

The Budget and the Common Man

M. S. Dabke

THE Lok Sabha has said "amen" to the Finance Minister. The last act of the budget drama is over. The curtain is rung. The common man (in whose name every single act is at present done and justified) is lucky enough to escape the levies on maida and coarse cloth proposed originally. But the mercies he has got are microscopic compared to the miseries piled up on him. All in all, the burden of new taxes would be about Rs 285 crores in a full year. If we take into account the traditional practice of under-estimating revenue, it could be still more. Incidentally, in the din and bustle following the budget one important point appears to have slipped out of public notice. The figure of Rs. 220 crores of additional taxation is got fixed in our heads. But that is the amount to be collected during the rest of 1971-72 i.e. nine months. In a full year, the burden would be about 35% more.

In a developing economy, budgets are supposed to play a regulatory role. One after the other, our Finance Ministers have been claiming that their budgets too have been designed to fulfil that regulatory role. What is more, our budgets are also said to be acting as the instruments of reducing inequalities and of catering wider social justice and welfare. How far are these claims true? We are all experiencing that year after year the budgets have cast increasing burdens on us in the name of faster economic development. But the symptoms of real development are as though nowhere within sight. With the probable exception of foodgrains, nothing is in adequate supply. Why? Because, the massive investments we have been making are not yielding us corresponding returns in terms of goods and services needed by the society. Failure of investments to fructify is pardonable on exceptional occasions such as acute famines or emergencies such as war. But if, as it is happening to us, investments fail year after year to pay their way, something is obviously wrong with either the conduction of economic affairs or the philosophy that guides the economic

destiny of the country. Our budgets are only symptomatic of the incorrect (or, at least confused) approach we have towards economic planning as such.

Before proceeding to examining how, let me mention one or two points. I am not angry with the Finance Minister merely because he is asking the people to pay more taxes. There is no escape from taxes in the present situation and any other finance minister would not have had a better choice. Secondly, personally I do not feel that the public sector in a democratic country should be so much pervasive. But once the Government has decided that the public sector shall assume 'commanding heights' in the economy, my insistence would be that it must give to the society at least reasonable returns (about 6%) on the investments sunk in it. My treatment of the budget would be guided by this consideration.

The functions a budget should be expected to perform are: (i) raising resources for economic development (ii) reducing inequalities of income and wealth (iii) aiming at an adequate rate of capital formation and (iv) creating conditions congenial for savings and investment. The fourth one is extremely necessary to usher in an era of self-accelerated growth.

Resources could be raised either by massive additional taxation or through a modest taxation accompanied by incentives to the individual and industries to produce and save more, i.e. when the production base widens the same level of taxation gives higher collections through increased personal and industrial incomes. This rise in the revenue resulting from accelerated growth could be supplemented by modest fresh levies accompanied by measures to encourage production still further. But in India reliance is placed almost entirely on heavy taxation every year. But heavy taxation has its own limitation in that it pushes the economy to the stage of diminishing returns. Mr. Chavan's budget this year would hasten that process of diminishing returns and that is the main objection to it.

A closer look at some of the taxation measures would show us as to how the common man is called upon to make utmost sacrifices in the face of a falling rate of economic growth.

Among the direct taxes, the increase in surcharge on incomes above Rs. 15,000 would hurt badly wage earners in the middle classes. The purchasing power of the rupee today is about 50 per cent of what it was in the early sixties. Hence, an income of Rs. 15,000 in a year for an average family of four cannot in any

way be considered high. Besides, income-tax was steeply increased in 1969-70 only, for income earners between Rs. 15,000 and Rs. 50,000. This segment also accounts for a good part of the saving community in the country. By raising the surcharge on income-tax from 10 per cent to 15 per cent, Mr. Chavan has only dealt a blow to the modest capacity of these people to save. Somebody could argue that the Finance Minister wants the revenue from the additional taxation only for investment. But then between individual investment and Government investment which is more judicious—and hence more rewarding—is known to us all by experience.

When we consider indirect taxes we are simply amazed at the extent to which the Finance Minister has penetrated into individual pockets. The rise in tax could, perhaps, be justified on the grounds of reducing inequalities. But are these incremental taxes on the so-called rich accompanied by reliefs to the masses whose massive mandate the Finance Minister is so proud of? Petrol, cigarettes, pressure cookers, thermos flasks and hair oils are some of the articles on which Mr. Chavan has come down with a heavy hand. Is the heavy excise on these and other articles of necessities an indication that Mr. Chavan wants to move towards the proclaimed goal of his party of eradicating poverty? True, the vast masses of people are poverty-stricken for decades, perhaps centuries. Hence, it is not possible to remove poverty overnight. But the budget should at least make attempts in that direction. The indirect levies in this year's budget would indicate a movement in the reverse direction as far as removing poverty is concerned.

