

Mid-term Appraisal of the Third Plan

M. R. Masani

THE objectives of the Third Plan were unexceptionable. They were, broadly, more savings and investment; secondly, greater production and productivity; and, thirdly, more exports. Unfortunately, the document* that has been circulated to us show that the results are entirely different from what had been hoped. Even if the admission of failures is 'ambiguously worded', even if the attempt is made to 'wrap up unpleasant facts in verbiage and equivocation,' the fact remains that the picture is one of dismal failure.

In fact, it is the kind of picture which no Government should bring before Parliament without accompanying it with its own resignation. It is a picture of abject defeat, as abject as the defeat on the NEFA front sustained by this Government last year.

On page 1, the document says: "It has been a period of slow economic growth. The increase in national income has been of the order of 5 per cent in 2½ years."

That is, 2 per cent per year, as opposed to what was hoped for, 6 per cent — one-third of the rate of growth expected to be achieved. And when it is recalled that our rate of population increase is more than 2 per cent, this means an absolute deficit, going back, not even keeping abreast.

On foodgrains, the document says on pages 7-8: "It was of the order of 77.5 million tons in 1962-63 as compared to 79.79 million tons in 1960-61 and 1961-62."

In other words, there is a drop, going backwards. The present indication, they say on page 19, is: "There may be a shortfall of the order of 3.5 million tons in the output of foodgrains."

Industrial production does not show a much better picture. This is what it says: "Industrial production increased by 6.5 per cent and 8 per cent in the first two years of the Third Five Year Plan."

Once again, it is clear that these increases are not in consonance with the rise of anything like 11 per cent per annum anticipated in the Third Plan document.

Then, on page 47: "Shortfalls in production are expected in the case of steel, tea, oilseeds and cotton."

On steel it says on page 125: "Against the target of 6.8 million tons of finished steel, it is anticipated that the output would be of the order of 5.8 million tons in 1965-66."

On aluminium on page 126: "Against the capacity target of 87,500 tons the capacity available by the end of the Third Plan period is likely to be about 68,000 tons."

On machine tools on page 127 it says: "Against the target of Rs. 30 crores of machine tools envisaged in the Plan, the output is now expected to be about Rs. 25 crores."

It is the same about power, the same about industrial share values and small savings. Coming to employment, on page 53 it says: "Taking a view of the additional employment to be generated during 1961-66, it does appear that in the first two years at any rate, employment has been somewhat below expectations.... The conclusion given above is reinforced by the increase in the number of persons on the live registers of employment exchanges..."

There are only two things that have increased during the Third Plan and they are welcome to take credit for them, and those two things are prices and taxes.

The conclusion to which I come is that this Plan must be scrapped. There is nothing in this Plan that is worth preserving or maintaining. The whole thing is wrong-minded. The whole approach has been wrong, and it is not a matter only of implementation.

In the last few weeks both the Prime Minister and the Finance Minister have been making occasional statements that show the first glimpses of economic realism. The Prime Minister has made three or four intelligent statements in the last couple of months, a somewhat unusually high ratio! He said at a Seminar at the India International Centre on 22nd September that big plants are all very well but it is the villages which need attention and that when there is no drinking water in the villages to talk of big plans is rather idle. Shri Nehru also said that the Planning Commission has developed into something which he had not intended. He said it had become a huge bureaucratic organisation and went on to say that it has all the departments of government almost duplicated there.

Perhaps the most important of the change of front

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is made on agriculture. Let me quote the Prime Minister at Jaipur in November. He said: "Agriculture is the key and the base of all progress — we dare not be slack. If we fail in agriculture, it does not matter what else we have got."

Not even steel, I presume, about which we have been so enamoured all these years! This is exactly what we have been saying.

This repentance has taken a long time coming. But is it sincere? That is what everyone wants to know. I am quite prepared to keep an open mind. I am quite prepared to watch and see by action whether this repentance is sincere.

It is often alleged that we are just critical, that we have nothing to put in the place of this Plan. Let me suggest an alternative approach. You will ask, "Supposing the Plan is to be scrapped, what takes its place?" I am prepared to make an alternative approach. The starting point of that approach will be something said by Gandhiji. Gandhiji once said: "I will give you a talisman. Whenever you are in doubt, or when the self becomes too much with you, apply the following test. Recall the face of the poorest and weakest man whom you may have seen, and ask yourself, if the step you contemplate is going to be of any use to him. Will he gain anything by it? Will it restore him to a control over his own life and destiny?"

Shri Tyagi: This is most inspiring. Thank you.

Shri M. R. Masani: I appeal to people here, many of whom have deep regard for Gandhiji's teaching, to recall these words and to test the policy of their Government in day to day action against this touchstone.

What are the realities? After 17 years, if this had been the approach of this Government, would we be where we are today? Would our per capita income today be Rs. 330 a year, would the consumption of the average man in India be Rs. 300 a year, would the large majority consume less than Rs. 150 a year? Today, the lowest 10 per cent of our population, according to Government figures, consume 27.5 paise daily. The highest 10 per cent, who are supposed to be fabulously rich, consume Re. 1 per day, and the highest 5 per cent consume Rs. 2.37 per day. This is a measure of our destitution and of our poverty! And this is after 17 years of administration by the followers of Mahatma Gandhi!

If this is the picture, are people going to wait for the Fourth Plan and for the Fifth Plan? I want to warn this Government that if they believe that the people of India are going to starve in silence and be exploited in silence by this new vested interest, this new ruling class, till the end of the Fifth Plan, they are making a mistake. They want change here and now. The people want change here and now. They are not going to stand this 'pie in the sky when

you die' business. They demand an immediate change for their hard work.

