

NEW AGE

COMMUNIST PARTY WEEKLY

VOL. VII, NO. 12

SUNDAY, MARCH 22, 1959

25 nP.

HOW THE USA LOOKS AT IT...



Much negotiating took place between government and company men before Merck-Indian venture got a green light. As final steps take place in India, Merck International head Antonio T. Knoppers meets Indian Finance Minister Morarji Desai at a luncheon given in honor of the minister in New York. Looking on is William F. Braumstedt, who is board chairman of California Texas-Oil

Merck Moves into India

Merck's entry in Indian pharmaceuticals makes friends, future profits, and helps sideswipe Soviets

HOW TO MAKE FRIENDS OVERSEAS today: Look at things from their view and combine this with your own profit motives. That's the thought behind Merck's joint venture in India (C&EN, Nov. 10, page 17).

After getting a conditional government license to sign a 60/40 agreement with an Indian partner, Merck agreed to terms with Tata Sons (Private), Ltd. The new firm is capitalized at \$8.4 million, of which \$4.2 million will be paid in as needed during an initial expansion program. Vitamins, steroids, sulfa drugs, chlorothiazide, and other medications will be produced.

Permanent facilities should begin operating about the end of 1960; tem-

porary Merck Sharp & Dohme International, believes these outlets will hit about \$55 million in sales this year. The forecast for 1959: overseas sales up around 10%.

Drug officials started looking at India about two years ago, just as the Russians began a big push to have India freed from dependence on Western chemicals and pharmaceuticals. Soviet engineers, loans, and all else needed would be provided if the Indians would take U.S.S.R. help and build the state-owned industry. All it meant for the Russians was a potential showcase portraying Communism as the friend of the sick and disabled Russian, Czech, Hungarian, and East German technical

A page from the CHEMICAL AND ENGINEERING NEWS from the U.S.A. The picture is of Morarji Desai meeting Merck International Chief Antonio T. Knoppers during the Finance Minister's American visit. The main point of the report is that the Merck agreement has helped to "sideswipe" the Soviet offer to India to set up an anti-biotics plant.

penicillin by fermentation) build what it calls "the most modern streptomycin plant in the world." Merck is supplying plans, engineering aid, and is training Indian operators. Machinery and equipment is being purchased with dollars supplied by an Export-Import Bank loan. Merck's fee: 2.5% of annual sales for 10 years. This is surprisingly small, but some observers believe it did help pave the way for Merck's entry into private (rather than government) operations. Knoppers adds that Merck is going out to do business, not just to stall the Russians. He notes that it's not a picnic—there will be many difficulties to overcome. His philosophy is if you're in the market early, taking the risks but playing the odds, the profits are good.

► **Soviets Still Try.** But Russia has not yet given up. Now helping Red China in antibiotics, the Soviets still offer Indians long-term loans exceeding \$20 million at 2% interest to finance basic chemical and particularly pharmaceutical raw material plants.

Merck's efforts have helped in part to stall this Soviet offensive; however, Knoppers fully admits that eventually some products in this area will be produced using Russian knowledge and aid. But the original Soviet offer, which was all-embracing (and somewhat obsolete technologically, some say), is shelved, and the Indian pharmaceutical industry will not be a government monopoly.

The future? Merck is planning further expansions overseas, both in existing areas and in new territories and products. Knoppers puts it: "We want to become a world-wide chemical company; that can't be done halfheartedly." In India, it will have a basic chemical plant which can handle nearly any organic reaction. Merck is probably a bit overinvested for the operation's initial capacity, but should benefit handsomely in the long run.

As far as political implications for the future, Knoppers hopes that "our presence in India is so good that any love affair with the Russians becomes more platonic."

Steel Plant The British Are Building For India Durgapur Going Up On Shaky Foundations

★ FROM JNAN BIKASH HOITRA

CALCUTTA, March 16

IS the one-million-ton Durgapur Steel Plant being built according to specifications? Will it last long?—disturbing questions, indeed, but there are adequate grounds for such misgivings. I learn from unimpeachable authority that the construction work in several crucial sections of the Plant has proved, under test checks, to be highly defective.

The Steel Plant at Durgapur, about 118 miles from Calcutta, is being set up in the public sector by the Indian Steel Works Construction Co. (ISCON), a consortium of 13 British firms, under a "package deal."

Another British firm, the International Construction Co. has been appointed technical consultants with the job of checking up whether the Plant is being built to specification and whether the quality of work is up to the mark.

The British monopolists are forcing us to pay through the nose. The cost of the Plant, originally fixed at Rs. 115 crores, has now shot up to Rs. 138 crores. An exorbitant rate of interest is being charged on the \$50 million loan given to cover the foreign exchange cost.

And yet the quality of work in respect of several basic items is much below the standard. The construction of foundations has proved to be extremely unsound. All heavy structures, viz., Blast Furnace, Steel Melting Shop, Mould Preparation Building, Slag Bridge, etc., are founded on bored piles. It is now reported that the bored piles have not gone to the required depth.

Some piles in the Melting Shop and other sections were recently tested under loads which they are designed to bear when the structures are completed. But the piles just failed and caved in at half the designed loads.

This means much more delay in completing the Plant and further increase in the cost estimates. Or, if the defects are not properly rectified out of fear of a scandal and serious damage to the "reputation for British efficiency," important sections of the Plant will have to be scrapped in the near future.

Naturally, desperate efforts are now being made to hush up the whole affair. The entire British personnel has been alerted. A secret enquiry is also being conducted by the ISCON in collaboration with the International Construction Co.

That the construction work has been defective from the very beginning is evident from a confidential circular issued by the Cementation-Patel Co. some time ago.

The Cementation Co., one of the constituent members of the ISCON, has secured the biggest chunk of the contract under the "package deal." It is responsible for all foundation work in the project. It has taken in Patel & Co. as a junior partner.

The confidential circular of May 3, 1958, to all Inspection staff, said: "Workmanship below the standard required by the specification continues all over the site. In many cases these are simple errors which nevertheless result in serious delays while defective workmanship is cut out and rectified."

The technical consultants are now trying to wriggle out by putting forward the plea that such strong foundations are not necessary! Why then was the design made for so many piles and so much depth?

The questions that need answers are: Are the structures safe? How long are they going to last with this type of piled foundations? A searching enquiry by the Government of India will be welcome.

MANUBHAI SHAH DOES IT AGAIN

MERCK AGREEMENT: THE FACTS

★ FROM OUR SPECIAL CORRESPONDENT

M. M. Shah as a Minister cannot be allowed to mislead the nation's Parliament, all in the interest of defending the indefensible agreement with Merck when a really honourable alternative with Soviet help was available to produce cheaper drugs for our needy people.

M. M. Shah like his chief Morarji obviously likes everything American irrespective of what it costs our economy.

M. M. Shah can become a private citizen and serve Merck whom he likes so much. He cannot be allowed to do so as a member of the Indian Government. This is a serious

matter and will certainly come up in a bigger way before Parliament again unless Pandit Nehru's Government pays immediate attention to this matter and sets it right.

When Communist M. P. S. V. Parulekar and Renu Chakravarty lashed out at the anti-national Merck deal, Sri Manubhai Shah replied with

a string of incorrect statements and suppression of facts.

The record has to be set straight and we give below the true facts of the case.

ROYALTY: Up to the present, responsible officers of the Commerce and Industry Ministry have been asserting that the agreement did not stipulate payment of any royalty at all. But now since the terms of agreement have become public property, Sri Manubhai Shah admitted that Government was committed to pay royalty to Merck. He gave the amount of royalty as "Rs. 30 lakhs or

at the outside Rs. 45 lakhs" for the ten-year period of the contract.

This figure is far too low because royalties are calculated on sales and not on cost of production and the arrangement clearly lays down "2½ per cent on sales in India and five per cent on sales abroad." Streptomycin is selling at present at Rs. 1.25 per gram retail, and even if Government gave a discount of 25 n. P. to retailers, the royalty would come to more than Rs. one crore if the plant during the period is so unenterprising as to produce no more than 45 tons a year for the whole ten-year period.

Such an assertion would be nothing less than a slander on the capacity of our technicians and belittling the power of science. It is important to note that this royalty will have to be paid in dollars, income-tax free.

A COCK AND BULL YARN:

Manubhai Shah made no attempt to justify the payment of this royalty but made the tall claim that by agreeing to pay a royalty of Rs. 30 to 45 lakhs to a firm of the standing of Merck—it is really one of the smallest antibiotics producers in the USA and produced in 1956 no more than 4.9 per cent of the total output of the country—he had already saved Rs. 97 lakhs this year and would perhaps save a similar sum next year.

His claim that he will be making a saving of Rs. 194 lakhs has no basis in fact. The truth of the matter is that the price of streptomycin had been steadily and sharply falling during the last year. According to American commercial journals, the price of streptomycin in America fell from \$0.085 per gram (Rs. 400 a kg.) to \$0.040 per gram (Rs. 185 a kg.) in January this

★ SEE BACK PAGE

RALLY TO THE SUPPORT OF PUNJAB KISANS

Editorial

THE resentment caused all over the country by the attitude adopted by the Punjab Government and the methods pursued by it to suppress the kisan movement against the iniquitous betterment levy will be heightened by the speech made by Sardar Pratap Singh Kairon, the Chief Minister of Punjab, in the State Assembly on March 16.

He summarily rejected allegations of police excesses, allegations made not by Kisan Sabha and Communist leaders alone but by a number of Congress members of the Assembly, by several newspapers which support the betterment levy and by Press Correspondents who have visited the villages. He turned down the proposal that the Government should modify the Betterment Levy Bill in consultation with members of the Opposition before it is introduced in the Assembly on March 21. He declared that he would "give no quarter to the agitators" and would deal with them "firmly."

In order to prove how determined he was to continue a "tough" policy, Sardar Kairon gave figures which perhaps he did not realise, do little credit to his Government. He revealed that 156 satyagrahis of Jullundur who had to pay an aggregate betterment levy of Rs. 2,000 had been punished with imprisonment plus fine which amounted to Rs. three lakhs. "He promised that every pie would be realised from the agitators."

All this betrays a mentality that would shock everyone who is not blinded by passion. It shows that the imprisonment of over 12,000 persons, the death of nine, including three women, serious injuries to many and the colossal suffering undergone by vast number of peasants mean nothing to the Government which has become impervious to reason and scoffs at criticism even from Congressmen and its own supporters.

While threatening to intensify terror, the Chief Minister of Punjab has thrown the sop that if the movement is withdrawn "he would do everything in his power to reduce the betterment levy." This itself was an unwilling admission of the justice of the kisans' demand and of the strength of their movement as well as a refutation of the lie that it had been "instigated for political purposes." Sardar Kairon, however, chose to ignore the fact that the struggle had been forced on the masses, that before launching it the Kisan Sabha had put forward concrete proposals which the Government refused to consider or discuss. Now he makes the continuation of the struggle a pretext for refusing negotiations.

For the British bureaucrats there was no consideration higher than prestige. No negotiations while a movement is on—was their watchword. For a Government which claims to represent the people and which speaks in the name of the Congress, such an attitude is not merely regrettable. It is unworthy of the traditions of our national movement. It betrays the Government's democratic pretensions.

We hope that democrats all over the country will condemn the attitude of the Punjab Government and rally to the support of the peasants of Punjab who against heavy odds and undismayed by terror are waging a gallant struggle. Their cause is the cause of all peasants of India and of the entire democratic movement.

March 18, 1959.

THE CHALLENGE OF NYASALAND

BRITISH imperialism in all its naked racial cruelty has hurled itself at the valiant and militant people of Nyasaland. The banning of political parties, the internment of African leaders, the deporting of Dr. Hastings Banda and the ruthless shooting of the African peoples—contemptuously called "operation herringbone"—is the answer of the British overlords to the message of Acrea and its call for freedom. They want that never shall the blackman's burden be lifted from Africa.

Nyasaland, however, fights back the repression and drives the British to more desperate acts of panic. The leaders of the people of Nyasaland had made it clear that they were up in struggle for an independent State and against the Central African Federation scheme. Going in for a mass struggle in a big way, they at the same time repeatedly asked for negotiations. In the northern province under their control peace was maintained till the British marauders returned to deal out death.

INSIDE OUR NEWS & ECONOMY NOTES

The Protagonists Of Foreign Private Capital

FOREIGN private capital has of late been paraded with a new vehemence by our business circles as a panacea for all our economic ills. From the Federation of Indian Chambers of Commerce and Industry (FICCI) down to Professor B. R. Shenoy, to all the leaders and ideologists of the private sector, it looks like the economy might yet be salvaged.

Addition To The Chorus

The latest to join in the chorus has been the All-India Manufacturers' Organisation (AIMO), representing what may be called the second grade section of our businessmen, who, though always aspiring to reach the top, have not yet been included in the galaxy. In the past their attitude to problems facing the country was also consequently not always quite the same as of the leading lights of the FICCI. In the main, they were able to view things more objectively, so much so that at one time one of their leaders, Sri Murarji Vaidya, could even go about organising a Council of Foreign Trade to develop trade relations with the Socialist countries. Now, however, they have also chosen to echo the views expressed earlier by the FICCI.

"The flow of foreign capital in the form of equity capital in indigenous enterprises should be encouraged," said the AIMO at its recently held 19th Annual Session at Bombay. "All obstacles binding the flow of such capital," it added, "e.g. double taxation or absence of treaties of friendship, commerce and navigation and so on should be removed."

The Government in New Delhi has not been particularly known for resistance to the demands of organisations like the FICCI or AIMO, and now that the latter, too, have been stated to be striving hard to "establish their bona fides" vis-a-vis the type of Socialism the Government professes, there is nothing much in the AIMO resolution to which it could

We cannot remain mildly protesting spectators when Africa is sought to be throttled. It is the clear and imperative duty of all parties, organisations and patriotic individuals in India to demand of our British Government that it act quickly, that it sharply warn the British Government to stop the insensate slaughter, end the repression and to stop the senseless and public commences negotiations. India's stern official and public sentiment and anger is the least we can do to express our solidarity and remain true to our declared support of the African awakening.

India must take the lead in urging all free Asian States to exert their utmost to support the just cause of Nyasaland. British imperialism has arrogantly flung a challenge to all of us. We must and shall unite to send it scurrying and leave Nyasaland to its people. (March 17)

tion no surplus for the Plan will be available, he says, unless of course, coercive measures are undertaken to curb the urge to eat. Hoping, therefore, that this contrivance (on the part of the Congress), too, will be abandoned before long, he contends that in foreign aid alone lies the country's salvation.

In pinning his faith on the possibility of the ruling party abjuring what has now been broadly accepted by the people as a whole, however, the Professor has only exposed his inability to take an integrated view of things. Otherwise, he would have realised that as a result of the "institutional" changes, which he abhors, and through a better utilisation of tremendous manpower resources lying idle at present in the countryside, production in agriculture would be augmented so much that both the needs of consumption and investments would be easily met.

not conceivably agree.

And yet, even its executives have found it difficult to accept all the conditions which the United States—from which the bulk of the equity capital is to come—wants to be included in a commercial treaty. Before urging the Government to remove all the curbs on the entry of foreign private capital, therefore, the AIMO would have served even the interests of its members better if it had cared to find out as to how irksome is the price the foreign capitalists want us to pay for the benefit of their investments.

An amazing argument advanced by the AIMO, and earlier by the FICCI, in favour of private investments against loans is that the former, being made at the investors' risk, do not oblige the country to make any direct payments by way of interest or principal. As regards the repatriation of profits—which has to be permitted if the investments are to be had—they assert that it will not be eating as heavy a burden as the repayment of loans. The weakness of this argument is, however, only too manifest, for, no repayment, however hard over one or more years, can be as drainful of national resources as the repatriation of profits year after year.

Bogy Of Regimentation

Professor Shenoy, known for his chronic aversion to expansion of State enterprise, has gone one better. In an article in the *Hindustan Times*, he has expressed the view that only foreign aid can fill the gap in resources that the Second Plan will be facing in its last two years. Contending the validity of what he calls the "official thinking" in this behalf, he says that the steps envisaged in it, requiring certain institutional changes, like formation of cooperatives, etc., as they do, would lead to "regimentation". Since increase in production as a result of co-operativisation will also result in increase in consump-

Company Law Violations

The AIMO's ardent championing of the cause of unrestricted growth of indigenous as well as foreign private enterprise goes side by side with utter unwillingness to even as much as notice the abuses of the statutory regulations in which the private sector has been indulging. The latest catalogue of these violations has been provided in the Annual Report of the Department of Company Law Administration of the Ministry of Commerce and Industry, issued this week. During 1958, it says, the Department had to order investigation into as many as 11 cases, out of which only in respect of three could the Inspectors' report be received. Among factors responsible for the delay the Report mentions "non-production of account books, or non-attendance by a witness or writ-petitions, etc., over which the Department and the Inspectors have little control." "Efforts are being made" now, it says, "to tighten the law about securing the production of documents, etc., in the light of the recommendations made by the Company Law Amendment Committee and to strengthen the investigation and prosecuting machinery with the Department."