According to Mr. Chavan pressure cookers and thermos flasks are items of luxury. Hence, they must carry multiple incidence of excise, on their different parts as well as on the finished products. Take for instance the pressure cooker. Its main ingredient, aluminium, carries an excise of 30 per cent. On top of it an excise of 20 per cent on the finished product is proposed this year. Although the yield is expected to be only Rs. 90 lakhs, this is the thin edge of the wedge. It will be just a matter of raising the rate next year. Thermos flasks travel in the same compartment with the pressure cooker. While the metal jacket carries an excise of 20 per cent, the flask at the point of sale is loaded with a 15 per cent excise. Unfortunately, no Finance Minister ever seems to realise that every rise in duty is a go signal to prices. They rise disproportionately and there is nobody to stop them. Since the budget, prices of cookers have gone up between Rs. 16 and Rs. 40. Whoever might have told the Finance Minister that a pressure cooker is a luxury, we all experience that it is a sheer necessity for a family to save cooking time and fuel. Families in which both the husband and wife serve, pressure cooker is a sheer necessity and so is the thermos flask.

I wish before saddling such articles with heavy imposts, the Finance Minister had only taken the trouble of ordering his ministry to work out the 'marginal utility' of a unit of currency (i.e., the rupee) to the people likely to be affected most by these levies. The findings would have perhaps brought about a realisation to Mr. Chavan as to how these levies ran counter to the very objective of removing poverty. If the rich are becoming richer, that is no justification to come out with levies that would make the poor poorer. Because, as stated above, the marginal utility of income to a poor person is much more compared to the rich.

The question would then arise, if Mr. Chavan were not to levy such taxes wherefrom was he going to get the resources needed for development? But this question immediately leads to a counter-question, was it at all necessary to raise huge resources through heavy and fresh taxation every year? For, the function of all financial and human resources is to act as the vehicle of economic growth and welfare. When we think in terms of growth and welfare, we have to review the rate of capital formation. Because it is with a rising rate of capital formation that a country achieves its aspirations of economic welfare. In India, the rate of capital formation at current prices through budgetary resources was something like this: 1962-63 (20%); 1963-64 (30%); 1964-65 (10%); 1965-66 (7%). According to the provision in the budget for 1966-67, the rate was actually minus 0.66 per cent compared to the previous year. At present it is around 12 per cent not a very impressive rate for a country aspiring to work the miracle of removing poverty.

How is it that in spite of the Finance Ministers of the country getting larger and larger revenues every year, the rate of capital formation out of budgetary resources is so unsatisfactory? The explanation is provided by our growing non-Plan expenditure and losses made by the public sector enterprises. Each is a topic by itself for an exhaustive essay. What needs to be stressed here, however, is that if the non-Plan expenditure is increasing continuously—and it has already exceeded the rather liberal limit laid down in the Fourth Plan document—should not the Finance Minister pause and think of curbs instead of gaily penalising the meek masses? Secondly, if the public sector enterprises are making continuous losses—which is in fact happening—has not the Finance Minister to think in terms either of reducing the losses or of creating a favourable investment climate for private savings to move into industry and other productive channels? I do not want to be harsh in my observations. But the more I read of our economic affairs the more I wonder if a serious attempt along these lines has ever been made.

The collections oriented approach of almost all the

(Continued on page 11)

Notes

Refugee Problem

REFUGEES from Bangla Desh are pouring in large numbers. If the influx continues at the present rate it may not be long before their number reaches the colossal figure of ten millions.

It is not possible for India to shoulder the responsibility of looking after these millions of refugees. She is overburdened with her own problems. She has to use all her resources in her brave fight to seek a solution to them. And, in spite of all her efforts, she is finding it extremely difficult to keep them under control. The influx of refugees and the steps that she had to take to provide them food and shelter have already upset many of her projects for the relief of the people.

It is unjust and unfair to thrust the responsibility of the refugees on India. The refugees are in India because that was the nearest place where they could run for safety and shelter and not because she invited them. They are the responsibility of the world as a whole. The international community must shoulder the burden of their relief and rehabilitation.

The United Nations must shoulder this responsibility. It must raise the necessary funds and must also create an appropriate machinery for the discharge of its duty. The United Nations did it in the case of Palestinian refugees. It established the UNRWA (United Nations Relief and Works Agency for Palestine Refugees) which is looking after the welfare and the rehabilitation of those refugees for over twenty years. What was done then can serve as a model for tackling the problem of Bangla Desh refugees.

The Government of India is anxious that the refugees should return as early as possible. But at the same time she cannot, as declared by the Prime Minister, send them back to be butchered. The refugees will not go back unless normal conditions are re-established and that can happen only on the basis of a political settlement. It appears that to that end international pressure is being exercised on the military rulers of Pakistan. Even if it succeeds, it will be quite some time before conditions become normal. Until then the refugees must be looked after and provided the minimum human requirements. The United Nations must undertake this task. India should now do its best to persuade it to do its duty.

PSP-SSP Merger

PRAJA Socialists and Samyukta Socialists have decided to come together to form a united socialist party. The decision is welcome, for it will reduce the long

list of political parties in the country by one, and possibly by two or three if some of the other minor socialist parties accept the invitation to join the new party. It is to be hoped, however, that the merger will actually take place and that it will last. What has happened so long compels one to entertain doubts on both counts.

According to the merger agreement, the PSP is to withdraw from the ruling coalitions in Bihar, Bengal and Kerala. Opposition to this step has already developed in the three States. The national leadership may ultimately have its way but in the bargain it may lose substantial segments of the party. The PSP is already a very weak party. It will be further weakened by the defections that may follow the implementation of this decision.