Professor Galbraith was a good friend of the Prime Minister and his Government. He was a planner; he was a socialist; he was also a member of *The Affluent Society*. But he got cured of all this 10 years here. Let me read from the last speech he made in this country. He talked to Bombay before taking a plane out of this country. Read the lines of what he says and you find a most complete condemnation of the whole pattern on which we have embarked. He says: "The purpose of economic advance is not investment and economic growth. Rather it is the ends that these things are supposed to serve, and that is improvement in well-being and popular enjoyment of life. This, the well-being and enjoyment of life by the average person, is the ultimate goal. Moreover, a poor country must make good on this promise with considerable promptness. The basic comparison in human affairs is always the present with the recent past."

Then he says: "An undue emphasis on the rate of growth can lead, and in important cases has led, to undue emphasis on current saving and on increasing these savings through taxation. As a result, in the name of increasing output in the long run, there has been reduction in the well-being of the average person in the short run. This...," says Professor Galbraith, "can be dangerous policy."

What then is the remedy? I would say that what we need to do is to concentrate on producing the things that the people need immediately. What are those? They are food, clothing and shelter, the needs of life, and some education for their children. I think, it is a fair summary of what comes first.

The second thing is to provide gainful employment to people so that their hands are used productively, so that there is money in their pockets, some purchasing power with which to buy things. This is important. I am not arguing humanism here. I am putting it even from the point of view of the rate of growth. Consumption is important. Production is certainly very important, but consumption is also important. A starving man cannot produce. A certain measure of nutrition is necessary before you can get a productive human being to produce. So, quite apart from humanism and decency, even from the point of view of increasing production, you want healthy, reasonably healthy, able people. So, nutrition has relation to production itself. So long as the colossal under-utilisation of our manpower goes on, as it is today, we cannot expect production to go up. In some cases, consumption is even anterior or prior to production, although by and large the production has to precede consumption.

Now, the implications of this are that, if you must

maximise production, the available resources have to be utilised where the return is highest. Every unit of production must give the highest possible return. And this can only be achieved where production and investment can shift in response to the needs of the consumers, where the common citizen can indicate his needs for cloth, shelter and other articles. So, we must keep pace with the demand. This means the sovereignty of the consumer, consumer preference, which is economic democracy going alongside of political democracy.

This can only be done by ending the State Capitalist, bureaucratic, monopolistic system. It can only be done if the people can produce to meet their own needs and are given incentives and rewards for doing so. Nothing short of a complete reversal of the State Capitalist pattern will be required.

Maximising production, therefore, means two things: first, a change in the order of priorities. Our Chinese Communist enemies, stupid as they are, have learnt at least that lesson. About a year ago, Chou En-lai went to the Chinese Communist Congress and said: Scrap all this heavy industrialisation. The new order of priorities, according to the Chinese Communists, is (1) agriculture, (2) light consumer goods industries, and (3) heavy and basic industries. This was the Great Leap Backwards after the Great Leap Forward which failed to materialise. Even these Communists, rigid as they are, the worst Stalinist lot, have come to their senses on this point at least. Why then are we going ahead following the old Stalinist model which even the modern Stalinists have discarded?

Secondly, it means a reversal to a different allocation of the role of the State and of the people. We stand for the State playing an active part in our economic life. We stand for a mixed economy of free and State enterprise cooperating in serving, or competing in the service of, the people. There are legitimate spheres for both. The appropriate sphere of the State is to build the infra-structure, the foundation for economic advance. That is not a minor thing. It means irrigation and water supply, it means power; it means roads, transport and communications of every form; it also means education. And finally, there is an essential minimum regulation to stop anti-social practices. All this is the legitimate role of the State as understood in civilised society. But that is where the role of the State stops. When the State starts making pencillin, when it starts making steel, it becomes an exploiting element, and it sells pencillin and steel at a price which is many times the cost it takes to produce or import.

Therefore, we shall have to change this whole approach. If we want our country to have a decent subsistence, if we want our people to have adequate

food, clothing and shelter, this Five Year Plan must be scrapped completely.

This does not mean that you have to abandon socialism. The socialist objective is one that every human being would accept. Who does not want a free, prosperous and more equal society? Of course, we want it. But the State Capitalist path is the discarded nineteenth century, out-moded path to get to social justice. This is what socialists in one country after another have understood, except our own socialists.

Let me give an example. Only recently in October, the German Social Democratic party, one of the strongest in Europe decided as follows. I am reading from the *New York Times* of October 7th. It says: "The German Social Democratic Party turned its back on 'economic planning'. A declaration of faith in private enterprise was proclaimed by Socialist leaders at an economic conference held by the Party in Essen." It further says: "The Essen Conference... represented another long step in the evolution of German social democracy from a 'class' to a 'people's' party.... Socialist leaders began the evolution five years ago by scrapping the party's Marxist manifesto."

So, let them not follow my pattern, let them not follow the Swatantra pattern. Let them follow the Western socialist pattern, and we shall join in that, because that kind of socialism makes sense to us, not this Soviet-obsessed, Statist pattern which has been imported into our country from Moscow.

The economic policies of this Government have failed as miserably as their defence and foreign policies crumbled last year in October and November in NEFA. The patient grows steadily worse; his health subsides, he sinks. But the Chief Physician and his fellow-physicians gambol about the country proclaiming the soundness of the patient's health and their own magical curative powers. The Chief Physician is surrounded by sycophants who seek to transfer or transmute his record of dismal failure at home and abroad into a great, endless, triumphal parade.

This image of total composure may be reassuring to the gentlemen on the Treasury Benches and those who support them here. But how long can they shut their eyes to grim realities? How long can they go on like this ignoring what the people are feeling? They can go on like this only so long as the people remain drugged by ignorance, drugged by the cult of personality, and drugged by absence of knowledge. This will not last for long. Even illiterate people have been known to rebel; even an illiterate people's patience comes to an end. The people of India today are suffering; they are getting desperate. "The mills of God grind slow but they grind exceeding small." And the wrath of the people can be just as terrible as God's wrath.