Here are a few other facts from the Report: During the first ten months of 1958, 1,411 prosecutions were launched in various courts against companies and their officers for defaults committed under the Companies Act, and 1,026 were pending as on November 1, 1958. An overwhelming majority of these prosecutions arose out of the failure to file statutory documents, to hold annual general meetings, etc., in time as required by law.

This is the picture of a private sector supposed to be on the leash—haughty and disdainful of the law of the land. This is not, however, how the Plan looked upon its role. To make it subject to the Plan, therefore, becomes a national task, because only to the extent it is controlled can its potentiality of endangering reconstruction be curbed.

—ESSEN

March 16, 1959

IN PARLIAMENT

Sri Morarji Desai's speeches replying to the budget debates in both Houses of Parliament have served further to underline the serious threat that the national economy and the living conditions of the vast majority of people face from Government policies and particularly at the hands of the present Finance Minister. The country will have to wake up to this grave danger betimes and the people will have to take active steps to reverse these policies or utter ruin and disaster will face them soon.

THE passion and determination with which Morarji has taken upon himself the task of leading the national economy along the path that suits Indian Big Business and foreign capital should serve as an eye-opener to all. The confidence and assertiveness with which he lays down and pushes through anti-national, anti-people economic policies should help everyone to see that so long as the Government retains him in this key position it has no right to expect the people to have the least faith in its proclamations of a "Socialist pattern" and so on.

Irresponsible Attitude

The essence of Morarji's defence lay in insisting that there was nothing seriously wrong or disquieting in the situation and the trends shown by the economy, that the present policies were not only adequate but the sole correct ones also and if there was anything wrong anywhere, it was due to the scare created by agitators, particularly Communists.

He seriously expected Parliament to believe that price rises in foodgrains were due to the scare created by Communists. He never even formally mentioned the speculative activities of the banks and traders and hearing him one would think the only thing the Government needed to do to solve the food difficulties was to put all Communists behind the bars, instead of forming joint food committees in the States and at the Centre, and introducing even partial State trading in foodgrains and talking of implementing the Nagpur resolutions.

Similarly, on the question of increasing unemployment. Even after the seriousness of the problem had been powerfully brought out in the debate, it failed to secure any recognition from the Finance Minister in his reply. The only reference was casually made to stress the point that if unemployment was increasing, none other than Communists were responsible for it because they "hampered production."

One wonders how this can be called a serious attitude to serious national problems. It is only a peevish, blind, obstinate attitude worse than that of a mule because it is dragged with power of Government, serving and supported by the worst of the vested interests.

Sri Morarji Desai was particularly cut up because the budget statement and the Economic Survey had been described as giving a complacent and falsified picture. He protested very loudly in both the Houses that he had not done so but only sought to give hope and cheer to the people as it behoved a good "servant of the public", while

the Communists wanted to create a scare and "their whole intention was to disrupt the economy and to shatter the hopes of the people so that they fall an easy prey in their hands."

Except for the men of Big Business and some other Congress members whom even one local daily's Parliamentary Correspondent has described as sycophants, hardly any worthwhile member from any party dared to agree with the Finance Minister in his assessment. Sri Bimal Ghosh of the PSP, for instance, said, "If the Finance Minister were honest, he should have put the picture in a more correct perspective... There is no doubt that he has tried to make out a picture which is not a true representation of the economy at the moment. And if he feels that it is so, I am sure he is labouring under a delusion, because the facts are speaking out and the economic indicators are against what he has stated."

Kleptomania, Says Kripalani

What Bhupesh Gupta described as a pickpocket budget, Acharya Kripalani described as follows: "One cannot call it

by the vulgar name of stealing; when a rich man indulges in this, it is called kleptomania."

Other members of Parliament also described the effects of the budget on the life of the people and the country in devastating terms. Listen to Sri P. N. Sapr, Congress member in Rajya Sabha from U. P.

"Speaking for myself, I look forward to a Socialism which reduces, and not increases, the inequalities, which constitute a blot on our civilisation and make human life a tragedy. I am afraid that under our present arrangements the very rich have not got much to suffer but the lower middle-classes and the working classes are getting a deal they cannot appreciate...."

A Few Questions

He asked the Finance Minister and the Government:

"Is the dweller in our towns, a clerk in our offices and establishments, the teacher in our schools and colleges, the worker in our mills and factories, not entitled to any sympathy from us? What are we doing to relieve their distress? Unemployment figures show that the problem has yet to be seriously tackled by us. Is it not under these condi-

MORARJI JIBES AT COMMUNISTS, FINDS NOTHING SERIOUSLY WRONG WITH OUR ECONOMY

tions incumbent on us to think in terms of expanding our revenues by other means than those of indirect taxation? Must we reject solutions which would expand the revenues by other means than those of indirect taxation?...

"Can we not and should we not experiment with running State industries and developing State business and trade? ... Is there no need for bringing under control, even if it may be State ownership, our trading and credit institutions? How long can we go on depending upon foreign assistance? Are there no dangers attached to too much dependence on foreign loans? Will they not add to our public indebtedness and in the long run affect our independence of judgment in regard to many matters of international policy? ... Should we not mobilise our resources in such a manner as to make our economy really self-generating?"

Even Sri C. D. Fande (Congress, U.P.) who began his speech by extending "my heartiest congratulations to the Finance Minister for the very fine budget that he has prepared," could not help drawing a picture which the

Desai and Sri Feroze Gandhi. The latter gave damning figures of mounting civil expenditure and the arrogant Finance Minister would not even listen attentively to what his party-men had to say.

In his reply in the Houses of Parliament too he revealed the same ham-handed attitude to which the diversionary red herring of anti-Communism was added. To the Communist attack on the policy behind the budget and the measures to implement them, he had no reply worth the name.

Asoka Mehta's Performance

One member, however, rose to the occasion to support the Finance Minister's policies and measures, not out of just sycophancy but also with real conviction in their correctness. This member was none else than the PSP leader, Sri Asoka Mehta.

While ordinary mortals of M. P.s complained of the increasing weight of excise duties and indirect taxation and deficit financing that

needed is a complete lucidity in analysis and willingness to follow up in action whatever conclusions your analytical tools may be able to provide to you."

Sri Asoka Mehta's great economic learning has told him that in Western Europe the barrier was pierced in the post-Second World War period and for achieving that object here in India too at the present stage the question of Socialism or capitalism is not so relevant. It is not Socialism or Socialistic measures that are lacking and that are required to achieve the requisite rate of development in India. According to Sri Asoka Mehta,

"Where we are falling, where we are stumbling, where we are preventing the growth of our country lies in the fact that we have not yet discovered a cement of organisation, of various methods and techniques."

"New modes and new methods of organisation" of capitalism with the State subserving the interests of capitalism better and in a more organised fashion—that is what Asoka Mehta prescribes and he is not

PSP's Economic Pundit Asoka Mehta Out-Morarjis

Morarji In Defence Of Big Business

very same Finance Minister was to describe in his reply as scare-mongering. One after another—about people's food, clothing, housing, employment, under-utilisation of installed capacity in industries like textile, cement, power, etc.—he drew a picture which irritated the Finance Minister. Sri Fande posed the uncomfortable question:

"Somehow or other, though the policy is good and the Plan is also excellent, the people are not satisfied. If food is not there, if there is not sufficient cloth and people have not got the purchasing capacity, how will they feel satisfied?"

Referring to Government's demand on the people to make sacrifices and tighten their belts, he asked for "some sort of coordination between today's sacrifice and the future satisfaction."

Attack From Congress Member

Many Congress members spoke in the same strain, reflecting the realities of the situation. Some, who could not or chose not to speak in Parliament itself, unburdened themselves in the Congress Parliamentary Party meetings, where tension rose to breaking point, leading to a straight head-on clash between Morarji

threatened to finally and irreparably break the back of the common man, this great pundit of economics disdained even to talk of such petty things and confined himself to "the overall macro-economic impact of the budget."

He Would Go Even Further

His complaint was that even Morarji had "not shown the requisite courage" and that "the forward steps are halting." "To meet a situation where according to him during the last year national income had fallen by two per cent and agricultural production had gone down and the rate of industrial growth had slowed up and "the great danger" that looms now is of "being caught in the trap of a low level equilibrium" and of "being pushed back into the mire of stagnation."

For "piercing the barrier," Sri Asoka Mehta would prescribe the remedy of the same measures which Sri Morarji Desai has prescribed with the only difference that Sri Mehta would have these measures applied far more efficiently and thoroughly and in a far more intensive fashion than Sri Morarji Desai dares.

He praised and congratulated Morarji for his lucidity and then demanded: "What is

bothered what conclusions "my Communist friends" and "the labourers" might draw.

His references to China despite his loud claims to the contrary did not reveal much honesty. Between 1950 and 1957 the share of consumption in China, he said, had gone down by ten per cent while gross domestic investment had increased from nine per cent of the national product to 20 per cent. "Even there," said Sri Mehta, "this had been preceded by expanding the size of the cake. As I said, in a period of ten years the gross national produce has been increased by 86 per cent."

Mutual Back Patting

Nowhere is there any mention of any connection between increase of the national product and the social system and social measures mentioned, nor how the pattern of distribution of national income has been reorganised and what it has meant for people's living standards. Again the irrelevance of Socialism is what is brought out.

No wonder that Sri Morarji Desai paid warm and sincere tributes to Sri Asoka Mehta in his reply.

MORE ON U. S.-PAK PACT

THE U. S.-Pak bilateral Pact continues to occupy the front page of our newspapers for the last two weeks. Never before has Pandit Nehru failed to reflect national sentiment over our national defence and foreign policy as this time.

There is hardly a thinking Indian who does not realise that U. S. aims and deeds in our part of the world are aggressive and colonialist. It was after living experience and due thought that our Government and people had denounced the SEATO and Baghdad Pacts. The new American Pacts were, in the words of the U. S. Government itself, meant to revive and strengthen the crumbling and the crumbling structure of the Baghdad Pact.

India's attitude had to be as sharp, if not sharper, as in the past, for the new American Pact with our neighbour endangered more than before our own national security and because it is a part of the Pacts with Iran and Turkey and of the whole system of military alliances on which U. S. foreign policy is based. They constitute a new menace to peace in the whole Afro-Asian region, the Bandung fraternity of nations.

The U. S. gave its Pak puppets in the new Pact the very words and the practical guarantees which enabled them to keep up the anti-Indian jihad as their foreign policy. They also very promptly and cleverly gave Indians all "assurances" that this Pact was not directed against India.

It has been Pandit Nehru's tragically pathetic role to try to sell the line that he and his Government sincerely took the U. S. assurance at their 16-anna face value but were

worried over the contrary, hostile, and bellicose statements of Pakistan's militarist rulers.

It rebounds to India's national political credit that the bulk of our Press, Parliament and patriotic people did not swallow Pandit Nehru's assurance that he felt satisfied with the U. S. assurances and publicly expressed their suspicion or indignation against the U. S. move in words mild or strong. This unofficial spontaneous national protest has had its healthy impact on the Prime Minister.

In Parliament he admitted "the amount of concern and disapproval" in the country as a whole against the Pact and categorically stated, "We think the military pacts do not bring security but insecurity." He, however, refused to condemn the USA on the ground that his approach is "friendly approach even to a deliberately hostile country." Such words may have befitted the Mahatma but they ill-befitted the Prime Minister of the country. In the closed-door Congress Parliamentary Party meeting he expressed his dissatisfaction over U. S. clarification of the Pact and said that his Government was pursuing the matter further with the U. S. Government.

ALL-PARTY CONDEMNATION

Our Party was the first to stir the vigilance of the nation to the new danger and in patiently but persistently pointing out the fatal weakness of Pandit Nehru's stand. When the matter was discussed in Parliament, it broke through all party barriers and even the Hindustan Times noted that the USA was condemned in words never before heard inside the Indian Parlia-

NOTES OF THE WEEK

ment, except from the Communist spokesmen.

The Ganatantra Parishad is Right-wing and its spokesmen have generally been taking a pro-American stand on foreign policy. This time their spokesman, S. Mahanty, said that the main purpose of this pact was to "coerce" India into toeing the American line. "This is a policy of bullying and blackmailing us." He urged that as a self-respecting nation, India should "kick" American economic aid.

From the Congress benches, U. M. Patnaik led the attack and also stated that it was high time that India stopped relying upon U. S. economic assistance which had encouraged the American Government to "browbeat us". Congress M.P. C. D. Sharma did not go so far as to agree with the Communists that it was an unfriendly act but did express the view that it was not a friendly act.

Kashmir M. P. Tariq decried the Pact as an attempt to interfere with India's right to choose her way of life.

Comrade Renu Chakravarty successfully rubbed home the point that Pandit Nehru's apparent confusion and unusual softness towards this hostile American act was dictated by the Congress Government's

working and waiting for foreign aid from the conference currently being held in Washington under World Bank auspices to supply the foreign exchange to cover the next two years of the Second Plan. Pandit Nehru expressed himself as "really pained" by this Communist suggestion. Truth hurts, if one believes the false assurances of a foreign Power whom the nation is rightly learning to regard as its worst enemy.

THE LONELY VOICE

THE irrepressible M. R. Masani has become too discredited to act as the U. S. standard-bearer in such a standard-bearer in such a critical Parliamentary debate as over the U. S.-Pak Pact. This task, therefore, fell upon his old friend Asoka Mehta and he fulfilled it without a blush.

According to the Hindustan Times Parliamentary Correspondent, "After Mrs. Renu Chakravarty's withering attack, Mr. Asoka Mehta rose to mount a counter-offensive." Mr. Mehta had to admit that "this agreement was something which everyone thought objectionable," but, he added, "it did not basically alter the situation that had existed for some time." This is parrot-like repetition of the main U. S. thesis.

This does not answer the simple question. If there is nothing new in this Pact, why did the U. S. sign this new Pact at all? Again, if the Pact does not imply what the Pak rulers claim, why does not the U. S. Government openly repudiate them and bring them to book? No, Asoka Mehta was only out to play his part in the U. S. game, lull India's vigilance.

Aping the Nehru-accident, Asoka Mehta, with assumed philosophic profundity, put the poser whether it would not be a violation of India's basic policy of neutrality. "to work up hysteria" against the U. S. If the rest of India understood the policy of neutrality the way Asoka Mehta interprets it, we will soon lose our national soul and the independence of our foreign policy will become a past memory.

The House as a whole was critical of the Government's policy of faith in U. S. words, but Asoka Mehta was critical of the official policy of friendliness towards China which he urged could not be "purchased by sacrificing the legitimate and rightful claim for domestic autonomy and cultural freedom" of Tibet. This again is nothing original but the usual commonly-known propaganda, whose poisonous seeds the Anglo-American propaganda machine has been trying very hard but unsuccessfully to broadcast in our country.

Asoka Mehta's was the usual diversionary tactics. Try to transform the rising anti-U. S. sentiment into anti-Chinese provocation. Ignore the U. S. imperialist trap and break the brotherly bond with People's China—such is Asoka Mehta's line. It is enough to damn him as a U. S. propagandist but the longer he is allowed to lead the PSP the more he discredits his party too. The sooner the PSP comrades deal with Asoka Mehta as an unrepentant American spokesman in their ranks, the

better for their party and our country.

REFRESHING CONTRAST

AGAINST the murky atmosphere of the long-drawn debate whether and how far to trust U. S. words comes the refreshing contrast in the plain and honest words of the Soviet statesmen touring our country as a goodwill delegation.

They have not only been reiterating the Soviet offer to help industrialise our country on terms which every section of Indian opinion has conceded are fair and honourable but they have once again expressed Soviet support to every Indian national claim against the imperialists.

Speaking at Bombay, they said that the days of black spots of colonies are numbered. "We, Soviet people together with you believe that one of such black spots will not remain for long near the border of Bombay State. We consider as just and legitimate the demand of the Indian people that the territory of Goa—an indivisible part of India—be returned to them."