The new Socialist Party is to offer "a radical socialist alternative to the Congress(R)". A socialist alternative would have been possible if the Congress(R) had not itself accepted a socialist programme. If it is failing to implement it, the better tactic would have been to compel it to move in that direction through internal criticism and pressure. That would have been certainly less spectacular and heroic, but would have been far more effective. The people will not readily swallow the charge that the commitment of the Congress (R) to socialism is not genuine, more particularly from those who joined the Samyukta Vidhayak Dals and did precious little to implement the socialist programme. Those who live in glass houses should not throw stones at others.

The united party, it is stated, "will launch on its own people's struggles and agitations to project socialist policies." In a country teeming with millions of people and millions of problems, it is not difficult to launch people's struggles and agitations. The difficulty will be to ensure that they do not overstep "peaceful and democratic forms." The Socialists of both varieties have not always succeeded in ensuring it and have in those cases acted as sappers and miners for the Communists. That experience may be repeated in the days to come.

The two socialist parties are at present a minor factor on the political scene. There is little chance of their becoming a major factor by merely coming together.

Election Law

PARLIAMENT has decided to set up a committee of both Houses to consider reform of the election law. The decision has come none too soon. Within the short period of one month that is allotted, it may not be possible for the committee to consider all aspects of the question and it may content itself with suggesting just a few technical improvements. That will be a good beginning, but the inquiry must proceed further and tackle more fundamental questions.

The existing election system does not enable a legislature to be fully representative of all trends of opinion. It shuts out minority opinion and allows a majority party to secure representation far in excess of its electoral support. It is necessary to rectify this anomaly. It will be necessary for the purpose to consider various election systems, including the system of proportional representation.

The existing constituencies are too big and are becoming bigger with increase of population. A parliamentary constituency has these days more than five lakh voters. The day is not far off when many of them may have ten lakh voters. In such a huge constituency there cannot be any meaningful canvassing and no person who is not very rich or does not enjoy the support of very rich men can stand for election. It will be necessary therefore to think of smaller constituencies and of the system of indirect election.

Corruption in elections is now assuming more subtle

and sophisticated forms. Payment of money to voters or their leaders is no longer the only form of corruption. Buildings for temples or schools, construction of wells or roads or provision of other amenities are being promised in order to win votes. And in the case of a ruling party this type of corruption begins long before the election. It will be necessary to think of ways and means for checking these new forms of corruption.

Election expenses, which have grown enormously, are a big hurdle in the way of a common man standing for election. There is, moreover, no check on expenses incurred by political parties or other friendly organisations. It will be necessary to plug these loop holes and also to minimise expenditure by entrusting some part of election work to the governmental machinery instead of leaving it to individual candidates.

These and many other points will have to be considered if real reform is to be carried out.

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Labour Movement - The Future

S. R. Mohan Das

THE mid-term Lok Sabha election results and the political consequences of those results dealt such a powerful blow to the intelligentsia that controls and operates the labour movement in the country by robbing them of all political directions to which they were hitherto used. INTUC, HMS, and AITUC lay terribly confused about the future course of action. INTUC which had hitherto been "firmly" controlled from Ahmedabad and a leadership leaning towards Congress(O), and having developed over the years on the basis of the nourishment provided it by the Union and various State labour ministries, floundered in the almost fatal blow the elections dealt the Congress(O). The Minister of State for Labour, Mr. R. K. Khadilkar came on the scene no longer committed to propping up the INTUC alone. The INTUC leaders went through a painful change in having to transfer itself from an uncompromisingly anti-Communist position to a position of swallowing fraternal relationship with the AITUC. This was the price the INTUC had to pay to retain continued facilities for its parasitism on the Ministry of Labour. The Union Labour Ministry under Mr. Khadilkar made it clear that henceforth governmental patronage will be equally divided between the INTUC, HMS and AITUC. The removal of the favoured child treatment is perhaps the only hope the INTUC has for ultimately emerging as an independent and self-sufficient labour organization.

The change in INTUC position has, however, brought it closer to the HMS in terms of one of the basic objections that prevented a meaningful dialogue between the HMS and INTUC. This was the consistent stand taken by the INTUC that it would have no truck with AITUC under any circumstances as against the HMS insistence with equal vehemence that no unity talks can have any meaning unless the AITUC was also involved. Now that the INTUC has gravitated closer to Congress(R) and accepts unity possibilities with the AITUC, (The INTUC sent an "observer" for a trade union conference convened by the AITUC), the HMS and INTUC find greater meaning in their discussions concerning unity. How long this meaning will last cannot be forecast in the wake of another interesting political development that could have its own repercussions in the trade union fronts. This is the merger of the S.S.P. and P.S.P. It will be seen very soon whether this merger will last long enough for the P.S.P. elements in the HMS to take a position of non-productivity in fraternisation with either the Congress(R)-lining INTUC or the CPI-lining AITUC.

Meanwhile the AITUC also has been going through its own share of troubles arising out of the aggressive

and militant challenges posed to it by the CPM-controlled CITU. Quite a large proportion of its membership in West Bengal, Maharashtra and Kerala have eroded and gone over to CITU and this factor has been cited as the cause for its communication to the Union Labour Ministry not to go through verification of union membership this year. This is of course far-fetched because even with the loss of some of its membership to the CITU, the AITUC does have significant influence among workers in a number of important industries.