(Based on a speech delivered in Lok Sabha on Dec. 5, 1963.)

Planning And The Poorest

Raman Desai

THE title Planning Commission is misleading. It is not a Commission in the sense of Public Service Commission, or a Commission under Parliament to undertake enquiry. It is not independent in the sense that the Judges and Auditor-General and the Public Service Commissions are independent. The Planning Commission is nothing better than a Committee appointed by the Government to assist it in planning. Its members are nominated by the Government, in effect by the Prime Minister and their small number includes some Cabinet Ministers, an official and some not very important non-officials. Those who demand that either the Commission should be merely advisory or that it should be composed of important ministers with full responsibility seem unaware of the fact that it is in effect advisory, in effect controlled by the important ministers and the responsibility for its functioning rests squarely on the shoulders of the Cabinet and particularly on the Prime Minister. In effect, as everyone knows, it functions as a set of courtiers watching the expression on their chief's face. There is a large body of experts who periodically advice and gather statistics but the main decisions are taken by the ministers.

It is in the light of this one must regard with amusement the seemingly objective statements the Prime Minister often permits himself when the Commission's folly displays itself. If a vast dam bursts or a dam does not serve the irrigation of the district, the Prime Minister comes forth to say that he himself never believed in large dams. If food is imported today of the same value year by year running to over 100 crore rupees, he has no hesitation in decrying the neglect of agriculture in previous planning — as if he was merely an observer hitherto, unconcerned with the Commission.

We reproduce elsewhere a considerable part of Mr. Masani's speech in Parliament on the mid-term appraisal of the Third Plan. To this remarkable analysis, we have little to add. It may be worthwhile to state some of the targets. It was expected that National Income would increase by 30% from 1960-61 to 1965-66 and per capita income would rise by about 17% from Rs. 330 in 1960-61 to about Rs. 385 in 1965-66. The index of agricultural production, with the base 1949-50 would increase by 1965-66 by 30% over 1960-61; food grain production by 26%; consumption of fertilisers by 335%; area irrigated by 29%; industrial production by 70%.

The speech will indicate how woefully short the performance is to the target. Financial outlay is one thing and actual physical achievement another; in the

case of industry and minerals, 50% of the outlay has been used to secure a third in terms of physical achievement. The figures of national debt are revealing. Public debt in 1938-39 amounted in India to Rs. 736 crores; at the end of revised budget 1963-64 it will be Rs. 7236 crores. Public debt outside India, amounted in 1938-39 to Rs. 444 crores; revised budget 1963-64 states the estimate — Rs. 1769 crores.

If we take the criterion of all such government endeavours as stated in Mr. Masani's quotation from one of Gandhiji's incisive sayings — a quotation which earned approval from an ardent follower of Gandhiji — and find out how the poorest of the poor have fared after 15 years of independence, we can do no better than refer to *India 1963* a government publication. Page 148 refers to the figure of under-employment in the country at 1.5 crores and the Third Plan is far from its target. But page 217 of this publication provides the most shocking commentary; 64% of agricultural labour households were indebted during 1956-57 as against 45% in 1950-51 and the average debt increased from Rs. 47 in 1950-51 to Rs. 88 in 1956-57 and be it noted, in times of inflation, the debt should decrease as money value decreases. Of this total debt 46% was incurred for meeting the consumption expenditure; it is not correct to state that waste in religious ceremonies, festivals and marriages accounted in any measure for this debt. Of the total loan 34% was taken from money lenders, 44% from relatives and 1% from cooperatives. So much for the "growing" role of cooperatives in rural credit and so deep the frustration for the followers of Gandhiji.

The latest available figures, of 1956-57, estimate agricultural labour households at 1.63 crores; of this 57% accounts for landless agricultural labour. The estimated number of agricultural labourers was 3.3 crores, composed of 1.8 crore men, 1.2 crore women, 30 lakhs children. This is the section which Tagore would have in mind in his well-known poem "Here Rest Thy Feet, among the Poorest and the Lowliest and the Lost."

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The Law Of Obscenity

N. S. Ranganatha Rao

THE battle between the liberti and the philistines regarding the role of law in matters pertaining to obscenity is a familiar one. The liberti would emphasise the importance of freedom to create, communicate and exhibit literature and art and the freedom to investigate human problems. The philistines would, on the other hand, emphasise the need to protect the society, in general, and persons of tender age, in particular, from the corrupting influences of obscene matters. For the present purpose, it is not necessary to go deep into the controversy. The core of the problem is not one of freedom of expression versus regimentation of expression. The essence of the problem is that the law of obscenity, while interfering in the least with the freedom of expression and investigation, must protect the society and particularly the youth from the harmful consequences of the anti-social and commercial activities of the peddlers of pornographic material which is devoid of any artistic, literary or scientific intention or purpose. The main object of law must be not to censor literature but to suppress pornography.

Having in view the above object of the law, the position in India needs to be examined. Sections 292 and 293 of the Indian Penal Code which provide punishment for commercial activities pertaining to obscene matters were incorporated in the code to give effect to the International Convention for the Suppression of the Circulation of and Traffic in Obscene Publication signed at Geneva in 1923. It would not be far from the truth if one were to state that the code originally treated the law of obscenity as a part of the law of nuisance. But unfortunately as the Code does not define obscenity, the test was adopted from English Law. The test is the one laid down by Cockburn C. J. in an English case (*R. Vs. Hicklin*). The test laid down in this case is "whether the tendency of the matter charged as obscene is to deprave and corrupt those whose minds are open to such immoral influences and into whose hands the publication of this sort may fall." This test though universally adopted in India has a number of defects.