The U. S.-Pak Pact is worrying everybody in India. Mr. Andreyev, leader of the Soviet delegation, rejected the U. S.-Pak claim that it was defensive and expressed the Soviet viewpoint in these words:

"Pakistan's neighbours are peace-loving countries actively striving for peace and security of nations. "It is clear to anybody that there exists no danger of Pakistan being attacked. We believe that this agreement is directed against the peace-loving neighbours of Pakistan and the Soviet Union. This agreement in no way meets the aims of nations who have chosen their way of national development and have started implementation of their national plans." These words will find an echo among our countrymen as plain and simple truth and inevitably lead to the question: How much different would be the political atmosphere in our own country, how much safer Asian peace and India's own security, if the Indian Government also thought so clearly and realistically.

Pakistan claims Kashmir as its territory, while the U. S. regards it as "disputed territory". Speaking at Sri-nagar, on March 15, the Chairman of the Supreme Soviet Foreign Relations Committee, Mukhitdinov, extended unqualified support to Kashmir's decision to continue as part of the Indian Republic and said that the so-called Kashmir problem had been "artificially created by the imperialist circles of the U. S."

* SEE PAGE 13

ANNOUNCEMENT

Next week's 'New Age' Weekly is likely to be slightly delayed because of the press holidays due to Holi on March 24 and 25.

★ ★ ★ Rs. 4-1/2 LAKHS COLLECTED FOR THREE-LAKH PARTY FUND ★ ★ ★

Rarely, if ever, has collection of funds for the Communist Party become a mass movement as it did in Kerala recently. In every village and every town, in the fields and factories, men and women vied with each other to contribute their mite to their Party's fund.

IT was at the end of December last that the State Committee of the Party called for a Rs. three-lakh Party Fund. The Committee appealed to the Party ranks, to strengthen the Party at all levels during the fund drive, both organisationally and financially.

Five per cent of the total collections was to go to the National Council, 25 per cent to the State Committee for constructing a building for the State Committee office in Trivandrum and for setting up a Party press and the rest was earmarked for stabilising the finances of the District and Taluk Committees and Branches of the Party. January was to be observed as the Party Fund Collection Month and the target for each District was fixed.

Meetings were held of not only Party members but also of friends and sympathisers to plan out the campaign in each taluk and area. Thousands of copies of the State Committee's appeal were printed and distributed, posters were put up, hundreds of public meetings were held, house-to-house propaganda was organised in each village and ward.

This preparatory work took two to three weeks and the actual collections began only in the second half of January and the first week of February. By then the Party was ready to move in a real big way and when the Fund Drive came to a close on March 1, it was estimated that the collections would have reached Rs. 4½ lakhs against the Rs. 3 lakhs called for.

The anti-eviction and debt relief enactments of the Government have given hitherto unknown relief and security to the general mass of the peasantry. Office employees and factory workers are guaranteed a better deal today.

It is these different sections of the working people who paid to swell the Party's Fund.

Two thousand and odd toddy-tappers of Anthikkad, who have always sacrificed everything to keep the Red Flag flying, contributed Rs. 21,000. Toddy-tappers everywhere contributed one day's wage.

The Amalapuruzha Taluk Committee of the Party in Alleppey District had collected Rs. 21,000 by February 15. This was three times the target fixed for that Committee.

The Trichur District Committee of the Party was to collect Rs. 50,000. The District Committee itself raised this target to Rs. 65,000 and at the close of the drive, according to incomplete figures, the total collections in the District had come to Rs. 92,000.

Alleppey District's target was Rs. 50,000. Actual collections were almost double—Rs. 90,000.

The Party Branch in Pappinisseri village in Cannanore District, conducted house-to-house propaganda and approached the entire population. Excepting a handful, all contributed to the fund. In just this village, the target was exceeded by Rs. 1,000.

These instances can be multiplied any number of times. Most of the Districts, Taluks and Branches overfulfilled their targets to make the extra one-and-a-half lakhs with which the Fund Drive closed.

Behind these figures are stories — inspiring stories of the people's love for their Party. Never before in the history of the Party in Kerala have so many people paid to the funds of the Communist Party and expressed their confidence in it. They came from all walks of life and from all parties.

The funds came from people who had seen that for the first time, they were enjoying benefits from Government policies because it was a Government led by the Communist Party.

Agricultural workers—lakhs and lakhs of them, are for the first time getting a living wage—20 to 25 per cent more than what they used to get. No more have they to work from dawn to dusk and still find that they have not enough to eat. The Communist-led Government has fixed hours of work for them.

For the toddy-tappers, Government has fixed minimum wages. By entrusting the manu-

facture and distribution of toddy to cooperative societies of toddy-tappers, contractors and their profits have been eliminated. On the average, the annual income of a tapper has increased by Rs. 200 to 300.

The anti-eviction and debt relief enactments of the Government have given hitherto unknown relief and security to the general mass of the peasantry. Office employees and factory workers are guaranteed a better deal today.

When peasants were donating paddy and coconuts, agricultural labour women were busy weaving mats and donating them to the Party.

In many factories all over the State, workers paid one day's wage to the Party Fund.

In the Bedford Estate, workers queued up before the Party office to give their donations and get receipts. In the Rajagiri Estate, a woman worker, Janaki, gave Rs. 5.35 from her maternity allowance, saying the Communist Party's Government had increased this allowance for women workers.

Small shop-keepers in large numbers paid to the Party Fund. Barbers, tailors, laundry owners, small cycle repair shop-owners, etc., paid one day's earnings to the Party. One cycle repair shop in Changanassery put up a notice outside the shop announcing that the earnings of that day would go to the Party Fund. And that day twice the usual amount was collected.

A new feature of the drive, seen in many places, was the way Party members did manual labour to collect funds for the Party. They were carrying forward the idea of shramdan that was seen during the Minor Irrigation Week. In Ramapuram, for instance, members of the Taluk Committee of the Party and others carried bricks and stones for a distance of two furlongs to the construction site of a house. They collected Rs. 40 for the Party Fund doing this.

The fund collections broke all party and other barriers. In Muvattupuzha, the Party squad reported that many Congressmen were among the contributors.

In Alapatambu, a Congressman came openly on the platform of the Party Fund rally to

make his donation. This village has played a glorious role in the anti-imperialist struggle. Four of its sons had been martyred. Peedikathazhe Kannan, a Congressman who had fought the Communists in the last pan-chayat elections, donated a calf and told the rally in this village that he was firmly of the view that the Kerala Government which worked for the people should continue and the Communist Party which led this Government should be strengthened.

In Elikkulam village, a Catholic priest gave one rupee when the squad approached him.

Many are the donations which have shown how dear the Party is to the people. A transport worker from Bangalore, sending a day's wage, wrote: "Kerala's history has been written with the blood of many brothers who were subjected to inhuman repression. I am writing this on the day of the anniversary of the brutal firing in Salem Jail

Under the headline "Party Fund Collection Fiaste", Congress English journal Weekly Kerala reported, "The call for three-lakh Party Fund campaign, though very much advertised in Communist Press, does not seem to be taken up very seriously by Party members. This has naturally created suspicion that the call for funds was only a cover to hide the fact that the Party has managed to get a fabulous amount from those who wanted to get favours from the Kerala Government."

How silly these comments look against the background of the huge popular movement which the Party Fund collection campaign became.

How silly they read when the four-and-a-half lakh rupees came not from contractors who

want favours from the Government but from labourers who are freed from ruthless exploitation by the contractors, not from employers but from workers who get higher wages and better conditions of employment, not from landlords but from peasants and agricultural workers who get relief and security. They came forward in their thousands to donate to the Party Fund, reiterate their confidence in the Communist Party, and express their determination to strengthen and defend the Party and the Government led by it. But the slanderers of the Party have always refused to see such truths.

A wrist watch came for the Party Fund with a letter which said: "I have been lying ill for a year. I have no cash. But I give my valued possession, my wrist watch, to my dear Party."

These donors, hundreds of thousands of them, have given

become six lakhs and gave a hen, four bunches of bananas and four seers of paddy.

In some places, peasants have also given part of their land—in Udambanchola Taluk, Konikkal Devasay gave ten cents of land (one-tenth of an acre), Melottur Mathew five cents and Chelakkal Mathew two cents.

When peasants were donating paddy and coconuts, agricultural labour women were busy weaving mats and donating them to the Party.

A wrist watch came for the Party Fund with a letter which said: "I have been lying ill for a year. I have no cash. But I give my valued possession, my wrist watch, to my dear Party."

These donors, hundreds of thousands of them, have given

Kerala People Reiterate Confidence In Communist Party

★ From Our Correspondent

(February 11). To avoid a repetition of that, our Party has to be strengthened."

In 1949, under the Congress regime, the police beat and killed a respected leader of Kerala, Moyyath Sankaran. As a challenge to the Congress, Moyyath's widow, Chinnammamma, gave a goat to the Party fund.

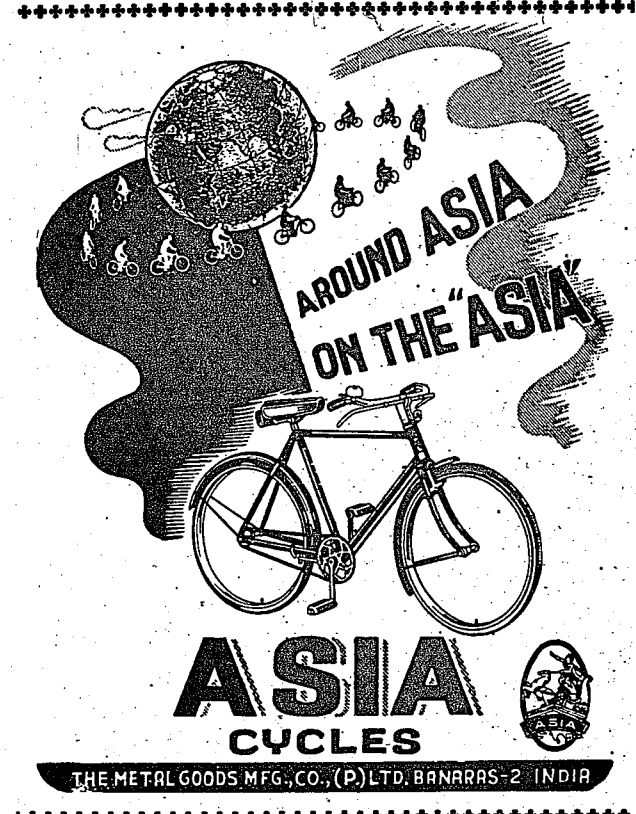
These donors, hundreds of thousands of them, have given

PUBLICATIONS FROM SOVIET UNION

SCIENCE		
TEXT BOOK OF PHYSIOLOGY Edited by K. M. Bykov		Rs. 8.44
GENERAL CHEMISTRY by N. Glinka		Rs. 5.62
GEO CHEMISTRY FOR EVERY ONE by A. Forsman		Rs. 4.44
CLASSICS OF RUSSIAN LITERATURE		
SHORT STORIES by Lev Tolstoy		Rs. 2.50
WHITE NIGHTS by F. Dostoyevsky		Rs. 1.50
NOTES FROM A DEAD HOUSE by F. Dostoyevsky		Rs. 2.50
NEST OF GENRY by Ivan Turgenev		Rs. 1.56
FATHERS AND SONS by Ivan Turgenev		Rs. 2.00
FICTION		
STORIES by M. Kotsyubinsky		Rs. 2.00
HEROES OF BREST FORTRES by S. Smirnov		Rs. 0.94
THE FORTYFIRST by Boris Lavrenyov		Rs. 1.62
THE ENCHANTED PRINCE by Leonid Solovyov		Rs. 3.12
THE VICTORS by Sharaf Rashidov		Rs. 0.94
THE ENCHANTED WANDERER by Nikolai Leskov		Rs. 2.50
ART		
NOTES OF A FILM DIRECTOR by Sergei Eisenstein		Rs. 3.12
FOR YOUNGSTERS		
THE BRONZE MIRD by Anatoly Rybakov		Rs. 1.75
TALES OF A NATURALIST by P. Mamatenfel		Rs. 1.25

Send your orders to:
 * People's Publishing House (P) Ltd., M. M. Road, New Delhi.
 * P. P. H. Bookstall, 190-B, Khetwadi Main Road, Bombay-4.
 * National Book Agency (P) Ltd., 12, Bankim Chatterjee St., Calcutta-12.
 * New Century Book House, 139, Mount Road, Madras-2.
 * Vistalaandhra Publishing House, Buckinghampet, P. O. Vijayawada.

V/O MEZHDMUNARNAYA KNIGA, MOSCOW 200, U.S.S.R.



★ ★ ★ **KERALA GOVT. CLARIFIES STAND ON RICE DEAL ENQUIRY REPORT**

The following is the full text of the Kerala Government's statement on the Report of the Rice Deal Enquiry Commission:

THE Government of Kerala had, in the latter half of 1957, to buy rice for supply to fair-price shops in the State. To this end, the Government entered into an agreement with the firm of Messrs T. Srinamulu P. Suryanarayana & Co., in Madras. The parties of the Opposition raised a hue and cry over this deal and charged the Government with using this rice purchase in order to raise funds for the Communist Party. The word "Kumbhakonam" was bandied about. An amount was also mentioned, i.e., Rs. 16½ lakhs, as having been misappropriated through this deal. On the basis of such a widespread political campaign, a demand was made on the floor of the Legislature that a judicial enquiry should be instituted. While the Government were convinced that these were wild and unfounded charges, they thought it necessary to give the Opposition an opportunity to prove their charge of improper enrichment of the Communist Party at the expense of the State.

2. The Government also thought it worthwhile to examine whether the transaction resulted in any avoidable loss to the Government. For this particular deal and subsequent deals for purchase of rice involve expenditures of vast sums of public money. There is always the possibility that, in the transactions involving such large expenditure of public money, losses occur for various reasons. Some of these losses may be unavoidable, but others may be avoided if adequate precautions are taken. The Government was anxious to find out what can be done to prevent avoidable losses, and to reduce unavoidable losses to the minimum.

Terms Of Reference

3. The Government, therefore, appointed Mr. Justice P. T. Raman Nair, as a one-man Commission with the following terms of reference:

- 1) Whether the purchase of 5,000 tons of rice by the Kerala Government from Messrs. T. Sreeramulu P. Suryanarayana & Co., Madras, in August-September, 1957, was unjustified having regard to the food, situation in the State; and
- ii) Whether the purchase resulted in avoidable loss to the State.

They have now received the Report of the Commission. The Government desire to take this opportunity to express their gratitude to the Commission, as well as to the witnesses and others who helped the work of the Commission.

4. The main charge of the Opposition was that what was purported to be spent by the Government to purchase rice through the firm of Messrs. Srinamulu and Suryanarayana was a cooked-up figure while the actual amount spent in the purchase was much less. The difference between the two amounts was alleged to have been pocketed by the Communist Party. On this point, the finding of the Commission is quite clear:

"There is no evidence in support of the suggestion made by the A party (Sri T. O. Bava) that the prices which the Madras firm purports to have paid are not the real prices and that the firm made a secret profit which it shared with a number of others not excluding the millers themselves. B. Ws. 7, 8, 9, and 11, represented a number of mills which, between them, supplied 79 wagon-loads out of the total of 250 wagon-loads. Their evidence is that the entire price shown in their invoices in Ext. B. 71 series was paid to them by the Madras firm within a few days of the despatch of the rice and that they did

the Commission finds: "The shortage in transit owing to shrinkage worked out to only 1.1 per cent against the usual 2 per cent allowed under this head." (Para 89)

6. The Commission has, however, come to the conclusion that the deal has resulted in avoidable loss to the Government. The Commission makes the calculation that "the price paid by Government was at least a rupee a bag higher than the price at which the rice could have been obtained, the total on this account being at least Rs. 68,000."

To this, the Commission adds another item of loss to the extent of Rs. 34,000 to Rs. 68,000 resulting from the purchase of cone-polished instead of huller-polished rice.

A third item calculated by the Commission, that of "in-

had gone, and, with no firm commitments from the Central Government coming forth, the Government was facing a serious situation. The other source of supply, viz., Tanjore District in Madras State, was barred to Government. It could get the rice only from Andhra. There was no question of the Government inviting tenders for the supply of rice at fixed prices and for a period, for it is well known that, when speculative trading was the order of the day in foodgrains—the Kerala Government had no control over this state of affairs—no one would come forward with an offer to supply rice at fixed prices.