The emergence of regional labour federations as those sponsored by the D.M.K. in Tamil Nadu and the Shiv Sena in Bombay adds further confusion to the already confused situation.

All these factors are indicative of some basic truths concerning the labour movement in India. These can be generally listed as follows:

The labour movement in India continues to be primarily the response of the intelligentsia to industrialisation.

The labour movement has never been provided with business that had to be necessarily performed by employee-involved organizations and the tendency has been even to rob the existing business of unions for conducting by State machinery. When wage increases and gratuity awards are announced through Governmental notifications, the time is fast approaching when unions are redundant and governmental "commissars" could announce decisions concerning wages, working conditions and fringe benefits etc., and if at all unions are to be tolerated they could perform "useful functions" such as look after welfare, sit on boards of management to give sentimental satisfactions of "participation" by labour, and so on.

Given these truths, sincere trade union leaders, whether they are in INTUC, HMS, AITUC, UTUC, BMS, CITU, or even in the regional organizations like the Bharatiya Kamgar Sena or DMK's Progressive Labour Federation have to ask some fundamental questions of themselves. These questions relate to what they envisage in terms of the goals and objectives of a trade union organization and on the basis of such goals and objectives what should be the structure and frame of the organization. If they all unanimously feel that the goals and objectives of labour organizations are primarily to supplement the functions of the political institution, they should be reconciled to the total destruction of the labour movement through splits, divisions and further fragmentation, resulting in anarchy. If at least some feel that

(Continued on page 8)

Russia: Towards Hereditary Elite

S. S. Voronitsyn

A GROWING discrepancy is developing in Russia between the number of young people finishing secondary school and the number who have the opportunity of receiving higher education. Some two-and-a-quarter million pupils are released each year by the secondary day schools and a further 700,000-800,000 complete their secondary education at evening classes and so-called "shift schools" or through correspondence courses, giving a total of about three million, for whom no more than 500,000 full-time study places at higher educational institutions are available.

The first signs of a serious discrepancy between the number of pupils leaving secondary school and that of places available at higher educational institutions began to appear in the middle fifties. The present situation is that, although since 1951 the number of places available for full-time day study at higher educational institutions has doubled, the number of secondary-school graduates has risen by 650 percent.

This development will clearly bring social problems in its wake. There is certain to be widespread disillusionment among secondary-school leavers who fail to enter a higher educational institution and who, lacking professional qualifications, are forced to accept unskilled employment. It is therefore not surprising that many secondary school leavers who fail to secure admission to a higher educational institution regard this as the end of all their personal plans and hopes.

This mass of discontented young people is growing year by year. Aware of the social and economic implications of the problem, Soviet specialists recommend that vocational training and psychological preparation for the world of labour be intensified in general secondary schools. The educational authorities are now trying to interest school-children in the less attractive trades.

At the core of the educational problem in the Soviet Union lies the influence of social origin on the whole of a young person's future career. The children of the more privileged social groups have a far better chance of realizing their ambitions than their less fortunate classmates, i.e., the privileges of the parents are passed on to the children. This inequality begins in the nursery schools and reaches its peak when it comes to admission to an institution of higher education.

On completing the eighth or ninth grade, school-children have their first opportunity of leaving school. Here, an automatic process of social selection takes place in that many of those from less privileged families have to go out to work either because their wages are needed to supplement the family income or

because the ten-year school is too far away from their homes.

In various ways, the odds are heavily in favour of the children of wealthier and more influential parents. Although in theory all are equal in the competitive entrance examinations, admission to a higher educational institution often depends not on intelligence alone but also on a number of social prerequisites that are largely possessed by certain social groups. The results of entrance examinations prove that the best chances are enjoyed by the children of wealthier parents of higher social and cultural standing, particularly of those living in the larger cities.

The official position and influence of parents, relatives and friends also play a large and frequently decisive role. As a Russian journal has observed: "They literally lay siege to the examination and enrolment commissions and take them by storm. If this assault is repulsed, the telephone calls begin. At first the fathers and mothers, the grandfathers and grandmothers telephone, then the "influential" "venerable," "responsible" and "nomenclature" contacts are brought in. They request that "particular attention" be paid to a certain candidate who did not get top marks in the school-leaving examination, or that his "case be reconsidered". These and many other legal, semi-legal and illegal devices do much to create a social imbalance among students accepted by higher educational institutions in the Soviet Union.

It will have become clear that in the sphere of higher education the Party leaders in the Soviet Union are confronted with problems somewhat reminiscent of those facing politicians in capitalist countries that have reached a comparable stage of economic development: the questions of the "overproduction" of intellectuals, and the progressive self-isolation of what has come to be known in the West as the "establishment". On the former question, it may be said that in the Soviet world such an "overproduction" of—possibly unruly—intellectuals is particularly dangerous, since according to the Russian revolutionary tradition the "intelligentsia", the more highly educated stratum of society, has a highly-developed class consciousness of its own. As a result, unemployment in this stratum, which in the non-Communist world is mainly a source of purely personal difficulties, in Russia rapidly becomes a social and hence also a political problem. As to the second, despite the creation of "preparatory" faculties or departments, opportunities for receiving a higher education remain largely a privilege confined to children of the present ruling stratum.