This legacy of English Law has not been a very happy one. It is possible that the English concept of obscenity was unconsciously influenced by ecclesiastical considerations. The concept of sin of the ecclesiastical law must have influenced the notion of "corrupting and depraving the mind." The Indian courts in spite of their several attempts to adjust the concept of obscenity to the needs of a different society and a different time have not been able to free it completely from the concepts of a

more "intolerant age". The definition of obscenity as laid down in the *Hicklin's* case and also the sections of the Indian Penal Code prescribing punishment for offences relating to obscenity have failed to meet the needs of a more liberal age. The law of obscenity in India needs a thorough reform.

The defects and inadequacies of Indian law, as it is today, are mostly the defects and inadequacies of the *Hicklin* test. The test emphasises the tendency of the matter instead of looking into the intention of the creator or the author. It is a well known principle of criminal law *mens rea* (guilty mind) is, generally, a necessary ingredient of every offence which is punishable with heavy punishment. Strangely the "tendency" test laid down in the above case does not take into consideration the intention or the knowledge of the accused. Therefore an innocent person though not knowing or not having intended to deprave or corrupt the mind of others might be exposed to punishment at the vagaries of a magistrate.

Secondly, the test of obscenity laid down in the *Hicklin's* case completely ignores the purpose of the writer or the creator of the matter in question. Men of letters, artists and scientists who might have written or created the matter with a serious literary, artistic or scientific purpose might find themselves defenceless against the accusation of obscenity. Though there have been stray judicial observations in India that works of art are not considered obscene, the position of law on this matter is not free from doubt and uncertainty. On the other hand, there have been decisions which have ignored the purpose or the intention of the accused. The only redeeming feature is that Sec. 292 of the Indian Penal Code exempts *bona fide* religious works from the operation of the law of obscenity; but this is a poor consolation. The inequity and injustice of ignoring the purpose of the writer or the creator was fully realised in England. Therefore The Obscenity Publications Act, 1959 provides that the purpose of author is a relevant fact to be considered.

There have been several decisions of the Indian Courts which have held a book obscene even if isolated words or passages in them had tendency "to deprave and corrupt". This is the most unsatisfactory part of the law. A work of art or literature or a scientific work is not for assessment in isolated parts. It would stand to commonsense that the depraving or the corrupting influence of a work or a book is in its entirety and not in isolated words or passages. Though no one would think of assessing the obscenity or otherwise of a painting by looking into parts, in

the case of books, unfortunately, the Indian Courts have repeatedly held that a book is obscene even if isolated words or objects are obscene. This would make the law of obscenity unnecessarily harsh and severe, particularly, in view of the fact that neither the intention nor the purpose of the creator or the writer would be taken into consideration. Serious work of literature or treatise on scientific matters might incidentally contain some words or passages which in isolation might lead to "impure thoughts" but it is possible that the entire and the dominant effect of the work might be to elevate and enlighten human mind.

Another unsatisfactory implication of the definition of obscenity as laid down in the Hicklin's case is that the Courts would take into consideration the tendency "to deprave or corrupt those whose minds are open to immoral influence and into whose hands the publication of this sort may fall". This test would dictate a standard of literary or artistic creation and scientific investigation which would be safe to "a well brought up school girl of fourteen". It should be noted that the concept of obscenity including the concept of depravation and corruption are relative. A greater freedom of discussion and expression would develop greater immunity to corruption and depravation. On the other hand curtailing such expression and discussion would expose minds to easy depravation and corruption. Therefore it would be in the interest of society to promote greater freedom of expression and thus cultivate an immunity against depravation and corruption. On the other hand, this test of "those into whose hands this sort of publication may fall" restricts the standard of cultivation of the taste of a society to that of infants and abnormals. Courts in India have taken into consideration an ordinary reader or sometimes an ordinary reader knowing English, as the standard of persons who are likely to be influenced by the alleged matters. The concept of an ordinary reader or an ordinary reader knowing English is so vague and uncertain that it might vary from Judge to Judge and therefore might make the test mostly subjective. The ordinary reader in consideration would be one whom the Judge might think fit to choose and in fact such ordinary reader who is susceptible to immoral influences of the writing or work of art might exist only in the mind of the Judge or the Magistrate. The injustice of his concept is more pronounced in India in view of the fact that the trials are not by jury. Prof. Dicey observed that in England the liberty of expression is the liberty allowed by twelve shopkeepers taken at random but in India it would be the liberty allowed by one Judge or Magistrate taken at random.

Apart from the inadequacies of the definition of obscenity adopted from the Hicklin's case, the provisions of the Indian Penal Code regarding the law of

obscenity are also defective. There have been decisions which have held that a publisher, a seller or an importer is under an absolute liability for publishing or being in possession for sale or for importing matters alleged to have been obscene even though he had no intention or knowledge of the obscenity of the matter in question. Even those Courts which have considered knowledge or intention as a necessary ingredient of the offences under Sec 292 have treated such intention as presumptive. In some cases the presumption has been almost irrefutable. It is submitted that the provisions of the Indian Penal Code need clarification and precision on this question. Though it is often said that a person is generally presumed to have intended or known the consequences of his act such rule might cause immense hardship in a number of cases.

Another aspect of the problem is regarding propriety of admission of expert evidence on the question of corrupting influence. Fortunately most of the Indian Courts have departed from the old English practice and have allowed expert evidence to rebut the alleged influence of the matter in question. It is suggested that, by making the purpose of writer or the creator a relevant consideration, the Indian Courts may be able to admit freely opinion evidence regarding the literary or other merit of the matter in question.

