanted with that word that they all but banned it from their lexicon, poses a dilemma for India's planners—the dilemma between growth and distributive justice. It took our planners 40 years and a bankrupt coffer to realise that you cannot distribute what you do not produce.

Growth vs Distributive Justice?

The growth model, however, calls for clear-cut, hard decisions. In the context of India's four-decades old soft-State culture and populist decision-making, taking a hard line is not going to be easy. But India has run out of options. There is only one way it can go and that is in the direction of a market-oriented economy.

The package of reforms announced by the new government is in effect a rejection of Nehruvian socialism with its emphasis on the state controlling the 'commanding heights of the economy'.

This also means that equality will be viewed in terms of individual equality and not group equality. In other words an end to protective discrimination — the hallmark of socialism. In fact demands for special privileges would be incompatible with an economy in which merit, efficiency and individual ability are the primary considerations.

How are resources to be created and allocated rationally and equitably. And who creates, allocates and distributes? Which agency is the best equipped to perform this function: The State or the Market?

There is a problem here. The State is an identifiable entity. The market is not. It is a notional term which connotes the total gamut of production and distribution. It is a multitude of agents and agencies often working at cross purposes.

It is broadly accepted that the Market or the private sector as it is better known in India, is by itself not a guarantee of efficiency. For it to function efficiently the first condition is that the Market must be allowed to operate freely without the State placing obstacles in its path.

That the Market is impersonal and unidentifiable is in itself an advantage. One of its most important qualities is its ability to send out signals on what to produce based on what is in demand. On correctly reading its signals will depend an entrepreneur's or a businessman's success or failure. In this, the Market is even handed because *who* you are or *what* you are is not material.

The private sector in India was never allowed to function freely. A myriad of regulations and restrictions, financial and infrastructural, prevented the Market's smooth operations. Ironically this fact benefited not the consumer but some types of industrialists who prospered at the expense of others particularly the weaker sections. It resulted in a situation which led Dr. Manmohan Singh, India's Finance Minister, to observe that where industrial units have become 'sick', the industry itself was prosperous.

The Public Sector Albatross

India's public sector undertakings (PSUs) have proved to be the undertakers of the economy! They have been propped up at the cost of the tax-payer and, by printing currency notes — a facility not available to the non-State sector entrepreneur.

About Rs. 465,000 crores have been invested in this PSUs (including non-industrial PSUs). The average annual rate of return has been around 1.5%. The loss has not merely been financial. It has also resulted in a loss of the work ethic. Look at the nationalised banks — well paid employees doing little or no work. Or the steel industry in the public sector. With a labour force of 35,000 they produce less steel than Korea with a work force of around 8,000.

SERVING THE CORE SECTORS OF INDIAN ECONOMY

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India can no longer afford these huge white elephants. They have either to be sold off to the public — assuming there are takers — or closed down. But what about the 300,000 odd employees employed by them? In the first place PSU employees unions have already given notice that they are opposed to privatisation and will resist any attempts to close down loss making units.

Assuming that the Government of India does not cave in to the trade unions, it will have to either re-deploy this huge army of drones or retrench a large number. Let us assume a third of the 300,000 have to be retrenched. They will have to be paid a compensation of Rs. 200,000 each (roughly equal to 5 years' salary on an average). The total compensation payable (even if spread over a 3 to 5

year period) works out to a staggering sum of Rs. 20,000 crores. Where is the government going to find that kind of money?

Perhaps the Central and the State governments can take a lesson from what Mrs. Thatcher did when she privatised British Steel and British Telecom. Employees who were laid off were given a 'Golden handshake' as well as stockholding in these enterprises at rates much lower than that offered to the general public.

Government laws on retrenchment are very severe. Hence the phenomenon of one sick unit after another being taken over by the government. Why can't these PSUs be handed over to the employees who can be made owners. Who knows, they may

even turn some of them around as they would have a stake in the profitability of the enterprise! Alternatively, with the help of private industry this vast army of labour could be put through retraining in skills that are in demand or used in State activities in infrastructural development.

The economic reforms package will remain a nonstarter if the PSUs continue to drain the resources of the State. Of all the decisions, this one on what to do with the employees is perhaps the most difficult. Not suprisingly therefore no political party has had the courage to deal with this problem squarely.

Then there is wasteful government expenditure in a number of other areas. The army of government servants has

Privatise — But Wisely

The following is a brief summary from the monograph *Public Sector: Privatise — But Wisely* by Mr. H. D. Shourie of Common Cause*.

- Government is too much with us. We must get it off our backs. We want less government. We can also do without most of the present breed of politicians.
- Public Sector in India has become a halter round the neck of the economy. It now symbolises inefficiency, wastage of resources, lack of productivity, mounting losses. It has become the hot-bed of nepotism and patronage, creeping corruption, huge deficits for the exchequer, a virtual employment agency, a stumbling block to progress.
- In original concept public sector served important purpose, of development of the core sector and meeting requirements of infrastructural expansion, where private sector could not. The country has since made great progress, in technology, resource utilisation, diversification, trained manpower. The "commanding heights", then conceived for the public sector, have now become "commanding depths".
- Proliferation of public sector has reached high; total of 1150 enterprises, 248 of the centre and about 900 in the states. Only 10 out of these 1150 are yielding real profits, of the level recognisable; 30 others give very low profits; others of the central enterprises are implicit losses, clear loss-makers, sick units; of the states most are serious burden on the exchequer. Proliferation has gone to such lengths that public sector has involved itself in bakeries, breweries, tanneries, tourist resorts, hotels, duty free shops, various sorts of emporia, children amusement parks.
- Investment in public sector aggregates over Rs. 300,000 crores; of this over Rs. 100,000 crores by the centre, about Rs. 50,000 crores by the states, and enormous annual outlays and subventions. Losses have mounted to over Rs. 10,000 crores, by the central enterprises, and half this enormous figure by the enterprises of states. Over-employment is writ large on all; employment is of 22 lakhs in the central enterprises. The average annual per capita wage bill in the central enterprises is Rs. 40,000. These figures are exclusive of the investments and employment in the undertakings operating as government departments, such as railways, posts, irrigation, construction.
- Present methods of exercising accountability have sapped all initiatives and innovations of these enterprises. Their managements are shackled, made totally subservient to the government machinery and the politicians, rendered ineffective by government circulars and directives. Top managements depend on the whimsicalities and prejudices of the politicians. They inevitably yield to the demands of nepotism, misdirection of resources, and corrupt practices.
- Winds of change of the public sector have fast swept over all continents and numerous countries. Privatisation has caught the imagination elsewhere. It has transformed the economies of developed as well as developing countries. It has set the patterns of new developments, of peoplsation, deregulation, denationalisation. Socialism of the past decades is now fading out everywhere, yielding place to pragmatism, for economic transformation.
- Privatisation in India is coming. It is inevitable. People have to ensure that it takes appropriate course, for yielding maximum benefits to the country, for attaining public ends and public goals. There can be no set formula for privatisation. For each enterprise the requirements will need to be determined in the light of its level of efficiency, its field of competition, its social obligations, for exploring all possibilities, of improvement, or divestiture, or ownership transfer, or closure and liquidation, keeping in view the problems of employees and best alternative utilisation of resources.
- Private sector in the country has attained outstanding heights, in all sectors. But its image is not unsullied. It is replete with instances of irresponsibility, greed, misadventure, corruption. It has to exert to improve its image. People will not allow transformation from monopoly of the public sector to monopoly of the private sector.
- During the process of privatisation people have to ensure that politicians as well as bureaucrats do not take this opportunity for self-serving, corruption and misutilisation of resources. There are already indications of these processes creeping in. People will have to exercise intensive vigilance, expediting the process of privatisation on selective basis and safeguarding against such abuses. Panels of experts and professionals will need to be established for ensuring that correct and appropriate decisions are taken in relation to individual enterprises.

* For copies please write to: Mr. H. D. Shourie, 'Common Cause', C-381 Defence Colony, New Delhi 110 024.

grown in astronomical proportions. Even the governments at the Centre and the States would not be able to list the hundreds of departments, committees, commissions and corporations that they have spawned in these 40 years. They need to be identified and the numbers drastically curtailed. There are easily identifiable areas where expenditure can be cut down without the slightest effect on the administration. For instances ministers and officials can travel less within the country and abroad. Useless protocol can be dispensed with. Where is the need for the entire Cabinet to line up at the tarmac each time the Prime Minister goes abroad even if it be on an overnight visit to a neighbouring nation and troop again to the airport to receive him on his return. Just imagine the amount of petrol alone that will be saved. We can cut down on cultural festivals and other extravaganzas and drastically reduce subsidies of every kind.

Foreign Equity Participation

The Government of India's attitude to foreign equity participation has

undergone a sea of change. From a closed door, followed by a partially closed one, the policy today not only to keep both doors wide open but to actively promote the entry of multinationals into India is a revolutionary change.

Necessary as this policy is we need to be aware of problems that come with this policy. By inviting foreign capital are we prepared to accept new patterns of consumption, new attitudes and new cultural values. In this context it would be worth recalling the experience of Latin America even while examining the experiences of West Europe, Korea and Singapore.

International capital controls both science and technology. The political culture of those who control science and technology has been an acquisitive or dominating culture. When we invite them into this country to overcome our economic difficulties we should be aware that they bring with them cultural values alien to our society which, historically speaking has neither been dominating nor acquisitive.

The Risks of an Abrupt 'U' Turn

In a society like ours an abrupt 'U' turn is neither easy nor desirable. It has necessarily to be gradual. It must be remembered that the reversal of policies has not been out of conviction but compulsion. We were bankrupt and were on the verge of defaulting on our debt repayments. Like bankers everywhere, the IMF and the World Bank wanted to ensure the security of their money before giving more. The Government of India had little choice but to accept IMF conditions the main thrust of which was: stop meddling in trade and industry. It is the business of the State to govern, not to engage itself in business. The IMF wanted concrete action before it parted with its cash. Hence the breathtaking speed with which 40 years of statist policy was abandoned -at least on paper and in official pronouncements.

Whatever the reasons, assuming even half the reform measures already announced are implemented there could be a cascading force which will take all others along with it, leading, in the process, to a reduction in the role of

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the State in business and the emergence of genuine competition leading to efficiency.

Change Needed in Our Thinking

Economic policy cannot be divorced from the complexities of a polity. A number of extraneous factors could make or mar even the most sensible and rational economic policy. Therefore changes in our economic thinking need to be accompanied by a change in the outlook of our people.

So far as the attitude of the large majority of the Indian people has been to look up to the State for everything. This has to be replaced by an attitude of individual self-reliance. This in turn calls for a greater stress on education. This has to be not only in the 3Rs but in 4Rs

- Reading, Writing 'Rithmetic and Reasoning. Without the last, even the best of policies will not be understood or accepted.

The Counterfeit Capitalists

There is also need to educate ourselves on the real nature of our so-called "intellectuals" and 'leaders'. The issue whether to opt for capitalism or socialism is being debated by counterfeits on both sides rather than by people who have an open mind. Mr. Minoo Masani has often said that though he is for capitalism he has a very poor view of Indian capitalists who, with rare exceptions, are crooks and freebooters. The so-called capitalists have fattened on the permit-l licence-quota raj and are naturally apprehensive of an open market and competition. Their's will be the voice of protest who will demand (as some are already demanding) the continuance of State protection to enable them to continue to palm off shoddy goods on the Indian consumer. They are not averse to bribing officials manning statutory quality control institutions like the ISI, in their pursuit of the fast buck. They are the manipulators who manipulate ministers and bureaucrats for personal gains eg. in matters like import duties or exise duties.

The Counterfeit Socialists

On the other side are the so-called 'socialists' who parade themselves as

the 'champions of the working class'. They want a 'freeze' on everything. These same 'socialist' union leaders, it may be recalled were vociferous in protesting against bank nationalisation in 1971. Now that they have tasted blood (drawing high salaries for doing little or no work and not answerable to anyone) they are against de-nationalisation. Have they ever had even a tiny prick of conscience treating bank customers as dirt; have they ever talked about bonded labour, child labour or unequal wages for women? Let alone speaking out against children they actually turn a blind eye to the children employed in the canteens of enterprises where their unions are strong. There is the instance of a union leader in the LIC who beat up a boy for accidentally spilling tea on the 'leader's' papers.

As for our 'intellectuals' the less said the better. They loudly protested the filming of Lapierre's 'City of Joy' (conniving with the goons in physically disrupting the shooting) as if Lapierre's was responsible for the poverty of Calcutta! He was merely depicting reality. Of all the different unsavoury types that infest India's public life, these 'intellectuals' are perhaps the worst.

It is not at all unlikely that there will be an unholy ganging up of these bogus capitalists, socialists and intellectuals to obstruct the implementation of the economic reform measures.

The Distraction of Non-Issues

Then there are the non-issues. The Masjid - Mandir conflict; the slogan of 'Hindutva' on the one side and the Islamic fundamentalists on the other. The Kashmir, Punjab and Assam secessionist movements are a direct consequence of excessive Delhi rule and years of misgovernment. These are grist to the politician's mill and none from this tribe worth their salt would want these problems resolved. On their continuing to boil de Indian politician's continued survival. On their agenda therefore economic reforms are a distraction!

In these circumstances what chance have the reforms to succeed? For, succeed they must.

Reforms Internally Consistent

For the first time we have been offered a package of reforms that are internally consistent: devaluation, trade liberalisation, a new industrial policy and a reform-oriented budget.

You cannot have devaluation without liberalisation; you cannot liberalise trade unless you liberalise industry to a considerable extent and unless you invite foreign capital. India's immediate worry is the balance of payments problem which needs a reduction in imports and a tremendous increase in exports. To be able to export, our goods need to meet stringent world standards. Hence the need for foreign technology. Hence the need for multinationals.

The Finance Minister has rightly warned that things may get worse before they get better. He has taken some hard decisions which will be painful in the short run. But if we want to compete internationally we must be prepared to fall so as to get up and run again.

There is No Free Lunch

The second message that has come out loud and clear is that subsidies and sops are out; hardwork and competing for success are in. If this philosophy sinks into our psyche that by itself would be a great achievement — that there is no free lunch.

We are constantly being told by those piloting the reforms that we should not look at the past and indulge in the 'futile' pastime of identifying who was responsible for the mistaken policies that have led us to near economic chaos. This is not good advice. We need to review past policies not with a view to apportioning blame on any individual but to learn from past mistakes. There is also the excuse trotted out that the policies of socialism particularly the concept of the 'commanding heights' and State control of the economy were necessary and dictated by circumstances then ing. Were they?

Restoring Priority to Agriculture

Towards the end of the second world war Britain, bled white by the war, emerged with a staggering debt burden. India on the other hand, had at the time of Independence a huge

sterling balance at its disposal. Indian economists then came up with a plan advocating protection for Indian industry particularly the capital goods industry and certain core industries like power and steel. Industrialists close to Gandhi and Nehru reaped rich dividends as a result of this policy of protectionism. They, with Nehru, subscribed to gigantism. In the process agriculture was relegated to a low priority.

Learning from Past Mistakes

There are those who believe that had Nehru been alive today he would not have hesitated to change his policies. In a recent article Mr. J.R.D. Tata observed that Nehru was an enlightened person and had he been alive he would have welcomed the recent changes. Others are of the view that Nehru's policies were tightened up by his successors beyond what he had in mind. They are of the view that instead of condemning the Nehruvian model there is need to study both models (distributive justice and growth) and then define the role of the State in the context of liberalisation.



No, sir. This is neither a flood-hit nor drought-hit area. Only the area is hit by a bad government!

COURTESY : R.K. Laxman, *The Times of India*

The market economy model is not anti-welfare or anti-social justice. In fact it is the opposite. The former Indian ambassador to the United States, Mr. M.C. Chagla once observed that the United States was more socialist than India.

Under the socialist dispensation constitutional provisions to ensure social justice were flagrantly violated as for example the employment of

children employed in the glass factories in Moradabad in Uttar Pradesh, or those literally playing with fire in the match and firecracker factories of Sivakasi in Tamil Nadu. A State freed from having to run business and industry would be able to attend to the enforcement of such laws as the Prevention of Child Labour Act.

Most western nations survived the onslaught of socialism because of the primacy they gave to welfare and social security. Under the new dispensation India can do no better. While Business and Industry through their interaction within India and globally build the nation's wealth, the State in India can rebuild the nation's health by giving its undivided attention to the following priority areas:

- Removal of illiteracy
- Control of population
- Basic health care
- Protection of the environment

A heavy agenda indeed by any standards.

S.V. Raju

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India – The Tiger Caged (Part II)

In the last issue of *Freedom First*, we had published extensive extracts from *The Economist's* 'Survey of India' (May 4, 1991). The comprehensive survey written in easy to understand English needs to be read by as many Indians as possible – particularly those being misguided by vested interests into opposing Dr. Manmohan Singh's reforms. The vested interests oppose the freeing of the economy for they will no longer have the protection of the state to keep their sinecures and continue making a fast buck at the expense of the people of India.

While the reformists need our full support, we are unable to appreciate their plea that no purpose will be served discussing the past four decades. We must know what went wrong and why – to avoid such mistakes. Hence we at *Freedom First* decided we should share with you the rest of the 'Survey of India'. The first part discussed the 'cage' in general. The second dissects the nature of the cage and what needs to be done to enable the Indian tiger spring the cage.

Plain tales of the licence raj

India has one of the most protected domestic economies in the world. The guiding principle has been to allow imports only when necessary. Bureaucrats make that judgment largely case-by-case.

✱

To stem the flood of imports that this regime might otherwise allow, the system has been bolstered in several other ways. Imports can be brought in only by an "actual user"; in other words, intermediaries are banned. As part of the domestic capacity-licensing scheme, firms can be obliged to sign up for a "phased manufacturing programme": they are allowed to expand their factories, but only if they promise to reduce the import content of the goods they produce. An entirely separate set of procedures is used to monitor imports slated for reduction under these programmes. Then there are 16 "canalising agencies", government bodies that are granted a monopoly of certain imports: oil, steel, rubber, newsprint and so on. Finally, to be on the safe side, there are tariffs – which are the highest in the world.

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To complete India's isolation from the world economy, the government has discouraged inward flows of know-how and capital. Despite some recent liberalisation, there are limits on the fees that Indian producers can pay for the use or purchase of foreign technology; technology imports may be banned if the import content of the production process is deemed too high. The Foreign Exchange Regulation Act of 1973 keeps a tight control on inward investment. Most foreign companies have been obliged to reduce their equity holdings to a maximum of 40%. The others are more tightly regulated than equivalent Indian firms.

This regime – nothing if not thorough – has succeeded in keeping India's ratio of

imports of GDP lower than that of any other country in Asia. What is often not understood, however, is that an anti-import system is also an anti-export system. This is partly, thought not primarily, because protection makes imported inputs dearer and undermines the competitiveness of would-be exporters. The bigger reason is that selling in the home market, where import barriers have driven prices much higher than international prices, is sure to be more lucrative than exporting. Goods that would have to be sold at a loss on the world market can be shifted profitably in the domestic market. In effect, protection is a subsidy to those who sell at home and, equivalently, a tax on those who sell abroad.

Not forgetting exports

In recent years, without overcoming its hatred of imports, the government has come to believe that exports are a good thing. The slight easing of import rules itself helped to promote foreign sales. But the government went further, and introduced a range of policies designed to spur exports more directly. Its redoubled efforts to neutralise the anti-export bias caused by trade protection have created probably the most complicated export-promoting system in the world.

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These reforms have helped. In the late 1980s India had something of an export boom: its foreign sales of manufactures went up by an average of 12.8% a year, compared with zero in the early part of the decade. That was growth from a low base. At 4%, India's export-to-GDP ratio is still the lowest in Asia. Also, exports boomed worldwide in the late 1980s, and many Asian countries increased their exports faster than India: Malaysia by 13.8% a year, Indonesia by 17.2%, Thailand by 27.8%. Nonetheless, India has had a taste of success as an exporter.

The great difficulty with the reforms, however, is the context that made them necessary: they have to work alongside an

extremely repressive import regime. In trying to relieve exporters of the burden of that regime – for instance, by giving some of them access to duty-free imported materials – the government has created opportunities and incentives for evading its import controls. Every concession to exporters has to be sealed in thickets of rules and inspections to stop the benefit leaking in unintended directions. The massive complexity of the schemes, the delays, the time and money needed to deal with the bureaucracy – all detract from the help exporters might otherwise receive.