Reviews

The Politics of the Developing Areas

Edited by Gabriel A. Almond and James S. Coleman pp. 593
—Centre of International Studies, Princeton University,
Princeton, New Jersey, U.S.A., Rs. 22/- (paperback edition).

THIS book is an attempt to develop a conceptual framework of politics that can be effectively applied as a yardstick to analyse and even measure the politics of under-developed areas. As the Director of the Centre for International Studies points out in his foreword, such a conceptual framework provides almost a revolutionary methodology for study of politics and this methodology transcends the area significance.

The volume is an intellectual compilation by six scholars each one dealing with a specific area. Professor Gabriel A. Almond provides the conceptual framework on the basis of analysing politics with emphasis on what he calls "functional approach to comparative politics." In this he attempts to identify the main features of any political system first and then list out certain inevitable common properties of all political systems. Then he analyses the functions of the political systems and based on all these develops a "probabilistic model".

The other authors then analyse the politics of South-east Asia, South Asia, Sub-Saharan Africa, Near East and Latin America on the basis of the model, and the concept of mutuality in society or dominance of society systems of developing areas.

While developing the model, the authors rightly take into account an important value norm governing a political system, namely, whether it is based on the concept of mutuality in society or dominance of society by the system and its operators. The significance of this value norm lies in the fact that only in a system invoking mutuality can there be institutional structures and system structures based on relationship of mutuality. In societies based on mutuality, the authors point out, we find structural specialisation and functional differentiation. They further point out the fairly well-developed nature of these factors in the "open" societies that are developed.

The authors point out what they term as homogeneity of the universe of political systems. In support of this concept, the authors demonstrate that all the types of political structures that are found in the modern systems are to be found in the non-Western and developing societies. But the distinction between the developed societies and developing societies lies in functional inadequacies of the structures.

For instance, all the developing countries and their political systems have had, now have or aspire to have constitutions providing for legislature, executive and the judiciary. Though in substantive terms of func-

tions, there may be just a pretence of mutuality involved in these three institutions envisaged, there is certainly a desire for formal appearances of specialisation of functions in the structures. For instance, the legislature provided for may be structured in a manner of being the transmission belt of the executive and the judiciary too may be so formed, but there is at least a pretence of homage to the consent and mutuality factor. This pretence may have to assume more substantive content in the process of development.

The real comparison therefore comes about not over the structures, but over the functional content of the structures. The essence of the model the authors have suggested is, however, very fascinating and can be extremely helpful in a depth understanding of politics and comparative politics. The input functions of the political model are refined as:

1. Political socialisation,
2. Interest articulation,
3. Political communication.

The output functions are identified as:

1. Rule making,
2. Rule application,
3. Rule adjudication.

The political system has to promote political socialisation, interest articulation and political communication and this requires involvement of and interaction of various interest groups in society. Development process predicates the assumption of functional responsibilities by representative interest institutions, develop a socialization process between themselves on a recognition of inter-dependence of special interests, and a communication system. It is in these areas that there is a sharp gap between developed countries and developing countries.

Though structurally the developing countries have most of the institutional structures which the developed countries possess—such as trade unions, religious orders, chambers of commerce, student organizations, women's groups and so on, functionally there is often enormous differences between the institutions of the same identity in developed and developing countries. For instance, the trade unions in the developed countries will have a much greater degree of logical interaction between their functional efficiency and structural composition. In contrast, unions in developing countries are structured the same way as unions, but functionally suffer from many inadequacies.

Similarly in matters of rule-making, rule enforcement and rule adjudication too, there is a vast difference in the output functions between the political systems of the developed democratic societies and the developing societies. A glance at the service manual of the Federal employees of the United States Government and a comparison with the Service Conduct

Rules of the Indian Union civil servant should be an eloquent exercise in this type of functional comparisons in the output area.

The volume represents a highly scholarly and fascinating study with a conceptual tool. The failing in the fabrication of the tool is, however, in an analysis of the geo-cultural factors of societies. Karl Wittfogel had made an attempt in this direction in his studies of ancient despotism in relation to the structuring of irrigation systems prevailing in oriental societies. References to such aspects would have produced much greater depth to the volume.

Mutiny of the Innocents

B. K. Dutt, Sindhu Publications, Bombay, Rs. 25/-.

RATINGS of the Royal Indian Navy mutinied in Bombay in February 1946. The mutiny spread to all ships and establishments of the Navy and for the six days that it continued the British Government lost all control over the men and the ships of the Navy. The mutiny did not succeed, but it convinced the British Government that it could no longer rely upon its armed forces for continuing its rule. That conviction hastened the transfer of power and in that sense the mutiny of the ratings has played not an insubstantial part in the advent of Independence.

Mr. Dutt who took a prominent part in the organisation of the mutiny has written this lively account of that heroic episode. The account tells for the first time the full story of the mutiny, how it came about, how it was conducted and why it failed. For most of the account the author had to rely on his personal knowledge and impressions, but wherever possible he has reinforced it by extracts from contemporary records.

According to Mr. Dutt, the mutiny took place not because the ratings were dissatisfied with the food, as is commonly believed and was sedulously propagated at that time. It had, according to him, a political aim, the aim of ending the British rule. The mutineers wanted to place the Navy in the hands of the national leaders and the mutiny failed because the latter were not ready to accept the gift. Mr. Dutt is fair enough to

add that no national leader had been approached earlier. All the same he is angry with all of them for not being able to make use of the revolutionary situation that had been created.