9. It was in these circumstances that the Kerala Government entered into an agreement with the firm of

train from purchasing in Andhra, which admittedly is the main source of supply of rice for Kerala in the relevant period; before the short-term Kuruval crop of Tanjore comes to the market in sizeable quantity in October. And the Government could not keep away from the market as the merchants, whose primary concern is maximum profits, may do.

The Government, which had responded to the demand of the people and taken upon itself the responsibility of supplying the consumers through the fair-price shops and whose main source of supply that had operated till then—the Central Government—had ceased to make such supplies, could not keep quiet. The mood of the people was—and this is a mood which the Government shared—that supplies should be got even if it involves a certain amount of loss. It was under such circumstances that the Government entered the market through the firm of Messrs. Srinamulu and Suryanarayana.

It should further be remembered that no individual or firm of merchants came forward to undertake such supplies for the Government; all those who said they were prepared to do so were haggling for terms as a result of which a decision to supply the fair-price shops and the consequent practical measures for securing such supplies were getting more and more delayed.

Commission's Recommendations Would Mean Free Run For Private Sector, Denial Of All Democratic Principles

not share any portion of the price with anyone else. Cash books, ledgers and stock registers of four of these mills were sent for and examined and it was found that the entries therein were in agreement with the entries in the invoices." (Para 79)

No Conspiracy

Regarding the quality of rice generally, the Commission says: "On the materials furnished, I cannot positively find one way or the other, either the rice as a whole was defective in quality or that it was of proper quality. At least five wagon-loads out of the 250 must have been of defective quality" (Para 86).

In other words, the A Party (Sri T. O. Bava) has totally failed in proving that there was a conspiracy to supply inferior quality while making payments for superior quality. The proportion of the defective quality stocks to the total stocks is nothing extraordinary under similar circumstances.

Regarding the quantity too,

cidental expenses inclusive of the margin allowed to the Madras firm," which, according to the Commission, "were very probably two annas a bag in excess" comes to Rs. 8,500.

Finally, the Commission calculates a loss of between Rs. 2,000 and Rs. 3,000 resulting from the defective quality of nearly six wagon-loads of rice. The total of these comes to over a lakh of rupees. (Para 104)

7. The Commission bases its findings in this regard not on a comparison of the prices paid by the Government with the actual prices at which this variety of rice was purchased by anyone in Andhra, but on a surmise that perhaps someone else could have got the rice at one rupee less. On the other hand, the Commission itself states: "It might be that had any other mode of purchase been adopted, in the particular circumstances, there would still be even this uncertainty about the prevailing i.o.r. prices. And, having regard to the falling market, it was perhaps advisable to fix the price at the prevailing price on the date of despatch rather than to settle it in advance at a definite figure." (Para 128)

8. It may be recalled that, in the session of the State Assembly on May 1957, the entire House had demanded that the Government should get rice at any cost and keep the fair-price shops going. June and July

Messrs. Srinamulu and Suryanarayana for an initial supply of 5,000 tons. The price stipulated was the prevailing i.o.r. price in the locality concerned on the date of despatch. The Commission itself states: "That, in normal conditions, this was fair enough" (Para 53). Further, as the Commission has noted, the Government had taken the precaution of posting two "senior officers of experience and proved integrity as Rice Officers for the purpose of supervising the purchase and verifying the quality and the prices" in order "to ensure that there would be no over-charging and no deficiency either with regard to quantity or quality." The Commission says that "in normal circumstances, the assumption might have been valid enough." (Para 53)

Background Of The Purchase

10. But, according to the Commission, a peculiar circumstance prevailed in that no purchases were taking place in Andhra by merchants from Kerala, and therefore the prevailing market price could only be the price at which purchases were made on behalf of the Kerala Government.

The Government are in no way responsible for this. They cannot act on the assumption that, over a long period, the Kerala merchants would re-

Exploded Theories

11. The Commission bases its conclusion—that perhaps the rice could have been got at a cheaper price—on the theory of its being a buyer's market. The Government only desires to point out that all the orthodox economic terms of buyer's and seller's markets have been exploded by the entire development in the post-war period, particularly in the recent period. Despite the formation of Zones prices have risen even in surplus States like the Punjab. Kerala has been the only market for the variety of Andhra rice and yet this did not prevent its rise in prices a few months after the formation of the Southern Zone.

12. As regards the alleged loss on account of the supply of cone-polished instead of huller-polished rice, it should be noted that no one had made any gain on account of this. Actually the consumers benefited by the supply of a superior variety.

13. As regards the Commission of five annas per bag agreed to in this first deal, it is necessary to point out that the Commission itself states: "On the face of it, therefore, it cannot be said that the margin of five annas paid to the Madras firm was excessive or that the expenses incurred by the Government of its Rice Officers and its inspection agents was unnecessary" (Para 91). It is difficult to reconcile the Commission's conclusion that there was a loss of Rs. 8,500 on this account with the above conclusion.

14. The Government, however, wants to make it clear

Oil Distribution Racket

The Loot Of Our National Economy Can Be Stopped Only By Breaking The Foreign Monopoly Stranglehold

From a peasant's hut in a remote corner of our country to the Nuclear Physics Research Institute, oil and oil products are used in some form or the other. India's annual oil imports are estimated to be about 5½ million tons for which the country is spending about Rs. 100 crores in foreign exchange.

YET, this important branch of our national economy is entirely controlled by foreign monopolists, not only as regards imports, but also as regards distribution.

A damning indictment of the Government's lethargy in breaking the foreign monopolist hold over this vital branch of our national economy—the imports and the distribution of oil and oil products—and yet another striking instance of Communist initiative in voicing the interest of our people, came this week, from the leader of the Communist Group in the Rajya Sabha, Comrade Bhupesh Gupta.

The main points raised by Comrade Gupta and the replies given by the Minister of Mines and Oil, Sri K. D. Malaviya, were as follows:

I. THE FOREIGN MONOPOLY GRIP:

Underlining the national importance of this problem, Bhupesh Gupta declared that even to this day the foreign monopolists "hold an unchallengeable sway over this branch." The monopolies are: Burmah Shell, Stanvac, Caltex and the West-ern India Oil Co. which is connected with French monopolists, having a very small share in the business. The Minister of Mines and Oils, starting with "the history of this important industry," reminded the House that "during the time of slavery," this industry "was completely out of our

On the other hand, the market price quotation, ex-companies' installation, given in the Indian Trade Journal of February 7, 1959, is Rs. 6.70 per tin of four gallons of kerosene, i.e., Rs. 469 per ton. And the retail price of kerosene, paid by the citizen is about Rs. eight per tin, or about Rs. 560 per ton.

Quoting these figures, Bhupesh Gupta asked two questions:

ONE: The difference between the market price, quoted ex-companies' installation (Rs. 469 per ton) and the one working out according to Platt's (Rs. 209.74) is of the order of about Rs. 259 per ton, which for the 1½ million tons of kerosene, that we import, comes to something like Rs. 38 crores and 85 lakhs. "How is this difference accounted for? Surely, this huge amount cannot be explained away by storage, etc."

TWO: The difference between the c.i.f. value (Rs. 157.24 per ton) and the retail price (Rs. 560 per ton) is about Rs. 402.76 per ton, i.e. when we go to the market we pay eight rupees per tin of kerosene which is worth about Rs. 2.50. And for the 1½ million tons that we import an annual turnover of about Rs. 60½ crores!

"What does it mean?" Bhupesh Gupta asked, and said: it means:

- a) That the foreign companies are taking away a lot of money because they are in control of the distribution system.
- b) That every year a gross turn-over of about Rs. 60½ crores is being effected by the foreign monopolies on the kerosene trade alone over which Government seems to have no control whatsoever, even after almost a decade after Independence.

In his reply, Minister Malaviya, without denying the figures and conclusions presented by Bhupesh Gupta, and without presenting counter-figures himself, admitted: "the difference in the landing cost of petroleum products and the selling price is quite considerable," but expressed his difficulty in showing "a break-up between the profits and distribution."

AN OVERSIGHT?

Basing his arguments on these facts and figures, Bhupesh Gupta bitingly asked of the Government: The Finance Minister went to the United States and is reported to have spent even a week-end with Rockefeller. But before asking for foreign exchange or resources at the counter of American banking and finance, how is it that the Government "overlooked" this important source, inside our own country?

The Burmah Shell, which has the lion's share in the business with their declared sales of 3,161,517 tons in 1957, and with their officially declared gross receipts of Rs. 131.68 crores for that year, gleefully announce that they have 1,307 agencies "spread throughout India" and are believed to have about 40,000 dealers.

Central Intelligence Uses Govt. Funds To Run Anti-Communist Evening Daily

—BHUPESH GUPTA'S STARTLING DISCLOSURE IN RAJYA SABHA

STARTLING disclosure of a daily newspaper in Calcutta being financed from the funds of the Central Intelligence Bureau was made by Communist leader Bhupesh Gupta, in the Rajya Sabha on March 13 while speaking on the voting of funds from the Consolidated Fund of India.

"In the middle of June 1954, this man said, money would be forthcoming from the Government of India from a certain fund which is not audited. Eight lakhs of rupees were deposited with the Lloyds Bank from funds from the Home Ministry."

Asking the Finance Ministry to investigate about the misuse of funds, Sri Gupta disclosed that one evening paper was started in Calcutta in 1954 called Free Lance while other evening dailies could not continue. Some people suspected this new paper had been started by some American agency or by some mission or with money from some millionaire.

Quoting the number of the bank account, Comrade Gupta also disclosed that the correspondents of the paper were also handsomely paid and even Sri Nabagopal Das, ICS, wrote in the paper under a pen-name. Money in this venture was spent like water. The company has gone into liquidation but the money is now transferred to other accounts. The liquidator himself is now absconding.

The paper, which was anti-Communist, continued till December 1957. In order to bring out the journal, a company was floated called "Progressive Publishers" suddenly by one Suresh Das who was an obscure printer.

Referring to the present Budget provision of Rs. one crore sixty lakhs for the Central Intelligence Bureau—out of which Rs. 20 lakhs are for the Secret Service—Sri Gupta said "this account should be properly checked. In the name of countering Communist influence money is misappropriated. Is it permissible for the Government or the Central Intelligence Bureau or its officers to embark on such unwholesome and squander such funds and let these be misappropriated?"

Now, "Indians serving in these agencies would, naturally, not mind serving the State sector if the distribution is taken over by the latter," declared Bhupesh Gupta.

III. THE DEMANDS:

The suggestions, hence — as put forward by Bhupesh Gupta in the Rajya Sabha—are:

- 1 That the State should take over the distribution of oil and oil products and the money earned should go to the State exchequer;
- 2 That additional imports should be immediately exclusively brought in the public sector and State trading should develop there;
- 3 That the Government should immediately take measures under the existing Act or otherwise for reducing the prices of the petroleum products, especially kerosene which is a very essential consumer good in the country.
- 4 As far as small traders and dealers are concerned—said Bhupesh Gupta—they will be in position to serve the Government and the Government can give them commissions, etc. — "I am not saying that their interest should be jeopardised, but this monopoly grip should be broken."

Sri Malaviya also declared that the Government was examining the price structure and if it "succeeds," he would give "the good news" of a price reduction.

So far, so good. However, in the Minister's speech, there appears to be a good deal of apprehension lest the relations "might get strained" with the foreign monopolists, and one can clearly see the hesitation on the part of the Government to cut the tentacles of these monopolies through which they are sucking the blood out of our national economy.

The interests of the people must be paramount, not the fear of the monopolies. For, delay in taking over the distribution system means the prolongation of—in the words of Bhupesh Gupta—"a sheer plunder that is going on in our oil trade and petroleum products, for which the national economy suffers, the peasant suffers, the consumer suffers and the country as a whole suffers."

ENQUIRY
a forum of research & discussion
The first number contains:
Oskar Lange: Marxism and Bourgeois Economics
Debiprasad Chattopadhyaya: Maya and Brahman
B. N. Ganguli: India, a Colonial Economy (1757-1947)
Sulekhchandra Gupta: The Agrarian Back-ground and the 1857 Rebellion in the North-Western Provinces
D. D. Joshi: Information Theory
K. A. Naqvi: Foreign Capital and Foreign Exchange
Satyabrata Sen: Agricultural Labourers and Other Peasants
plus book reviews by K. P. Mukherjee, A. S. Agwani and R. S. Sharma.
Published by Bipin Chandra, Hindu College, Delhi University.
Price Rs. 2/-
Available with:
People's Publishing House, Jhandewallan Estate, Rani Jhansi Road, New Delhi-1.

AN UNJUST TAX BEING IMPOSED WITH BRUTAL TERROR

...While Fraud Involving Crores Is Being Committed

I was in Punjab for nine days before the State Government arrested me in Chandigarh and externed me from the State for a year.

What I have seen in the villages of Punjab during these few days defies description. I have seen police repression against popular movements in various parts of the country. But the Punjab Government has set up a new record in this field by the systematic mass terrorisation it has resorted to against the peasants of the State whose only crime is that they are in no position to pay the unjust betterment levy that the Government has imposed.

NEW RECORD IN REPRESSION

IT is a mistake to think that the police measures and the so-called "attachment of property" are to collect the tax, they are being employed to collect the fines, which are imposed on satyagrahis after summary trial and conviction.

Large police forces enter a village and try to attach the property of not only the satyagrahis but also of peasants who have nothing to do with the satyagraha. The law of the land is that only the property of the person who has been convicted and sentenced can be attached to recover the fine on him. But for Kairon's Government this law does not exist, it is lawless law and police raj that reign there.

When the villagers protest against this type of attachment which they rightly call looting—all the more so because most of the time the properties are taken away in the absence of the owners of the houses, without preparing any proper diary listing the property taken—the police begin beating and at least in a few cases, have resorted to firing.

Everyone in the village is beaten, everything that can be taken away, including food-stuffs, is removed. Then the police move on to the next village to repeat their performance. There is a feeling of insecurity in the villages, even children do not sleep peacefully any more for fear of the police coming back any time.

Heavy Toll Already

The toll this repression has taken is already heavy. Hundreds and hundreds have been injured, quite some maimed for life. Seven have already been killed by police bullets, one person has died as a result of police manhandling and another has died in prison as a result of police callousness.

Twelve thousand peasants are in jail. Every leader of the kisan movement who could be found has been arrested. There are warrants against all the other Kisan Sabha and Communist leaders and activists. The Editor and entire staff, both editorial and managerial, of the Punjab Communist daily Nawan Zamana have been arrested. The Government hopes thus to head the movement of its leadership, demoralise the peasantry

and break its morale and resistance.

Those going from outside the State to find out the extent of the repression are threatened with arrest. Even

Dishonest To Call It Political

Why has all this been happening? Why has the Kairon Government converted the Punjab countryside into a police camp and a vast prison house?

The State Government says that it is only taking stern measures against a movement which is political, which has nothing to do with any economic demand of the people.


Chief Minister Kairon, speaking in the Punjab Vidhan Sabha, described the betterment levy agitation as a premeditated move which formed part of the Communists' long-range policy to set up a red regime in Punjab. The Tribune, Ambala, called the agitation a windfall for the Communists. Words like "Telengana" are being freely bandied about by Government spokesmen.

All this is sheer dishonesty, an attempt to mislead the people who are agitated over the inhuman police repression which the Government has resorted to.

All that is happening in Punjab today is that the peasantry as one is resisting the burden of another tax which it cannot bear.

The Punjab Kisan Sabha did give the call for the agitation against the betterment levy. But Congress Ministers and leaders have only to go to any of the affected villages to see that no peasant is outside the struggle. How can a movement have assumed such an all-embracing character if it had been just "political"?

Congressmen, including leaders at the Mandal level, have participated in the struggle, offered satyagraha and courted arrest. The kisan section of the Punjab State Congress, in its Barapind conference, demanded postponement of collection of the levy. Some members of the Congress Assembly Party themselves raised this demand. The official organ of the ruling party, the AICC Economic Review, demanded from the Central and



A. K. GOPALAN M. P.
President of the All-India Kisan Sabha, writes here on the struggle of the Punjab peasantry against the betterment levy.

members of Parliament had their freedom of movement restricted by the Punjab Government. In Sherpur village, the police used force against me even after the Governor of the State had told Comrade P. T. Punnoose, M. P., that we were free to go anywhere we wanted.

ated that when the irrigated area increases, the State Government's income from these taxes will increase by Rs. 3.20 crores per year. What the peasants are opposed to is not this increase but the Government's decision to collect from him Rs. ten crores a year towards the capital cost of the project."