The cost of separating India from the global economy has been high. Producers have been shielded from competition and left free of any pressure to control cost or innovate. Protected markets have allowed workers in the large companies to demand, and receive, higher wages. That together with plentiful supplies of subsidised credit, has caused many firms to replace labour with machines.

The role that protection by itself has played in this skewing of Indian growth is striking. If you divide the country's manufacturing industries into those that receive most protection and those that receive least, you find that in the protected parts the average wage is 70% higher and the amount of capital per worker is greater by a factor of five. Protection has driven India, of all countries, to a capital-intensive pattern of growth.

Public-sector enterprises have reinforced that trend. By nationalising much of India's heavy industry and utilities, the economy's "commanding heights", the government was able to give them first call on tax revenues and to support them in other ways. After nationalising the banks in 1969, the government found it easier to channel another flow of resources in their direction. All this added to the economy's tendency to favour capital over labour. It also added to costs throughout the economy, because the state-owned enterprises have been conspic-

uously badly run.

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Guidance for business

The inefficiencies caused by protection and badly run state enterprises are doubled and redoubled by the domestic regulatory system. This has no equal in the world. In many ways it puts Soviet central planning to shame. It is hardly a caricature to say that it forbids successful firms to grow, encourages them instead to become unsuccessful and, when they fail, forbids them to close.

Capacity licensing is the method the government has used to match production to planned demand. The idea was that India is too poor to waste anything; capital is scarce and must not be squandered on projects of little strategic value to the economy. Usually a licence is needed to set up a new plant or move an existing one, expand the capacity of an existing plant, or make a new product with existing plant. In the early 1980s the approval rate for licences was between 40% and 50%. The most common reason for rejection was "adequate capacity". Absurdly, many of the licences that were approved were not then used; companies had applied for them only to pre-empt expansion by other firms. The system tended to be tougher on requests to expand than on requests to build new plants, so it stopped successful firms growing and inhibited specialisation and economies of scale. For instance, in the nylon-filament yarn industry between 1962 and 1985, 11 firms set up 11 plants; they had an average capacity of between a quarter and a tenth of the international standard.

Larger companies in designated "core" industries also have to cope with an additional set of rules, as laid down in the Monopolies and Restrictive Trade Practices (MRTP) Act. The firms that come within its jurisdiction need an MRTP clearance before they can apply for an industrial licence. The rate of approval is about the same as for licences in general, but getting an MRTP clearance usually takes a lot longer – often, between two and three years.

The aim of this part of the regulatory system, as its name implies, is to prevent monopolies. The effect has been, if anything, the reverse. Needless to say, the MRTP does not apply to the public sector, where India's biggest and least efficient monopolies are to be found. Applied to the private sector, it works perversely. If an industry is already dominated by only one or two big firms, the MRTP rules stop other large firms from competing with them. The regulations, in effect, divide such industries into a series of protected monopolies, each with an assured share of the market. In machinery manufacturing for pulp and paper, earth-moving equipment, packaging, cement and printing, the four biggest firms accounted for more than 70% of the market in the mid-1980s. And the trend is towards further concentration. According to the

most recent figures, in more than half of India's industries this measure of monopoly power (the so-called four-firm concentration ratio) is between 80% and 100%. (In Japan, by contrast, market power is that concentrated in only one industry in ten.)

Recall that, to offset the anti-export bias of its trade policies, the government introduced specific incentives for exports. In the same way, to offset the anti-labour bias of its trade policy, the government has done all it can to promote small, labour-intensive companies. In the late 1970s the list of products reserved for small companies was increased from fewer than 100 to more than 800. "Small" is currently defined as having an investment in plant and equipment of less than 6m rupees (\$ 305,000). In 1989 there were roughly 1.7m such firms.

If you make a reserved product, you will not be granted a licence to grow beyond this size. If you stay small, you will get a variety of subsidies and permissions, including partial exemption from labour and other laws. The evidence on whether all this has promoted the use of labour is mixed: in fact, small firms are not necessarily more labour-intensive than big ones. But the policy has undoubtedly worked as another tax on growth.

In combination with the industrial-licensing regime it has given India the worst of both worlds: too many small and inefficient companies at the bottom, too many large and monopolistic ones at the top. If India were open to international trade, firms could be allowed to grow to an economically efficient size without the government needing to worry about lack of competition – foreign companies could be relied on to stop India's giants behaving like monopolists. But that course is ruled out, so India is obliged to endure its absurdly polarised industrial structure.

All firms, whatever their size, are encouraged to put themselves in "backward areas". Often, when the government has tried to liberalise its industrial regulations, it has done so by partially exempting firms in these poor regions. Other incentives include cheap credit, tax breaks and different types of subsidies. Regulated freight prices are equalised so that producers are not encouraged to be near their suppliers or customers. Despite these measures, costs tend to be higher in the backward areas. Unions, protected by stringent labour laws, keep wages high; and resistance to shedding jobs, should that prove necessary, is greater in areas where other employment is hard to find. One study found that the extra cost of locating in a backward area varied, depending on the project, between 10% and 110%.

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Having worked so hard to promote failure, it is as well to have a careful policy towards firms that go bust. India's policy is

not to allow it. At the end of 1987 there were 160,000 "sick units" – firms that were currently making losses and whose liabilities exceeded their assets. The choices for such firms are limited. Takeovers and mergers, even of small enterprises, are tightly controlled to ensure that they are in the "public interest". The simplest merger takes six months; others can easily drag on for three years. Firms covered by the MRTP rules are almost never allowed to merge. Assets sales are difficult, land sales (subject to zoning laws and the need for other permissions) often impossible. Permission is needed to sack workers, and is granted sparingly. Job security and compensation arrangements are subject to more than 100 separate regulations; "financial difficulty" is explicitly ruled out as a basis for applications to dismiss workers.

Many owners simply walk away, taking with them any movable assets, leaving the rest to decay and the employees to fend for themselves. But most sick firms are kept alive with subsidies, tax reliefs and credit extended by the state-owned banks. Nearly 20% of the outstanding loans of India's financial institutions are loans to sick enterprises. Sick-industry syndrome has given India a bad-debt problem that, when it eventually has to be acknowledged and dealt with, will rock the country's financial system to the foundations.

Rajiv the reformer

When Rajiv Gandhi came to power in 1984, he seemed to bring a new attitude. He promised to speed up the reforms that his mother had already begun to introduce. And he did not even apologise. "A poor country cannot afford to carry on billing the poorest people for its inefficiency and call itself socialist," he said. "It is ridiculous."

The most spectacular reform, implemented by Mr Gandhi's finance minister, Vishwanath Pratap Singh (who succeeded him as prime minister), was to cut income tax... Straight away there was less tax evasion, so the new, lower rate gathered 40% more revenue than the old.

Mr Gandhi also nibbled at the industrial-licensing system. He exempted some industries from the MRTP system and raised the investment threshold for others; made industrial licences a bit more flexible... made it easier for some firms to raise output; changed the definition of "small" industry; added greatly to the incentives for exporters; and so on. More important than any of this tinkering, he encouraged the bureaucracy to interpret its licensing duties much more flexibly than hitherto. The permissions machine speeded up noticeably. And the effects were visible – witness, in the late 1980s, the acceleration in industrial output and exports.

Nonetheless, the system remained substantially intact. In some ways, it actually

became more complicated, because almost every reform was hedged about with pages of rules to prevent "abuse". The folds of India's regulatory system overlap each other so luxuriously that extreme violence will be needed to expose even an inch of the economy to daylight. That simply did not happen. Mr Gandhi's reforms left the bureaucrats as much in charge as before.

Worse, the changes went in hand with an adventurousness in fiscal policy that was something new for India. Since the Nehru-Mahalanobis plan, India's microeconomic policies had been egregiously ill-managed. But, thanks mainly to a competent central bank and the country's instinctive hatred of inflation, India's macroeconomic policies had been successful, especially by third-world standards. Inflation stayed low, and India was not ensnared by foreign debt, as were so many other developing countries during the 1970s. Over the past ten years this has changed. The government borrowed more; the inflation rate moved into double figures; the trade deficit widened, domestic and foreign debt piled up. Last month, just before Japan agreed to provide an emergency injection of cash, outsiders' estimates of the import cover provided by the country's foreign-exchange reserves varied between several days and 20 minutes.

Conservatives blame this unaccustomed macroeconomic mess on the imprudent deregulation of the 1980s. The truth is that the microeconomic reforms were far too timid; unluckily, they happened to coincide with a loss of control over macroeconomic policy. The result is ominous: many Indians now see re-regulation as the cure for inflation and the trade deficit.

Errors of omission

If India's policies on trade and industry provide the starkest possible example of too much government, its policies towards farming and education show just as clearly the costs of neglect. Whereas in trade and industry, by and large, market forces by themselves would allocate resources to their best uses, in agriculture and education the market cannot work by itself. Adequate public infrastructure is crucial for success in farming; it is impossible for the rural poor, unaided, to invest as much in education as makes sense for the country as a whole. In both cases the government must step in. In both cases India's government has failed.

Farming, to be sure, suffers from too much intervention as well as too little. India's policies of industrial protection discriminate powerfully against agriculture. They raise the domestic price of manufactured goods relative to the price of farm output, and thereby reduce the purchasing power of farmers' incomes. The government understands this point, and has tried to offset the effects of industrial protection with subsidies

Despite the Central-government subsidy of 37 billion rupees (\$1.9 billion), twice what the government spent on subsidising food for the poorest, farmers had to pay between 10% and 25% more for the fertilisers than if they had been free to buy it from abroad.

for the things that farmers need to buy – notably fertiliser and electricity. Despite the impressive, indeed crippling, cost of these subsidies, studies by outsiders almost all conclude that farming is still, on balance, disprotected: that is, the government's policies, taken together, discriminate against it. Authoritative estimates of the foreign-exchange cost of this discrimination range as high as \$ 3 billion a year and more.

Since the heavy use of fertiliser is essential for achieving higher yields, one way to measure the price incentive that farmers have faced is to look at the ratio between the price of the crop and the price of fertiliser. The higher this ratio, the greater is the incentive to raise yields by using more fertiliser. In the case of rice, India's ratio of output-price to fertiliser-price was – despite those massive subsidies – just about the lowest in Asia in the 1970s. In South Korea, whose yields of rice were among the region's highest, the ratio was four times as large. And unsurprisingly, India's yields were the region's lowest. In the early 1980s farmers began to receive a better price for their crops, but India's ranking, both by incentives and by yields, improved only slightly.

By 1989 India's farmers were being paid more for their rice, and the ratio of output-price to fertiliser-price had increased again. By this time rice-farmers were getting \$ 112 a ton – but the price on world markets was \$ 320 a ton. Thanks to the subsidy, you might think, farmers paid less than the world-market price for their fertiliser. Actually, no. Despite the central-government subsidy of 37 billion rupees (\$1.9 billion), twice what the government spent on subsidising food for the poorest, farmers had to pay between 10% and 25% more for their fertiliser than if they had been free to buy it from abroad. The real beneficiaries of this taxpayer-financed generosity have been India's manufacturers of fertiliser, who are so inefficient that their massively subsidised product is still a lot dearer than on world markets.

All this is bad enough, but even more dis-

turbing for the future of Indian farming is the growing neglect of agricultural infrastructure. Many studies suggest that investment in irrigation, especially, is a more powerful determinant of the use of fertiliser and hence of yields than relative prices. But in recent years all forms of investment in agriculture have been squeezed by ever greater spending on subsidies and other current expenditure.

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India's rural areas also badly need more and better roads. Investment has not kept pace with demand. Passenger and goods traffic has increased more than thirtyfold since independence; road length has gone up only fivefold. Roads throughout India are over-crowded, and many thousands of villages lack an all-weather road altogether. The government has declared its aim of connecting every village of more than 500 people to an all-weather road by 2000. It is only half-way there, and progress (both towards the goal and along the roads) is slow.

Without decent roads, agricultural development is held back. Each isolated village becomes, in effect, a separate market. If farmers in such villages switch to high-yielding varieties, they risk driving down the local price, leaving themselves with a smaller reward for their pains. With good roads, this disincentive would disappear. India's regions which differ greatly in climate and soils, would be brought together in a larger and more efficient domestic market. They would find it easier to specialise in the crops most suited to them. Nationally, there would be a switch towards cash crops, and especially towards higher value-added crops such as fruits, which spoil quickly.

Capital investment in irrigation and road-building has been displaced by overspending on subsidies, many of which fail to reach their intended recipients, and by mis-managed current-spending programmes, much of whose cash is lost, stolen or otherwise wasted. The fertiliser subsidy is perhaps the clearest example of waste and misdirection, but there are many others. For instance, the public distribution system, which is intended to sell subsidised food to the poorest, generally does not. Most of its outlets are in towns; the poorest states, such as Bihar and Madhya Pradesh, have few outlets and receive a disproportionately small share of supplies. The system's "leakages" are notorious.

Another example: charges for the people who benefit from services such as irrigation are far too low. In many states water charges fail to cover even the cost of maintaining installations; and electricity, for many users, is free. Almost by definition, users of such services are not among the poorest. Higher charges would not only make money available for more rural investment, but would

also encourage consumers to use water and power less profligately.

Back to school

The aspect of social infrastructure that probably matters most for the poor is education, and above all primary education. Countless studies have shown that public spending on primary education yields exceptionally high economic returns. India's achievements in improving literacy and primary school enrolment are unimpressive. The main reason is not hard to find: too little has been spent. In the 1970s central and state spending on education was 2.5% of GNP or less. By 1987 the ratio had improved to 3% of GNP, equivalent to roughly \$ 10 a head. This was still far below the shares of GNP spent in many other Asian countries. Thailand, for instance, spent 4.2% of GNP (or \$ 34 a head) on education; Malaysia, 8.5% (\$ 156 a head).

India's inadequate sums appear, moreover, to have been badly spent. Taking central and state spending together, India devotes a bigger share of its education budget than most developing countries to secondary and (especially) higher education. The number of secondary schools has grown more rapidly than the number of elementary (i.e., primary and middle) schools ever since independence, and the gap widened in the 1980s. On some estimates, India's government spends more on higher education than on primary education – though the economic returns are far lower and most of the people who receive higher education are sufficiently well-off to pay their costs. The education budget is skewed in another way. Spending is least in the poorest states. In 1987 public spending on education per person in Bihar was 60% of the national average, in Madhya Pradesh it was 76% and in Uttar Pradesh it was 69%; in prosperous Punjab it was 133% of the average.

Public spending on health follows the same general pattern. Compared with other developing countries, India spends little overall, not just in absolute terms but also in relation to national income and total public spending. Within that small allocation, too much is spent on expensive curative medicine and urban hospitals and too little on preventive medicine, clean water and sanitation. Public spending on health tends to be high in rich states and low in poor ones. India's slow progress in reducing child mortality is no more puzzling than its failure in education.

But perhaps the most fundamental element in any society's infrastructure, the part without which civil and economic life begins to break down, is the rule of law. Here, at least, India's government deserves some sympathy in the task it faces. In such a vast, poor and over-crowded country, divided by caste and religious loyalties, maintaining

public order is immensely difficult. But gradually over the past four decades the government has made this primary duty infinitely harder to discharge – first, by burdening itself with an insupportable load of responsibilities, and, more important, by doing it in such a way that it has undermined its own authority, its very legitimacy. At the core of Indian governance there is a vacuum.

Body politic

The politicians of India could have stifled growth and entrenched their country's poverty in far less complicated ways than the ones they adopted. Simple rules banning foreign trade, product diversification, technical efficiency, and entry and exit would have done the job. But in India there are no simple rules: the licence raj runs on discretion.

The underlying economics is straightforward. India's pervasive controls create shortages, and hence opportunities for illicit profit or "rent". Discretion in the application of those controls makes the rents, in effect, the part-property of the politicians and officials concerned. The rewards for corruption in such a system might be great. And the bigger the rewards, the fiercer will be the resistance of the privileged to reform. This accounts for the character of India's democracy. It also explains why the radical changes in policy that are so necessary will be immensely difficult to push through.

Discretion runs from top to bottom. In Bombay one hears of the well-connected businessman who, in Indira Gandhi's time, had a shipload of prohibited chemicals waiting outside the docks; the ban was lifted for 24 hours. Friends in high places and an ability to manipulate the system, one is constantly told, count for more than mere business skill.

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Lobbying for licences and permissions is hardly confined to India; Washington, DC could teach Delhi a thing or two about it. But India's regulatory system is extraordinarily complex. As a result, nobody in India ever claims to understand the rules that apply to his business. Above all, officials deal in delay. Every part of the bureaucratic machine is hopelessly bogged down. Only the most powerful businessmen, like Mr Ambani, can cut through the red tape by going straight to the top. Otherwise, to have your application moved up the queue, you pay.

Official favours are for sale at every level of Indian society. Peasant farmers may pay to get water diverted to their land from other parts of the system. Rural migrants camped illegally in urban slums bribe the police to avoid eviction; they pay rents to a slum landlord who is himself bribing other officials to stay in business. Taxpayers pay bribes to have their tax affairs dealt with leniently, or to avoid long delays in receiving refunds.

Across a broad range of transactions – transferring the ownership of property, obtaining permission to build a new house, having a new telephone installed or electricity connected – bribery is so pervasive that there are often agreed scales of charges, with professional intermediaries to expedite matters.

Shades of black

In 1983 the government commissioned the most recent of several studies of "black money". The panel published its report in 1985. It found "pervasive tax evasion on legal economic activities and widespread corruption and abuse of all forms of public discretionary authority". It went on: "The use of discretionary authority to extract or levy illegal tolls has spread far beyond the area of economic controls. Particularly at the lower levels of the state apparatus it has become quite common for illegal payments to be demanded in return for regular public services such as the registration of a document, the repair of a telephone, the issue of a tax-assessment order, the admission of a student in an educational institution or decisions on postings and transfers in the public services."

The report details three case studies:

- **The sugar industry.** Black money was made in several ways. For instance, sugar factories would under-report the amount of sugarcane brought in for refining, issuing bogus receipts to their suppliers. This enabled the factories to channel sugar away from the subsidised public-distribution system to the blackmarket, where much higher prices could be charged. Sugarcane farmers would also be paid less than the state-controlled minimum; again, this required false accounting. The difference between actual and reported costs became another source of illegal profit.

- **Urban property.** The rules on taxes, rent control and the numerous permits required for any transaction create countless opportunities for illegal profit. The main form of black money is probably undeclared capital gains. Transfers of land in Delhi require permission from various agencies. The rules oblige 50% of any capital gains on the property to be handed over. "This", says the report, "affords substantial opportunities for unscrupulous elements in the staff of these agencies to extort bribes." For a fee, officials will accept patently false valuations. Bribes are also paid in return for the authorities turning a blind eye to unauthorised building work. "In some areas local politicians protect the encroachers from the local authorities for a price and, in the process consolidate their respective political bases." Another big source of black income was theft of materials from public-sector construction sites.

• **Public spending.** The report cites many examples. In the construction of an irrigation dam, for instance, a "significant percentage" of spending takes the form of illegal payments to contractors and officials. The means include "substandard work and materials, inflated bills, false rolls for labour, and kickbacks to the sanctioning officials". The report accused ministers and officials alike of receiving bribes from foreign contractors, both for civil engineering projects and defence contracts. And it found that "substantial proportions of government expenditure on various anti-poverty programmes never reach the designed beneficiaries. Collusion between functionaries of the district administration and local banks effectively siphons off these amounts in the form of an explicit or implicit cut." Leakages from public spending, it concluded, are "pervasive, not an isolated phenomenon".

The market for office

The report also cited with approval the work of Robert Wade, an economist at the University of Sussex. In recent years Mr Wade has been gathering evidence on corruption in India's public service, especially irrigation. One of his studies found that middle-ranking irrigation engineers illicitly earn at least one to two times their official salary, net of what they are obliged to channel upwards to their bosses. The money comes from kickbacks from contractors and illegal fees from villages for water and water protection. What is most striking about Mr Wade's findings, however, is the extraordinary extent to which this corruption is institutionalised.