Towards the end of the book, Mr. Dutt has given his own views on revolution, on violence, on social change and on the situation in the country after Independence. Those views have nothing to do with his account of the mutiny. The account is instructive and fascinating and should be read by all students of the history of the national movement.

Mr. Natarajan, who was at the time of the mutiny the Editor of the *Free Press Journal* and who fearlessly placed the columns of his journal at the disposal of the mutineers, has contributed a thoughtful foreword to the book.

V. B. K.

(Continued from page 5)

labour organizations in a democracy have a strategic significance as autonomous and independent institutional weapons really representing labour interests, then they will have to restructure labour organizations in such a way as to provide for dominant decision-making and control by workers, continuous industrial relations business to be performed by workers in problem-handling, and having political terms of references emerge only in such relevance as tangible interest goals of workers in industrial, economic and human right terms. Today the labour movement has reached such unfortunate depths of having really no business to perform, no involvement in industrial terms of references, no capacity to operate the union movement as a multi-purpose tool for creative development within the framework of protecting employee rights. As a consequence it has to resort to all forms of contortions merely to exist and it does this by a series of desperate eye-catching gimmicks that will keep the workers interested. But even these methods are running out.

The future prospects of the labour movement as it exists now to become functionally a protective instrument of working class as well as a performing instrument on their behalf appear extremely bleak. This factor will come in the way of the tempo of development because the labour movement will be gradually sinking into merely a veto-using instrument. The central labour organizations have themselves contributed to the erosion of trade union influence itself by voting actively for the usurpation of trade union operational activity by the state instrumentalities. The cumulative result of this liquidation process is now becoming perceivable.

BOOKS RECEIVED

1. *Under the Indian Sky*, Asok Chanda, published by Nachiketa Publications Limited, 22, Naushir Bharucha Road, Bombay 7. Rs. 25/-.
2. *Yugoslavia and the Nonaligned World*, Alvin Z. Rubinstein, published by Princeton University Press, Princeton, New Jersey. \$11.00

USSR And Arab Communist Parties

A. Yodfat

WHILE Stalin was alive the relationship between the USSR and Arab countries was greatly influenced by the positions of the local Communist parties. But by 1960, as Khrushchev's Russia gained a foothold in Egypt and other Arab countries, the Arab Communist parties were regarded as an embarrassment in Moscow and treated with the same political cynicism that Stalin displayed when in 1940 he handed over German Communists who had sought asylum in the Soviet Union to the Gestapo. Since then, as the Soviet Union's military and economic involvement in the Middle East has grown to dimensions hardly visualised in 1954, the very demands of Soviet geopolitics have created unbridgeable contradictions between the policies pursued by Moscow and the ideals and aims of the Arab Communist parties.

In Egypt there never was a strong Communist Party. Rather there were small isolated and non-influential Communist groups. The Nasser regime used to arrest their members and imprison them, even when friendly relations were established between Egypt and the USSR. Soviet pressure later in the 1960's led to certain changes in that attitude. In 1964 many Communists were released from prison. In March 1965 some Communist groups were disbanded and individual members were permitted to enter the ruling Arab Socialist Union (ASU).

The Russian advice to Egypt was to give the ASU a greater role in the government of the country and to organise the ASU on a Communist pattern, to make it a "vanguard party", directed behind the scene by Marxists and other left wing elements. The Russians invited the leadership of the ASU and its representatives to international Communist forums and conferences. They spoke of the ASU as if it were "socialist", and praised and flattered its leadership and their achievements.

In Syria the Communist Party is officially illegal, but in the *coup* of February 23, 1966 which brought to power the left wing of the Ba'ath party, a Communist was made a member of the cabinet, though only on a personal and not a party basis.

After the *coup* the Syrian regime turned more closely towards the Soviet Union, received Soviet military and economic assistance and recognition of being "socialist", "non-capitalist", "revolutionary-democratic" and "progressive". This could not be ignored by local Communists. As a result these were forced to accept the new regime and to praise its policies and "achievements". Soviet representatives tried to encourage co-operation between the Syrian Communists and Ba'athists.

In Iraq, the Ba'ath regime that came to power in July 1968 was supported by the USSR, as the earlier regime had been. The Soviet Union provided it with economic and military assistance and helped it to develop Iraq's oil resources by concluding several oil deals that marked the Soviet Union's entry into the Middle East oil business. The close collaboration between Moscow and Baghdad did not, however, alter the position of the Iraqi Communists, who continued to be imprisoned and persecuted. The Russians advised the Communists and Ba'athists to cooperate and contacts were made between representatives of both parties with the expressed aim of establishing "a wide national front", but people continued to be imprisoned on charges of Communist activities.

In May 1970 the Iraqi Communist Party issued a statement which dealt with "the continuing arrests and torture of Iraqi Communists" and said that detainees "were tortured to give information about their friends and colleagues, to pledge to sever relations with the Communist Party or to turn against it in favour of the Ba'ath Party".

Most of the time the Soviet diplomats and officials preferred to ignore the subject altogether. When they raised it at all, it was in the form of "friendly advice", for what really mattered to the Russians was Iraq's anti-Western policy, the oil agreements and the importance of establishing a firm foothold in a country that is of the greatest strategic importance to the Soviet Union. To achieve these aims the Russians were not prepared to take risks in order to please the small Communist Party of Iraq.