If the movement is "political", if the Communists have organised it with the long-range view of establishing a red regime in Punjab after the next general elections, Sardar Kairon has to explain why Congressmen are actively participating in the movement, why the Kisan Section of the Congress itself has demanded postponement of collection of the levy, why the official journal of the All-India Congress Committee has asked the Government to reconsider the question. It cannot be Sardar Kairon's case that these people are also abetting the Communists in their political game. Obviously the origin of the movement lies elsewhere, not in anybody's political game; its genesis lies in the real inpositions as land revenue, local rate, water rate, advantage rate has resented the Ordinance. It has been esti-

UNDEMOCRATIC PROCEDURE

Before we come to this question, it is necessary to see how the Government has ordered the collection of the levy.

The parent Act, the Punjab Betterment Levy and Acreage Act, was passed in 1952. The Act had provided for objections to be made by the peasantry. Ten thousand objections were thus filed.

It would have been proper for any Government which swears by democracy and people's welfare to deal with these objections and dispose of them before ordering collection of the tax. Not so the Punjab Government. To circumvent the provisions of its own Act, the Punjab Government issued the Ordinance on January 5, for the advance collection of betterment levy and the acreage rates. The Ordinance was issued just four days after the adjournment of the Vidhan Sabha and two days after the Vidhan Parishad had been adjourned.

Why did the Government resort to such an undemocratic

place the Ordinance. The advance collections that are to be made now "will be ultimately adjusted against the betterment charges leviable on

Figures Which Belie Govt.'s Case

When the question was first mooted, the Government's case was that the Bhakra-Nangal loans were to be repaid "by levying betterment charges up to 50 per cent of the unearned incomes accruing to those benefiting from this project." Since then, under the impact of the protest movement of the peasantry, the Government went on changing its stand, and has now come to the position of levying betterment charges to pay the unproductive part of the Project which is placed at Rs. 42 crores. This is the figure given by Irrigation Minister Rarewala himself in an article in the Tribune.

The original amount was Rs. 123 crores, it has now come down to Rs. 42 crores. Can this be considered a serious approach on the part of a Government which has decided to impose another tax burden on the peasantry?

Let us examine the figures briefly and see how far Sardar Kairon is speaking the truth when he says that "the agitation was meaningless, particularly when the Government

With all this shifting of its stand, the Government has still not taken the correct position. This becomes evident from a break-up of the costs of the Project. The cost of the purely electricity part of the project, of power plants, transmission

Protest!

THE Government of Punjab has virtually closed down the Punjabi Communist daily NAWAN ZAMANA.

Perhaps afraid of the legal consequences, the Kairon Government did not serve any order banning the paper. Instead it resorted to the simple expedient of arresting Editor Sohan Singh Josh and the entire editorial and managerial staff of the paper.

In the eyes of the Kairon Government, the crime of the paper is that it exposed the brutal police repression and popularised one of the most glorious struggles of the Punjab peasantry.

The freedom of our Press is too precious to be allowed to be trampled upon in this fashion. We protest against this and call on all democrats who value the freedom of the Press to join in this protest.

the lands concerned."

This is a strange situation: the amount needed is not known, the schedules are not final, yet the Government throws all democratic practices to the winds and promulgates an ordinance for advance collection. And when the peasant resists such practices, he is shot at and lathi-charged and Kairon charges the Communists with "political" motives.

This itself is enough to show the hollowness of all the Government's claims. An examination of its case for betterment levy only makes the Government's position still worse and indefensible.

lines, etc., is Rs. 46 crores and of the purely irrigation part can be estimated at Rs. 45 crores.

The Bhakra Dam costs Rs. 64 crores and benefits both irrigation and electricity. The cost of this dam should, therefore, be equally borne by the irrigation and electricity parts. The addition of half of its cost, Rs. 32 crores, brings the irrigation part to Rs. 77 crores.

The Nangal Dam and the Nangal Hydel Channel are not needed for irrigation purposes, the irrigation system could have been built by remodelling the Rupar headworks. The Nangal Dam and Hydel Channel have been constructed entirely for producing electricity from Ganguwal and Kotla. The Rs. 15 crores spent on this part of the Project should be, therefore, charged entirely to electricity. Instead of the Rs. 84.21 crores fixed by the Government, this would bring the total of the electricity part to Rs. 93 crores—purely electricity; Rs. 46 crores plus half of Bhakra Dam: Rs. 32 crores plus Nangal Dam and Hydel Channel—Rs. 15 crores.

There need not be any difficulty about adjusting this amount since the Government itself argues that "this part of the Project is already productive and has the capacity to finance itself."

That leaves Rs. 77 crores to be dealt with, of which Rajasthan's share is Rs. 17 crores, Rs. 60 crores thus remain and with simple interest at three per cent up to 1960-61, the amount to be paid back totals Rs. 76 crores. If the principle of capitalising this cost is accepted, what remains is only the question of how it can be done.

Income From Project

Here we have to go into the question of the income from this project—a task made difficult by the absence of correct figures, the Government itself having given different figures at different times. In one of the government publications it has been stated that "more than Rs. three crores annually would flow into the State exchequer on account of water rate alone."

The AICC Economic Review in its issue of February 1 has estimated that the income from the taxes will increase by Rs. 3.20 crores. Sarar Gian Singh Rarewala has in his article in the Tribune mentioned the figure of Rs. 2.27 crores.

The Irrigation Minister has made this calculation on the basis of collecting Rs. nine per acre average (Rs. six water rate and Rs. three water advantage rate) from the matured area which, according to him would be 60 per cent of the total cultivable commanded area. This average has been worked out on the basis of the year 1943-44.

But a more accurate calculation will give a different picture. Forty-nine lakh acres will constitute the total cultivable commanded area under the Bhakra canal system and, calculating that 67 per cent of this will be irrigated, the

CHANDIGARH, March 9

SENSATIONAL details about criminal deception and irregular transactions with regard to the disposal of a vast amount of evacuee lands in Punjab have been compiled in the report of the special investigation conducted by Sri P. C. Chaudhuri I.C.S., according to reliable information, says a despatch of India Press Agency.

The investigation—which was conducted at the initiative of the Union Government—was with regard to land transactions covering 20 lakh acres. Out of these, fraudulent deals affect over one lakh acres, and the total amount involved is estimated to be Rs. four to five crores.

It is understood that a

number of high officials are implicated in these transactions, prominent among them being Dr. M. S. Randhawa, ICS, now Vice-President of the Indian Council of Agricultural Research, and Sri Tarlok Singh, ICS, at present Joint Secretary of the Planning Commission. Sri Tarlok Singh was the Director-General of Rehabilitation at the time of these irregular allotments. Two other ICS officers are also reported to be involved, though their names are not yet available.

It is learnt that the Chaudhuri Report provides sufficient material which brings out the direct responsibility of Sardar Ujjal Singh, former Punjab Minister for Rehabilitation and Finance. The name of a Union Cabinet Minister is

also mentioned in this connection. According to available indications, the Report deals in great detail with the irregularities covered up by the practice of fixing "standard acres" for the purpose of allotment of evacuee lands. Behind the crop of "garden cities" in the Punjab, cases of criminal deception have come to light. The probe, it is learnt, has gone minutely through nearly five hundred cases, and the Report—which is still kept confidential—is believed to have run into about one thousand pages.

The Report is now being studied by the Union Ministry of Rehabilitation. What action Government will be taking on the basis of this Report is being awaited with bated breath by political circles in Punjab.

irrigated area will be about 35 lakh acres. What will be the income on this basis?

	in crores of Rs.
Water rate on 35 lakh acres at an average of Rs. 7 per acre	2.45
Water Advantage Rate at the rate of Rs. 3 per acre	1.05
Local Rate on the Water Advantage Rate	0.5
Enhanced Surcharge and Special Charge	0.16
Toll Tax on the bridges whose cost has been met from the Bhakra Canal Account	0.05
Total	4.21
Cost of Maintenance	.72
Net Income	3.49
Income required to capitalise Rs. 76 crores at the rate of 3 per cent	2.28
Net Saving	1.21

Thus, after meeting the cost of maintenance, paying interest, etc., Rs. 1.21 crores will be left as net saving which can be utilised for payment to meet the capital cost even.

Differences In Estimates

There are four points on which there are differences between the Government's figures and the above estimate made by the Kisan Sabha.

ONE, there is difference on the extent of irrigated land. The Government puts it at 60 per cent of the total cultivable commanded area, we put it at 70 per cent and have made the calculations on the basis of 67 per cent.

TWO, the Government estimates average income from Water Rate at Rs. six per acre. This is totally baseless since the rate varies from Rs. six in the case of fodder land to Rs. 16 in the case of sugarcane land. Obviously the average cannot be Rs. six and we have placed it at seven.

THREE, Government does not take into consideration the income from the enhanced Local Rate, Surcharge and Special Charge, though this enhancement is due entirely to the Project and should be considered as income from the Project. The

Government also does not include the income from the tolls on the bridges. These are being collected to meet the cost of their construction, and this cost has already been met from the Bhakra Canal account. There is no reason then why this income should not be considered as income from the Project.

FOUR, there is difference on the estimate of the cost of maintenance. The Government has highly exaggerated this figure which by no estimate can be more than Rs. 72 lakhs.

This is the case of the Kisan Sabha and it is unassailable. The Punjab Government itself has not dared to challenge any of these facts. It has not cared to call the Kisan Sabha or the Opposition parties to discuss these proposals. Instead it has met the peasantry with the brute force of its armed police. When, after this, it blames the political motives of the Communist Party, it would have been laughable but for the tragedy Government's policy has meant for the peasants of the State.

The question of betterment levy in the Punjab has also to be seen in the context of the taxation policies of the Congress rulers.

The latest Budget of Sri Morarji Desai has given relief to Big Business in the form of exemption of companies from Wealth Tax and removal of Dividend Tax. Those who are able to pay and from whom resources for the nation's development should be garnered are being given tax holidays while the poor peasant, who is already overburdened with taxes, is asked to meet the cost of projects which benefit the entire nation.

The Tata Iron and Steel Co. and the Indian Iron and Steel Co. are given loans by the Government running into crores without any interest, but the Congress Government insists on collecting 4½ per cent compound interest from the peasants of Punjab.

Centre's Responsibility

The Central Government which does so much for Big Business has a special responsibility as far as the Bhakra-Nangal Project is concerned.

Not only has it been a pioneering project, it is one whose fruits the whole country will enjoy. This year, even surplus Punjab came under the grip of food scarcity and American wheat had to be rushed there. If, because of the project, the Punjab peasantry produces more foodgrains, it not only goes to solve our food problem but also helps us conserve our foreign exchange which is now being spent on importing foodgrains.

Considering this, the Centre should bear part of the cost of the project, say Rs. 25 crores and it should write off the interest. Mr. H. L. Sully, Director of the Technical Publications, Roorkee University, wrote recently that international practice is not to charge interest on the cost of irrigation projects.

Instead of doing this to fulfil its responsibility, what the centre actually does is to ask the Punjab Government to intensify repression and suppress the movement.

The Punjab peasant is faced with the menace of waterlogging—nearly 91 lakh acres are affected, an area equal to the total area to be irrigated by Bhakra has gone completely waste. He is already overburdened with high taxation.

To solve our food problem, our agriculture needs more capital investment.

Against this background, the imposition of the betterment levy cannot in any way be justified.

Still Time To Do Justice

The Government has still time to reconsider the situation. I have already said in my New Delhi Press Conference on March 15 that the Kisan Sabha would not stand on prestige but would be ready to discuss a settlement if the Government stops police repression, and comes forward for such discussions.

It is the Government that says it will not be satisfied with anything less than suppression of the movement; the Kisan Sabha wants the problem to be settled doing justice to the peasantry. It is meaningless then to talk of the political motives of the Communists and their programme for a Telangana in Punjab.

(March 16)

Service, Rules Amended —A Partial Victory

THE Union Government announced, on March 10, the amendments to the Central Civil Services (Conduct) Rules, 1955.

All the Central Government employees have been agitating against specially the notorious Rules 4(a) and 4(b) which prohibited strikes and demonstrations and restricted trade union activity.

According to the present amendments, the personnel working in ports and docks; defence installations except training establishments; public works establishments, in so far as they relate to work-charged staff; irrigation and electric power establishments; mines, factories and field units of the Central Tractor Organisation employing workmen governed by labour laws, have been exempted from the rules.

This is evidently a big victory, though partial, for these employees who have got rid of the obnoxious restrictions imposed by these rules. Hence trade union circles have hailed these amendments even to the extent they go.

Nevertheless, post and telegraph employees, ministerial employees and the workers in the training establishments under the Defence Ministry are still denied their rights. That is why the struggle against these black rules continues.

Will the matter be placed on the agenda in the Public Sector Bipartite Conference and discussed there?

The question must be solved. Employees' rights to organise and strive to achieve their demands through the universally agreed conventional media of collective bargaining should be recognised.

Labour Disputes And The Supreme Court

THE Union Home Minister, Pandit Pant, told Comrade J. V. K. Vallabh Rao, M. P., in the Rajya Sabha on February 19 that the number of labour disputes filed in the Supreme Court rose from 24 in 1956 to 115 in 1957 and 109 in 1958.

The number of cases disposed off were four in 1956, 32 in 1957 and 40 in 1958. There are 172 cases pending as on February 1, 1959. Out of these five cases have been pending since 1958.

The Code of Discipline evolved unanimously at the National Labour Conference in 1958 enjoins on the employers to avoid lengthy litigation. But we see in practice that employers are more and more going to the Supreme Court involving the trade unions in long and costly litigation.

Appeals are not disposed of for years. Employers enjoy the best legal services including those of the Attorney-General himself, whereas the trade unions are seriously handicapped on this score for lack of funds.

Much more. Supreme Court judgements invariably hit the workers and deny them whatever the tribunals award them.

That is why the demand

is gaining ground among trade unionists of all shades and affiliations that suitable amendments must be made to the Labour Laws and even in the Constitution to restrict the Supreme Court's jurisdiction in industrial disputes and secure speedy justice for workmen.

If industrial adjudication means extended collective bargaining, then surely the Supreme Court is not playing that role.

Hence the need for effective measures to alter the present state of affairs.

U. P. Sugar Workers' Struggle

THE 37-day-old strike of more than 4,000 sugar workers of two sugar mills in U. P. and the hunger-strike of Sri G. D. Bajpal, General Secretary of the U. P. Chini Mill Mazdoor Federation, have been withdrawn.

On January 22, 1957, these workers had secured an earned leave up to a maximum of 18 days in a year and two days closure holidays.

But on February 2, 1958, the mills signed an "agreement" with the INTUC leader, Sri Kashinath Pande, permitting the employers to cut these holidays and the leave facilities secured.

The workers naturally resisted.

On the pretext of an alleged illegal strike, the mills were locked out on February 4, 1958. The struggle continued. Sri Bajpal started his hunger-strike on February 18, 1958.

The U. P. Government would not make any move to settle the strike. Sri Abid Ali, the Union Deputy Labour Minister, even justified the lock-out.

The workers' resistance grew. They agreed to arbitration even by an arbitrator of the employers' choice.

And now the U. P. Government has promised to do something in the matter. On this basis, the strike and the hunger-strike have been withdrawn from March 12.

We hope this determined resistance of the workers would have opened the eyes of the employers.

United Union Forges Ahead

BOMBAY's textile workers are hitting the headlines. The new United Textile Workers' Union has literally achieved a miracle. Workers are rallying behind this union and joining it in thousands.

On a single day Rs. 87,000 have been collected as membership dues (at the

LABOUR NOTES

● BY RAJ BAHADUR GOUR, M. P.
SECRETARY, ALL-INDIA TRADE UNION CONGRESS

Maha Gujarat T. U. C. Conference

THE AITUC-affiliated unions of the Saurashtra, Kutch and Gujarat regions of Maha Gujarat met in their first conference on March 7 and 8 in Surendra Nagar. Comrade S. S. Mirajkar, President of the AITUC and the Mayor of Bombay, inaugurated the Conference and Comrade S. Y. Kolhatkar, General Secretary of the Bombay State TUC, presided over it.

The fact that 126 delegates, 26 fraternal delegates and ten observers came to this conference from 20 industrial centres of Maha Gujarat, representing 25,000 paid members, is of immense significance to the consolidation and forging ahead of the organised trade union movement of the AITUC in this area.