There is, in Mr Wade's phrase, a well developed "market for public office". State postings are bought and sold, and prices vary according to the amount of graft they will yield. He found that assistant engineers had to pay anything between one half and twice their annual salary for a post in operations and maintenance (the branch which, along with construction, yields most black money). More, senior engineers paid as much as 10-15 times their annual salary for jobs on the deltas, the favourite location. Superintending engineers' posts on the coastal deltas (the so-called nerve-centre of state politics) cost up to 40 times the annual salary for that rank. The normal duration for such a posting is two years; that gives a clue to the amounts of illegal income each job generates.

The selling of posts goes on in many other parts of India's public services. Mr Wade reports accounts of police stations being auctioned. Officers of the appropriate rank will bid to be put in charge; bidding takes place around "normal" prices, according to the revenue potential. Jobs in labour-welfare departments are tradable because officers can take bribes for neglecting to

enforce regulations; jobs in industrial areas go for higher prices than jobs in rural areas.

The same is true of operation-and-maintenance jobs in state electricity boards: posts in industrial areas command a premium. For superintendents in public-health departments, the cost of transferring to a big hospital in the commercial area of a big city is much higher than other postings: "there, the superintendent can make more money from the allocation of beds and from black-market sales of medical supplies".

All these transfer fees move up the chain of command, which stops, at the state level, in the office of the chief minister. Accusations of corruption at the top are common. In one case a chief minister popularly known as "Collection" went too far, and a campaign was begun to remove him. This was not, reports Mr Wade, because his activities had increased the burden of corruption on the public at large, but because he had taken the power of job-transfer away from his ministers and was using it to reallocate cash towards ministers and members of the state legislative assembly who were loyal to him.

The move to ditch him was led by the ministers who had lost out. His successor, acclaimed as a "Mr Clean", gave the lucrative irrigation ministry to his main ally in defeating the former chief minister and settled other debts by expanding his cabinet to 60 posts. The essential business of a state minister, Mr Wade concludes, "is not to make policy, but to modify the application of rules and regulations on a particularistic basis, in return for money and/or loyalty".

Corruption and, more broadly, rent seeking of every kind reward and encourage inefficiency. Managers of irrigation systems have an incentive to make water-supply insecure, because that increases their market power. Contractors make profit by substituting cheap or inadequate materials for the ones listed on their invoices. Agricultural officers dilute the materials in their charge, to create surplus for sale on the black market or approve the sub-standard seeds and fertilisers of private dealers.

✱

The price of politics

It is sometimes argued that corruption oils the wheels of a hugely over-regulated economy such as India's, which would otherwise grind to a halt. There is something in this. A black-market price is, after all, a market price. In that sense it is more efficient to ration a good or service in short supply by trading it illicitly than, say, by queuing. But in two ways black money really does cause immense harm. One is economic, the other political.

Corruption and, more broadly, rent-seeking of every kind reward and encourage inefficiency. Managers of irrigation systems have an incentive to make water-supply insecure, because that increases their market power. Contractors make profits by substituting cheap or inadequate materials for the ones listed on their invoices. Agricultural officers dilute the materials in their charge, to create a surplus for sale on the black market, or approve the sub-standard seeds and fertilisers of private dealers.

Think of rent-seeking, and many of the larger inefficiencies of the Indian economy also start to make sense. To become eligible for many public-service jobs, especially senior ones, you need a university education. This helps to account for India's marked bias towards spending on universities. In the same way, the tendency to favour spending on hospitals over cheaper, preventive medicine may reflect the rents that these contrasting approaches to health policy would produce. Above all, India's systems of trade protection and economic regulation have been maintained and extended because of the incomes they grant to the people in charge. Rent-seeking may be an efficient response to distortions; but creating distortions is also an efficient response to the possibility of gathering rent.

The political cost is self-evident: an erosion in the legitimacy of government. After the election, India's new government will face some formidable challenges. In recent years the country's politics has grown steadily more violent. Some of this violence is driven by economic grievances: caste riots, in particular, are usually sparked by quarrels over the number of jobs or college places reserved for the "backward castes". In many of the other disputes that threaten to tear India apart, economic insecurity is merely one of many factors. The separatist movements in Punjab (with its Sikh majority), Kashmir (with its Muslim majority) and Assam draw strength from complaints, often well founded, about the centre's hunger for power and its readiness to abuse it. Most dangerous of all, national politics seems ready to fracture along religious lines, with the avowedly Hindu-nationalist

Bharatiya Janata party (BJP) winning increasing support.

The ideal of a multilingual, multicultural and multireligious society once commanded – despite all the frictions – near-universal agreement. Now this goal seems to be moving out of reach. A government and political system whose own integrity was unquestioned would be an enormous asset in holding state and society together. India does not have such a government.

Expedite

The changes India needs are not far short of a revolution. The main prescription for policy is easy enough: India must be opened up to the rest of the world; the state must withdraw from micro-managing the economy and concentrate instead on building the social and physical infrastructure that the country lacks. If this happened, predicting the result would be equally straightforward. When Indira Gandhi and her son made the first tiny steps to free the economy in the mid-1980s, India responded vigorously. Left to arrange their own economic future, India's remarkable people would undoubt-

edly thrive. They have nothing to fear from competition or from the uncertainties of an unplanned world.

And yet the Gandhi reforms also show how difficult, politically, this task will be. Despite their success in spurring growth, the reforms aroused plenty of opposition, and were allowed to go only so far. India's present macroeconomic worries – inflation at 12%, a growing public-sector deficit and a balance-of-payments deficit to match – are attributed by many to the reforms of the 1980s. Unlike in Eastern Europe, there has been no wholesale rejection of past approaches to economic management. In official and intellectual circles, there is no appetite for full-blooded capitalism. Even reform-minded observers tend to see India's achievements not as the comprehensive failure they actually are, but as a flawed success, calling for nothing more radical than a few adjustments and improvements. This was exactly the mood of forward-looking apparatchiks in Eastern Europe in the 1970s; they wanted not to bury socialism, but to bring it up to date. It did not work in

Eastern Europe, and it cannot work in India.

★

One small hope is that the new government will immediately face a fiscal crisis. It will have no choice but to look hard at public spending and find programmes to cut. That might – just might – start the reappraisal of the economic role of government that is so long overdue. Also, the attitudes of businessmen are changing. Complaints about corruption and official incompetence are growing angrier. Perhaps enough of India's businessmen will come to see that their long-term interests lie not in protection and regulation, comfortable though they can be, but in economic freedom, with all its risks and rewards. Then the beginnings of a political constituency for change will have formed. Until then, tragically, India's boundless potential will go to waste.

COURTESY: *The Economist*

"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."

THE COMMUNITY FARES WELL AT TATAS

Community welfare is a social responsibility voluntarily accepted by Tatas many years ago. It was this sense of responsibility that prompted Sir Ratan Tata to finance studies into the causes of poverty in 1912, and the Tata Trusts to establish institutions like the Tata Memorial Hospital for Cancer Research and treatment and the Tata Institute of Social Sciences.

In fact, Tatas have gone so far as to turn the entire town of Jamshedpur into a model in community living. There are wide roads, tree lined avenues, hospitals and family clinics, and schools which any community would be proud of.

TATA ENTERPRISES



Reconciling the irreconcilable

- A Statist Bureaucrat's Prescriptions

Hard economic realities led to the fall of communism in East Europe and the USSR. This compelled a consensus of sorts among those who were prepared to accept (even privately) that they were wrong. But what is one to do with those who continue to discount reality and are dogmatic enough to assert that it is not the principles of Marxism but their implementation that was wrong.

Dr Bimal Jalan, an economist, policy-maker and economic administrator in the top echelons of the government is currently Chairman of the Economic Advisory Council. Therefore a book* published by him at this critical juncture of the Indian economy not only attracts instant attention but also raises high expectations.

Not surprisingly, therefore, it did attract considerable attention. Full page extracts were published in many leading dailies. But as a serious student of liberal economics I must confess to a sense of disappointment. While the pathological analysis of the selected sectors of the Indian economy — 'India's Economic Crisis' — has been scholastically and eminently carried out, the prescriptive part — 'The Way Ahead' — is not as convincing from the standpoint of either liberal or pragmatic economic thinking.

The book appeared in the market in early August, immediately after the announcement of the two-stage devaluation of the rupee, the Union Budget 1991-92, the new industrial policy and

the new trade policy in two parts. It must be remembered that this package of reform measures was designed to ensure the IMF Loan and therefore calculated to fulfil its "conditionalities" of a market-friendly approach based on increasing competition and efficiency. Some further market-oriented liberal economic policies are also expected to be announced over a period of time in the fiscal, financial, labour and pricing areas and, of course moves toward privatisation. If properly implemented, this package of measures would have the potentiality of uncaging the "caged tiger".

The point here is that compared to the likely massive impact of the latest market-friendly reform measures, Dr. Jalan's left-of-centre recommendations sound a very distant echo. At the same time, if the book had been published before the announcement of the reform package, Dr. Jalan could have stolen some of the thunder.

However, the book will be useful reading for a vast section of readers, including non-economists, because it deals with a subject of topical interest and one of concern to the layman. Certain selected sectors of the Indian economy have been critically discussed. However, the fact remains that his analysis and recommendations are made in the context of a dominant state model.

The 20-page introduction brings the theme into focus with thumbnail sketches of the presentation that follows. It ends with a 11 page epilogue providing a plan of action for reform but within the framework of a dominant state model.

Chapter 1 makes an attempt to justify "the intellectual and historical case" for the development strategy adopted by India after Independence, on the basis of the then conventional wisdom of emphasising the dominant role of the state in economic affairs with the objective of establishing an egalitarian society. However, even in the 1950's and the 1960's there was enough unconventional wisdom in economic thinking — which is not discussed by

Dr. Jalan. This makes his analysis one-sided.

Chapter 2 discusses three selected parameters viz., savings, balance of payments (BOP) and the literacy ratio. Each of these parameters is very important and deserve, serious discussions albeit, separately. Since savings and BOP have been separately discussed at great length, what was the justification for clubbing these three diverse sectors in a single chapter?

Then, rather abruptly, right in the middle of the book, Dr. Jalan decides to re-examine the reasons for the recent swing, both in developmental literature as well as in political opinion, away from government intervention in the economy. The point that needed discussion was not so much "the elimination of the government's role in the economy" but, as is the case in India, the excessive role of the state in economic affairs. The license-control oriented interventionist role of the state has resulted in stifling growth and development.

The simple fact is that the concept of the "commanding heights" has proved incapable of delivering the goods efficiently. The public sector undertakings which are the offsprings of the "commanding heights" need to be handed back to the people in a systematic manner. Private initiative should be encouraged and permitted to function in a competitive atmosphere. There is enough empirical evidence and not just a recent "swing" in development literature, as Dr. Jalan says, to prove that a reduced role for the state in directly managing business enterprises could be beneficial for society. What is required is a lean but a strong state, not a fat and a clumsy one. If intervention is required it has to be positive and helpful, not negative. One can quote chapter and verse from Lord Keynes and Prof. B. R. Shenoy to Mrs. Margaret Thatcher, not to speak of Rajaji or Mr. M. R. Masani on the role of the state. Even in the Shatalin Plan (1990) for the radical reconstruction of the Soviet Union within 500 days (it was not

* INDIA'S ECONOMIC CRISIS: THE WAY AHEAD by Bimal Jalan: Oxford University Press, Delhi; 1991; pp.251; Rs. 250

adopted, but that is another story) it was stated: "Humanity has not yet developed anything more efficient than the market economy". The plan urged a reduced role for the state in running business enterprises. Obviously Dr. Jalan does not agree with this current school of thought and practice which has been sweeping across nations in recent months.

On the urgent need for privatisation (it is not claimed to be a panacea or a cure-all but a cure for a specific illness resulting from the illness resulting from the state's control-oriented functions Dr. Jalan is not very enthusiastic. He recommends "reform" of the state-owned enterprises and is against "wholesale privatisation". Dr. Jalan ignores the fact that it is nobody's case that there should be "wholesale privatisation". It has to be a phased return of industry from the state to private hands.

Chapter 4: "Towards Balance of Payments Viability", "deals with policies for restoring the balance of payments viability". While discussing some major issues like the need for an "outward orientation" for an inward-looking policy like ours, import liberalisation *et al* he is not unequivocally in favour of a radically reformed trade policy. This, despite the fact that though India has been suffering from a pathetic state of "export pessimism" no serious steps were taken by the government until the '80s to remedy the situation. India received about 40% of the concessional IDA aid upto 1980. Thereafter during the '80s it relied on commercial borrowing. As a result, the need for dynamic and gainful export earnings (both from visible and invisible items) was ignored. This resulted in an outstanding foreign debt obligation of about \$72 billion. Probably even as Dr. Jalan was proof reading the pages of his book, India was on the verge of defaulting on its debts!

The new trade policy is likely to change the rules of the game to make our export operations profitable and give India a chance to become a global player — a point which Dr. Jalan has referred to. He points out that "there is very little scope in the coming years to finance inward looking investments through recourse to external commercial debt".

The past trends in our chronic BOP difficulties are very lucidly described. However, two points need to be men-

tioned. First, during, 1990-91 our current account deficit as a percentage of GDP has moved upto 2.5% compared to 2.3% in 1989-90 as against 1 to 1.5% in earlier years as mentioned by Dr. Jalan. This high deficit is directly linked to our increased fiscal deficit, a clear case of living beyond our means. This deficit has to be reduced in the coming years. The Budget has provided for a reduction of the fiscal deficit from 8.4% to around 6.5%. If this materialises the current account deficit will also be reduced. But, ultimately, export earnings will have to be increased. Second, the relatively higher export growth of 17% per annum in terms of US dollars during 1986-89 was not sustained in 1990-91, when exports increased by only 9%. This year, the growth in exports will be very low (even if in the coming years it increases because of the new trade policy). There is therefore need for the IMF Loan, an inevitability which has not been discussed at all by Dr. Jalan. In fact this is the topic which has been the subject of nation-wide discussion and one would have expected some insight from Dr. Jalan a former Executive Director on the Board of the IMF.

In the chapter on "Policies for Higher Savings" Dr. Jalan suggests, *inter-alia*, a reorganisation of public sector enterprises in line with the South Korean conglomerates, "the Chaebols". This is academic and cannot be implemented in the slothful culture of India's public sector enterprises.

As is well-known India has one of the highest savings rates in the world — 21.6% in 1990-91 despite the abysmal failure of the public sector. Dr. Jalan has provided very useful comments backed by statistical data. It is important to note in this regard that despite the high savings rate the rate of return on the huge investment of scarce capital resources (over Rs. 300,000 crores) in the public sector enterprises in a poor country like India is very low. Unless the commercial public sector enterprises can be made to run efficiently and are made profitable, any further increase in household savings rate would again be wasted in propping up loss-making public sector enterprises. Dr. Jalan wants that "the government should insist on a commercial rate of return on its investment, and if this is not forthcoming the management should be changed". And yet he hesitates on the

question of privatisation.

Nevertheless it is pertinent to note that government's decision to cut down the area of industries which were hitherto treated as the exclusive domain of the public sector is a radical departure from its earlier policy. Simultaneously a partial dose of privatisation is being administered and the beginnings of an exit policy are discernible; as also massive delicensing and decontrol. Dr. Jalan has advocated some of these policies. He is also forthright on the need to reduce fiscal revenue deficits by reducing expenditure and subsidies (except food subsidies). He does not advocate budgetary support for loss-making public sector enterprises but suggests constitutional limitation on public borrowing by the government.

Dr. Jalan regrets the lack of consensus on the issue of priorities in economic policy. Is Dr. Jalan being realistic? Is it really possible to have a consensus on such complex issues?

In a letter published in the *The Financial Times* (London) of September 9, Dr. Jagdish Bhagwati of Columbia University points out: "Indeed none of the reforms is newly conceived. Since the mid 1960s, a few of us were out front, fighting for these reforms, among them the dismantling of the licensing system, greater use of Exchange rate flexibility and shifts to export promotion.

It was a hard role to play in an area infested by left-wing economists who confused talking about poverty with doing something about it. The number of converts grew handsomely in the 1980s."

Hard economic realities led to the fall of communism in East Europe and the USSR. This compelled a consensus of sorts among those who were prepared to accept (even privately) that they were wrong. But what is one to do with those who continue to discount reality and are dogmatic enough to assert that it is not the principles of Marxism but their implementation that was wrong. Such is their faith that there are some who will always remain die-hard non-converts, faithful to a dead credo till the bitter end.

"An Economist"

Kudos for Dr. Manmohan Singh

I cannot withhold my admiration for the way in which Dr. Manmohan Singh is standing up to the riff-raff in the Congress Party which is in office.

First of all, Dr. Manmohan Singh deserves to be congratulated for telling the truth when prices of commodities cannot be brought down as was promised, tongue-in-cheek, in the Congress Manifesto in the recent elections. For this he has been condemned by some members of the Congress Party who cannot bring down prices but do not want to say that the Congress Manifesto indulged in lies. India's national motto is supposed to be "*satyam eva jayate*". Truth will prevail. Like hell it does!

Dr. Manmohan Singh's other 'crime' is to support the much needed devaluation of the Indian rupee. The rupee of course, has been debauched by the governments of the last forty years since Independence through massive deficit finance in every budget which means printing currency notes *ad lib*.

Whether the International Monetary Fund has asked for such devaluation along with other reforms or not, is not the point. If they have, God bless them for it and Dr. Manmohan Singh for responding to their initiative. India needs an IMF loan if it is not to declare itself insolvent.

There are people who think we Indians are a dishonest people who will say "yes" to the IMF and then cheat. That is perhaps not to be ruled out but it assumes that the IMF is manned by idiots who would blindly trust the Indian Government to carry out their promises. I do hope Dr. Manmohan Singh will survive on the several steps he is taking to save India from insolvency. I am told that the prospects of his doing so are increased by the Prime Minister, Mr. Narasimha Rao, sharing his views of the country's needs. In that case, kudos to both of them.

I am reminded by the current devaluation or marking down of the rupee of an incident that happened during Dr. Milton Friedman's last visit to India many years ago. I remember the meeting at the Walchand Hirachand Hall of the Indian Merchants' Chamber. Some nitwit in the audience got up and said, "Dr. Friedman, hard currency is in very short supply. We can't get it". I am sure Dr. Friedman saw the humour of the situation but he put on a straight face and said, "Is that so? I am not aware of this. I will get you all the American dollars, the Japanese yen, the German marks and the Swiss francs that you want but my dear friend, have you got the rupees? You offer Rs. 4.50 per dollar. That is cheating. The real value of the rupee is Rs. 9 to the dollar. You give me Rs. 9 and I will get you all the foreign exchange you need. So please work harder". The questioner sat down amid general laughter at his discomfiture.

I remember the previous devaluation in Mrs. Indira Gandhi's time somewhere in the middle '80s. Having devalued the rupee and dismissed Mr. Asoka Mehta from her Government by making him a scapegoat, the Prime Minister then sent telegrams to leaders and deputy leaders of opposition parties to advise her what to do next. Prof. Ranga, the leader of my party and I as the deputy leader, were with Rajaji at that time. Prof. Ranga argued that since all other opposition leaders had declined, we should do the same. I argued on the other hand, that it was our duty to advise the P.M. and added that chivalry also demanded that the lady's invitation should not be turned down.

I took the advice of economic experts in Bombay and prepared a Memorandum for several measures to be taken by the Union Government to make devaluation a success.

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Freedom First has all the qualities one expects from a journal committed to Liberalism and stimulated by such a stalwart of Indian Liberalism as Minoo Masani. It is clear in its commitment to pluralism, democracy and tolerance, making its position known even if it is unpopular or dangerous to do so.

It is secondly, a journal providing a platform for enlightened debate, spawning new ideas in a society which tends to overemphasise conformism and often stale traditions. Thirdly, *Freedom First* gives a lot of space to the reporting and debate of international events and trends, making the point that a true liberal is international in his/her outlook.

Urs Schoettli, Secretary General, Liberal International, London

I really love *Freedom First* and Minoo Masani's commonsense. Please permit me to send you herewith a small cheque to help the Journal keep alive real Freedom. I am not rich in wealth but I would soon become poor in digestion if I did not share or help in time.