In brief the law of obscenity must serve a two-fold purpose. It must interfere in the least with the freedom of expression, creation and investigation but at the same time it must efficiently suppress the commercial activities of those who deal in "dirt for dirt's sake." It is suggested that Indian Law presents a number of difficulties and it is not well designed to meet either of the purposes. An attempt will be made later to suggest some urgent reforms in the law of obscenity in India.

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The Travails Of Mr. Nehru

"Atreya"

DURING the recent weeks, Mr. Nehru has made many pronouncements on various questions of current import. Not that Mr. Nehru has ever been shy of articulating his views on every conceivable subject before. The difference between his usual pronouncements and those during recent weeks lies in the fact that of late Mr. Nehru has been concentrating primarily on National Affairs and economic questions. Some of his recent pronouncements are of such a nature that they might generate a speculation in some optimistic quarters that Mr. Nehru is at last coming down to the realities of life from his customary Olympian abstractions and generalisations.

At political levels, such issues as the Kamaraj Plan, squabbles inside his party, etc., have been demanding a lot of his attention. In the sphere of economic policies, the stagnation in economic development, rising prices etc., are becoming matters of the Prime Minister's direct attention. In the sphere of external affairs, he has to still reckon with the aggressive diplomacy of Communist China to isolate India from the Afro-Asian non-aligned countries.

In all these levels, Mr. Nehru has not been able to project new and vigorous ideas. Having been fortunate enough to retain mastery over Indian affairs by a series of cliché-mongering, and generalised abstractions all these years, Mr. Nehru finds himself entrenched in the old rut of his thinking before the new pressures that have arisen.

The Kamaraj Plan was avidly grasped as the rejuvenating pill to a party that was seriously disturbed by internal factions and the aftermath of Amroha-Farrukhabad-Rajkot debacles for the party. But in effect the Kamaraj Plan was the same tactic of "tail-dropping" which a lizard does to save its main body, when attacked by a predator. The internal factions inside the Party have not ceased, but have intensified. Whether it was the Jivraj Cabinet in Gujarat, the U.P. Ministerial tussles, or the new leader for Madhya Pradesh Legislative Party, the same old problems in the party are continuing. The problem of Punjab's Chief Minister Kairon threatens to be a major headache for the Prime Minister.

In the sphere of economic policies, quite conveniently forgetting that he was the main architect of India's economic policies, the setting up of the Planning Commission, and the "Bigness" obsessions that dominated our economic programmes, the Prime Minister has now come out with another of his usual techniques, viz. stealing the opposition thunder and thus insulate himself from the odium of errors of earlier policies.

In all these exercises, the Prime Minister's image is getting more and more damaged affecting his hitherto unchallengable mastery over the situation in India.

In a sense the good fortune of India was the good fortune of Mr. Nehru. Until the massive invasion by the Chinese last year, the country was fortunate enough not to be afflicted by any major crisis from internal or external sources. In other words there was no sense of crisis to sharpen the critical faculties of people in India. When the Red Chinese attacked India, after a climax of fabricated and false friendship, it was inevitable that Mr. Nehru, in spite of all his adeptness at the "tail-dropping" tactics, would incur a portion of criticism. With the Chinese aggression came into surface other crises. In other words the Red Chinese invasion opened up the Pandora's box of various problems of India which had been kept close by Mr. Nehru's firm control over the Indian situation by his personal imagery.

Mr. Nehru has found himself unable to deal with the new situation. At best his endeavours have been to somehow retain the *status quo* of the situation really, though quite an amount of exercise has been done to impart glamour of diplomatic and other skills to this process.

Let us take one fundamental aspect of the Kamaraj Plan. In every country in the world, whenever a crisis has occurred, all the talents in the country are mobilised to strengthen the Government, if necessary, even at the cost of the respective political institutions that might be existing. It was only in India that we had the strange spectacle of even the existing talents of the ruling party in the Government being asked to quit the government to bolster up the party apparatus during the crisis. It was as though that the crisis created by Chinese invasion was not a national crisis but that of the Congress Party. Perhaps it was, and because of that, the entire nation was called to pay for the party's misfortunes—misfortunes arising out of and in spite of Mr. Nehru's direct and iron control of the party. The luminaries of the party dropped out of the government allegedly to bolster up the crisis-ridden party, like old soldiers, are now fading away, proving the view of many analysts that the sustenance of the ruling party is entirely dependent on the Governmental apparatus of the country.

In regard to economic development, it was the Prime Minister who has lambasted his own countrymen with their "pettiness", their "cow-dung mentality". He had always exhorted to them about the new temples of India that were being built up in the huge steel plants, hydro-electric projects, heavy-machinery

plants etc. The Planning Commission was set up under his aegis and dutifully echoed the Prime Minister's economic perspectives. It was thus surprising to find one fine morning Mr. Nehru coming down heavily on the obsession for "bigness" that was dominating "our" economic policies, the unrealistic atmosphere under which the Planning Commission was functioning, etc. This was characteristic of the Prime Minister,—his split personality, under which as the Chairman of the Planning Commission and the dominant leader of the Government he initiated the very policies, which as a differing personality,—the voice of the people, so to say,—he denounces after two Plans had entrenched the roots of such policies. After having stolen the "leftist" thunder in Socialism, he is now stealing the "rightist" thunder about the dead weight of increasing bureaucracy, squandering of resources in big projects, the agricultural sector becoming weaker and weaker etc. Here was the pattern of oscillation between one direction and another by the Prime Minister to meet a critical situation, about which Dr. Lohia had often referred to as the Prime Minister's character to deal with any problems.