Comrade Vajubhai Shukla has been elected the President of the Maha Gujarat Trade Union Committee of the AITUC and Comrade Balchandra Trivedi its General Secretary.

Minimum Wages For Agricultural Labourers

THE Consultative Committee for the Ministry of Labour and Employment is reported to have discussed the progress of fixation of minimum wages for agricultural labourers in our country.

The Minimum Wages Act makes it obligatory for the State Government to statutorily fix and periodically revise the minimum wages for agricultural labourers.

But it is disgusting to note that wages have been fixed for the entire State only in Orissa, Rajasthan, Punjab, Kerala and the Union Territories of Delhi and Tripura.

They have been fixed for parts of the States in Andhra Pradesh, Bihar, Madhya Pradesh, Bombay, Uttar Pradesh, West Bengal, Himachal Pradesh and Mysore.

And the Madras Government has yet to fix the minimum wages for agricultural labourers.

So much about "fixing" of wages. As far as the implementation of the wages fixed statutorily, the less said the better. It could be said that only in Kerala, because of the combined efforts of the organised labour and the Government, these are implemented fairly properly.

As regards other States there is hardly any machinery that sees to their implementation.

And what are the "wage rates" so fixed? These range from ten annas for weeding and transplanting in Madhya Pradesh to Rs. 1/8 for the same operations in the Union Territory of Delhi. Madhya Pradesh and Kutch pay twelve annas for ploughing and sowing, Bombay and U. P. have fixed one rupee, Assam Rs. 1/4, Andhra 1/8 and Delhi Rs. two for the same operations.

Wages for women workers have been fixed at eight annas in Madhya Pradesh and Orissa, twelve annas to Rs. 1/8 in Punjab, Re. 1/8 to Rs. two in West Bengal and so on.

The method of payment is also different from place to place. In some places it is cash payment, in others it is cash-in-kind payment.

View this against the background of the Agricultural Labour Enquiry conducted in 1950-51. This enquiry, based on stratified random sampling, revealed that the total number of agricultural labourer families were 17.6 million out of a total of 58 million rural families. Nineteen million men, 14 million women and two million children were engaged in agricultural labour.

The average annual income of an agricultural labour family was Rs. 447 of which 64.2 per cent came from agricultural labour and the rest from other part-time sources.

The per capita annual income of an agricultural labour family was Rs. 104 against that of about Rs. 264 for the entire population.

The agricultural labour families were 22.7 per cent of the total families but shared only 8.3 per cent of the national income.

Food consumed 85.3 per cent of the income of the agricultural labour family. And the food was deficient by 25 per cent of the normal requirements. Protein intake was deficient by 18 per cent.

Forty-five per cent of Agricultural Labour families were in debt. The average debt per family which was mainly to meet consumption requirements, was Rs. 105. Moneylenders and employers were the main sources of borrowing. And the total indebtedness of agricultural labour families was of the order of Rs. 80 crores.

The main fact that emerged from this enquiry was that

the provision of more employment opportunities and the fixation of minimum wages were the twin urgent and vital demands for the agricultural labour population. Urgent land reforms on the basis of ceiling and distribution of surplus land to the landless and the land-hungry and fixation of minimum wages were the twin solutions.

Goondas Attack Himachal Workers' Demonstration

THE Simla Hills PWD Workers' Union organised a procession in Solan Brewery in Himachal Pradesh on March 7, 1959, demanding the opening of cheap grain shops in Solan Brewery.

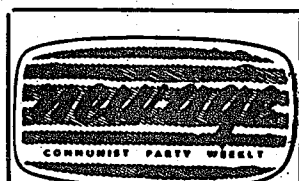
It is reported that about 20 goondas were let loose on the procession to beat the workers. What is more important is that the Labour Welfare Officer was said to have been among the attackers and the local Executive Officer is reported to have been present in the factory at the time.

Comrade Kameshwar Pandit, Secretary, Himachal Pradesh Committee of the Communist Party, and the President of the Simla Hills PWD Workers' Union are among the injured.

A union delegation has met the Deputy Commissioner and the Inspector-General of Police and demanded action against the goondas.

Himachal Pradesh is a Union Territory directly administered by the Central Government. What are the steps that the Home Ministry has taken to bring the culprits to book and protect normal trade union and democratic activities of the workers and the people from such outrages?

March 15, 1959



Editor : P. C. Joshi

Printed by D. P. Sinha at the NEW AGE PRINTING PRESS, 5, Jhandewallan Estate, M. M. Road New Delhi, and published by him from 7/4, Asaf Ali Road, Delhi.

Phone : 25794

Telegraphic Address : MARXBADI

SUBSCRIPTION RATE
INLAND : Yearly Rs. 12-0-0;
Half-yearly Rs. 6-0-0 and
Quarterly Rs. 3-0-0.
FOREIGN : Yearly Rs. 16-0-0;
Half-yearly Rs. 8-0-0.
All cheques and drafts to be made payable to T. MADHAVAN and not to NEW AGE.

MARCH 22, 1959

BOOK REVIEW

FREDERICK ENGELS

—A Biography

FREDERICK ENGELS by Yelena Stepanova.
Foreign Languages Publishing House, Moscow.
Price : Re. 1 n P. 12.

A PART from the scanty and rather cursory biography by Zelda Coates, as far as one is aware, there is no work in English on the life and work of Engels. We have, of course, the brilliant short sketch by Lenin but nothing full-fledged and detailed.

To a very large extent this lack has now been made good by the meticulous and extremely balanced scholarship of Yelena Stepanova. The reader will be grateful to the author for having made available—in all its splendid richness—the story of the life and work of a man, who—save Marx—did more than anybody else to fashion the philosophy which lifted the whole level of human thinking to the summit of scientific comprehension.

The biography opens with charming anecdotes about the childhood and adolescence of Engels, his inquisitive approach, his versatility, his sensitivity to beauty, and, most important of all, his dislike of humbug and oppression.

We are then taken through the stormy and strenuous years when Engels grappled with history, science, philosophy and the other intellectual disciplines till at last he worked himself close to what became the Marxist world view.

Followed the exciting years prior to 1848, the culmination of which was the Communist Manifesto. It is a most moving experience for anyone with the least reverence for the advance of human understanding, to read the pages which describe the opening and quick maturing of the partnership with Marx.

In the same detailed way we are taken through the 1848-49 "year of miracles," the founding of the First International, the Paris Commune of the first "heaven-storming" workers and the autumn richness of the years after the death of Marx.

Apart from filling out the bare bones of our previous knowledge of even the best known events, Stepanova has quite rightly brought home two of the more significant aspects of the work of Engels, always, of course, in collaboration with Marx.

The first is his concern with science. It would be a humbling (never humiliating) experience for any of our scientists or other intellectuals to go through the description of the work Engels undertook for his Anti-Dühring or Dialectics of Nature.

This gives us incidentally an insight into the inseparable connection between the growth of science and the generalisation of its results and the development of Marxism. One wishes that

mind undivided, the prototype of the future integrated Man.

And, as the biography shows, we had in Engels neither a pedant nor the dried-up apparatus-man, so beloved of the more imaginative "critics" of Communism. He was a full personality, careful about his dress, discriminating in his choice of music and literature and suffering the tortures of the heart. If at all, however, we have to find fault with the biography it is that this aspect is not treated in the same uninhibited way as the rest of the story.

A final word. Our author has wisely given us many an extract from the more journalistic pieces of Engels' writing. When confronted with this one is amazed, proud—and ashamed.

—HOHIT SEN

M. R. JAYAKAR'S AUTOBIOGRAPHY

THE STORY OF MY LIFE—Vol. 1: M. R. Jayakar. Asia Publishing House, Bombay. Rs. 25.

species is rapidly getting extinct.

AS this is being written, the last word of the story has already been said and fate has put the full stop. On March 10, 1959, at about 10-30 p. m. Jayakar passed away from our midst. All those who had tried to put him in cold storage in his life time, are now coming out with warm sentiments.

Indeed, the position of the liberals has been none too happy in our country since the 1930's. Those who had died by then were allotted a place in the gallery of heroes. Those who did not were forgotten as if they had. However, the Congress did not forget them when the chestnuts had to be pulled out of the fire.

One may not agree with the liberals, but certainly can try to understand them. If they thought that well-fed gentry and well-paid urban intelligentsia are all that is needed to govern the country well, and that power should be handed over to them 'progressively', and that this would be the 'substance' of independence, the fault is not theirs. Men with their background, education and class affiliation could not be otherwise.

Whatever else, I am sure they never lacked courage. They did not bow to the tortuous logic and strange somersaults of Gandhiji. They refused to jump on the bandwagon; and paid for it dearly. It is not easy to stand the public accusations of coward and toady and whispers of traitor. They clearly said thus far we go with you, and no further. There was no hypocrisy in their make-up. The

But what Gandhiji demanded was total surrender to himself. The Swaraj Party was the standard of revolt against Gandhiji and his no-changer followers, and that was the last stand made by the liberals. After that liberals and liberal politics had no place in Indian history.

NEW AGE

Indo-China Scene As Rashtrapati Begins Visit

MUCH more than ordinary interest and the customary goodwill attaches to the official visit on which the Rashtrapati has now embarked, in view of the dangerous developments in Indo-China, set off by the American imperialists.

The Democratic Republic of Vietnam has accepted the American offer of atomic weapons made in February this year.

These responsibilities can be summed up in a single slogan: Safeguard the Geneva Agreements and Defend Peace in Indo-China.

And, as is the case on our borders, the enemy of peace, of the national sovereignty and territorial integrity of the States comprising Indo-China is, above all, American imperialism.

It should be remembered that the Geneva Agreements of 1954 were concluded in the teeth of frantic American opposition and sulkily accepted by them only because of the valiant struggles of the peoples of the area and the pressure of the world peace forces.

In September of the very same year the U.S. knocked together the aggressive SEATO bloc and arbitrarily put Vietnam, Laos and Cambodia on the list of its so-called "protected areas."

Since then it has used the Ngo Dinh Diem clique in South Vietnam to obstruct the national unification of Vietnam and extend control over the whole of Indo-China.

Two thousand American military advisors control the South Vietnam army, to say nothing of the military bases in the country. Refusing to hold consultations with the Democratic Republic of Vietnam, indulging in heinous crimes as the Phu Loi massacres, the latest action of the Ngo ruling clique is its decision to send military observers to the meetings of the Manila Treaty bloc—clearly violating the Geneva Agreement.

In this book we find a simple narration of history as it took place—in the open and in public, documented with letters, newspaper cuttings and statements. There is no intent to hide anything, because the author is not interested in the behind-the-scenes activity. He has no need to seal any pages for the next generation to read. When others were making the messy history of our country, the liberals took on the job of recording it. Thank god, a little of the truth is still preserved.

—H. B. RAO

Recently, too, South Vietnam, the-Vietnam Republic, Laos and Cambodia are precisely the countries covered by the Geneva Agreements concluded in July 1954. Both in the bringing about of these agreements and in their implementation Indo-China continue to this day in view of our position as the Chairman of the International Commission.

In Laos—as reported in previous issues of New Age weekly—since the pro-American Sananikone took power last August, persecution of democrats has begun, U.S. military aid stepped up, border incidents created against the Democratic Republic of Vietnam and plans gone ahead for the establishment of an openly dictatorial regime. All along, of course, the offer of negotiations by the Hanoi Government has been turned down.

On January 18 this year, the Laotian minister to Thailand, Kampam, declared that he would ask for SEATO aid, while on February 11 Sananikone declared he was not bound by the Geneva Agreements. The U.S. has recently openly declared its intention to set up a military mission in Laos and the Laos Government is sending observers to SEATO military exercises.

As for Cambodia, the Royal Cambodian Government headed by Sihanouk has consistently observed the Geneva Agreements, followed a policy of peace and neutrality and helped to maintain peace in Indo-China. Sihanouk has repeatedly declared his adherence to Pancho Shila and the non-Communist character of his "democratic monarchy."

The US imperialists are unable to tolerate this independent stand. Since 1958 South Vietnam forces have repeatedly encroached upon the Cambodian borders. Thailand has embarked on repeated provocations. The U.S. organised Cambodian traitors like Son Ngoc Thanh, Sam Sary and Chhan Mochulphich to stir up revolts in the border provinces, particularly in Siemreap, in January and February of this year. These plots have been smashed but the U.S. game continues.

This offensive against the Geneva Agreements by the United States is part of its present political and military strategy against the freedom of Asian States and the peace of the area. Their plots in Indo-China are part of the same pattern as the bilateral Pacts with Pakistan, Iran and Turkey. This is the clear logic of the facts and has to be the basis of India's approach to the problem.

This offensive has to be fought back by India, together with other peace-loving and independent Asian States. In her own interests, no less than those of the peace of the region, India must insist that the Geneva Agreements are observed, the International Commission in Laos reactivated and thus peace in Indo-China preserved.

PAGE ELEVEN

jective with which the Government enter the trade in foodgrains. For, this would enable the wholesale dealers to form a ring and bargain with the Government for maximum prices. It would thus put the Government and the people at the mercy of the wholesale dealer in foodgrains.

State Trading

That this is no idle speculation, but a real danger to people's food, has now been recognised by the Government of India, the Planning Commission and the representatives of the State Governments who jointly took the decision that the present is a period in which wholesale trade in foodgrains should not be left in the hands of private traders,

Competitive Tenders

15. The Government regret to note that the Commission seems to have been guided by its own notions of 'elementary principle of public administration.'

The Commission says: "It is an elementary principle of public administration (so well accepted that it is hardly necessary to cite chapter and verse) that all Government purchases of any magnitude—and the present purchase was for over Rs. 25 lakhs—should be on the basis of competitive tender, or if for any reason that is not practicable, at least after obtaining the quotations from well-established and reputable suppliers." (Para 106)

This would apply to purchases by Government for its requirements of normal administration. This, however, has no relevance whatever in the case of rice trade by Government, which had not been considered previously part of Government's normal administrative functions.

Government's entering the trade in foodgrains has been necessitated precisely because of the activities of the wholesale dealers in a period of scarcity. If the Government were to act on the basis of this "elementary principle", it would defeat the very ob-

Kerala Govt. Explains Why Enquiry Commission's Approach Is Unacceptable

ers, but should be taken over by the Government.

This is, of course, a decision taken more than a year after the period of the Kerala Government's deal in Andhra through the firm of Messrs. Sriramulu and Suryanarayana. But, even in August-September 1957, the Government of India did issue an Order fixing ceiling prices for rice in Andhra. For this purpose, the Central Government had to enact an urgent legislation which was applicable to almost all the States of India. Even these steps proved insufficient, and, in 1958, Government had to accept the principle of State itself taking over the wholesale trade in foodgrains.

It would, therefore, be clear that the period in which the Government of Kerala entered into this transaction was one in which the Government had to actively intervene in order to secure supplies through methods which may be considered unorthodox, if one were to stick to the "elementary principle of public administration" enunciated by the Commission.

Time Factor

16. It may be further mentioned that the Commission considers the observance of this "elementary principle" so important that it would not even mind if, in a particular transaction, or even a series of transactions, an actual loss has been incurred through the observance of this principle of competitive tender. The Commission observes: "There must be compelling reasons for any departure from this principle, and it is well to remember that, taking a long view of the matter, even if a particular departure actually resulted in advantage either in terms of time or money, that would be no justification." (Para 106)

In other words, the Commission would consider it an "unavoidable loss" if the strict observance of the principle of competitive tender enabled the traders to form a ring and extract several lakhs of rupees. This is a position which the Government cannot accept. Nor can the Government accept the proposition that advantage in terms of time should not be a consideration with the Government. In fact, time is a factor of the greatest importance since it is a question of avoiding every moment of suffering by the people.

17. It may, in this connection, be mentioned that this "elementary principle of public administration" was not observed by the Kerala Government or by the Government of Andhra in the deals recently entered into by them

rice was available, none of them came forward with an offer to supply at this lower rate. On the other hand, Messrs Sriramulu and Suryanarayana offered to supply and did supply, to the Government of Kerala, not only in August-September 1957, but subsequently also. Even after the Government of Kerala came to an agreement with the Andhra Millers' Association, the firm of Messrs. Sriramulu and Suryanarayana offered to supply and did supply. They did so, sometimes at rates lower than those quoted by the Andhra Millers' Association.