Prof. P.N. Driver, Pune

I subscribed to *Freedom First* very recently and now painfully realise for how long I did not really exercise my freedom to read the really thought-provoking and intellectual material.

May your quarterly dedicated totally to the dissemination of liberal ideas make more and more people conscious of their duties towards freedom first.

Suhas Patwardhan, Badlapur

I re-discovered *Freedom First* after 30 years, courtesy Minoo Masani, and was pleasantly surprised to see that you maintain a uniformly high standard of articles.

Freedom first — by all means. But as we have discovered to our utter dismay after 40 years of "Free India" — Freedom does not mean better Government; Freedom does not mean Quality; as Nani Palkhivala said somewhere recently: Freedom does not mean independence of thought or concern for democracy — or for values and character, which India needs so desperately. Freedom only means loot and licence in 'Our India' of today! But all is not lost. Men of faith still believe that India will somehow muddle through.

Dinshah K. Malegamvala, Bombay

Over the past two years I have been impressed with *Freedom First*. The issues you discuss are those that concern us, but the flavour of the discussions and the examples are different. The issues are reflected as if by an imaginary, prismatic looking glass. We recognise ourselves but the colours are strange.

Raphael G. Kazmann, Baton Rouge, U.S.A.

I congratulate you for the excellent issue of *Freedom First* No. 407. It, indeed, offered delightful reading. Especially, the report on the proceedings of the seminar on Kashmir is enlightening.

Lakshmana P. Bhandarkar, Amtady

I am happy to say that I find *Freedom First* excellent reading.

B. Massar, Shillong

I just received a copy of *Freedom First*. I found it fascinating — fearless and a beacon for freedom. Congratulations to the Founder.

Ladislav Rice, London

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I am sorry to say that I was later to complain that Mrs. Gandhi had not carried out a single one of the measures necessary to make devaluation a success. With Dr. Manmohan Singh at the helm, that is not likely to happen.

Mr. Sunil Dutt's Courage

Mr. Sunil Dutt enjoys a very good reputation but in standing by his statement that he supports Khalistan, Mr. Dutt has shown courage of a very high order. To the people in Delhi, the word Khalistan is poison. Khalistan, within the Indian Union, is a perfectly acceptable concept and only those who want to rule Punjab from Delhi, can take exception to it. Keep it up, Mr. Dutt. You have shown courage and citizenship of a high order.

Argentina withdraws from NAM

Kudos to Argentina for withdrawing from that miscalled rump called the Non-Aligned Movement. The President of Argentina has explained that since many members of NAM have shown scant regard for human rights and civil liberties, Argentina no

longer wants to belong to that fraternity. I am afraid, that that reproach applies to our country as to many others. According to the prestigious Amnesty International, the police authorities in Punjab have tortured and killed several people in their custody and the offer of Amnesty to send someone to Punjab to investigate these charges, was turned down by the Indian Government, who no doubt, have a guilty conscience in the matter.

There was a time when to be non-aligned between the two blocs meant something but between and against who are the non-aligned today?

The Transformation in South Africa

It is good to know that President Bush of the USA has cancelled the sanctions against South Africa which had been imposed to persuade the South African Government to give up apartheid.

For all practical purposes, apartheid is now abandoned. It is high time that not only the United States

but all countries including India give up this stupid and vindictive attempt to bang at an open door. *The Swiss Press Review and News Report* of 8th July writes about the transformation of the scene in South Africa and provides the necessary enlightenment:

"Petty apartheid has gone. There is no longer any obstacle to blacks using beaches, parks, toilets, etc., which used to be reserved for whites..."

"The infamous sex laws have gone. Members of different relations may intermarry and have sexual relations..."

"There is no longer a list of jobs reserved for whites. This does not of course mean that they will automatically be available to blacks..."

"The forced segregation of schools has been abolished. White schools can accept black pupils if they wish to..."

Isn't this enough for the most ambitious reformer? To persist in the persecution of the South African Government any longer is nothing but indulging in anti-white racism.

Boycott the *Bandh* on November 29

In addition to the disgracefully large number of holidays that exist, the Indian capacity for avoiding work, has invented the '*Bandh*'. This institution enables those who do not want to work to intimidate those who want to work.

No *Bandh*, however, is as absurd as the one that has been called for the 29th of November. The alleged object of the *bandh* is a good one, namely, to bring down prices. But how by stopping work for a day, would prices be brought down? The promoters of the *bandh* are the communist parties and their allies of the Janata Dal who obviously want to use the occasion to discredit the policies of reform which have been launched by the Finance Minister, Dr. Manmohan Singh. He was honest enough to say sometime back that prices could not be brought down. For this he drew flak from Congress Party members who asked him if he were suggesting that

the Congress Manifesto which had promised to bring down prices, was not an honest one. Of course, it was not. No election manifesto is.

Prices have reached their present high level because of the annual fiscal indiscipline in which Prime Minister Jawaharlal Nehru and his successors have indulged for the last several decades.

It has taken the form of so-called "deficit finance" which means printing of useless currency notes and putting them in the hands of innocent citizens. I have described it repeatedly as legalised counterfeiting, in which the Prime Minister and the Finance Minister are allowed to indulge. Have these gentlemen who have asked for the *bandh* ever protested against such deficit finance which was a part of the Socialist system?

Why is this dishonest device resorted to?

Because those in office do not have the courage to cut down expenditure. That would involve retrenchment in a country which abounds in labour indiscipline so why not put useless money in the hands of citizens?

Let me mention that industrial labour in India in whose name all this is being done, is among the privileged and exploiting classes in India. They form part of the top ten percent of the Indian population. Unfortunately, among the three corrupt beneficiaries of the socialist system are corrupt politicians, corrupt bureaucrats and corrupt trade union leaders and they must be placated at any cost. So let us have all the *bandhs* we want but I also repeat what Dr. Manmohan Singh said that prices will not come down until we end the so-called socialist system and establish a competitive market economy.

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Rama and Sita: What They Mean to Us

K. S. Srinivasan

This is not an essay on the benefits that can accrue to those who visit some shrine or other dedicated to Rama. What I seek to explore is how the story of Rama and Sita, as told by Valmiki, can enrich our lives today – those of us who wish to derive some meaning out of the great classic, known as *adikavya* (primeval literature).

The Indian tradition, let me reiterate, has always viewed the Ramayana of Valmiki as literature *par excellence*; theories of literary criticism invariably trace that work as the source and authority. A study of the epic poem becomes more rewarding if two things are held in view: its antiquity and its universality. Placed in the period around Christ, the work represents the oldest available literature. Considering the continuum of its influence on humanity in and around India, it reigns supreme in the literatures of the world. Wherein lies its power?

The power of Valmiki Ramayanam flows from dramatic poetry which is assiduously employed towards characterisation, in order to delineate a unique couple, their uniqueness resting upon their commitment to values. The valour of Rama or the beauty of Sita is not primary; real endowment is in virtue and tenacity, in the face of formidable odds. The manner in which Valmiki develops these two characters, – noble, yet intensely human – is an object lesson.

The individuality of Rama is ascribable to the unique events that occur in his life. Born to a king and brought up like any other prince in the race of Raghu, Rama is exposed to the uncommon experience of tutelage under a sage (Viswamitra) at an early age. Exposure to the demons, Maricha and Subahu, or Tataka is of one kind; being called upon to 'redeem' Ahalya is of another kind, – for a boy of sixteen! Viswamitra, we must remember, was rigid in his principles, – the warrior turned into a *brahma rishi*. His influence upon the impressionable mind manifests itself in situations that assail Rama's personal life. In a sense, Viswamitra may be said to have successfully modelled Rama in his own mould, turning away from *artha* (worldly wealth) to *dharma* (righteousness) as the goal of life. Rama himself offers evidence of it when, goaded by Kaikeyi to leave Ayodhya in banishment, he makes the startling statement: 'Wealth (*artha*) is not my goal; know me true as one committed to *dharma*, equal only to the *rishis*.'

Valmiki shows in sharp focus the metamorphosis that occurs in a sensitive mind, consequent upon the shock of the sudden metamorphosis displayed by the father-king – from the proclamation to give the crown to the impotent consent to banish the son. In this, the poet employs the device known as *peripeteia* in Greek literature – a sudden reversal, of event or character. The reversal of an event on the part of Dasaratha is met with a reversal of character in Rama. Instantly, Rama the prince changes into Rama, the apostle

of *dharma*. This however, is irreversible, as we see. When Lakshmana employs logic and emotion to press the worldly view, exhorting Rama to fight against injustice, Rama tells him 'follow the path of *dharma*, like me'. Kaikeyi tries to make sure, as it were, that it is irreversible; her gift to Rama, on the eve of his departure from Ayodhya, is a saffron robe made of bark, the like of which is worn by *rishis*.

Having cast himself in the role of an apostle of *dharma*, Rama finds it possible to resist the pressure that Bharata puts on him to return and take the crown. Bharata invokes the custom and law of primogeniture, which lays down that the eldest son shall succeed to the throne. Rama invokes the wish of the man who sat on the throne as more potent – one *dharma* versus another. Bharata denounces what his mother did; he begs, 'if the crown be mine, I give it to you'. Rama is firm; he who alone could reverse the course of things is no more! A personal touch of dramatic import is Rama's comment, 'when father married your mother, he did give word to your grandfather that the son born of Kaikeyi would ascend the throne', – information that lends insight into the awkward handling of the whole matter by Dasaratha, right from the moment he planned to make Rama king while Bharata was away in Kekaya kingdom.

(The conflict in Ayodhya over Rama's proclaimed coronation and the elaborate debate in Chitrakoota to persuade Rama in order to establish the tradition of primogeniture must all be seen in the historical

context of Valmiki's days when it was not universally accepted law that the eldest shall succeed. Even the Emperor Ashoka became one by means of violence; he killed the eldest brother says the 'Divyavadana'. Bharata's grandeur must be seen in this light).

Dharma and Satya

Rama's dedication to *dharma* does not blind him to the practical side of life, which makes the journey arduous. Alone with Lakshmana, on the first night in the jungle, he confides, 'It seems as if *kama* (desire) is more powerful than *artha* and *dharma*. See what the king has done, bereft of sense and bringing grief to all. Which fool would banish a son, at the behest of a woman, – that too a son like me!*

Introspection of this kind seems to lead Rama towards increasing maturity and deeper commitment to *dharma*. If there is no bitterness, it is not merely because he is away from the city of sorrow; it is the gift that conjugal bliss can provide. The company of Sita is a perennial sustenance for him, right from the moment she took the resolve to follow him to the jungle through all the hardships that forest-life can offer. 'With you besides me, I think not of Ayodhya, nor of kingship', Rama declares as they

**Dharma, artha and kama are the main pursuits of man, according to Indian tradition; together with moksha (detachment, release) They form the four purusharthas. Ideally, dharma should be at the apex of a triangle, with Artha and and Kama at the base angles. the conflicts of life arise when the triangle is tilted, so as to place artha (wealth) or kama (desire) at the apex.*

...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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sport on the banks of the river Godavari. The music in her voice and her zest for life is recalled by Rama in the poignant moments when he is searching for the abducted wife, in the wilderness of the dark forest. That kind of power, which grows in on man, stems from a shared commitment to values; adversities merely strengthen the bond. At her wedding Sita is referred to as *sati* (truthful). The epithet, *satya-dharma parayanah* is thus a significant reference to Rama's character as one wedded to *dharma* as well as truth. To me, Valmiki seems to suggest the importance of the togetherness of *dharma* and *satya*, the former representing the logical power of the male and the latter the benign influence of the female.

Valmiki's Sita

It is rewarding to look at Sita as visualised by Valmiki; indeed, it is necessary to do so in order to unlearn what most of us have been told of her, by those who seek to adore her.

Valmiki's style of story-telling is such that he achieves much by suggestion and hint, relying upon the reader's ability to infer and conjure. Sita is introduced to us at the time of her wedding — not till then. Earlier, we hear of Janaka's reference to her as a child whom he found on the farm, brought up as his own. There is not a single *sloka* (verse) that Valmiki devotes as narrator to describe Sita's beauty; yet, she is sought after by many a prince. None can meet the requirement: to handle the great bow. It is against this challenging situation that Rama enters Mithila, led by Viswamitra, — more to see the magic bow than to win a bride. (The *rishis* who exhort them to go, speak only of a rare sight — the wondrous bow)

When prowess is shown the bride is brought for all to see, including Rama and Dasaratha. What Janaka says is something which none can see. He describes his daughter, while giving away the bride, in these terms: 'devoted wife, woman of great qualities, one who will follow you like a shadow, a companion in *dharma*'. As the story proceeds, these attributes manifest themselves unfailingly and with adequate power as occasion demands.

The first occasion that tests her fortitude is when Rama, about to be crowned, announces a reversal of that

decision. When he compounds it with the news that he stands banished, and when he seeks to take leave of her, the spontaneity with which Sita decides to go with him into the forest reflects maturity of a high order. She was not required to go as per Kaikeyi's demand; but who can separate a man and his shadow? In the process of coaxing the unwilling Rama to take her, Sita employs every device known to woman, from plea to tears, to threat (of suicide) and taunt. She tells him, 'What will my father think of you — a son-in-law who is but a woman in man's grab? Would you leave your wife in the custody of others, like a street-juggler?' She succeeds

The Glory of Moral Power

Frankness of this kind is informed by wisdom, as she goes through experiences that are unusual by all standards. While in the forest, when Rama takes up arms against the Rakshasas, in order to 'protect' the *rishis*, it is Sita who points out the absurdity of the idea — a banished man in matted hair and saffron robes with sword in hand, ready to fight! Rama explains it away but, the scene that follows is the beginning of the feud — disfigurement of Surpanakha.

Notwithstanding her childish insistence to have the golden deer (ignoring Lakshmana's warning), Sita rises to mature heights when in captivity; initial fear yields place to fortitude that baffles Ravana who has not known defeat in love, as much as in war. Despair ripens into defiant courage, refusing to be bullied into submission; his threat to kill her leaves her unmoved. Equally, his bountiful offer of riches and status, as the chief among his queens, arouses but scorn. As a prisoner in Lanka, she is able to tell Ravana that he is but a mongrel before the tiger known as Rama. Threats do not work, luxury does not tempt, captivity does not break the spirit — a spirit that is invincible. The feeble woman, who was forced into captivity in a far-off land by unquestioned might, grows in stature day by day as Ravana subjects her to plea and pain alternately. Towards the end, when Ravana begs for love, offering to place his head at her feet, Valmiki shows the reversal of roles: the boastful warrior defeated by the lone woman, the prisoner turning victor solely on the strength of moral power.

The fountain-source of that power, Valmiki reiterates, is her dedication to Rama who, in turn, is dedicated to *dharma*, both the ideas embedded in the choice phrases used by Janaka at the wedding (*patiurata, sahadharma-chari*). While this can stand up to any onslaught from without, what happens when there is disturbance within? This is explored by the poet in the confrontation between Rama and Sita, after the fall of Ravana. In Rama's hesitation to take back his wife, the reader can see the confused reaction of the male psyche, assailed by considerations such as family pride, public opinion etc. Symbolically, however, the poet shows the juxtaposition of *dharma* and *satya*, in confrontation. The alienation that takes place when Principle tries to sit in judgement over Truth comes alive in that scene.

Opting to give up life rather than exist with loss of faith, Sita volunteers to end her life and orders Lakshmana to light the fire. There is irony in the vow that she utters before entering the fire; for, it is in the name of Rama and *dharma* that she takes the oath, invoking protection from fire. (To describe the scene as *agni-pareeksha* — trial by fire is a travesty).

As a woman who has been steeled by the torturous life in Lanka, Sita is able to measure up to Rama. She begins by gently chiding Rama for his vulgar comment ('like lowly man to lowly wife'), reminds him of the martial vow to stand by each other, and sums up with the words, 'If you should fail to know me true, that indeed is death to me'. As she goes through the fire and emerges unscathed, Rama seems dwarfed.

Valmiki, the poet, grapples with the problem of the abducted wife; his indignation is seen in Sita's comment, 'under the dictates of anger, you as a man have slighted womanhood itself'. But, Valmiki the sage, has a profound message that must haunt the reader. It is that Truth must pervade Principle, inseparably; *dharma* in isolation is without power, without meaning. It can also go astray as we can see symbolically, that it is only when Rama is separated from Sita that he undertakes to kill an innocent man Vali, whom he does not know, and from behind a tree. The odium that he incurs as a result lives eternally.

Man must learn to respect Truth, of which Sita is but a symbol; her origin is mysterious but she belongs to the Earth. Truth cannot be subjugated into obedience to arrogant might, as seen in Ravana's frustrating effort to win Sita. Equally, Truth cannot be mastered by argument and trial, as seen in Rama's encounter with her.

'Allah is our God; Rama is our Hero'

Nobility attends upon life when values dictate the course. Devotion to values does involve hardship, but one has to choose between self-aggrandisement as represented in Ravana and self-denial as seen in Rama. The Buddhist tradition cherishes Rama as 'Rama pandita' because of his commitment to *aparigraha* i.e. refusal to grab, — a quality that is rarer than valour. Rama's valour acquires meaning only because it is tempered by self-denial. If we look upon Rama as a Man among men, Valmiki's creation retains the purpose for which it arose — edification of mankind. If we consider Rama as Vishnu who came upon this land in

order to get rid of Ravana, we limit the vision. It is the former view that prevails in the countries of South East Asia where people are proud to claim Rama as their hero. Even Indonesians find no conflict; to them, 'Allah is our God, Rama is our hero'.

Who was Rama, — a historical figure? Nobody knows. The earliest version of the story, in the 'Dasaratha Jataka', refers to him as the son of the king of Varanasi; the narrative does not extend beyond the exile of Rama and his determined renunciation of the throne. It is Valmiki who represents Dasaratha as the king of Ayodhya and develops a whole story, linking the legends that pertained to the *Rakshasas* and the *Vanaras*. The *Puranas*, which propagated the divine theory of kingship, spread the notion that every king was an aspect of Vishnu. Who could have greater divinity than Rama, the noblest among them?

That nobility is not found in copper-plates or inscriptions; it is imparted in

every canto of Valmiki's epic and, as a consequence, inscribed in every heart where values are cherished. Rama and Sita may be mythical; but in delineating the idealistic pair as noble archetypes within aspirable reach of worldly existence, Valmiki has made them real; their proximity to the sensitive soul is never in doubt. To freeze the vibrant characters into stone or bronze, for the purpose of granting us favours in mundane life, is to distance ourselves from that which the poet showed as closest to human attainment.

... If we want a genuine moral revolution, we want *dharma, tarz, satyam, khuda, iswara, karma, bhakti* etc. We want the temples and the scriptures, the Ramayana and Mahabharata and Bhagavatam and Granth Sahib and the Koran, in order to make people give up their chase of money and pursue the true path of happiness. This is a plan for happiness but it is at the same time a good plan for increased production also.

Rajaji, Swarajya, Aug. 28 '65



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Mahatma Jotirao Phuley

Ashok.S. Chousalkar

Jotirao Phuley maintained that the importance of *Satyadharma* and morality consisted in following one's conscience and reason. Man should enjoy all his rights but he must see to it that they were not used against fellow human beings. He respected those who earned their bread through hard work and hated those who did not work, as drones living at the cost of others. Dignity of human labour was one of the important messages of Phuley.

Mahatma Jotirao Phuley represents the radical school of liberal democratic philosophy in Maharashtra. He established the *Satyashodhak Samaj* to propagate his ideas of truth, equality and justice. He held that true morality consisted in following one's own conscience. Dr. Ambedkar declared that Phuley was his *Guru* and the *Satyashodhak* movement was an attempt to establish true religion and morality.

Phuley, a thinker and an activist, believed in rationalism and human rights. His *satyashodhak* ideology was drawn from the radical liberalism of Thomas Paine and the militant deism of Theodore Parker. He also drew from the native protest movements launched by the Buddha and Kabir. He sought to popularise an anti-caste ideology in the minds of the lower castes in India because he was of the opinion that the caste system had not only eroded the moral character of the majority but subjected them to social economic, political and religious slavery. He attacked the Brahmins for perpetuating caste dominance to maintain their superior position in Indian society.