The latest example of generating confusion has been seen during the election campaign in Goa. His party leaders visited Goa prior to the elections and campaigned. Some of his party leaders made promises that Goa would be merged with Maharashtra, while others assured the Goans their separate entity. The Congress was routed in the elections and a party which championed merger of Goa with Maharashtra has obtained the majority of the seats and has formed a Government. Mr. Nehru then immediately declares that the separate entity for Goa will have to continue and there can be no merger of Goa with Maharashtra. Apart from the merits or demerits of the issue itself, Mr. Nehru's pronouncements on this issue are very similar to those he made at the time of linguistic reorganization of States. At that time he took on an extravagant attitude based on emotions, which he had to reverse within 5 years, but while doing so damaging everyone else excepting himself.

Perhaps the most disturbing act of his has been his performance in the Parliament during the current session over the Company Law Amendment Bill, concerning the question of Government loans being converted into equity shares. Without going into the merits or demerits of the actual question, Mr. Nehru has violated an important democratic convention, viz. violation of both the select committee's recommendations and the majority decision of his own party. Pressured by his so-called "progressive" supporters, who have been able to thrive only as parasites of Mr. Nehru all along, Mr. Nehru literally twisted the arms of his party members of Parliament. "The Congress Parliamentary Party authorized its leader,

Prime Minister Nehru, through a unanimously adopted resolution, TO DECIDE THE PARTY'S STAND ON THE CONTROVERSIAL CONVERSION ISSUE", said a newspaper announcement. The meeting was held at 1 p.m. "an unusual hour, when the Parliament was having its sitting. The House had to be adjourned for two hours for want of a quorum", said the same newspaper announcement. This was one of the most remarkable performances of Mr. Nehru, all to oblige and give berth to the minority elements within the party calling themselves "Progressive Socialists", who had been earlier defeated in their pressure tactics by the Parliamentary Party when Mr. Nehru did not intervene.

This latest action of the Prime Minister has dangerous implications because all these years, no matter what his faults, Mr. Nehru had never stooped to the vulgarity of over-riding a majority view by brute force of his power position. Very often, against his better judgment and much to his dislike, he had tolerated and adjusted himself to decisions of his party men or units contrary to his wishes. This is the first time he had quite openly and cynically got a decision of his party unpalatable to him, forcibly reversed, to oblige his leftist friends. On the eve of Bhubaneswar session of the Congress, this action of Mr. Nehru has sinister implications.

This action also implies that Mr. Nehru is getting nervous and less sure of himself. It implies further that Mr. Nehru might "will" his inheritance to selected nominees of his, irrespective of the wishes of his party.



"We chose the best and quickest route all right—but our machine has let us down!"

Courtesy: Hindustan Times

The Constitution (17th Amendment) Bill

Arvind A. Deshpande

THAT a very large number of people apprehend that the 17th Amendment to the Constitution will have far-reaching effect on rural life and will make the peasant proprietor class almost legally extinct is now an admitted fact.

It is indeed horrifying to see the way in which Parliament has been amending the Constitution to suit the moment. The 17th Amendment raises fundamental issues of political and moral character. It will bring us very close to Article 6 of the constitution of the USSR by which land has been held as state property. This, plus nationalisation of banks will complete the picture. It will make India a Communist state in theory and will give some people the satisfaction of having achieved their aim — at least on paper.

It is rightly pointed out that legislation by definition is the most dangerous of all forms of legislation. The 17th Amendment says "estate" means ryotwari agricultural land. The 18th Amendment which is bound to follow suit will say — "estate" also includes land used for erecting industrial workshops, factories and buildings for residential purposes. Why not be more honest and declare that all land belongs to the state instead of extending and enlarging the meaning of the term "estate"?

Nobody would deny the right of the State to acquire private property for legitimate and specific public purposes but every freedom-loving person should object to deprivation of property without compensation and without subjecting it to judicial examination. If this trend continues the Constitution will lose all sanctity; there will be disrespect for judiciary and eventually individual freedom will be lost. It will be ruinous to subscribe to the proposition that executive should be paramount and supreme and the citizens exist only to be bludgeoned by the State. Is it impossible to achieve welfare of all without resorting to a disregard of individual rights and rule of law?

It is very necessary to examine this Bill in a larger perspective. The various amendments made to the Constitution earlier have whittled down the fundamental rights. There is already very little left of their original breadth and content. We can hardly recognise that the same article deals with the same rights and contains the same rights as it did in 1950. The spate of legislation rushed through Parliament and through the State legislatures is tyrannical in its very volume. These large number of laws passed every year by their sheer over-abundance and complexity are making the life of the ordinary man in village

or town pretty uneasy. It is unfortunate that the poor illiterate and semi-literate farmers do not yet know the full implications of this amendment and to many who reside in cities and towns, this is just "another" amendment, seeking enlargement of the feudal term "estate" with which they have nothing to do — at least till the time the feudal term "estate" "shall also mean to include land used for erecting residential buildings etc.

Yet, those who love freedom and democracy would do well to note that once the Bill is passed, it will pave the way to insecurity in village life and the farmers will be eternally in fear that their land would some day be expropriated and compensation would not be paid. Those who know the facts of village life will also concede the contention about the Bill's anti-social potential. And those who subscribe to the motto "freedom first" would do well to note that farmers in villages have already become too complacent, too poor and too fatalistic to feel the injustice of such legislation. Every attack on the individual's rights will result in sapping the strength and morale of the people. The tides of democracy have receded in the neighbouring countries like Pakistan, Burma, Indo-China, precisely because of unfair legislation passed in the name of doing good to the masses but in fact creating only chaos and instability. One wonders, how, those who profess to be doing everything for the good of the farmer, fail to see that the amendment will destroy the farmer's individuality and security and subject this poor class to the tyranny of the executive which already has little respect for the basic principles of the rule of law and has no missionary zeal of a real socialist?