In Jordan the Communist Party, which before the Six Day War had been banned, can now act almost openly. Its Secretary-General, Fuad Nassar, was given permission, after years in exile, to return to Jordan. Communists have been released from prison, have become more "accepted" and are no longer regarded as agents of a foreign power. The Communists, too, have changed. They have adopted a position parallel to that of extreme militant Arab nationalists, denounced alleged attempts to reach an agreement with Israel and submerged their private feelings so far as to stop calling for the overthrow of the King. The Jordanian Communist Party, said one of its leading members, "opposes left extremists campaigning for the overthrow of the present system".

The position of the Jordanian Communist Party has thus become more closely allied to that of Arab nationalist parties, which in turn began to accept the Communists' activities at least in those fields in which the latter's slogans are no different from their own.

The Jordanian Communist Party has come to look more and more like just another nationalist party.

In the pro-Western Lebanon the Communists have enjoyed more freedom than in any pro-Soviet Arab state. In fact, the Lebanon is the only Arab country with a legal communist newspaper, the daily *an-Nida*. The Lebanese Communists have been advised by the Russians to come closer to the left-oriented nationalists and, whenever possible, to join them in "national fronts". This has meant cooperation with Nasserites, Ba'athists and the Democratic Progressive Party of *Kamul Jumblatt*, which wants the Lebanon to adopt the policies of the pro-Soviet Arab states in international and inter-Arab affairs, to turn away from the West, to have closer relations with the Soviet Union and to accept Soviet military and economic aid.

The Lebanese Communist Party which had been critical of the UAR, the UAR-Syrian Union and described Syria's Left-wing Ba'ath regime to be no more than a "bloodstained fascist regime", changed its attitude on Moscow's advice. Arab nationalism was previously described by Lebanese Communists as "the ideological instrument for oppressing and exploiting other peoples". President Nasser and the Nasserites were singled out by them as practitioners of such a policy. But their views suddenly changed and they discovered that Arab nationalism was "distinctly progressive, stimulating the Arab fight for freedom and independence".

The Sudanese Communist Party was regarded as one of the strongest in the Arab world. Its power came from the support of a high proportion of the country's intellectuals and professionals and, above all, from the

trade unions, which had thousands of members and were well organised. Thanks to the trade unions the Sudanese Communists were able to organise mass demonstrations, meetings and strikes, which created the impression of wide popular support.

The move towards the left and the establishment of closer relations with the Soviet Union did not prevent the Sudanese authorities from acting against the local Communists. But as the Sudanese regime turned more towards the Soviet Union, both the Sudanese Communists and ruling parties were called upon by the Soviets to accept each other. The Soviet press and radio tried to report only what was acceptable to the Sudan's rulers, and generally avoided the question of relations between the Sudanese regime and its Communists.

To sum up, the positions of Arab Communist Parties are generally identical with those of the Soviet Union on matters not relating directly to the Middle East. However, they are not always the same when the Middle East itself is concerned. The Soviet leaders have not only accepted Arab military dictatorships, but call their regimes "progressive", "revolutionary-democratic" and even "socialist". But the local Communists, who are imprisoned and sometimes tortured by the same regimes, find it difficult to accept Moscow's version of what makes an Arab regime progressive and revolutionary. However, in their present mood the Soviet leaders are little inclined to take note of Communist parties that cannot give them the naval and military bases that the military dictatorships can and do.

—Courtesy, *New Middle East*

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Indian Finance Ministers has led to the inevitable result: inflation and the consequent shrinkage of savings. This is a vicious circle of the worst type. As against the annual price rise of over six per cent, our savings are going down. They reached a rather respectable total of Rs. 150 crores in 1965. Thereafter, they have been moving between Rs. 110 crores and Rs. 120 crores. I can understand the rate of savings falling in 1966 as a result of the war with Pakistan in October 1965. But to what else other than to the policies of constraints could we attribute the fall in the rate of savings in subsequent years?

When the well-known tax expert Prof. Kaldor suggested that the aggregate burden of income-taxes should not exceed 50 per cent of the assessee's incomes, he was not motivated by some special compassion for the rich. He was guided by the simple concept of the Family Budget and the need to leave each individual scope for saving. But at the highest level, income-tax in India goes up to 97.5 per cent. The tax rate works very harsh on incomes beyond Rs. 30,000 a year and acts as a positive deterrent. That explains our falling rate of savings amidst rising Government revenue.

Thus, it is obvious that all the stiff taxes levied this

year were really not necessary and Mr. Chavan could have easily managed to allow the common man travel light. Because where is the fun in squeezing out money from the society and spending the better part of it on unproductive expenditure? If the Finance Minister had proposed to spend a good portion of the revenue collected on schemes of direct benefit to the common man, his massive imposts could have been justified on that count at least. But out of the revenue of Rs. 2,722 crores, the expenditure on welfare schemes is like this: employment generation — Rs. 50 crores; child welfare — Rs. 10 crores and towards providing employment to the educated — Rs. 25 crores; a total of Rs. 85 crores. That works out to barely 3.5 per cent of the total revenue.