Phuley's ideas were largely neglected till the 1950s because of the harsh and at times abusive language that he used against the brahmins. His ideas, whether they be on the causes of brahmin hegemony, anti-caste struggles, liberation of women, universalisation of education, agricultural reform, a humanized religion based on rights or his vision of a democratic society have remained original from which several militant radical organisations in Maharashtra have drawn inspiration. His was



Mahatma Jotirao Phuley

the first authentic voice of the backward classes protesting against the type of pro-upper caste policy pursued by the British.

Revolt against Brahmin Domination

Born in Pune in 1827, Phuley belonged to the backward Mali community. Public life in the state was then dominated by the brahmins. People born to the lower castes were humiliated if they tried to claim equality of status and opportunity. In his early days Phuley came under the influence of some terrorist groups who wanted to liberate India from British rule through armed struggle. But he realised that they wanted to free India without changing the established social relations especially caste inequality. Reflecting upon the

condition of the times he decided to abandon his early nationalist adventures and resolved to work for the spread of education among the lower castes and the liberation of *shudras*, *ati-shudras* and women from brahminical slavery. He himself practised what he preached and educated his wife Savitribai, so that she could work as a teacher in a girls school.

Phuley was of the view that the root cause of the social, economic and political backwardness of a majority of the people of India was the religious exploitation of the masses by the brahmins particularly brahmin priests. He charged them with fabricating a variety of religious myths and practices to subserve their own interests. These myths made them superstitious and blind to reason. The Hindu religion was closely linked with the caste system which artificially divided people into different castes and subjected them to upper caste dominance, depriving the lower classes knowledge of religion and subjecting them to social, economic and political slavery. The root cause of the backwardness of the *shudras* was their ignorance and hence their total exploitation. He wanted to create an awakening in the minds of the people about the true import of Hindu religion.

Reinterpreting Indian History

Phuley sought to reinterpret Indian history to understand the root cause of brahmin dominance. After studying different Hindu religious texts he concluded that Indian history was a history of struggle between brahmins and non-brahmins. He reinterpreted the *Puranas*

BREEZY DAYS BLOW IN
ON THE 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.

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and retold the incarnations of Lord Vishnu to prove that it was in fact the story of the conquest of the non-aryans by the brahmin arians. Phuley's interpretation was that the arians came from Iran and with the help of superior military skill and deception defeated the original *kshetrapatis* of the land. The battle for the supremacy of brahmins over non-brahmins was over when Parashurama killed thousands of *kshatriyas* to destroy their political power; Rama and Krishna functioned under brahmin dominance and continued the policy of conquest.

Phuley opined that the *shudras* and *ati-shudras* of the country were the original masters of this land. They had their own democratic republics. One of their kings was Bali a great peasant king. But Bali was despatched to the netherworld and the *shudra* peasants were deprived of their democratic government. Brihaspati, the Buddha and many others raised their voices against the false brahmin religion. But they did not succeed in spreading the message of brotherhood and peace and failed to liberate the *shudra* masses. It was due to English education that the *shudras* and *ati-shudras* came to know the true meaning of religion, the nature of caste slavery and the untouchability imposed on the lower classes of Hindu society.

Educate, Organise, Struggle

The *shudras* were cultivators and artisans and the *ati-shudras* were the untouchables. Phuley asked both the castes to come together, educate their children and assert themselves against the brahmin dominance. British rule had given them an opportunity to liberate themselves. He wanted them to make haste for the Britishers would soon leave India. Educate, organise and struggle to win rights was the message of Phuley which was repeated by Dr. Ambedkar in the 20th Century. Phuley pleaded for free and compulsory primary education; an education which would liberate them from dogma superstition and blind acquiescence to tradition.

Phuley accorded great importance to the education of women and held that women were deprived of their basic rights by selfish men. Religious books perpetuated this discrimination. He said that men and women were equal but women were oppressed and all sorts of crimes committed against them such as the tonsuring of brahmin widows. Phuley prepared *Satyashodhak* rites

proclaiming the equality of man and woman. For instance in his proposed wedding ceremonies both husband and wife had to take a vow that each would respect the other's rights. Phuley was far ahead of his contemporary social reformers, on the issue of the rights of women.

Problems of the Peasantry

One of Phuley's important contributions to Maharashtrian society was the attention he paid to the problems of the peasantry. In his book *The Cultivator's Whipcord* he discussed in detail the many causes of poverty and the degradation of the Indian peasant. His ideas on this issue (considered relevant today by leaders like Mr. Sharad Joshi) went to the root cause of the poverty of India's peasants. Phuley saw no class divisions in the peasantry and held that the condition of the big farmer who owned eight oxen was not different from the condition of the landless labourer because both were constantly exploited by the priests, commission agents, money lenders, the bureaucracy and the British government. During Phuley's times there were large scale transfers of land into the hands of money lenders; even farmers with some financial backing lost their lands to money lenders. Brahmin officers, judges and revenue clerks colluded with their co-caste creditors and worked against the interests of peasants. The government was interested in extracting the maximum revenue by raising rates, which continually depressed the people. The British imported foodgrains, cotton and other raw materials from India. The farmer was greatly exploited by the adverse terms of trade. Phuley saw the poverty of the Indian peasants arising from too many being in agriculture; growth of population; backward methods of cultivation; peasant illiteracy and helplessness of farmers against the vagaries of nature.

Phuley pleaded for the provision of irrigation facilities to the people and just distribution of water; the opening of schools of agriculture and different soil conservation measures. He wanted everyone to *earn* his bread long before Gandhi underlined the dignity of labour. Phuley did not advocate the abolition of proprietary rights of the farmers as he wanted the proper functioning of the Ryotwari system in which a farmer

would be the master of his own destiny. He stood for a firm tenure system for peasants so that they could develop their agriculture without any hindrance. He did not support Justice Ranade's advocacy of the transfer of ownership to those sections of society who were willing to invest financial resources in agriculture.

Phuley was opposed to the transfer of land to non-peasants and held that transfer would further destroy the already fragile peasant economy. On the other hand he sought to strengthen the peasant community by carrying out wide-ranging agrarian reforms.

A Libertarian and Reformer

Phuley maintained that India could only be a nation state when the tribals, untouchables, cultivators and the artisans received their share of political power. He favoured reservation of jobs in the civil services so that the monopoly of a single caste on the civil services could be curtailed and the newer sections absorbed in government services. He wanted to give the lower classes equality of opportunity and status so that they could live their life with dignity and sense of purpose. Phuley was a great supporter of liberty because he held that liberty gave man satisfaction and an opportunity to develop his personality. He praised the great democratic leaders of ancient Greece and Rome and considered Jesus Christ a new Baliraja, the democratic king of the masses. He admired the patriotism of true democrats like Washington and Lafayette. Though Phuley was a great admirer of democracy he did not support the Congress demand for political rights because he feared if power was handed over to Indians, the unequal social relations then prevailing would make the upper castes corner all the seats and help them continue their domination. He wanted priority to be given to social reform. Phuley established the *Satyashodhak Samaj* to propagate the *sarvajanik satyadharma* which believed in equality of opportunity and status, liberty of thought and expression and social and economic justice. He did not establish his own religion because he held that all religions contained some element of truth but due to religious fanaticism and dogma this truth was not recognised. He recognised God as the Creator of all and asked people to

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CHANDIGARH

CHANDIGARH: Sector 15-D, INDIAN CROCKERY HOUSE, Shop No. 45 • **Sector 17-E, JAGAT SINGH & SONS**, SCF 32 • **SCF 32, KRISHNA CROCKERY STORE** • **Sector 26, AGGARWAL DISTRIBUTORS**, Show Room No. 30

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MARGAON: 10/New Market, DINANATH D. SADEKAR, Post Box No. 331

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AMBALA CANTT.: Saudagar Bazar, JAGAT SINGH & SONS • **NIT FARIDABAD: Market No. 1, KRISHANLAL SANTEY KUMAR**, Shop No. 116 • **HISSAR: Moti Chowk, KEWAL KRISHAN INDER SAIN** • **JAGADHARI: Manohar Nagar, C.P. METAL INDUSTRIES** • **PANIPAT: Halwai Hata Bazar, NEW JAIN BARTAN BHANDAR** • **Main Bazar, MANOHAR SINGH DHARI MAL** • **ROHTAK: PRAKASH CROCKERY HOUSE, Railway Road** • **SIRSA: Rori Bazar, AGGARWAL BARTAN, BHANDAR**

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(Continued Overleaf)

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The Mystique of the Militarists

Louella Lobo Prabhu

In his comments at the seminar, which was featured in the April-July '91 issue of *Freedom First*, Mr. Jehangir Patel observed that military dictators like Napoleon, cause a great deal of death and devastation, but are sanctified by history with qualities of statesmanship. He is probably right! In one of Shaw's plays, he says that people have a morbid fascination with death, reveling in it, as if they were ghouls at a grave, and that the poor spend as much on a funeral, as on a wedding!

It is astonishing that people asked to name their favourite characters in history, would seldom hit upon Lincoln, Pasteur or Florence Nightingale, but would almost in every instance, hit on someone with militarist achievement. Napoleon is not too bad an example of a military war-lord. His European conquests were conducted within the norms of civilised behaviour, and he did leave behind something which is as much the substance of French Law, as Macaulay's contribution to Indian Law — the Code Napoleon. The same may be said of a much earlier European conqueror, Julius Caesar, who gave Roman Law, Roman roads and aqueducts to the world. Julius Caesar was also a great literary historian, just as Napoleon was a rather likeable character, humanised by his colourful private life, and capacity for deep feeling (Desirée, Josephine, Marie Walewska), with whom his personal correspondence reveals a tender nature, alongside an active libido! It is also said that though he did not love his second wife, Marie Louise of the 100 days, and had married her for the heir Josephine could not give, he told her gynaecologist to save the mother, not the child — if such an emergency arose. His son, the "King of Rome" was the apple of his eye. He carried the locket of the child, and historians mention that he contem-

plated it for a long time, on the plains of Waterloo.

Caesar and Napoleon are militarists with some redeeming virtues. In totality they are *not the proper comparative models for a study of Saddam. Ghengis Khan and Hitler would be more correct parallels.* However, while few people except closet neo-nazis, admit to admiration of Hitler, the number of the latter is not small. Post-war literature, like a bestseller by Frederic Forsyth, and a new video on Hitler's daughter, tend to suggest that while post-war Germans, especially younger ones, wish to forget the Third Reich, there are many actively working for its restoration. A re-unified Germany, with the Prussian militarist component (East Germany) is certainly a political entity to watch. Hitler's only possible redeeming quality — his love of the Arts, gave the world some grandiose designs by his architect Albert Speer (largely reduced to rubble), and some splendid sessions of opera, when he persuaded Europe's top soloists and opera singers to appear in Berlin. However, he and his aides despoiled the art-treasures of Europe, and were within an inch of blowing up the Notre Dame itself — a monument which is the signature of Western civilisation. How it was saved from destruction by one fairly humane General, is the subject of an early Dominique La Pierre best-seller *Is Paris Burning?*

Hero Worship of Saddam

The Gulf war presented the strange spectacle of Middle Eastern governments supporting the US-led allied effort, while the populace rooted for the dictator, who manifested no signs of Islamic brotherhood. He sent the flower of Iran's and Iraq's youth to the pearly gates, no doubt consoling themselves that the hour as promised by Allah had

It is astonishing that people asked to name their favourite characters in history would seldom hit upon Lincoln, Pasteur or Florence Nightingale but, would, almost in every instance, hit on someone with militarist achievement.

opened the heavens for them more quickly! Iran under the Ayatollah, and Iraq under Saddam would probably have rendered that reasoning correct! It was astonishing that Iran manifested every sign of deep mourning for the Ayatollah, his body being despoised at his resting place, by helicopter, as frantic mourners jostled for a last pressing of flesh — with the man who had robbed so many of their own flesh and blood! However, not even the Ayatollah used chemical weapons. In this, Saddam was unique. His genocide of the Kurds, repeated the Jewish holocaust on a smaller scale. Had Saddam continued to spread like the green bay trees, as Hitler did, no doubt he too would have discovered among various Asian groups working in the Gulf, Hitler's equivalent of the jews, gypsies, and other races marked out for extermination. Saddam began his career with a political assassination. In the East, this is part of his "macho." Or "machismo."

Ingredients of Mystique

It is generally felt that even by resisting the invaders for so long, with the might of the Western world posed against him, Saddam healed the

traumatised psyche of the Middle East, permanently damaged by Israel's runaway victory in the 'Seven Days War'. However, this reminds the litterateur of Sergius, in Shaw's play *Arms and the Man* his successful cavalry charge is at once the cradle and the grave of his military reputation – there is no one left but the leader, to crow over his heroism. In retrospect, the famous *Charge of the Light Brigade*, in Tennyson's poem seems a regrettable waste of men as gun-fodder, bearing out the punchline: "Someone had blundered". (And then, they rode back, but *not* the six hundred!) Fortunately, (and one really wonders what prompted it), Saddam's early capitulation when the 'Mother of Land Battles' started, was the first piece of commonsense he showed. In the lines of a humorous quatrain: "He who fights and runs away, lives to fight another day." It is a pity he did not realise this earlier!

Possible Future Scenario

It is not impossible that worship of Saddam confined at present to the Mid-

dle East and the more ignorant sections of his co-religionists, will spread to certain sections of the West, as a closet-phenomenon like neo nazism! Years from now, I see an executive meeting in the Chairman's office of an arms manufacturer:

CHAIRMAN: "Well, gentlemen, any suggestions for the oil painting which should adorn this room?"

SECRETARY: Saddam, Sir!

DIRECTOR: Heavens, man, why?

SECRETARY: Never before in our country's recent history has one man contributed so much to our sales!

CHAIRMAN (leaning forward, with every appearance of interest) Proceed. I think you have something there!

SECRETARY: Well sir, to begin with, we armed Saddam to the teeth, with the best of our technology. We built his underground defences, and supplied him with our know-how for chemical weapons. He then warred on the West. Thereafter, we supplied the Allies with arms to wipe out those we supplied in

the first place! Double profit – from the same source. Even our computer, cannot calculate the scale of our profit on this one client! If only, there were more like him!

CHAIRMAN: Gentlemen, are you agreed. Shall we vote on the Motion to commission a painting of Saddam for this Boardroom?

DIRECTORS: (in chorus) No. We are unanimously agreed.

SECRETARY (recording the minutes) The Motion is carried. (Vociferous applause).

ONE DIRECTOR: I vote that we also go into the construction business. We already have the contacts. It will be truly humane to rebuild what we helped to destroy.

Profuse applause. Curtain!

MRS. LOUELLA LOBO PRABHU is Associate Editor of *Insight* and a regular contributor to *Freedom First*.

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India and Israel

The Palestinian Case

Nandini Srinivasan

Mr. T.H. Chowdary in his article 'India and Israel' (*Freedom First* July-Sept '91) has, unfortunately, based his advocacy on factually incorrect positions. Some of the basic errors in his article are:

- Palestine was a land of the Jews and Jews alone. This is historically incorrect;
- the impression that India was in favour of the partition of Palestine. This was not the case; and,
- that the INTIFADA is a movement that advocates violence and terrorism. This is contrary to its basic idea.

Discussing the relations between India and Israel without reference to the Palestinian question is neither possible nor realistic, nor can it lead to a just solution.

The Historical Background

The Canaanites were the earliest semitic people to inhabit Palestine. Abraham, the common ancestor of the Jews and the Arabs came from Ur to Canaan. When the tribes of Israel came to Palestine after their captivity in Egypt, they were united into one kingdom by King David in 1000 BC. The Kingdom reached great heights under Solomon who built the First Temple of Jerusalem on Mount Moriah.

About 720 BC, the Assyrians destroyed the Kingdom of Israel and the inhabitants were taken as captives. The Babylonian King Nebuchadnezzar attacked the Kingdom of Judah in 660 BC, destroying Jerusalem and Solomon's Temple. Fifty years later, the Jews were able to return to Palestine when King Cyrus conquered Babylon. They rebuilt Solomon's temple. In 332 BC, the Jews came under the domination of the Macedonians. In 170 BC, a Jewish revolt was quelled and the Second Temple was destroyed. Macedonian rule was followed by a period of independence which lasted till the Romans conquered Palestine. In 70 AD, Roman Emperor Titus destroyed Jerusalem.

The second century AD saw the

beginning of the Jewish diaspora. Jews were prohibited from entering Jerusalem. After the partition of the Roman Empire in 400 AD, Palestine came under Byzantium's rule till the Arab conquest in 637 AD. On the deserted site of Solomon's Temple, the Mosque of Al-Aqsa and the Dome of the Rock were constructed and called Haran-el-sharif. After the interlude of the Crusades (1099 to 1190), Saladin the Arab ruler, invited the Jews to return to Palestine. In 1517, the Turks conquered the country and ruled it till the end of the First World War. In 1917 British Forces occupied Palestine.

Thus, except during the crusade interregnum, Palestine was ruled by Arabs and then by the Turks for over 1300 years following the Byzantine era. Both the Arabs and the Turks accorded Jews their right to worship and continue their spiritual link with Palestine. In the 19th century, the Turks authorised small settlements of Jewish immigrants from European countries. But the fact remains that at the time of the British occupation of Palestine in 1917, Jews formed less than a tenth of the population.

The Balfour Declaration

With the fall of the Ottoman Empire, Britain adopted a two-fold policy: on the one hand it encouraged the Arab rebellion against the Turks and, on the other, promised to secure for the Jews a 'National Home' in Palestine. On 2nd November 1917, British Foreign Secretary Lord Balfour, issued a letter to the Jewish leader Lord Rothschild spelling out British policy on the creation of a Jewish national state in Palestine. Lord Curzon warned that the term 'National Home' really meant a "Jewish State" in which the Arabs would be second-class citizens. Balfour himself acknowledged what was being done and noted that, "so far as Palestine is concerned, the Allied Powers have made no statement of fact which is not admittedly wrong and no declaration of policy which they have not intended to violate".

The building of the Jewish 'National Home' started soon after the end of the first World War. The Jewish population rose from 10 percent in 1919 to 30 percent in 1939.

The Palestinian Arabs resented the expanding Jewish settlements and anti-zionist riots erupted in 1920, '21, '29 and 1939. Three decades after the Balfour Declaration the Jewish population had increased from 56,000 in 1918 to 608,000 by 1946.

United Nations

In 1947 the Palestine issue was placed before the General Assembly of the United Nations which created the UN Special Committee on Palestine (UNSCOP). The Committee consisted of Australia, Canada, Czechoslovakia, Guatemala, India, Iran, the Netherlands, Peru, Sweden, Uruguay and Yugoslavia. The UNSCOP in its report commented that "at the time of the creation of the 'A' mandates, the principle of self-determination was not applied to Pales-

India's refusal to give Israel full-fledged diplomatic status arises from the conviction that the emergence of Israel was not on 'just grounds and conditions'. It bears no parallel to India's relations with China or Pakistan where our difference have to do with territorial and political considerations

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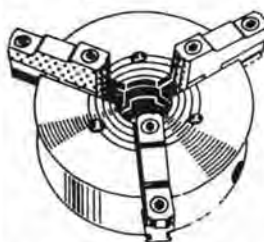


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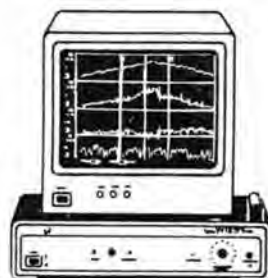
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time, obviously because of the intention to make possible, the creation of the Jewish National Home there. It may well be said that the Jewish National Home and the *sui generis* mandate for Palestine run counter to that principle". The Committee decided to partition Palestine.

Six of the nine members supported partition. The three nations who differed were India, Iran and Yugoslavia. In fact, India vehemently opposed partition. India, Iran and Yugoslavia, not being in agreement with the recommendation for partition recommended that there should be an independent federal state of Palestine comprising an Arab State and a Jewish State. They asserted that partition was unworkable and warned it would be a tragic mistake on the part of the international community. India said that partition would only increase instability in the region; the real reason for partition being to create a Jewish State to serve Western interests. The Partition Plan was voted by the General Assembly on 29th November 1947 with 30 States in favour, 17 against and 9 abstentions. India voted against.