That brings me to the aspects of "social justice" and increased agricultural production which this amendment seeks to achieve and to which Mr. V. B. Karnik has referred in an earlier issue of "Freedom First". I beg to submit that the amendment will neither achieve any social justice nor will it increase agricultural production. Merely passing all kinds of laws cannot achieve social justice. You cannot pass egalitarian laws and leave implementation to an army of officials who have not only to fight against realities of rural life but have no missionary zeal of socialists. Even in the case of the Soviet Union, the immediate post-revolution onslaught on property was more of a political programme than an economic programme and it is probably true that the economic and psychological consequences of that onslaught were at least one explanation why it took so much time and involved so much mass suffering, strain, and deprivation.

tion for the Soviet economy to find its bearing once again in the mainstream of modern economic progress. From this point of view it could be suggested that much of the theory and dogma which has resulted in the introduction of such legislation is profoundly unhistorical and unscientific lacking in a feeling of contemporaneity.

Since the Nagpur resolution of the Indian National Congress, a drastic agricultural revolution is being aimed at which affects the entire gamut of the Indian rural economy. The year 1959-60 may well be called "the year of land ceilings". Many states have come forward rushing through legislation concerning land ceilings, and the 17th amendment seeks to validate all these land ceilings acts. The whole justification of ceiling on land is supposed to be the welfare of the farmer but does it really achieve this?

The irony of the whole issue, as was frankly admitted by a former Chief Minister, is that the problem of the landless is not likely to be solved by imposing a ceiling on extant land holding as there is not enough land to go round. The truth is that extraordinary importance is attached to distribution and ownership of land only because owners of land along with their adult dependants form the vast majority of our electorate.

If increase in production (which will bring real prosperity to our masses) is the objective, which would mean larger holdings, then the fixing of ceilings, becomes superfluous. It is not denied that in countries like Japan, even from small holdings, sufficient production is obtained; but such production postulates, besides industry, qualification of education, which the farmers have not reached in our country. Until, therefore, that standard is reached, which is necessary for remunerative intensive cultivation, any change which leads towards reducing the size of holdings is sure to reduce productivity. It has been admitted that one of the main reasons for the slow pace of increase in agricultural production is the "compartmentalisation" of agriculture and industry in one country and the absence of a free flow of investment, technological know-how and entrepreneurship from one to the other. Production suffers because of the allergy in some quarters against the participation of the well-to-do farmer. Instead of taking away land from the well-to-do farmer, the Government should have encouraged them to work for maximum yield and failing in this, asked them to hand over the land to the landless. It is no use merely passing legislation and distributing reclaimed government land to a landless person who has neither resources nor knowledge required for careful husbandry of such kind. Even in socialistic countries, reclaimed government land is worked as government farms with hired labour. Thus, those who advocate land ceilings are making land ceiling an end in itself

and all talk of social justice and increased production is just so much cry.

Production will also be hit with the application of the provisions of land ceilings acts to compact and well-knit blocks of farm lands held by sugar factories. The surplus land so acquired will constitute the "State Farms". If the tiller of the soil is to be the owner of the land, how can this be reconciled with the conception of state farming. It is an admitted fact that in a country wherein after 50 years of controlled movement collective farming is yet to prove a success. And how will the production increase by merely passing land ceilings acts? Even today agriculture is perhaps the only production against which there has been an organised discrimination. It is not protected like other industries. The Government itself imports and often sells foreign grain in competition with the indigenous production and, again, fixes higher prices for cotton, cane etc., thus reducing acreage used for food.

It must be conceded that the problem of increased production bringing better life to farmers has been neglected as has been the problem of education. There has been some *ad hoc* action, in both these fields, at the Centre only to appease political pressure groups and the States have been left free to do what they like in these fields. Although there has been much ranting from various political platforms, it has been never convincingly shown that the fact of there being a few hundred well-to-do farmers in this country is coming in the way of our agricultural yields increasingly. Is it therefore suggested that our national policy should be more pre-occupied with how to take away the extant land holdings from a few and freedom of many rather than with the question of how to improve production and eventually the lot of millions of poor farmers? The 17th Amendment only indicates one false sense of values and a wrong sense of priorities, by attempting to make it appear as though the war that must be waged is not on the poverty of the millions of farmers but on the wealth of a few well-to-do farmers and the freedom of the entire class of agriculturists.

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Without Comment

THE DANGEROUS CRAZE OF NATIONALIZATION

K. Santhanam

Nationalization is becoming a dangerous craze. If it is the question of food and prices, it is demanded that private trade, wholesale and retail, particularly of food grains, should be nationalized. If it is money and credit, there is a clamour for nationalization of banks. If it is transport, nationalization of road transport and shipping is claimed to be the remedy for all evils.

One can understand the Communists advocating this policy of blind and wholesale nationalization. Feeling that there is little scope for violent revolution at present, they want to eliminate the independent middle classes through nationalization and capture political power through the support of landless labourers, peasants with uneconomic holdings, and the workers of nationalized undertakings in industry, trade and transport.

However, the increasing support this programme is getting from many Congressmen, including members of Parliament, deserves to be viewed with great concern. Many of them have no clear idea of the implications of these demands. They believe that many industrialists and traders, especially the big ones, are mere profiteers and exploiters, and nationalization will result in great public benefit.

It is necessary to make a sharp distinction between nationalization and public participation in economic activities either through State agencies or through co-operative societies. The latter is not only justified but in many fields is necessary for rapid development and the regulation and control of the private sector.

Nationalization involves monopoly managed by bureaucracy. As I have already stated, State monopoly may be inevitable in certain spheres. Also no Government, democratic or otherwise, can be run in modern times without a vast bureaucracy. It is nonetheless true that democracy has to limit as narrowly as possible the scope of the first and the power of the second. A monopoly does not lose its characteristics because it belongs to the State, and if nationalization is extended over a wide field, democracy will tend to dwindle and vanish, and the end will be either totalitarianism of the Communist or Fascist variety.