To banish unemployment is a long-term objective and nobody takes the Government's promises in that regard seriously. What the common man was looking forward to was at least a respite from inflation. But the obvious indications are that inflation will accelerate and along with it will aggravate the sufferings of the common man. Even within the limits — political and economic — the Finance Minister could have given a better deal to the common man. His lot is now to live on the fond hope that the next year might turn out to be better...

Without Comment

CHINA: SWIMMING SEASON

THIS year's first "freedom swimmers" are splashing the five-mile gauntlet from China to the shores of Hongkong. Last month more than 150 were detected on arrival, mainly city youths and students in revolt against the hardships of the village communes to which they had been sent. With this sort of start in April, a heavy increase is forecast over last year's estimated total of 10,000 escapers and the 11,000 who got away in 1969.

It is clear from the formal interrogation of those who have already made the crossing that there is now bitter disillusionment among the redundant and troublesome city youths who have been systematically drafted to rural areas since the cultural revolution. Most of them have been informed that their period of apprenticeship in the communes is to be permanent. So the penalty of ten years' "reform" in a labour camp is no deterrent to attempted escape. Resentment is particularly strong among former Red Guards, now four to five years older, who are brooding over the contrast between their plight and the favoured treatment of luckier contemporaries who remain in the cities because they have family or other ties with the new ruling military class.

Refugees are quietly permitted to remain in Hongkong but the Portuguese authorities in Macao are still

committed to arrest and return them. No one knows how many escapers reach Macao and are dutifully handed over to the frontier guards, but for one week in April there were four communist gunboats instead of one at the approaches to the tiny settlement. The new arrivals in Hongkong report that cadres in the coastal areas are now warning commune families that giving aid to those who flee, or even failing to report suspicions of intended escapes, will draw a ten-year term in a labour camp.

The favoured escape routes into Hongkong are still by sea. Swimmers generally come from the west, braving currents which drown many of them and oyster beds which gash most. Junks and sampans, usually with families, make the break from the east. Only the most desperate try to beat China's army guards and dogs and then break through Hongkong's 12-foot barbed wire fence, which runs the full length of the 17-mile land frontier.

A new variety of illegal refugee is the recent expatriate Chinese who lands openly in Macao from the south-east Asian war areas but then pays to be smuggled into Hongkong by "snake" boat. More than 1,000 Chinese arrived in Macao last year, chiefly from Laos and Cambodia, and it is assumed that the great majority are bent on getting into Hongkong. The cost of the 60-mile venture ranges from £ 50 for a "hard seat" to £ 100 for a "soft seat". The hard seat traveller in an overloaded sampan is advised to carry a life-belt or a motor tyre.

—*The Economist*

With Many Voices

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

General instability serves Soviet interests, but not war.

—*Swiss Press Review and News Report*, May 31.

There is nothing in common between Marxism-Leninism and Chairman Mao's thoughts.

—Moscow Radio, June 8.

To my mind even if the Prime Minister of India had gone to the bank herself and asked the petitioner to give to her Rs. 60 lakhs, the petitioner could not have made the payment without any legal authority.

—R. N. Aggarwal, District and Sessions Judge of Delhi, *Times of India*, June 10.

If you say you want complete freedom in an emergent country, I can give you two examples: one is India, another is Ceylon. Both countries are now in chaos.

—Lee Kuan Yew quoted in *Time*, May 31.

I have always been a radical, never a conservative of either the "Left" or the "Right".

—Minoo Masani, *Illustrated Weekly of India*, June 13.

The refugees pour not into Britain, Russia or the United States. They pour into our already overcrowded, very poor country, and they will continue pouring in so long as the compulsion behind, exercised by the Pakistani Army of set purpose, continues.

—*Opinion*, June 15.

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Communism outside its borders is expendable to the Russians in the pursuit of their larger national interests just as democracy is expendable to the Americans if they can get a dictator to do their will.

—T. V. Parasuram, *Indian Express*, June 8.

Socialism in India has been largely a matter of some leaders in perpetual search of a following.

—Lyceus, *The Bharat Jyoti*, June 14.

U Thant has said that this (Bengal tragedy) may be the biggest single catastrophe of our times— and it has been created by human beings against human beings, without the aid of sophisticated weapons of destruction.

—*Swiss Press Review and News Report*, June 14.

It is now clear that what has been happening in recent weeks is that the 10 million Hindus, who have so far lived more or less peacefully in East-Pakistan, are being driven out of the country.

—*The Observer*, (London), June 13.

It is difficult to decide whether the Muslim leadership in India should be condemned for its dogged isolationism or pitied for its suicidal revivalism or admired for its single track mind.

—*Janata*, June 13.

East Bengal can only be kept in Pakistan by the heavy hand of the army. And the army is dominated by the Punjabis who traditionally despise and dislike the Bengalis.

—Anthony Mascarenhas, *The Sunday Times*, London, June 13.

This book cannot now be published in our homeland except in *Samizdat* because of objections by censors that are inconceivable to the normal human mind and also because it would be necessary to write the word God in lower-case. I cannot bow down to such a humiliation.

—Alexander Solzhenitsyn quoted in *Time*, June 21.

✓ General Yahya Khan and his military advisers will soon learn, as many before them have learnt, that you can make a throne of bayonets but you cannot sit on it.

—*Illustrated Weekly of India*, June 20.