Struggle for Self-determination

By May 1948, over half the Palestinian population was forced into exodus as two-thirds of Palestine came under Jewish occupation. On 29th May 1948, the Security Council established a UN Truce Supervision Committee (UNTSO) and appointed Count Folke Bernadotte as UN mediator. Bernadotte stated: "No settlement can be just and complete if recognition is not accorded to the rights of the Arab refugee to return to the home from which he has been dislodged by the hazards and strategy of the armed conflict". On the recommendation of Bernadotte, the UN General Assembly adopted Resolution 194 (III) calling for the continuation of the functions of the Truce Committee and the Mediator and established the right of "the refugees wishing to return to their homes" to "be permitted to do so at the earliest". Israel – the only State to be created by UN resolution refused to honour Resolutions 181 (II) and 194 (III) and has till date defied all United Nations Resolutions and thereby the UN charter itself. Bernadotte was assassinated and the Zionist leader Yitzak Shamir (the present Prime Minister of Israel) commented on the

assassination "Blessed the hand that did it".

India opposed Israel's application for membership of the UN on the ground that she could not recognize "a country achieved through the force of arms and not through negotiations". After the 1948 war the Palestinians got dispersed all over the surrounding Arab states with just about half of them, 1,60,000, remaining in Israel; 3,50,000 in the West Bank under Jordanian administration, about 70,000 in the Gaza Strip under Egyptian occupation. These Palestinians have been living in refugee camps. The 1967 war brought in a fresh exodus of refugees and their number more than doubled.

What the Palestinians seek is not citizenship in the lands of their refuge but their right to return home. With this aim they established the Palestinian Liberation Organisation (PLO) in 1964. It took about ten years for the PLO to get recognition as the sole legitimate representative body of the Palestinian people. After the creation of Israel, Palestine was on the General Assembly agenda as a refugee problem, but in 1974 it re-emerged as 'The Palestine Question' and the PLO was granted 'Observer' status by the UN.

As the Palestinians did not find themselves in a position to negotiate, they rejected every suggestion for negotiation with Israel. However after 1974, they expressed their willingness to negotiate. This was, and continues to be rejected by Israel.

The Intifada

The Intifada started on 8th December 1987, as a popular resistance movement for freedom and independence in the occupied territories of the West Bank and Gaza. It is a Movement in which the entire Palestinian people in the occupied land are involved. The Intifada has met with barbaric force, inhuman repression and acts of genocide. In March 1989, in the West Bank, over 1000 children were shot or injured by rubber bullets. The situation in Gaza is much worse. About 6000 children were wounded during this period.

This period also witnessed further Jewish immigration into Israel and their settlement in Arab villages and towns. For instance, in Jaffa a Palestinian enclave designated by the 1947 UN Partition Plan, most of the Arab resi-

dents were expelled and it was incorporated into Tel Aviv. Today, many Arab residents live in slums which they are not allowed to rehabilitate because these slums are slated for demolition to make room for construction of immigrant housing. In its report the UN Special Committee on Palestine has pointed out that Israel's policy in the occupied territories has led to the establishment of Jewish settlements and the expropriation of Arab property. All these led to waves of disturbances and protests and the birth of the Intifada.

The Intifada, is not merely a resistance movement. It has set for itself the development of a social, economic and cultural base for the Palestine of tomorrow where they will also have a 'home'.

The Declaration of Independence of the State of Palestine on 15th November 1988 has further intensified the struggle. As of today, 110 nations have accorded diplomatic status to PLO (88 nations have diplomatic relations with Israel).

As long as Israel and the PLO do not come face to face for negotiations, the Palestinians will be toyed with by the likes of Saddam Hussain. The Israeli Government is responsible for pushing the PLO into Saddam's hands by ignoring every peace initiative that the PLO has made in the recent past. The PLO has accepted the existence of Israel as a reality and is prepared to come to the table. Now it is for Israel to reciprocate instead of aimlessly trying to evade the PLO. This has been realised by Israeli groups like the Israeli Council for Israeli-Palestinian Peace. As long as no headway is made in this direction, India which has been deeply concerned with the issue, has no option but to continue extending support to the PLO. India's refusal to give Israel full-fledged diplomatic status arises from a conviction that the emergence of Israel was not on 'just grounds and conditions' and more importantly, Israel has consistently violated International law and conventions.

This incidentally bears no parallel to India's relations with China or Pakistan (as was sought to be established by Mr. Chowdhary in his article) where our differences have to do with territorial and political considerations.

DR. NANDINI SRINIVASAN is a Lecturer in the MVLU College, Andheri. Her specialisation is in the area of human rights.

Converting Tibet into a Sewage Dump

The following is an extract from material issued by the Greenpeace organization on 22 March, 1991.

The United States city of Baltimore, Maryland, has secured a tentative agreement with a California waste broker firm, California Enterprise, to ship 20,000 tons of the city's sewage sludge waste to Tibet, China, in exchange for a payment of US\$ 1,440,000.

Much more than 20,000 tons of U.S. Waste might eventually be shipped to Tibet. According to documents obtained last month by Greenpeace through a Freedom of Information Act request to the U.S. EPA, the Chinese brokers for this scheme, Hainan Sunlitt Group, have the approval of the Tibetan Autonomous Region government to ship up to one and a half million tons of sludge from the United States to the Tibetan Native Livestock Product Company. According to a Baltimore port official, the sludge will be used in China as "fertilizer."

The deal has been delayed by confusion over whether the central Chinese government has approved the sludge imports. In June 1990, the state of Maryland tentatively approved California Enterprise's application to send Baltimore's sludge to China last June, pending the approval of the Chinese government. But the government has not yet given any official reaction to this scheme.

According to Hainan Sunlitt group, a Chinese company that plans to broker the waste shipments within China, "municipal waste water sewage" does not require any government approval "according to the Chinese Government relevant import rules."

It is unclear whether Chinese regulations require government approval of any waste imports before they occur. A U.S. embassy official in Beijing said in September, "Chinese regulations and procedures on the import of wastes, hazardous or non-hazardous, are not yet standardized, codified, or well-publicized." The official added that "although China does import some waste products for recycling, e.g., scrap iron and waste

paper, we understand that (the China) National Environmental Protection Agency has blocked the import of several potentially hazardous waste materials, such as batteries and used tires."

In October, U.S. Secretary of State James Baker asked embassy officials to meet with the Chinese government to clarify whether authorities have given their approval of the sludge import scheme. Embassy officials received no word of China's position, as of February 15, 1991.

As the scheme stalled, Baltimore and Maryland officials expressed a mixture of eagerness to complete the deal, and concern about its political implications. On November 13, a representative of the Baltimore Port Administration urged Maryland's Secretary of the Environment to speed the approval process for the plan because "if such a cargo can be exported, it would not only create... employment opportunities (at the Port of Baltimore) but would also help to solve a very real environmental problem. Other areas of the country are competing with us for this product so time is of the essence."

A Maryland environment department official said in late November that his department is working with the U.S. EPA "to ensure that the project will not generate an international incident." The statement echoed the earlier concern of a U.S. embassy official in Beijing, who noted "the current international sensitivities on the export of waste to developing countries and the potential embarrassment to the U.S. over this proposal."

Further complicating this scheme are recent questions about whether the officials in China are aware of the toxic nature of the planned scheme. an agreement between Hainan Sunlitt and the Tianjan representative office of the Tibetan Bureau of Foreign Economic Relations and Trade allows the import of up to one and a half million tons of "beni" — the Chinese word for "river silt. The Chinese word for sewage sludge is "wuni."

A separate document from a district administrator of an unnamed harbor city in China states that up to 300,000

tons of "river silt" will be accepted if the central Chinese government approves of the import. In October 1990, Secretary of State Baker stated that these documents raise "the question of whether or not China understands the nature of the material and whether it has been properly represented by the exporter to the Chinese authorities."

Urban sewage sludge is not river silt, nor is it useful "fertilizer" when it is contaminated by household and industrial toxic waste. In the United States, sludge from urban sewage treatment plants are chronically laced with toxic pollutants. The toxic chemicals in public sewer systems come from two major sources: Industries that flush chemical wastes down the sewer and households that flush chemical containing consumer products such as cleansers, solvents and paints down the sewer.

When sewage sludge has been used in the United States as "fertilizer," the results have been disastrous. In Milwaukee, where processed sewage sludge is sold as garden fertilizer, the results have been disastrous. In Milwaukee, where processed sewage sludge is sold as garden fertilizer, the product has been linked to outbreaks of amyotrophic lateral sclerosis (Lou Gehrig's disease), although no definitive causality has been proven. The city of Chicago had to withdraw sludge marketed as garden fertilizer in the 1970s, after heavy metals were found to be accumulating at high levels in gardens on which it had been dumped.

Despite these dangers, there are no federal U.S. restrictions on the export of sewage sludge. If any sewage sludge is shipped to Tibet, it is likely to remain there. Hainan Sunlitt Group has assured California Enterprise that "we will take the responsibility for all losses caused by our failing in finishing the customer procedures after arrival of the goods in the Tianjan ports, and we guarantee (sic) that **WE WILL NOT SHIP THE GOODS BACK TO THE U.S.A.** (emphasis added)."

Courtesy, Tibetan Review, June '91

Of Dreams that Turned Sour

The Memoirs of Raj Thapar

S.S. Bankeshwar

*All these Years** is a candid and, at times, an exciting account of two left-wing intellectuals as they journeyed from communism to Nehruism and Indiraism and their frustration with all three.

This is the story of Raj and Romesh Thapar, of their close political involvement, first with the Communist Party of India and then with the Congress(I).

Raj's narration of her life and times, her bold and caustic comments on a galaxy of celebrities constituting the left wing intellectual circles in which she moved, including the very highest in the land; her chilling account of the erosion of moral values and the criminalisation of India's political system are based on a diary she maintained for four decades. Raj Thapar was an intimate witness to the rise and fall of both Communism and Indiraism. *All These Years* is the story of dreams that turned sour.

Raj Thapar does not explain why her husband and she "disbelieved the terrible power struggles that must have been waged in Soviet Russia", "refused at every step to listen, to read and to see anything" apart from what they wanted to till Khrushchev's revelations. Raj also does not answer why it took nearly three decades for the Thapars to realise that "in Soviet Russia, questioning was treason, humanism and dissidence were trampled upon, means became ends" and the state which Marx had dreamed would wither away as people become free had become a "power-drunk robot". Cured of Marxism, there was obviously a vacuum in their lives and this vacuum was filled by another type of authoritarianism – Indiraism – only to realise *after the declaration of the Emergency* that Indiraism was only a variant of fascism!

Raj's caustic comments on Indira are harsh, but true. "An immaculate and consummate actress, she was wearing a myriad masks – all things to all men. With us, the enlightened, sensitive, liberal Indira, within herself, the intriguing, grabbing, impatient god mother building a mafia around her – the worst this country had given birth to – deliberately collecting files on her colleagues so that she was armed for instant blackmail".

"...She (Indira Gandhi) could get away 'with straight lies... the lie was her natural, authentic being with no room for trauma, or dilemma, no battling within'. Indira's 'diabolic nature', 'the straight from the shoulder lies', 'the

bullying of the coward" and "her wanting to kick all men around" were all due to the one failure – her marriage!

"Masterminding behind the scenes was her *forte*. Her manipulating skill was an almost effortless part of her character. She was a charlatan, obsessed with her own person and the person of her son, and was willing to take this country to the depths of degradation to save herself".

"A flowering ego made her see herself galloping on a snow-white horse. She had been preparing the way for all this all the time, packing the place with stooges, acting the part of a helpless ruler besieged by 'dragons' like JP".

"We were wrong in supporting Mrs. Gandhi as the catalyst; she was not capable of it. Mrs. Gandhi only had the will for what now seems to be a passion for personal power".

"Every act of the Indira government was an open war against democracy, whether in health, in shelter or food or in terms of minimum respect for human beings as citizens".

"I had, however, never suspected the cold, ruthless, cruel streak in her to match the distinctive streak in her hair which grew sharper as the years went by. Obviously, her concern for democracy was a pretence".

Finally Raj's anger against Indira is expressed in one terse sentence: "We will never forgive ourselves for helping to create a monster in her later years from the Emergency onwards". After both Indira and Sanjay were defeated in the 1977 election, Raj says, "I had never in my life experienced that kind of joy".

"When P.N Dhar remarked that everyone had been to see Indira after the death of Sanjay Gandhi except, of course, the Thapars, I knew then he had never realised what the Emergency had meant for us, the terror, the horror, the despicability of it all and the fact that the Indira we had so much faith in at one time, the daughter of Jawaharlal Nehru, had been responsible for something I would never forgive until my dying days".

The Thapars, all through their political career had fought for the wrong causes, championed the wrong ideas and promoted the wrong parties, only to realise and regret that they had been wrong all along. They deserve full credit for honestly accepting their mistakes and leaving behind this memoir – a personal assessment of men and matters.

The following are a few more extracts from Raj Thapar's book which eloquently express her feelings of anguish, disgust and disillusionment.

On the Emergency

"The Emergency kept rolling, gathering the remnants on its way. Sanjay was interfering increasingly in every aspect of governance and Madam was unabashedly answering the Western press with amicable falsehoods and not a murmur of protest from any Congressman".

"Wild stories circulated and one had to be on guard against fictionalising the fact and factualising the fiction. Delhi became a bizarre poster town".

"There were members of the elite, too many, who constantly said they

*All These Years by Raj Thapar; Seminar Publications, Malhotra Building, Jan Path, New Delhi 110 001; pp.475; Rs.275.



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were happy to give up their freedom so long as the poor benefited – and that is what the Emergency was all about. I wanted to scream out 'How are the two connected? And what kind of arrogance leads to this belief that the poor are bereft of mind and feeling, that they don't value freedom? And where and when had authoritarianism ever succeeded in producing the good life?'"

"The mass media was outraged or rather raped by her megalomania and Inder (Gujral) was constantly shouted at by Sanjay, by Dhawan. Yes, this was her real mafia, Dhawan, the typist; Yashpal Kapur, now political manager; Kishen Chand, the Lt. Governor and his ambitious aide, Navin Chawla Behl of the NDMC.

On Telephone Tapping

"The bugging business was so rampant that Romesh decided to clarify the situation once and for all. He picked up the 'phone, dialled Dehejia in ITT and asked him what bugs they supplied to the GOI. 'Nothing very complicated' he replied.

"You see, the government doesn't have much money and so there is a bug attached to 100 telephone lines and it takes a while before it can concentrate on one."

On Sanjay Gandhi

"A delegation of senior executives of the Bank (Central Bank of India), headed by Rattan Pochkhanwala, who was the General Manager, came to Delhi with a petition for the Prime Minister, appealing to her to keep Taneja on (as Chairman of the Bank). It had no effect. It was Rattan, visibly shaken as he staggered into the house in a desperate state. 'I have had an awful experience. You must advise me what to do' he mumbled and then out came the whole sordid story. Sanjay asked Taneja to release Rs. two crores to him without any of the normal regulations. When Taneja confessed to his helplessness saying that it would have to go to the Board and that there were many who would oppose, Sanjay had flared up in anger and said Taneja would have to pay for this let down. So, Taneja went. But yesterday, someone had rung up for Rattan and had implied that he was speaking on behalf of a 'higher up' and Rattan better do what he was told – which was that he should leave his hotel, go to such and such place in a

"We were wrong in supporting Mrs. Gandhi as the catalyst; she was not capable of it. Mrs. Gandhi only had the will for what now seems to be a passion for personal power."

"Every act of the Indira Government was an open war against democracy, whether in health, in shelter or food or in terms of minimum respect from human beings as citizens

"... Obviously her concern for democracy was a pretence."

taxi and go somewhere else where he would be picked up by someone else and then to the boss. Rattan, having failed in the petition, was keen to salvage the situation in the bank, so he went, following those pulp-detective novel instructions to the letter. He finally ended up in the Qutub Hotel where he was ushered into a room. There behind an enormous desk sat Sanjay Gandhi, grandson of Jawaharlal and son of Indira. I can imagine that slight, vicious grin on Sanjay's face when he asked Rattan to sit down and offered to let Taneja off the hook if Rattan was willing to give him twenty five lakhs immediately. 'What shall I do?' said Rattan. 'Whatever else, you cannot give in now otherwise you will have to give in all the way down the line' was Romesh's reply.'

"D.V. Taneja (Chairman of the Central Bank) said 'you see, Sanjay, whom I have known since he was a child, promised to make me Chairman if I help him with finances for Maruti, the car project. I did but it didn't seem to help in my Chairmanship. I complained to Sanjay, who then proceeded to steal the relevant file from his mother's office, refusing to return it unless she signed on the dotted line. She finally succumbed and the deed was done. I am telling you the truth because I want you to understand that even though this was the manner in which I came to hold the job, I will never swerve from the path of truth, and never do anything that goes against the interests of the bank and the country. Now that you know the background, I would

be grateful if you keep a sharp watch on whatever I do and pull me up if you ever see I am wobbling".

"This whole episode sent shivers down my spine. If Sanjay, the son, was so deep in the game of governance, if he wielded such power over his mother, the story was far more terrifying than we had ever thought. Indira had over the last three years given in to him in small ways, we had thought. That Maruti, the spurious so-called indigenous car he wanted to build. We knew Haksar had put his foot down at some stage and had been shunted off to the Planning Commission by Indira but we were not aware until then that Sanjay had his own hands and feet in so many arenas. And the style of the mafia, the godfather so evident now, must have been at work for some time. I kept wondering – had it all come to this level? If so, what would the future hold? Romesh, meanwhile, had asked for a Board meeting. He was sworn to secrecy because of Taneja from whom we got the impression that his life would be in danger if the newspapers got hold of the story".

"In 1971, we had the mistaken notion that bank nationalisation was a step forward – true, we knew even then that it was undertaken out of self-preservation, but we never conceived a point in time when she might use that money for herself or allow her son siphon it away."

Emergency Celebrities

Karan Singh

"Karan Singh went through some quick hop-skip and jumps. He had written to Indira asking her to step down after the Allahabad judgement, but once the Emergency was declared, his attitude under went a sea-change. Karan Singh told Raj: 'You see, in the beginning I was for a democratic option. But you don't understand a great new opportunity, a new dawn is opening for India'. When he repeated this the third time, Romesh jumped up and said, 'You bloody fool'. So the conversation came to a virtual end."

Painter Hussain

"Hussain, now very much the Court Painter, exhibited his canvasses showing horses galloping past 20 points, each one point of that hurriedly assembled program which Indira had announced to temper the Emergency.

It had taken very little to become the magic mantra on Radio and T.V. staring at you from every little shop.

Abu Abraham

"Abu Abraham, the cartoonist, who had written an excellent article in *Seminar* attacking the Emergency and pointing to the similarities with Mussolini's Italy about trains running on time, asked us what reactions there had been to his piece. When Romesh replied that people wondered in how many voices Abu could speak, considering that he had just published an article in *The Guardian* in England praising the Emergency, Abu just looked at him and said, 'Only two, one for here and one for abroad.' Looking at him, I despaired of anyone ever being able to fathom the Indian psyche—the propensity to exist on contradictory planes at the same moment of time."

Rajni Patel

"The thought of Rajni Patel running this great country seems to affect me much more than warranted. The picture of a slimy, greasy character, shaking at the joints, with Marxist background and no cultural penetration of any kind or breed, making money anyhow, produces volumes of disgust in me, which makes me mad with rage."

Rashiduddin Khan

"Rashiduddin Khan came one evening after voting for the 40th Amendment in the Rajya Sabha which, among other startling things, placed the elected Prime Minister above criminal action in the eyes of the law. 'I could not sleep last night. My conscience was hurt' he said. How could it hurt when it had been killed already, I thought."

"We were appalled that Rashid, being a nominated member and a political scientist, not belonging to any political party, and equipped with a background of Marxism, could be persuaded to vote for illegalities like these. 'You don't have to be heroic, but you also don't have to be a willing tool. Why did you not just stay at home' said Romesh."

"What could I do? Om Mehta rang and he replied."