These continuous offers and supplies by the firm of Messrs Sriramulu and Suryanarayana were one of the factors which enabled the Government of Kerala to get supplies at lower rates in recent months. The agreement with

impatient at office routine and red-tapism which holds up work, and adds: "while enthusiasm and imagination are certainly not out of place and expedition is something devoutly to be wished for, I am afraid that many of the jibes commonly cast against so-called red-tape are cheap and ill-informed, and that with the utmost good faith there are risks involved in the conduct of the business of the Government on what I might call a personal note." (Para 126)

This is an approach which is not in keeping with the trends of thinking of public administration in present-day India. Our Prime Minister has, for long, been advocating the "conference method" in preference to the method of "passing papers from room to room." Our people too have become fed up with the red-tapism and delays of routine administration, particularly in matters affecting the lives of millions and millions of people. This Government are determined to take all possible steps to remove these delays and to get things done quickly. The Government, therefore, regretfully express their inability to accept the Commission's findings in this respect.

20. To sum up, the Commission's findings on "avoidable loss" are based on its approach to the way in which the business of the Government should be conducted. That approach is the absolute inviolability of the "principle of competitive tenders" and the "principle of routine administration." These are principles which the Government cannot accept as universally applicable.

Government's Stand

The Government, on the other hand, feel that, in the present period, more vigorous steps are required in the direction of (a) active State intervention in economic matters and (b) thorough change in the system of day-to-day working of administrative machinery. A state of affairs in which the management of economic affairs is entirely left to the private sector to do as it likes and the running of administrative machinery is allowed to go on in the good old ways of red-tapism and routine, is a denial of the programme of building a Socialist society.

21. The Government is, of course, conscious that increasing State intervention in the management of economic affairs and greater flexibility in the system of public administration would sometimes involve financial losses and other damages. It is the responsibility of the Government to take steps to prevent them. Unfortunately, however, the Commission's findings would amount to giving up the very idea of greater State intervention in the management of economic affairs and greater flexibility in public administration.

The Government hope that further studies by the Government, the Legislature, the Press and the general public would help in minimising abuses while at the same time guaranteeing the working of the democratic Socialist principles.

GOI POST FOR KERALA RICE DEAL ENQUIRY WITNESS

TRIVANDRUM, March 16

A MAIN witness before the Rice Deal Enquiry Commission in Kerala, Sri C. Sankara Menon, Deputy Comptroller of Audits, Kerala, has been appointed Chief Accounts Officer in the Cochin Port on his present salary plus an additional deputation allowance of 25 per cent of the salary. The appointment has been made by the Government of India.

The Rice Deal Enquiry Commission had relied heavily on the evidence of the Deputy Comptroller for arriving at its conclusions. This witness was examined at the fag end of the en-

quiry. The State Government represented to the Commission that some of the official witnesses might be recalled in the light of this evidence so that the Commission might get an opportunity to hear the facts regarding certain statements made by the Deputy Comptroller. The Commission refused to accept this representation.

This appointment by the Central Government has become a matter of wide-spread comments here and a lot of speculation is going on linking his appointment with the extraordinary interest some quarters had evinced in the rice deal enquiry.

Notes Of The Week

* FROM PAGE 4

others. "The question of Kashmir being one of the States of the Indian Republic had been solved by the Kashmiri people themselves."

"Those to whom the peaceful life of nations is of no concern are carrying on intrigues under various labels creating aggressive Pacts like SEATO, the Baghdad Pact and others."

He assured the Kashmiris and all Indians that the Soviet Union would spare no effort "in consolidating and defending peace throughout the world." This, together with the hailing of Kashmiris as neighbours, imparted new confidence against the U. S. threat via Pakistan which is the biggest headache of all Kashmiris.

Not lust for U. S. dollars, not faith in U. S. assurances but reliance on our own untapped national resources and rousing the patriotic ardour of our people coupled with greater fraternal cooperation with the mighty and prosperous USSR and the other Socialist countries is one more realistic and honourable course to ensure India's security and speedy economic development. Silence against the U. S.-Pak Pact now will only lead to political paralysis and economic enslavement.

NEW WORDS OLD WAYS

ALL those who were expecting new and bold popular policies and fraternal cooperative contacts with other patriotic political and mass organisations after the Nagpur Congress will be sorely disappointed with what has emerged from the latest Working Committee resolutions in the name of implementing the Nagpur decisions.

Congressmen who are open to campaigning against the Nagpur decisions have been told that they have no place inside the Congress. Everybody, however, knows that there is a large section of influential Congressmen who are in top and strategic places inside the Union and State Governments and in control of the Party machine. They are only lying low, out to sabotage anything new. No guarantees have been forged against their sabotage.

The food production drive is to be the main campaign and past experience has re-

vealed that it only means more money and authority for favoured Congressmen. There is no serious call for honest cooperation with other patriotic people to discuss and overcome bureaucratic and other hindrances and make the campaign real as the Kerala Government is seeking to do.

Land distribution is the most effective way to inspire the peasantry for increasing food production. This has been the main plea of our Party and once a plank of the Congress. This was conceded in a way at Nagpur. But its imperative urgency is not recognised in the Working Committee resolution which has referred the matter to Chief Ministers to consider and we know what happens inside the State Secretariats and Cabinets from where the peasants and other democratic parties are shut out.

It is rightly pointed out that the reactionary offensive against cooperative farming is a distortion. Nagpur only proposed service co-ops for the next three years. It is not seen that the concentrated attack on co-op farming is a real diversion against land distribution and the Congress leadership cannot successfully combat it without giving primacy to legislation on ceilings for that alone can break up the power of the vested interests and isolate them from the peasantry.

To counterpoise service co-ops to co-op farming is to make a success of neither. It is the same rural rich who are against co-op farming that rob the resources of the service co-ops for themselves with the help of corrupt officials and make the very name of co-op stink in the nostrils of the honest toiling peasants.

It is only when the peasants' confidence is won with guarantees of land distribution, and broad political cooperation won to clean up existing cooperatives and the community development set-up that a new move can begin in our countryside. The Working Committee resolutions open up no such prospects. They fail to give a new and effective practical shape to the Nagpur resolutions. Progressive Congressmen have to put in lots of hard fighting in the days ahead.

—P. C. JOSHI

(March 18)

Soviet Delegation Reiterates Support To India's Industrial Advance

FULL understanding and support of India's efforts for industrial advancement has been voiced by the Soviet Government delegation in the course of its tour of the country. Unlike visiting dignitaries from the World Bank or West Germany, never have the visitors from the Soviet Union cast any doubts that our plans were overambitious, spoken of the need to stay a while in the name of consolidating the advance or pleaded for removing disincentives to private foreign investments.



Soviet delegation leader Andreyev showing the Ivory box presented by Kerala's Chief Minister on behalf of the Kerala people.

Addressing the meeting held at which Minister Swaran Singh was also present at Bhillai on March 4, A. A. Andreyev, leader of the delegation, said:

"India should become a developed and industrially powerful country and India will become such a country, because establishment of a mighty industry will strengthen her independence and secure the advancement of the material well-being of the people."

Speaking at Bombay when Prime Minister Nehru laid the foundation stone of the Institute of Technology that will go up with Soviet aid through the UNESCO, N. A. Mukhitdinov, underlining its significance, said:

"The independent sovereign Republic of India is planning and effecting a number of measures of economic and social reorganisation aimed at establishing an independent national economy, especially industry. This cannot be done without developing heavy industry—metallurgy in the first place—fuel engineering, mining and heavy industry; and this goal cannot be achieved without qualified scientific and technical personnel brought up in the spirit of patriotism and devoted to the people's interests. In this respect the Indian Institute of Technology in Bombay, one of the largest industrial centres of India, acquires great significance."

Mukhitdinov at the Bhillai meeting also referred to the mischievous propaganda from imperialist quarters about Soviet economic cooperation with underdeveloped countries:

"Some of them try to prove that the Soviet Union allegedly pursues some selfish aims in rendering economic aid to the Afro-Asian countries. Others allege that the Soviet Union cannot at all undertake major constructions in the countries of Asia and Africa in the field of economy. Still others go to such lengths as to assert that the technical level of the Soviet specialists and the technical equipment of the building organisations of the Soviet Union are allegedly low and so on."

"The successful completion of the first stage of the Bhillai Plant at a high technical level and in a short period of time, just as of many enterprises in other countries refutes these groundless assertions and is a serious blow to those imperialist circles who seek to drive a wedge between the Soviet Union and India and do all they can to impede the national economies of the Afro-Asian countries."

Enumerating the building of

"a heavy machinery plant, mining equipment plant, setting up an optical glass factory, a large power station and coal-mining enterprises" as the other projects in which the Soviet Union is cooperating with India, Andreyev told the Bhillai meeting:

"Now you have to buy abroad the equipment for your new plants and mills, but the completion of the heavy engineering plant will make it possible to build new metallurgical plants and other heavy industrial enterprises and provide them with your own equipment."

At the Cambay oil exploration site, where the delegation was received by Minister K. D. Malaviya, Mukhitdinov told the gathering that the discovery of oil there had opened bright prospects for an Indian national oil industry. "The Soviet Union understands that the establishment of her national oil and gas industry is now of exceptional importance to India", said

Mukhitdinov. The delegation while visiting Calcutta had a meeting with leading writers and intellectuals of West Bengal where an interesting suggestion for a joint Indo-Soviet celebration of Rabindranath's Birth Centenary was enthusiastically welcomed by Mukhitdinov.

In the course of its short visit to Kerala, the delegation was welcomed at a mass meeting at Alwaye. At a dinner given by Chief Minister Nambudiripad at Cochin, N. A. Mukhitdinov shared his impressions of that "beautiful corner of India." "The people of Kerala State," he said, "just as the people of other Indian States are known to be especially peace-loving and friendly. The Indian people, including the people of Kerala want peace, prosperity — and the unity of their country. They sincerely desire strengthening of friendship between the peoples of India and the Soviet Union. All this gives us infinite pleasure."

1 SAFI

THE GREAT BLOOD PURIFIER

JUST ONE DOSE IN 24 HOURS

KEEPS YOUR SKIN HEALTHY & BLOOD PURE

Hindustan DELHI, Kanpur, Patna

'Gram : "AGRAHOTEL" Phone : 24606

AGRA HOTEL

16, Daryaganj, DELHI-7.

Comfortable rooms—Courteous service—Rail and air booking—Guides for sight-seeing. Air-conditioned rooms—English, Indian and Vegetarian cuisine. MANAGER.

First with aluminium conductors in the country!

- ACSR (Aluminium Cable Steel Reinforced)
- AAC (All-Aluminium Cables)
- ALIND ALL-WEATHER (for HSOS applications)
- ALIND KER-AL-LITE building wire for house and factory wiring.

First to get the certification mark!

THE ALUMINIUM INDUSTRIES LIMITED
KUNDARA KERALA
HIRAKUD. ORISSA

Managing Agents:
Seshasayee Bros. (Trav.) Private Ltd.

Nasser's Attitude To Iraq Is Dangerous To Entire Middle East

THE Middle East continues to be in the mid-stream. In the vortex of clashes between the powerful national liberation movement of the Arab people and the desperate intrigues of imperialism, eddies of internal reaction are appearing on the surface.

The March 8 rebellion in Mosul, led by the ex-Commander of the Fifth Brigade of Iraq, Abdul Wahab Shawaf — just when the U.S. had signed bilateral military agreements with Turkey, Iran and Pakistan — shows clearly that the imperialist Powers are still counting on the reactionary forces within the Arab countries to overthrow the Iraqi Republic, and establish once again the old order of things there.

People's Support

By quelling this rebellion, the Iraqi Government and the Iraqi people have, no doubt, scored a major victory in the defence of their national independence. We hail this victory of theirs.

Their victory incontestably proves that the Iraqi Government continues to enjoy the firm support of the Iraqi people. Over 100,000 people of Baghdad had followed, in deep mourning, in a five-kilometre-long funeral procession, the coffin of Kamil Qazanchi — Iraq's outstanding leader of the nationalist and peace movements who was seized and murdered in Mosul by Abdul Wahab Shawaf, the day before the exposure of his anti-Republic conspiracy.

Tens and hundreds of thousands of Iraqi people had demonstrated condemning the rebellion and demanding punishment for the conspirators. Cables from Iraqi people's organisations and public leaders to Premier Kassim had come supporting his measures after the exposure of the conspiracy.

Commanders of all Iraqi Army divisions, commanders of police, security police and people's resistance forces, commanders of garrisons — all had sent urgent cables to Premier Kassim in support of the Republican Decree concerning the conspirators.

After putting down the present rebellion with popular support, the Government of the Iraqi Republic headed by Premier Kassim "seemed more solid than at any time" — even an A.P. despatch from Beirut had thus acknowledged a couple of days after the revolt.

Hence, first, it was not a question of the "coup" being "not a well-prepared" one — as is put out in some sections of the Indian Press — but that it was essentially a conspiracy engineered from without, through the reaction within the country, which has been crushed by the united effort of the Iraqi people.

Who went into raptures when the revolt broke out, and shed tears when it was crushed?

As early as February 18, U.S. President Eisenhower had characterised the Iraqi

Government as a "dictatorial type of Government," and had expressed his hopes that in Iraq the forces of "freedom" would "triumph over" those for a "dictatorial type of Government" — declaring, this "is the kind of development we (the U.S.) want to see come about."

On the very day of Shawaf's rebellion, the Wall Street propaganda machine had gone into action, inciting the conspirators and lauding the rebels as "new revolutionaries," while pointing out that the rebel area was close to the Turkish border.

Some London newspapers had joined their partners on the other side of the Ocean, with banner headlines about the "confused situation" in Northern Iraq, vilifying Iraq as "a military dictatorship" and inventing "bitterness" among the Iraqi "civilians as well as the military."

The Mosul conspiracy was, therefore, serving the interests of the imperialist Powers — "since almost any change in Iraq's Government would be better for the West than the present regime." (Wall Street Journal)

These facts — showing the popular character of the Iraqi Government and the reactionary character of Shawaf's conspiracy — must be kept clearly in view, while assessing the turn in the Middle East situation that is taking place with the change in the attitude of UAR President Nasser towards the Iraqi Republic, which has so sharply emerged on the surface with this conspiracy.

We in India, together with our brethren in other Afro-Asian countries, had hailed President Nasser for his staunch fight for the national independence of Egypt. We were by his side against the imperialist aggression on Suez. We were on the same side as the UAR in condemning the U.S. and British aggression in Lebanon and Jordan. We were together in hailing the Iraqi Republic. The cause of the Arab national liberation movement was the cause of the Afro-Asian peoples, too.

Nasser's Efforts For Merger

But, to our deep regret, after the victory of the Iraqi revolution, when the Iraqi people set out on a path of their own, to face the tasks of national reconstruction, the attitude of President Nasser began to change.

It is a well-known fact that President Nasser has been all along for the merger of Iraq with the UAR. Immediately after the July 1958 events, a diplomatic attempt for this was made by President Nasser, when Akrim Hourani and Michel Afflak had visited Baghdad to negotiate a union. Three months later, a political attempt was made, when Col. Aref, supported by a motley group of Pan-Arabist nationalists including Rashed Ali had tried to take over the Government.

And now comes this Mosul

* SEE FACING PAGE

INTERNATIONAL EVENTS

Hungary—40th Anniversary Of First Soviet Republic

WHEN the propagandists of the cold war say that Socialism cannot exist in Hungary even for 24 hours without Soviet bayonets, they forget that forty years ago the Hungarian people had chosen Socialism of their own free will. Out of the defeat and wreckage of the Hapsburgs' Austro-Hungarian Empire was born on March 23, 1919, the Hungarian Soviet Republic. Workers and peasants took arms to defend the people's power and the Republic of Councils and the Hungarian Red Army, a people's army, won one victory after another.

The Hungarian Soviet Republic existed only for 133 days in 1919. But during those days it healed the centuries-old wounds inflicted on the people. It abolished the feudal-capitalist State, did away with the Hapsburgs. It nationalised all the mines, big factories, railways, the big landed properties. It established general social insurance and the eight-hour working day. It ended the difference between men and women workers, the principle of equal wage for equal work was implemented. It strove to put an end to illiteracy, books were published in large numbers, the doors of the theatres were opened to the people and a network of amateur theatrical groups came into being.

The Allied Powers could not keep quiet when all this was being done, they were hoping to use Hungary as their base to attack the USSR. They sent their armies against the new Republic, they used the weapon of economic blockade against it. Intrigues by British representatives, masquerading as peace mediators, brought a Social Democratic Government to power on August 1, 1919, to negotiate with the invading armies. Ignoring the negotiated armistice terms, these swept on to occupy Budapest, to pillage food, livestock. By August 23, the Social Democratic Government had made way for the White Terror. Soon after, the Allied Powers recognised the Horthy Government.