—Hindustan Times, Dec. 24.

Review

Our Credulity and Ignorance

by A. G. Noorani, Publisher: Ramdas G. Bhatkal, Bombay 34, Rs. 3.

“OUR credulity and our negligence” were responsible for the defeat that China inflicted upon us was the opinion expressed by the President, Dr. Radhakrishnan after a visit to the front in the early days of the Chinese aggression. By “our” the President obviously meant the Government of India’s. This opinion of the President expressed the general feeling prevalent in the country. The book that Mr. Noorani has written provides the evidence which bears out the charge. He has given extensive quotations from the speeches and writings of the Prime Minister which conclusively prove that he and his Government were credulous in their attitude towards China and therefore neglected the defence preparations that were necessary for resisting her aggression.

The net result of the policy that was followed is summed up by Mr. Noorani in the following words: “The years from 1950 to 1954 were lost in a vain attempt to avert China openly making her claims by appeasing her on Tibet. From 1954 to 1959 Mr. Nehru depended pathetically on his own personal relationship with Chou En-Lai. Thus, when the conflict erupted, the Government of India had no adequate policy to meet the challenge so openly made.”

The conflict that ensued taught the Government of India many lessons. It cured it of its illusions about China. It compelled it to drop its incompetent Defence Minister who was mainly responsible for the mismanagement of military affairs. It persuaded it to seek military assistance from Western nations and to give a go-by to that extent to its policy of non-alignment. Having learnt the lessons, the Government of India is now busy building up the defences of the country. The political line, however, continues to be vacillating and ambiguous, as can be easily seen from the fact that we are still waiting for China to accept the Colombo Proposals and begin talks and the Indian Army has not yet gone back to the MacMahon Line. Mr. Noorani has referred to some of these points, but they are obviously beyond the purview of his book.

Mr. Noorani’s book is essentially a collection of statements made by the Prime Minister and others on the issue of the Sino-Indian dispute and the aggression. The statements are threaded together in an intelligent manner so that they throw ample light on the ill-advised character and harmful effects of the policy that was followed. The book is sponsored by Indians for Victory which played, during the days of the aggression, a notable part in building up the will to victory.

V.B.K.

With Many Voices

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

The AICC meetings have always been a show.

—Mr. N. V. Gadgil, *Bharat Jyoti*, December 6.

The impression among the people today is, that nothing, even the purchase of a railway ticket, is possible without bribing.

—Home Minister Nanda, *Times of India*, December 1.

The extent of corruption in the country had been exaggerated but the situation is, in some respects, disturbing.

—Home Minister Nanda, *Times of India*, December 1.

Ownership, while it can influence, does not uniquely determine, the character of the society.

—Mr. C. A. R. Crossland, *Dissent*, Melbourne 1963, (Summer)

About a thousand officers of this concern (Rourkela Steel Factory) receive around Rs. 20 lakhs a month in salaries, allowances and other facilities, whereas over thirty thousand labourers get around Rs. 30 lakhs.

—Dr. Lohia, *Current*, December 4.

The People get the Government they deserve. We deserve you Sir.

—Mr. P. K. Roy to Chief Minister, V. P. Naik, *Indian Express*, December 10.

There is frustration on our side and corruption on yours.

—Mr. H. V. Kamath, *Statesman*, December 12.

We want to develop a society in which each person looked after himself and did not depend too much on the Government.

—Prime Minister Nehru, *Century*, December 7.

It is obvious that a tendency towards diminishing returns has become inherent in the present pattern of planning.

—Mr. K. Santhaman, *Hindustan Times*, December 6.

Truth is always greater than formulae.

—Dr. K. M. Munshi, *Swarajya*, December 14.

It is the fate of every truth to be the object of ridicule when it is first proclaimed.

—Mr. Albert Schweitzer, *Swarajya*, December 14.

The truth will some day dawn on the people, that Congress socialism is not economic but political. It provides only propaganda for the masses and power to the bosses. Almost every item of planning, or analysis, will be found to use public taxes to create supporters for elections.

—Mr. J. M. Lobo Prabhu, *Swarajya*, December 7.

We are asked to accept not only failure as the price of progress but failure itself as progress.

—S. M., *Hindustan Times*, December 11.

The greatest danger to liberty lurks in insidious encroachment by men of zeal, well meaning but without understanding.

—Justice Brandeis, *Times of India*, December 13.

She, (China) will not quit of her own. It is obvious.

—Prime Minister Nehru, *Indian Express*, December 16.

In other words, because he, (Prime Minister Nehru) had the organisation behind him, he dictated policy to the Cabinet and, because he was head of the Government, he dictated policy in the organisation.

—Mr. N. V. Gadgil, *Bharat Jyoti*, December 8.

It (mid-term assessment of the third Five-Year Plan) proved that 80% of the people were poorer now as compared to what they were in 1960.

—Dr. Harekrishna Mahatab, *Hindustan Times*, December 6.

Heard in the House —

Mr. Chandrashekar: Simply because Mrs. Sucheta Kripalani is not in the good books of the Centre her State is being discriminated against.

Mr. Rami Reddy: Sir, Is it permissible or parliamentary to refer to a lady's looks?

Statesman, December 14.

Even in Soviet Russia the proportion between the lowest and the highest wage ranges from 1 to 80.

Resolution of the Utkal Pradesh Congress Executive Committee, *Patriot*, December 2.

Seeing such a picture (the manoeuvring in the Zila-Parishad elections) I feel disheartened and begin to feel sometimes that to do some constructive work I should have to leave the Congress Party.

—Prime Minister Nehru, *Patriot*, November 11.

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