"Om Mehta was a stooge Home Minister, someone whom we could never have looked at twice, who could have

crawled if Indira had wanted him to. So what hold could he have had on any sovereign power? Rashid's weakness was too devastating but so representative of the sprawling academic community. As academicians, they were not prepared to defend their colleagues who had been picked up by the police and fed into overcrowded jails without trial. Mounted police roamed the campuses driving the lesson of fear hard and deep. Fear was fortified with an injection of income tax raids. Raid the middle classes, and in the process, launch cases against those who don't fall in line."

Madhu Limaye

"Madhu Limaye has always baffled me. If you heard him in Parliament, you could easily assume that he was demented, so much shrieking and gesticulating, all unseemly, the hallmark of Lohiaites. When you met him quietly in our office, he was thoughtful, intelligent and wrote very perceptive pieces for us in *Seminar*."

"When I questioned him about it once, he said it was because in parliament, our government spokesman never took you seriously unless you frightened them with noise."

"I met him at dinner at Rajinder Sachar's on his return from Soviet Russia and I had this strange conversation with him about how wonderful Russia was and how that was the ideal society for us. I could not believe my eyes and it came about in a flash — the realisation that he had fallen in quite the same way as we had fallen in our youth, except that in his case, it was obviously because his ego had been much flattered and he was prepared to swallow whatever was fed to him. The Soviets were influencing him greatly. They loved Indira and used him as one of the prime destabilisers of the Janata, even persuading George Fernandes to take part in the final betrayal."

Dinesh Singh

"Our foreign policy was being consumed in the nonsenses of Dinesh Singh. He had successfully managed to get the foreign ministership after much cajoling and Indira said she did not understand his obsession because the prime minister was the real foreign minister and he would be only her sidekick. There was malicious murmuring

behind the scenes about his hold on her, all of which he encouraged with a kind of knowing smile. An agitated Charanjit Yadav once came into our office. He had an important matter to discuss, he said. It transpired that when Congress MPs met in the evening, without fail, Dinesh would look at his watch about 11 or 11.30 pm and say, 'Oh, I must be going. The PM must be waiting for me'. This was received in silence, but was becoming an embarrassment. Could we do something about it? he said."

"We? What on earth could we do? Obviously, the PM and Dinesh were playing their games. Even Mela Uvalic, the Yugoslav Ambassador's wife, had been most impressed. 'The PM can't do without Dinesh for a minute. Every time we ask him for dinner, hardly has the course been consumed than sure enough there is a call from the PM's house', she said."

"We found it amazing that Dinesh did this on purpose to give credence to the rumours. Now, I no longer know, she might have been using this tactic to hasten his fall."



MAN

Is this the face of man
or is he the missing link
between animal and man.
Innocent children, chaste wives
being ravaged and reviled.
Breathing lives being snuffed
and baked like festival goats.
Why did we produce so many
civilisations, so many cultures,
so many books, so many inventions.

When we knew we had
to go back to the animal age.
Stone age was certainly better
At least the weapons of death
weren't so cruel and harsh
And now, when we have
the efflorescence of science
death need not be peaceful.
Hiroshima, Chernobyl, Bhopal
and the toxic chemicals
that gush with the breath
make us wish for the age
when Man was Man.

Moin Qazi

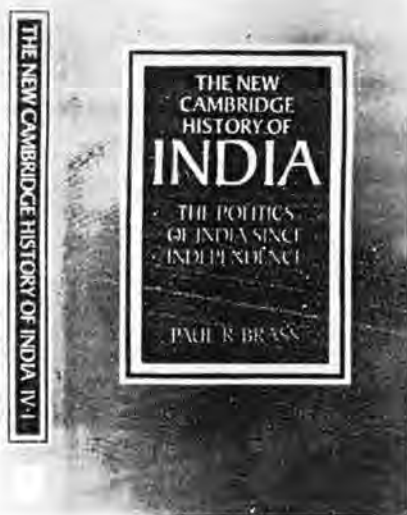
BOOK REVIEWS

THE NEW CAMBRIDGE HISTORY OF INDIA, IV • 1: THE POLITICS OF INDIA SINCE INDEPENDENCE by Paul R. Brass; Cambridge University Press in association with Orient Longman Ltd., 3-6-272, Himayatnagar, Hyderabad-500 029; 1990; pp. XVI + 357; Rs. 250.

The *Cambridge History of India* published between 1922 and 1937 having been rendered out of date by the tremendous upheaval of the second World War and the events following it, as also by the changes in perceptions and perspectives brought about by scholarly writings during the last five decades, the Cambridge University Press has planned to bring out *The New Cambridge History of India*, though in a different format. As the General Editor Gordon Johnson, Director of the Centre of South Asian Studies at the University of Cambridge, has explained in his preface to another book in the series, the new history is "divided into four overlapping chronological volumes each containing about eight short books on individual themes or subjects."

It is under the fourth part entitled 'the evolution of contemporary South Asia' that Professor Paul R. Brass of the University of Washington, Seattle, has contributed this book on *The Politics of India since Independence*. In writing it he has drawn on his extensive studies of the Indian political process over nearly thirty years. As a result of his observation and analysis of the working of the political system in India he has come to have a definite view of its nature and possible future which merits careful study by all those who are interested in a deeper understanding of the labyrinthine course of Indian politics since independence. The central theme of the book, as stated by the author in his preface, "concerns the consequences of increasing efforts by the country's national leaders to centralise power, decision making, and control of economic resources in one of the most culturally diverse and socially fragmented agrarian societies in the world... These consequences suggest the existence of a systemic crisis in the Indian polity which will not be easily resolved".

This theme has been elaborated in the book which consists of ten chapters. The first chapter serves as an intro-



duction in which the author points out the continuities and discontinuities between pre- and post-independence India. The adoption of the new Constitution on the basis of the British parliamentary model was part of the colonial legacy. But the incorporation in it of a declaration of fundamental rights and of adult franchise was in furtherance of values nurtured during the pre-independence nationalist movement for freedom. The establishment of the Supreme Court with the power of judicial review was derived from the American model. The federal scheme was accepted but the desire for a strong Centre was fulfilled by placing extraordinary powers in the hands of the union government vis-a-vis the states. The unity and sovereignty of the state and its secular character were emphasised particularly after the creation of Pakistan. Secessionist and religion-based movements, were frowned upon.

The belief that India's social and economic progress had been retarded by British rule led to the acceptance of a policy of state action for modernising Indian society and bringing about rapid economic development. Central legislation was considered essential for removal of certain institutions and practices like landlordism and untouchability. While adopting the political ideas, conventions and practices of Western democracies, not much attention was given to the traditional and essentially non-democratic character of Indian society based on caste, community, local and feudal loyalties etc. The state and society were therefore out of tune with each other and democratic institu-

tions of the State were, therefore adopted to suit the traditional modes of social behaviour. A sharp divergence thus developed between the political rhetoric and actual political practices.

While this analysis of the situation at the time of Independence must be accepted as correct, two points must be made 'to put the record straight' as it were. One is that there was no viable alternative to the adoption of the Western democratic system when the new constitution was framed. For nearly a century before the attainment of independence, the parliamentary model held the field in the thoughts of Indian political leaders and thinkers as the ultimate institutional goal under *swaraj*. The Gandhian alternative of a network of self-sufficient village republics was not acceptable even to the mahatma's closest associates like Nehru. The other point is that the post-independence Congress leadership which had both popular support and an effective organization at its command, failed to observe and propagate by example, the rules of the game of a parliamentary and federal government. Under pressure of short-term gains and a desire to continue in power they made all kinds of compromises for the purpose of securing the votes of the masses, which resulted in denying in practice what they preached from the platform. That is why there is, as Brass puts it "at every level of the system factionalism, personalism and opportunism rather than ideology, party ties, or nationalism."

The author's introduction, in a way, brings out in summary fashion, the main features of Indian politics. The following nine chapters are divided into three parts entitled: I-Political change, II-Pluralism and national integration and III-Political economy.

On the changes in the structure and functioning of government, the author traces the modifications effected in the parliamentary, federal and bureaucratic system in its actual working. In doing this he draws a dividing line between the period upto 1964 when Nehru was the Prime Minister and the post-Nehru era. Under Nehru the role of the Central government was less obtrusive in its relations with the states and local governing institutions. The situation, however changed radically under his successors faced with growing factionalism, the intense competition for

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power and the emerging manipulative character of political activity. The attempt to control the state and even local leaderships by holding them to the tight leash of the High Command both violated the federal spirit and undermined the parliamentary system and made the office of the Prime Minister all-important for the survival of any other political entity. This situation reached its culmination during the Emergency of 1975-77. The collective responsibility of the cabinet, the authority of parliament and the judiciary, the political neutrality of the civil service and centre-state relations – all suffered a set-back and an era of institutional instability was ushered in. A consequence of over-centralisation was the emergence of regionalism challenging the hegemony of the Centre and the establishment of opposition governments in many states. The Central government, however, did not relent and rather than revise its ways, preferred to abuse its constitutional powers by using the office of the Governor for toppling the duly elected state governments.

In the next chapter dealing with parties and politics Brass has presented a picture of the party system in a superbly readable and concise way. While many parties may actively participate in the electoral process, few of them exhibit a continuity of existence or any firm ideological commitment. The regional parties are specific to particular states like the DMK and AIADMK in Tamil Nadu, the TDP in Andhra Pradesh, the National Conference in Jammu and Kashmir, the AGP in Assam and the Akali Dal in Punjab. They strive for a regional identity. According to Brass, the state units of the CPM in West Bengal, Tripura and Kerala have also become, in effect, regional parties in so far as their popular support is concerned. At the national level the Congress still appears in a dominating position. Indian scholars have characterised the system as a 'one-party dominant system'. But Brass considers this a 'misnomer' in view of the fact that the Congress rarely polled an absolute majority of votes cast in state elections and only once since Independence nearly did so at the Centre, in 1984. Its dominance was only partly a result of its own support base. The disunity in the opposition ranks was equally important for it. When that was overcome in 1977, the Congress lost power. One is not, however con-

vinced that the label of 'one party dominance' was therefore a 'misnomer'. It referred to the end-result and not to its causes which were quite well known to Indian scholars. Apart from this semantic point which, in any case, does not make much of a difference to the course of his argument, Brass has pointed out the importance of various interest groups, intermediaries or even influential individuals who act as links between the formal political institutions, parties and bureaucratic agencies on the one hand, and the social institutions – caste, family and village on the other. "In short, factions and personal leader-follower ties have been the principal structural components of the 'parties' in the Indian party or, better, the Indian factional system". (p.97). It is they who render impractical most of the proclaimed goals of the national leaders of the country. There is also a whole class of intermediaries between the people and the administration. Their work, useful in some ways, often leads to the distortion of information, diversion of development funds to persons and groups other than those for whom they were intended and to the spread of corruption everywhere. In regard to state and local politics, Brass sees a continuation of the scenario at the national level. Politics at the district level "involves a pervasive struggle to gain and retain control of the multiple political resources in a district – the panchayats, cooperatives, banks, sugar factories and party organizations" (p.123)

Part II relating to pluralism and national integration consists of three chapters dealing respectively with language problems, non-Hindu and tribal minorities and varieties of ethnic conflicts. The author's finding as regards all such conflicts is worth pondering over. According to him the "problem arises from the tensions created by the centralising drives of the Indian state in a society where the predominant long-term social, economic and political tendencies are towards pluralism, regionalism, and decentralization. Although the same tensions existed in the Nehru years, central government policies then favoured pluralist solutions; non-interference in state politics except in a conciliatory role or as a last resort, and preservation of a separation between central and state politics, allowing considerable autonomy to the latter. From

the early 1970's however, during Mrs. Gandhi's political dominance, the central leaders have intervened incessantly in state politics to preserve their dominance at the Centre... and pluralist policies, though not discarded, were often subordinated to short-range calculations of mutual benefits" (p. 241).

The third part of the book deals with political economy. The goals, strategies and results of central planning and the political aspects of agricultural change are discussed here. The last chapter sums up the problems and prospects as seen by the author. While reviewing the various controversies relating to planning in India adequate attention has been paid to the public sector vs private sector, industry vs agriculture, urban vs rural aspirations, the political tussle for control over resources between the centre and the states and the proposals for privatisation of enterprise. However commenting on the Mahalanobis – Nehru model adopted from the second five year plan onwards, Brass commits a grievous historical error when he says that the central goals of the plans were "to establish India as a modern, self-sufficient industrial military power". (p. 256). The statement is repeated on the following page and is prominently mentioned in describing the contents of the book in its blurb. While rapid industrialisation was certainly aimed at, there was never any question of building up the country as a 'military' power. It is difficult to understand how such a distortion of history is perpetrated by an otherwise meticulous researcher.

The questions relating to changes in the country's agricultural scene have also been discussed with reference to land reforms, the Green Revolution, peasant revolts in certain areas and the widening gap between the rich and the poor. It is pointed out that regional disparities have increased inspite of the increase in aggregate production and the major shift in policy required to counter the 'urban bias' in planning did not come about. But "the extraordinary stability" of agrarian society was not much disturbed despite violent movements of peasants in various isolated or localised pockets, in different states like Bengal, Bihar and Andhra Pradesh. According to Brass, the main beneficiaries of government's economic policies "continue to be the politicians themselves and their corrupt allies and

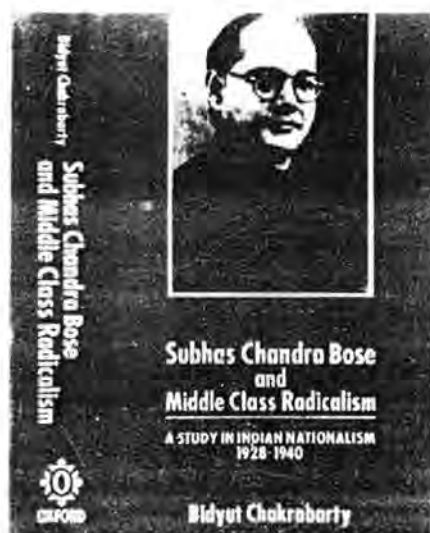
dependents in the bureaucracy, business entrepreneurs... and the urban classes" (p. 278).

As for the problems facing the polity, centre-state relations, the possibility of changing over to the Presidential system, politicisation of the bureaucracy and the police, the tremendous pressure of population and the inability to meet the elementary demands of the people, economic liberalisation and technological modernization have been briefly discussed. Speculating on the prospects before India, Brass emphasises the systemic crises through which the country is passing and which can perhaps be overcome by greater decentralisation of power and a return to the pluralist policies of the Nehru era.

There is no doubt that Brass has built a powerful argument in support of his thesis in this book. He has made a valuable contribution to the understanding of Indian politics since independence.

Reviewed by PROF. S.V. KOGEKAR, eminent scholar and Principal (retired) of Fergusson College, Pune.

SUBHAS CHANDRA BOSE AND MIDDLE CLASS RADICALISM: A STUDY IN INDIAN NATIONALISM 1928-1940 by Bidyut Chakrabarty; Oxford University Press, Delhi; 1990; pp. 240; Rs. 300.



As I start this review of Dr. Chakrabarty's welcome addition to the scholarly literature on the legendary

leader, the 1 pm news bulletin of All India Radio confirms the physical presence of Mikhail Gorbachev in Moscow, — the BBC can be comfortably heard much later in the day.

And this coincidence raises a question: Who is the arch radical in this 'August Revolution' in Russia? Gorbachev — and Boris Yeltsin to most of us. But, to a few, say in Cuba, Libya, Iraq or in New Delhi or Calcutta, is not the defeated KGB chief the arch radical who failed?

This is no irrelevant or idle speculation, nor is it too far fetched. Imagine Subhas's position in the post 1947 pantheon of Indian politics if he had been physically present. Since one of his basic parameters had gone wrong, — the Allied powers had triumphed over the Axis powers — he would have returned as a prisoner at a first. But what happened at the INA trial? Who were the defending counsels? What were the fruits of that supreme folly of the Raj.

Personal success or failure of an unconventional leader not only decides his career but also colours the common perception about him, his ideas, and his achievements. Much more so than in the case of a conventional leader. It seems that in Bengali society, a failed or a self sacrificing hero stands a better chance of being accepted as a radical than a successful leader does. Though that is a blind kind of acceptance. Dr. Chakrabarty is not blind at all.

But why should it be so? Would Gorbachev have acquired a brighter halo in Russia if he had been killed off in the first hours of the abortive coup? I guess not. But call it masochistic or call it defeatist, this curious trait in Bengali culture possibly owes its origin to the (correct) appreciation of the fact that Bengali individuals are capable of greatness but the institutional set up of Bengali society is too sordid. A great mind operating within this society can hardly be a success without coming to terms with such sordidness. One important characteristic of Dr. Chakrabarty's work is that it studies Subhas when he was primarily a Bengali politician.

This explicit limiting of the scope of the analysis is, on the one hand, comparable to say a study of pre-1995 Gorbachev when he was presumably clawing his way up in the Brezhnev era.

Would that shed much light on *perestroika* or *glasnost* and the (intended or unintended) chain reaction culminating in this coup and its collapse? Not likely. Likewise, this pre-1941 study of Subhas should not be expected to throw much light on the creation of the INA and the immense chain reaction it set off, including the destabilisation of the British Indian armed forces.

On the other hand, this deliberate self limitation serves an important purpose. It is only too common to forget the earthly roots of a hero or to retrospectively paint his early years in the blazing colours of his later glory. To look at the same phenomenon the other way round, the cold light of scientific enquiry rarely reaches the actions and attitudes of the contemporaries and colleagues of an overwhelmingly popular hero — now safely dead.

Dr. Chakrabarty is very detached. He presents facts, culled from a wide array of sources, at an exemplary level of scholastic devotion, and refreshingly refrains from drawing quick conclusions. But when he does draw a conclusion, he is accurate. To give one instance, he assesses the style of Subhas's leadership as one from the top, not from the bottom, secondary rather than primary. And he fully substantiates it.

The 20-page introduction summarises the developing situation—from the point of view of the politics of the Indian National Congress— within itself, as well as its interface with the other players. However it would require quite some prior knowledge to appreciate the thrust of the very opening sentence, for example: "Following the 1907 Surat split ...". It is not for me to suggest an improvement, but, perhaps, when giving a background to the main thesis, it is better to start with a general statement than to indicate the author's conclusions, without bothering to give details, intelligible to Indian as well as foreign readers uninitiated in the subject. If they get interested they will seek more facts elsewhere, but will, at any rate, understand the overall attitude of the author.

The definition of the (Bengali) middle class gives the substance of our current knowledge. The third section of the Introduction: Political currents and cross-currents, 1928-40, is particularly

useful in as much as the complex relationship between the 'organised and unorganised worlds of politics' in Bengal is skilfully described. But, in dealing with the Hindu-Muslim relationship why is there a total silence on the blocking of a proposed coalition between the Congress and the Krishak Praja Party of Fazlul Haq? Was that not to lead to a crucial parting of ways and the ultimate partition of Bengal?

The first chapter is on 'Constraint and Tension in Middle-Class leadership' and gives a lot of data. Some are widely known, like the zig zag course of Subhas in his early years: an ascetic; a wanderer like Vivekananda; a bright student willy nilly pushed into a confrontation with Professor Oaten; a successful candidate for the ICS, and finally his volunteering for apprenticeship under C. R. Das the 'King of the Bengal Congress'. Several things could be emphasised in this chapter: Subhas's awareness of the society (it still remains almost as it was) in his time; his bitterness about the British race itself, (unlike Jawaharlal, who distinguished between the British in India and the British in their homeland); his early awakening interest in the military training; his organising flair; and above all, the fact that he was active in Bengal politics for only about ten years, and that too without a 'godfather'.

But I have looked in vain in my two readings of this engrossing treatise for an insight into the dynamics of middle class thinking in that tumultuous period, an explanation why Gandhi at all sponsored Subhas's Presidentship of the Congress in 1938 (in those days, the Congress President was known as the 'Rashtrapati'), and how did Rabin-dranath himself fail to build a bridge between Subhas and Gandhi. The shameful manoeuvres compelling Subhas to resign his second presidentship and to go out of the Congress are better known.

The second chapter on 'The Hindu-Muslim Question' is one of the book's tidiest chapters. Subhas could not undo the age old misdeeds of social and political leaders. Dr. Chakrabarty does an even handed appraisal of the role of Subhas in lengthening the chronicle of self defeating compromises, desperately searching for a foothold in Bengali politics, quickly pushed out, as he was, from the all-India heights attained by

him almost single handed, even the motely crowd of so called 'leftists' failing him in his hour of need.