There were internal forces also which were responsible for wrecking the Republic. The Communist and Socialist Parties had undertaken to lead the Republic on the basis of a clear programme. But contradictions developed between the two parties and some of the Social Democratic leaders turned into traitors and caused immeasurable damage to the cause of the people's power. Lenin wrote on December 11, 1920: "The wavering, vacillation and irresoluteness of the reformists are inevitable; for such people, even though many of them are quite honest, have always, in all countries, wrecked the cause of revolution by their wavering. Such people wrecked the revolution (the first revolution, for there will be another) in Hungary and they would have wrecked the revolution in Russia had they not been removed from all responsible posts and surrounded by a wall of proletarian distrust, vigilance and surveillance."

The second revolution in Hungary came a quarter of a century later and this time, though they were brought to the brink of peril, the Hungarian people defeated imperialist intrigues and intervention. They are building Socialism in their country as they greet the 40th Anniversary of the first Hungarian Soviet Republic.



Picture above is of a mass demonstration in 1919 in front of the Hungarian Parliament House in support of the Soviet Republic. The poster on top greets the Republic and its alliance with the U.S.S.R.

W. BENGAL KISANS IN BATTLE FOR LAND REFORMS

Repression Against Peasants Showing Up Landlord Evasion Of Ceilings

● FROM OUR CORRESPONDENT

CALCUTTA, March 16

Over 8,000 peasants from five Districts poured into Calcutta on March 11 in response to the call of the West Bengal Kisan Sabha to demand that the Government should take immediate steps to stop mala fide transfers and partitions of land by big landlords and recover the surplus land illegally retained by them, ban all evictions and recognise the bargadars' (sharecroppers) right to their legal share in the produce of the surplus land.

A NEW situation has now developed in the countryside of West Bengal.

The Government had announced when the Estates Acquisition Act was passed in 1954 that 600,000 acres of surplus land would be available for distribution to agricultural labourers, bargadars and poor peasants. But it is now officially stated that only 122,000 acres have finally vested in the State.

Where then have 478,000 acres of surplus land gone?

Taking advantage of the loopholes in the law, big landlords have evaded the ceiling on land holdings, statutorily fixed at 25 acres per owner, through mala fide transfers, partitions and benamis (retention of ownership under fictitious names). Not only that. There have been many cases in which big landlords have, with the help of the police, seized crops of the surplus land that has already vested in the State. Instances also are not lacking where they have even sold off their surplus land.

Small wonder then that bargadars have been evicted on a mass scale. Till now, as many as 171,000 petitions have been filed against mala fide transfers. Faced with this grave situation, bargadars have been forced to launch a peaceful mass movement to find out surplus land and to retain their share of the produce (60 per cent of the total yield).

They are stacking the paddy crop in their own as well as common khamsars (places for threshing, winnowing and storing grains) after giving due intimation to the authorities.

They have submitted thousands of petitions to the Government to take from them Rs. ten per acre as rent for land that has already vested in the State. As regards disputed land, they have demanded that the Government should take delivery of the owners' share (40 per cent of the produce) against proper receipts and retain it in Government custody till the final review is over.

But, instead of utilising this movement for detecting sur-

plus land and implementing land reforms, the Government has resorted to severe repressive measures.

A large number of arrests have been made under Sections 107, 145, etc., of the Cr. P. C. The Preventive Detention Act and the West Bengal Security Act have been brought into operation. Police camps have been set up at several places and raids on the houses of Kisan Sabha workers and leading peasants are taking place every day. Even on the eve of the peasants' march to Calcutta, a number of local Kisan Sabha workers were taken into cus-



A sectional view of the big mass rally of peasants in Calcutta on March 11. —Photo: SAMBHU BANERJEE.

tody under the Preventive Detention Act. Aided and abetted by the police, big landlords and jotedars are looting crops from fields and khamsars.

In this situation, the Kisan Sabha's call aroused tremendous enthusiasm among the masses of peasantry.

● Sri Akshoy Das, a 65-year-old bargadar, suffered from sore feet after he had walked 50 miles. He had to be removed to hospital before he could reach Calcutta; yet he pleaded for being allowed to participate in the demonstration.

● Another bargadar, Sri Prafulla Howli of Hasnabad, badly injured his ankle after covering over 90 miles on foot; but he limped on to the Maidan, the venue of the mass rally of the peasants and the citizens of Calcutta.

Many of the peasant-marchers, men and women, had come from distances of over 100 miles. They had begun their pad yatra four days earlier.

The big Maidan rally was presided over by Comrade Bhowani Sen, President of the State Kisan Sabha.

Greeting the peasants on behalf of the Communist Party, Comrade Jyoti Basu said that the movement launched by them aimed at ridding West Bengal of the recurring food crises. It had, therefore, become a vital issue for the entire people of the State.

He declared amidst thunderous applause that the Communist Party would do everything in its power to help the peasants win their just demands.

The rally adopted a resolution condemning the police firings on the Punjab peasants, engaged in a peaceful struggle against the unjust betterment levy. It congratulated the Punjab peasants and paid homage to those who had fallen under police bullets.

By another resolution, the rally supported the peaceful struggle of the West Bengal peasants and strongly disapproved of the dilatory attitude of the State Government in the matter of mala fide transfers and recovery of surplus land.

Condemning the severe repression launched by the Gov-

ernment, the resolution demanded immediate release of Kisan Sabha workers. It further extended its full support to the Land Reforms (Amendment) Bill sponsored by Comrade Harekrishna Konar, Secretary of the State Kisan Sabha.

After the rally a 10,000-strong demonstration marched towards the Assembly, but it was held up on the way by a police cordon. A six-man deputation then met the Chief Minister, Dr. B. C. Roy.

In course of the talks, Dr. Roy was reliably reported to have admitted that there was no reason why the peasants should be made to pay arrears of revenue to the Government for the land that had already vested in the State but from which big landlords had been realising rent for the past two or three years.

He further asked the deputations to furnish him with a detailed statement regarding mala fide transfers and definite cases of repression.

Meanwhile, with a view to strengthening the peasants' struggle for land and legitimate share of the produce, Comrade Harekrishna Konar has given notice of a Bill on behalf of the Communist Bloc for amending the relevant sections of the West Bengal Land Reforms Act, 1955.

The Bill seeks to provide for the following ad interim measures:

● To entitle bargadars to store or thresh the produce at a place of their own choice and to deliver the owners' share to an officer appointed by the Government in cases where the bargadars suspect that the person claiming to be the owner is not a bona fide owner or where the ownership is challenged in any way.

● To stop evictions of bargadars without affecting the ownership rights of small owners and their restricted right of resumption for bona fide personal cultivation.

● To provide relief to raiyats by 50 per cent reduction of present rent and remission of revenue for crop-failures, floods, draught, etc.

STORM BREWING OVER MIDDLE EAST

* FROM FACING PAGE

conspiracy, combining imperialist instigations with UAR's intervention. Reports New Statesman (of March 14), "This week, the Egyptians and their Iraqi allies resorted to direct military methods. There seems little doubt that Colonel Shawaf and his supporters were in contact with the UAR Embassy in Baghdad and received physical assistance from the Syrian province."

A full-throated barrage of abuses is being hurled on the Iraqi Republic and on its Premier by the UAR Government and its President.

No democrat in any Afro-Asian country can support President Nasser, if by "loyalty" to the United Arab Republic and to Arab nationalism he means forcible merger of the Arab countries with the UAR under his presidentship.

For, such a stand can only make the UAR President play game of the imperialist Powers — the very Powers against whom he rose to defend the Arab people on previous occasions.

Even the New York correspondent of the Egyptian paper Al-Ahram, had reported that many American broadcasting and television stations had included in their programme the transmission of President Nasser's speech in full, vilifying the Iraqi Republic. And

the diplomats in Washington "were deeply impressed by Nasser's speech in which he denounced the Communists for receiving orders from the outside."

Is it the American broadcasting and television stations who have made a volte-face, or is it President Nasser, who is making it?

Who stands to benefit, if the unity of the Arab countries is disrupted?

Can there be any doubt that while the Arab countries would be quarrelling among themselves, it will be the imperialist Powers who would roast the goose?

President Nasser's diatribes against Communism and Communists — a hackneyed tool resorted to time and again by imperialists and reactionaries against the democratic and progressive forces — only reveal the reactionary nature of his stand vis-a-vis the Iraqi Republic, and it does not matter in the least whether he draws his inspiration from President Tito of Yugoslavia or anyone else.

For, curiously enough, the Yugoslav paper Borba had rushed to prominently frontpage distorted Western news agency reports on the Shawaf rebellion, describing the conspiracy of a handful of Iraqi traitors and split of political groupings" and prophesying that "an Iraqi crisis is unavoidable."

—RAZA ALI

M. M. Shah defends the indefensible

* FROM FRONT PAGE

year. The fall in price is still continuing. So this reduction in price has nothing to do with the Government having entered into an agreement with Merck; it is a Western world phenomenon.

TRUE FACTS: All that has happened is that Merck entered into this agreement with the Government only after the firm had been assured that Government, during the time the plant was being built, would buy at least 80 per cent of streptomycin requirements of the country from Merck, and Merck in turn agreed to supply at a price five per cent lower than the lowest world tender.

It appears that in the tenders for the first half of the last year Glaxo's tender was the lowest; they quoted at \$51.04 per kilogram which was evidently then the ruling market price, or the expected price when supplies were to be delivered. But Glaxo's material was to be imported

from the U. K. with the preferential duty of 16 per cent.

In accordance with the agreement, the order was given to Merck at five per cent less than \$51.04 per kg. i.e., \$48.49 per kilogram. This material, however, had to come from the USA with a duty of 22 per cent. Pimpri bought about 13,000 kgs. and this carlot of five per cent rebate made the plant lose about Rs. 18,000 on the transaction and the auditors have taken objection to it.

So the first half year transaction showed a loss, but Sri Shah claims a purchase price of Rs. 160 a kg. for the second half of the year. Though orders were placed for about 30,000 kilograms, Merck took up only half of the order and the rest went to some other firm. But the point is that supplies have still to be made. The market price had already fallen to Rs. 185 a kg. in January, and the trend in the fall of price is still very strong. So when the deliveries

actually come to be made, the market price may be even lower than Rs. 160. It is unwise to count one's chickens before they are hatched.

Enquiries at the chemists' shops elicit the information that prices of streptomycin in 1956 was Rs. 1.25 a gram vial, this price continued right through 1957 and 1958 and even now streptomycin is selling at the same price—barring small differences of different brands. So the common people have not benefited by the fall in the world price. But someone has benefited—Big Business whose interests are Sri Shah's special concern.

By wheedling Sri Shah into the streptomycin agreement, Merck have managed to get a licence to put up a plant with Tatas to make vitamin B-12 and a number of other drugs which the Soviets had offered as long ago as May, 1956, to help India to make it at Hindustan Anti-Biotics and elsewhere. And now Merck has been given import licences for over Rs. 50 lakhs to get semi-finished drugs into India, to

finish them and bottle them in India and make profits of tens of lakhs of rupees by their sale.

SOVIET OFFER: Sri Shah talked of world tenders, but did not tell the House that the Commerce and Industry Ministry had asked for and the Soviet Union had given a quotation for the supply of streptomycin in one gram vials at Rs. 0.42 c.i.f. Bombay, and this with 22 per cent duty would come to Rs. 0.52 i.e. at much less than half the present sale price. If we allow about 20 n. P. for the cost of bottling per vial and 10 n. P. for freight—the freight of bottled product indeed is ten to 20 times the freight on bulk—the supply price comes to 12 n. P. a gram—which is Rs. 120 a kilogram.

Thus we are sure if a quotation for bulk supply had been called and due notice of supply given for it, it would have been forthcoming at a very attractive price. What is more, the Soviet Union was willing to supply on a normal trade basis and did not require any agreement.

What is equally important, and the House was not told this, is that the Soviet supply would have been paid for in rupees and, therefore, no expenditure of foreign exchange would have been involved.

LOSS OF FOREIGN EXCHANGE: Not only the Commerce and Industry Ministry is wasting foreign exchange by streptomycin in the USA and U.K., but under this agreement with Merck, India will have to pay in dollars Rs. 91 lakhs (i.e. \$1.8 million dollars) for the purchase of equipment for the production of streptomycin—while the Soviet Union had agreed the year before the agreement was made with Merck to give a long-term credit on easy terms for the purchase of equipment and receive back the payment in rupees and their extension covered not only streptomycin but aureomycin and other new antibiotics, vitamins D-2 and B-12.

SECRET CLAUSES: This is the most damaging part of the agreement and insulting to our scientists and technicians. Under it, they will have to be screened under arrangements approved by Merck before they can be allowed to work and enter the plant constructed with Merck's assistance. Sri Shah tried to justify it by quoting clauses from the Soviet agreements for the Heavy Machinery Plant at Ranchi and Coal-Mining Equipment Plant at Durgapur.

But they merely say that the volumes of drawings and technical processes handed over to the Indian authorities be used exclusively at the enterprises in India and not transferred to any other country. Even this may be done with the consent of the Soviet party in each of the industries. And under the Merck agreement, in para 11(a) it is specifically laid down that information provided, "shall be used by it (Hindustan Antibiotics) only in the Indian streptomycin plant construc-

ted under the agreement." Thus we cannot construct even a second plant with Merck know-how.

Sri Shah knows also that the Government had, in writing, a communication on behalf of the Soviet expert team which said that "the Soviet authorities do not desire their Indian colleagues to observe any secrecy regarding any know-how or other technical information Soviet Union may give now or in future collaboration for the production of antibiotics and other drugs."

FALSEHOODS ABOUT MOULDS: Sri Shah tried to justify the Merck demand for almost insulting secrecy stipulation by saying,

"Here are packets of protoplasma, packets of certain types of cultures which can be carried away and the entire secrets of the process lost..."

He did not tell the House that the Soviets did not desire any such secrecy regarding the cultures of their strains as demanded by Merck. He knew or should have known that in 1956 the Soviet Union sent through its Ambassador four strains of the mould for the production of penicillin. In fact, Hindustan Antibiotics at present produce its penicillin from the Soviet strain.

On meeting General Sokhey, after a letter of his appeared in the Times of India, I learnt that a year later, the Soviet Union sent through him six tubes of cultures of strains for the production of streptomycin, aureomycin, achromycin, terramycin, erythromycin, albomycin, etc., i.e. strains of moulds for the production of almost all the essential antibiotics.

And the claims that Sri Shah made on behalf of the Hindustan Antibiotics that it had developed indigenous methods for the production of two tetracyclins means nothing more than that Hindustan Antibiotics has attempted, though so far largely unsuccessfully we learn, to produce these two anti-biotics from the strains provided by the USSR.

It should also be remembered that as early as in 1951, Merck sent one of its staff officers to the World Health Organisation to ask it to desist from constructing antibiotics plants for member nations. They indulged in what can plainly be called threats of sabotage.

Merck know that Dr. Ganapathi was one of the men behind the WHO scheme of helping member States to have their own antibiotic plants. His removal—for which Manubhai Shah could give no coherent reason—while a complex matter, will no doubt please the Merck manipulators.

P P H ANNOUNCEMENT

This is to inform all our patrons that our office will remain closed from 26th March to 1st April on account of annual stock taking.

PEOPLE'S PUBLISHING HOUSE (P) LTD.
RANI JHANSI ROAD,
NEW DELHI.

TWICE DAILY after meals..

The Season's greatest restorative

for that extra sparkle in your health



Two spoonful of Mritasanjibani mixed with four spoonful of Mahadrakharista (6 years old) start this course now and see the amazing difference it makes to your health. Matured for 6 years to increase its potency, this Mahadrakharista directly acts to fortify your lungs and puts an end to cough, cold and bronchial troubles. Mritasanjibani improves your digestion and helps development of the body. Together they increase your weight and strength and make you fit for work and enjoyment.



SADHANA AUSADHALAYA

The world's Largest

DACCA Ayurvedic Institution

CALCUTTA CENTRE —
Dr. Nares Chandra Ghose,
M.B.B.S., Ayurved-Acharya,
36, Goolpore Road, Calcutta-37



Adhyaksha— Dr. Joges Chandra Ghose, M.A., Ayurved-Sastri, F.C.S. (London), M.C.S. (America), formerly Professor of Chemistry, Bhagalpur College.