In this final phase of his political career within India, though he gave no advance indication of his later achievement of a practical solution to the communal question — in the INA — I would like to add a footnote to Dr. Chakrabarty's dispassionate account of the agitation for the removal of the Holwell Monument. Gandhi had used the Khilafat movement for Hindu-Muslim unity with very mixed results. Subhas initiated and successfully steered the tactical movement (Holwell monument agitation) to drive a wedge between the British Raj and its Muslim frontmen, without any undesirable side effect.

The third chapter on the 'Ambivalence of the Working-Class Struggle' presents a convincing case against the Bangla Congress in general and Subhas in particular, just as elsewhere in the book, Dr. Chakrabarty has amply proved that the Bangla Congress had miserably failed to integrate the peasantry into its activities which also increased the communal divide because the Muslims comprised a large part of the peasantry while their traditional 'exploiters' happened to be Hindu *Bhadraloks*. Well, the Congress was on the whole not on the side of the peasants or factory workers or even the mutineers in the British Indian Navy for that matter. Yet, Gandhi's role in the textile strike or Patel's role in the peasant movement were far brighter than Subhas's role in the TISCO strike. Am I wrong?

The fourth and the longest chapter 'Bengal Provincial Congress: Operational Dilemma and Organizational Constraint' is in truth the most useful, especially if taken together with the short conclusion. But it is about the provincial Congress, not about Subhas nor about middle class radicalism. Therefore, I would draw the readers' attention to these chapters rather than offering my comments.

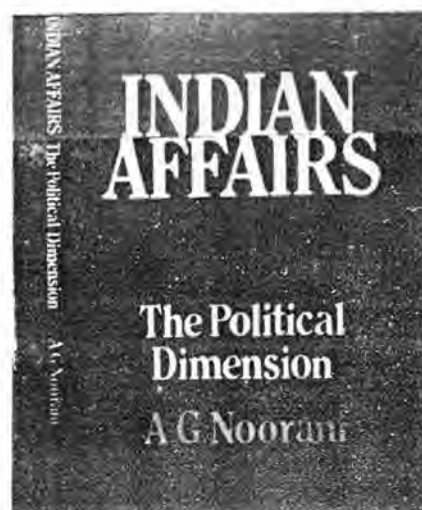
Appendix I has some notable gaps, e.g. C.R. Das himself is absent. Appendix II makes the composition of the Provincial Congress Committee, clearly demonstrating the political line of Subhas at his peak in the Congress, viz., his plan to draw in the revolutionaries—a red thread running

through his last years, culminating in his joining hands with the great revolutionary in exile: Rash Behari Bose.

Reviewed by MR. MIHIR SINHA, a journalist based in Calcutta.

INDIAN AFFAIRS: THE POLITICAL DIMENSION

INDIAN AFFAIRS: THE CONSTITUTIONAL DIMENSION by A.G. Noorani; Konarak Publishers Pvt. Ltd., New Delhi; 1990; pp. 390 & 412; Rs. 200 each.



Mr A.G. Noorani is one of the few columnists in India who combine facts, focus and comment with a remarkable degree of objectivity. True, one is tempted to call him a chronicler, as suggested by his eye for dates and detail together with exhaustive references. But that does not minimise his status as a leading political commentator.

The books under review are a compilation of his articles carried by the newspapers and journals in India during the past two decades on Indian politics and the Constitution. Books like these necessarily lack a unifying theme. But they help us understand the changing contours of Indian politics, and grasp the elements of continuity in it. By putting together the numerous scattered issues published at different times during the past two decades, they spare us the time and effort that would have been required to study the major events and their significance. More important,

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we get an opportunity to know the comments on these events expressed as close to the events as possible. Such immediate reactions to events are a mirror of public opinion of the day.

Such books are also not free from certain disadvantages. One, it is difficult to free oneself from the influence of the immediacy of these events on objectivity. Second, the urge to comment on events as closely as possible and as frequently as feasible, may deprive the writer of the opportunity to reflect and refine his perspective on events, and issues.

Mr Noorani alone can say whether he has been able to free himself from such perceived disadvantages. But this should not detract us from the inherent strength of his ideas.

The book on the political dimension is divided into six parts: Indira Gandhi's style, the emergency era, Rajiv Gandhi's style, Indian Muslims, the Punjab crises and certain aspects of the Indian political process. Mr Noorani has selectively chosen his articles for inclusion under these areas so as to be fairly representative of his views and to reveal his insights and erudition on men and matters with remarkable clarity.

For a start, let us take Rajiv's succeeding Indira Gandhi. In retrospect, it seems to us that the nation had little choice in 1984 but to endorse Rajiv's succession to Indira Gandhi as a political necessity. But Mr Noorani had this to say in March 1984: "Rajiv's succession entails promotion through use of the state machinery and encouragement of sycophancy. It is no less essential to the success of the exercise that none else should be permitted to acquire political clout ... It is the clime in which a Rajiv Gandhi can be thus promoted which democrats should seek to change. The dissimulation in the promotion and the false denials are a tribute to the still surviving democratic instincts of resistance to the outrage. Its success so far reveals the frailty and corruption of the polity."

If Mr Noorani has been critical of Indira Gandhi's style throughout, he, like every one else in the country, was struck by the promising initial period that marked Rajiv Gandhi's term in office. Moreover, Mr Noorani soon joined Rajiv's critics. No doubt, both Indira and Rajiv were guilty of many omissions and commissions in their

approach to many issues. But that should not detract us from their contribution to the national identity. In evaluating a leader like Indira Gandhi, one should understand the political realpolitik in which she functioned. In Indira's case, her own feeling of insecurity shaped her responses to political events and issues. Mr Noorani's bitter comments on Indira Gandhi's style do not reflect an appreciation of these factors.

In contrast, Mr Noorani's assessment of Rajiv in 1988 is objective. He says: "There is nothing in his record which reveals strength. Much that reveals pettiness and a spirit of vendetta. Authoritarian without force of character, opinionated without the strength of conviction, anxious to be clever without the gift of resourcefulness, Rajiv Gandhi's condition would be deserving of sympathy were it not for the fact that these inadequacies feed his insecurities to such a degree as to make him desperate and spiteful."

The Congress after Rajiv's assassination witnessed acute uncertainties over his succession. When Mr Narasimha Rao succeeded him as the provisional Congress president, nearly a week after the Sriperumbuthur tragedy, it was not without the bungling over Mrs Sonia Gandhi's unanimous election as the party president although she had the grace to refuse it. What it exposed was the complete lack of intra-party democracy in the Congress since the early seventies when the last organisational elections were held.

Mr Noorani recalls Rajiv's own words expressed in December 1985 with telling effect in August 1986: "A democratic Constitution suffers distortions in its working if the ruling party at the Centre functions as 'a feudal oligarchy' in which 'brokers of power' and 'self-perpetuating cliques' predominate." Mr Noorani contrasted this with Rajiv's announcement in August 1986 that the oft-promised organisational elections in the party would not be held till after the general elections. Rajiv's explanation for this was unconvincing. He said: "The party constitution as it stands today, and the two splits in the Congress, the two together do not allow us to hold the elections. It would be unconstitutional to hold elections. If we did it today we need an amendment of the party constitution." To this, Mr Noorani opined that a party which finds it so easy to get

the country's Constitution amended to bring in the hated 59th Amendment should have no problems in amending its own constitution. Clearly, the intense struggle foreseen in the Congress for the leadership of the party and the parliamentary party after Rajiv could have been avoided had the party ensured the elective element in all the forums of the party during the past two decades.

In the second book on the Constitutional Dimension, there are nine parts. Mr Noorani has written extensively on the role of parties, the President, the Parliament, Centre-state relations, ministers and civil servants, elections, the judiciary, and accountability. Has the Constitution become irrelevant today? To this, Mr Noorani's answer is crisp and clear: "The Constitution has served us well. We have not done justice to the Constitution. Four decades' experience should prod us to do better to arouse the people's consciousness to a level where none can take them for granted."

Mr Noorani has radical views on the role of the President. According to him, a President who refuses to sign a palpably fraudulent measure (Proclamation of emergency) has the right to sack the government which tendered such advice, invite the opposition to form a government and dissolve the Lok Sabha immediately. He has not only the right but the clear duty to do so to prevent a gross violation of the Constitution he is sworn to uphold. But the presidency is but one component in the system, although a very vital one. We need to revive the political parties as institutions and to make parliamentary democracy meaningful and relevant. The Cabinet must regain its role with the PM as only the first among equals. It is only as part of this entire process that the presidency can be revived to perform its indispensable role in our polity. It is too early to say whether the assumption of power by the new Congress government at the Centre, albeit a minority one, may reverse the nearly two decades of Congress failure to uphold the Cabinet system.

It is interesting to note that Mr Noorani has not considered the possibility of a party emerging as the largest single party, but robbed of a majority at the polls and still without any firm commitment by other parties of outside support to its government. What should the President do in such circumstan-

ces? In inviting Mr Narasimha Rao to form the Congress government at the Centre, the President Mr Venkataraman has obviously not satisfied himself, according to conventions, whether the Congress is sure of getting the requisite support from other parties to form and run a durable government. The President has perhaps assumed that all the non-Congress parties may not be eager to pull down the new government so soon after the elections.

Together, Mr Noorani's two books reveal the nation's political progress in its complexity. Any one who reads them shall be tempted to judge today's political events and issues in the light of what Mr Noorani has said on similar occasions earlier. Mr Noorani himself emerges as an important liberalist with consistent views. If the reader finds himself more knowledgeable and articulate after reading them, the books would have served the purpose. For one who has no patience to go through them page by page, they may still serve as an index to Indian politics since the seventies.

Reviewed by MR. V. VENKATESAN, a journalist based in Delhi.

ALTERING STRUCTURES: INNOVATIVE EXPERIMENTS AT THE GRASSROOTS by Gautam Vohra, Tata Institute of Social Sciences, Bombay; 1990; pp. 225; Rs. 100.

Voluntary organisations in India can claim a long and distinguished lineage dating back to the pioneering experiments of Tagore and Gandhi. However, the voluntary sector in the country remained rather staid until a new breed of voluntary agencies (VAs) emerged in the late 1960s. Unlike the traditional VAs geared to charity and relief, these seek to mobilise the oppressed social strata for development, justice and democracy. Some old VAs also gave up their earlier limited role and joined the ranks of the new VAs during this period.

Today the number of such VAs is estimated to be over twenty thousand. They receive aid from the government and foreign donors to the tune of Rs. Eight hundred crores annually. This together with their dynamism, innovativeness and fight against vested interests have made the sector controversial.

Altering Structures

Innovative Experiments
at the Grassroots



Gautam Vohra

Not surprisingly, the study of VAs has become a growth industry, spawning several publications. The book under review is a recent addition to this genre.

Authored by Gautam Vohra — an activist and researcher in the voluntary sector — the book comprises in-depth studies of four VAs: Banwasi Seva Ashram (U.P.), Rural Development Association (West Bengal), Mysore Resettlement and Development Agency (Karnataka) and Mahiti (Gujarat). They represent the Gandhian, Marxist, Church-related and eclectic ideological tendencies respectively. Each agency is analysed in terms of its economic and afforestation programmes, fight against vested interests, peoples' organisations, involvement of women, ideology and replicability. Budgetary details are also provided except in the case of the Rural Development Association.

The Banwasi Seva Ashram (BSA), set up in the 1950s in the tribal district of Mirzapore (U.P.), is the oldest of the VAs presented in this book. It went beyond the initial limited programme of providing drought-relief when Prem-bhai — its current head — joined the BSA in 1967. Its core programme now consists of irrigation schemes and reclamation of ravine land which has enabled the beneficiaries to introduce more crops and increase productivity.

Its efforts to secure land titles for the tribal farmers, its campaign against the sale of liquor and its struggle against the exploitation of tribals by forest officials and the police, have brought it into conflict with the vested interests. It has a three hundred strong full time staff and

an annual budget of fifty lakhs of which nearly twenty lakhs come from foreign donors. However, its major strength lies in its fully democratic, three-tier peoples' organisations, through which it operates.

The Rural Development Association (RDA) was founded by Dipankar Dasgupta in 1976. It operates in a predominantly tribal tract comprising Midnapore, Bankura, Purulia (West Bengal) and Singbhum (Bihar) districts. It has helped the tribals to stop exploitation by traders, contractors and the forest department, through forest protection committees. Forest cooperatives have also been created to collect and sell minor forest produce. These are largely managed by women.

It has launched struggles for fair distribution of land, restoration of sharecropper's rights and fair wages. It has thus antagonised the locally dominant Communist Party-Marxist which guards vested interests. Its organisational set-up consists uniquely of a think tank — the Regional Research and Study Centre. It has a small core staff of committed activists. It has attained remarkable success in creating autonomous and militant peoples' organisations and in the empowerment of women.

The Mysore Resettlement and Development Agency (MYRADA), operating in five states — Karnataka, Tamil Nadu, Andhra Pradesh, Orissa and Meghalaya — is the biggest VA in the country. Founded by Captain William Davinson in 1968, it is currently headed by Aloysius Fernandez, who is inspired by liberation theology — a radical school of Christian social thought. MYRADA's major success has been in the reclamation and development of wastelands for the resettlement of refugees and bonded labourers.

It is involved in eleven projects under the Integrated Rural Development Programme. It also promotes alternative technology such as smokeless **chulas** (stoves), biogas plants and windmills. It runs a unique training programme for development workers. The MYRADA has a staff of over four hundred qualified professionals and an annual budget of three crore rupees of which the lion's share is contributed by foreign donors. It has launched nearly six hundred peoples' organisations involving tribal women, flower growers, farmers

and weavers.

Mahiti (information) which functions in coastal Ahmedabad (Gujarat) was set up in 1980 by a team of five young graduates, of which Ms. Nafisa Barot is its current head. It follows no single ideology, seeking instead to create 'social entrepreneurs' capable of promoting autonomous community development. Its most innovative programme has been the promotion of plastic-lined ponds to store potable water, as the region suffers from severe water scarcity and salinity.

It has also helped the local people grow babul trees on wastelands for making charcoal. It runs a demonstration centre to popularise better ways of farming and animal husbandry. It has succeeded in reducing the exploitation of villagers by feudal big-wigs and local government officials. It has an annual budget of over fifty lakh rupees, with money coming from both Indian and foreign sources and a relatively small staff of fifteen. Its peoples' organisations chiefly consist of *Yuvak* and *Mahila mandals*.

The author views the new VAs as agents of a people-centred, egalitarian, ecologically sustainable and democratic strategy of development. There is enough evidence in the book to prove that this is true of the VAs the author has studied. However, he leaves the most important question unanswered: Can the VAs incrementally give rise to a larger and lasting process of socio-economic transformation? There is no guarantee that this will happen.

Thus, all the VAs analysed in the book have sought to build peoples' organisations. However, these depend excessively on outside leaders for technical expertise, financial support and overall guidance. The agencies themselves are not entirely autonomous, as a large portion of their budget is derived from external, mostly foreign sources. In the absence of unity and due to their small size, the VAs remain vulnerable to powerful vested interests.

Despite these limitations the VAs have achieved a measure of success in blunting the edge of exploitation by the predatory classes. They have released and rehabilitated bonded labourers, fought for minimum wages and against

the corrupt and heavy-handed bureaucracy. Above all, they have striven to give the poor the will and power to regain control over the land, forest and water resources necessary for their well-being.

The real significance of the book lies in highlighting this insight with the aid of rich, empirical data. Other merits of the study include its truly national scope, its use of a uniform analytical scheme across individual case-studies and a jargon-free, lucid mode of presentation. Its major weakness is the absence of an overall theoretical framework systematically relating the work of the VAs to the political economy of development in India. The book may be found useful by scholars, activists and organisations interested in the voluntary sector.

Reviewed by MR. MANGESH KULKARNI, Lecturer in Politics in the Department of Post Graduate Studies and Research, SNDT Women's University, Bombay.

OF THE RAJ, MAHARAJAS AND ME
by M.A. Sreenivasan; Ravi Dayal, Delhi; 1991; pp. 273; Rs. 140.

Some of the most memorable autobiographical writings in Kannada have been by former civilians of Mysore and Karnataka. The present book adds to the list of valuable autobiographies which besides capturing the author's experience in Mysore, has many other details as well. Mr. Sreenivasan comes from a distinguished family which played no small role in social affairs in former times.

The book provides first hand information on areas like district administration, local governments, the bureaucratic attitudes of British *Sahebs*, corruption and nepotism – all from the "good old days!" It also gives a vivid account of how a mind imbued with ideas of progress gave concrete

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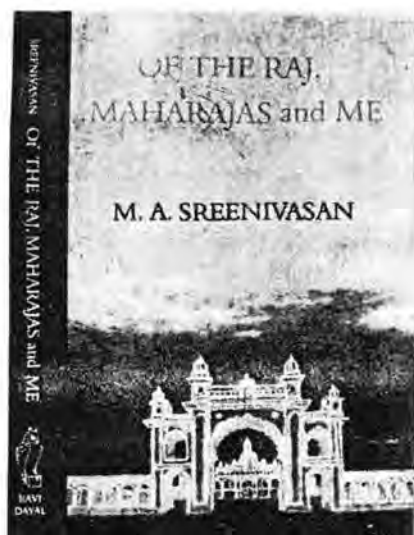
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shape to welfare measures and urban development.

More interesting are the pages on the fraudulent behaviour of white *Sahebs* both in Mysore and in England. One of the most glaring of such malpractices was the continued fraud indulged by the Chief Electrical Engineer, an American and his understudy, an Englishman, who systematically paid the coolies a miserable wage, inflated the bills and forged their thumb impressions. The local British cheat tried to bamboozle Sreenivasan but he not only exposed them but had the satisfaction of seeing them quit their office. Again, it fell to the author's lot when he had gone to England on long leave intending to do a Ph.D thesis to be put in charge of an investigation into embezzlement of funds relating to the export of goods from the State. Here again he recovered \$64,000 for the State, but had to abandon his scholarly pursuits!

The author also had a stint in running a municipality (Mysore city) when he was made President of the Municipal Council and Chairman, Trust Board. He had to battle against the Vice President of the Municipality who had a unique record of defaulting continually on municipal dues. An important measure was the initiative he took to introduce a low-income housing scheme with a built-in area of 500 sq ft for Rs. 5000/- per piece. "The Agrahara Scheme caught the imagination of the people

and aroused a great deal of interest and support." Incidentally the name "Akashvani" was thought of by him in 1937 and used for the radio station installed in Mysore city.

During the second world war his services were requisitioned by the Government of India and he played no small part in procuring supplies for the war effort. Here again he had to face the insolence of the officials who were British but he had no difficulty in putting them in their place and distinguishing himself. He transferred his services to his home service during the war and the pages that follow dealing with Mysore politics and administration reveal the extent to which influence peddling, caste politics and personalised and factionalized wire pulling had entered the higher reaches of the administration of Mysore. These indicate the rapid downward slide of administrative standards of a once model State.

After his experiences in Mysore he went as Dewan of Gwalior where again his sturdy independence made him resist the obnoxious practice of knee-bending that was then prevalent. He was prepared to advise the Maharaja even though his position was not to the liking of the other neighbouring princes.

V.P. Menon in his book 'The Story of the Integration of States' recalls the great help M.A. Sreenivasan rendered (as Dewan of Gwalior) during the negotiations which undoubtedly exercised a healthy influence on several rulers; this speaks volumes for Sreenivasan's diplomatic skills. It is therefore but natural for an honest upright civil servant like M.A. Sreenivasan to deplore the present situation in the country.

The earlier chapter about his childhood, his perception of Madras, *Tiru-Alli-Keni* are descriptive and well written. M.A. Sreenivasan's analysis of events is dispassionate and objective.

Not to have read this book would be to miss a valuable account of the happenings in two princely states. (Mysore and Gwalior) in the last century and the experiences of an efficient and upright administrator.

Reviewed by DR. LEELA B, Librarian, S.I.E.S. College Bombay. Her research and papers have been on modern Mysore.

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