

# THE PLAN SAVED

● From Our Political Correspondent

APR 18 1961

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# NEW AGE

COMMUNIST PARTY WEEKLY

VOL. IX, NO. 4 JANUARY 22, 1961 25 pP.

LAST week we disclosed how the Third Plan faced a serious crisis. Indian reaction, headed by Morarji Desai, and directly inspired by the World Bank Mission had very carefully and neatly worked out a tactic of scuttling the ambitious targets of the Plan by exploiting the weakness of the resources position.

The tactic of reaction has misfired. The Plan has been saved and the honest elements among the various States and Central Ministers who attended the meeting of the National Development Council, as also the progressive Planning administrators, all agree that the final outcome is the best that could be achieved in the circumstances.

Pandit Nehru's opening speech before the National Development Council was a virtual rejection of the advice the World Bank through its various reports and its experts had been pressing upon the country.

The Prime Minister stressed in a big way and emphatically the need for a big Plan.

The major part of his speech was devoted to the importance of developing heavy industry, "more especially the basic industries like iron and steel, power, oil and machine building, keeping in view the process of continued development".

Describing the rumour planfully spread by the reactionary press that the fourth steel plan in the public sector proposed to be started at Bokaro would be given up as "baseless and without foundation," Pandit Nehru said that the Bokaro Plant would be there and start off "with the capacity of one million tons but would be capable of being expanded to produce three, four, five or even 10 million tons possibly".

## Defence Of Public Sector

The Prime Minister effectively played up the discovery of oil in Assam and in Gujarat and announced "hopeful prospects" in the course of the Third Plan and concluded with, "we may be self-sufficient at the beginning of the fourth Plan. The prospect is good".

Dealing with the question of the relative role of the public and the private sectors, the Prime Minister stated that it was only through major public enterprises that India could go ahead and fast. Both the public and the private sectors had a definite place but the public sector "fits in with the general planned economy", he said.

The private sector had equally to fit in and should not be run on lines which created monopolies and like. "We are not interested in private fortunes being made", because, he said, these increased inequalities.

On the first day after the Prime Minister's speech when the discussions began, there was complete confusion. As we had forecast last week, it soon became the issue of the

States versus the Planning Commission.

During the earlier discussions with the State representatives, the Planning Commission experts had agreed to raise the allotments for the State Plans by 312 crores.

## West Bengal Leads Attack

In the meanwhile, the Planning Commission had come to the conclusion that more resources for the State Plans could not be found. In this meeting of the National Development Council the State Chief Ministers demanded that the Planning Commission honour its own commitment. The Planning Commission was in a quandary.

The Bengal Chief Minister, B. C. Roy led the attack. He demanded much more than what the Planning Commission had agreed to earlier. His argument was that the Bengal Ministry had made the commitments to its legislature and to the people and could not now go back. He stood out not only for his inflated demand but for a free hand to do what he liked with the Plan in Bengal.

The Kerala representative was equally vehement. Kashmir, Punjab and Bihar representatives took back seats but they all wanted earlier commitments to be honoured.

B. C. Roy's argument that Bengal could raise more money and should have its way was effectively countered by the Tamilnad Minister Subramaniam with, "we can raise more money in our States". He then asked pointed question "What comes first—Central projects or the States? If each State pulls its own way what will remain of central planning?"

Maharashtra Chief Minister, Chavan urged, that the Central projects should have priority. "We of the States come next". These two were ably supported by Rajasthan's Sukhadia and very soon B. C. Roy and company were made to shut up.

## India Must Come First

They had been only argued back and not defeated. They had expected not a single State representative to speak up against them. They were made to realise that even in the present set-up there are some Chief Ministers and State representatives to whom India comes first and the needs of centralised planning remains the highest priority.

After being baulked in their attempt to run away with the States and hurl them against the centre, Indian reaction opened up another flank. Finance Minister Morarji Desai vehemently asserted that

he does not have any more finances, that what the Planning Commission has conceded as the resources (Rs. 7,500 crores) itself are doubtful, that he could not commit himself to targets and figures which he knew could not be achieved.

## Morarji Tries To Boss

He did not stop there. In the demagogic style of a seasoned propagandist of the Forum of Free Enterprise, he waxed eloquent, warning against the dangers of further taxation and inflation; which, in his opinion will have to be resorted to in any case, but they could not be increased. India is cursed with such a Finance Minister that he does not know of any other way of raising resources except more taxes and inflation.

Morarji talked as if he was the boss of the show, called the Plan. He was full of his own "I, I, I" and went on for long time with remarks like "I will not be responsible. I cannot promise the finances". Even the hardened ministerialists and bureaucrats

the scarcity of cotton. This was very much like the French queen during the French revolution wondering why the hungry demonstrators do not eat the cakes if there were no bread available.

He was ably supported by Manubhai Shah while others just smiled at the lame advocacy for the rayon manufacturers. The baby car was defended as an essential of life while others thought buses and trucks would serve the common people of India more. These critical questions put Morarji and his supporters in a tight corner.

## Private Sector Takes Cake

The whole policy of licensing was criticised from another very important angle. I am not sure whether it was Subramaniam or somebody else who complained that the public sector projects were being quietly and in growing numbers passed on to the private sector. The Prime Minister said, "Yes, Yes that

inflated demands formulated by S. K. Patil.

When it came to the blunt question if and how more resources could be mobilised no one would give a firm assurance nor clear cut answer but the general opinion was that they could be raised.

## Physical Planning Once Again

At this stage the concept of physical planning versus financial planning was posed and pressed by Professor Mahalonobis. The idea was taken up by Subramaniam and Chauvan and backed by the Prime Minister.

Fairly soon all reached the conclusion that the physical targets of the Plan should be accepted and that the State representatives should be told that the Planning Commission can assure no more than Rs. 7,500 crores as resources and that it was the job of the States to raise more and the Centre too will try the same. Thus the ball was thrown back to the States.

# But Dangers Ahead

present there felt somewhat uncomfortable before this arrogant demonstration of unconcealed ego. Subramaniam the warrior of the earlier battle once again jumped into the fray and stated that the resources did not concern just one man. They concerned the whole nation and the people were involved. "We will all make sacrifices to build things here and now for the future generations".

## Austerity—For Whom?

Maharashtra Chief Minister Chauvan argued that all will help to raise the necessary resources because they all stood to gain from the bigger Plan.

All this duly deflated Morarji Desai but he had to face more. Morarji claims to observe austerity in his own life. The Right-wing press seeks to build him up as the very embodiment of austerity and simplicity, a loyal disciple of the Mahatma.

Some real protagonist of austerity during this NDC meeting raised the issue of the national resources being wasted by issuing licences for chocolate and rayon factories and the enthusiasm shown for the baby car.

Morarji Desai defended the Chocolate factories in the name of the children who enjoyed them. The persons listening to him were too polite to ask him the percentage of children whose parents could afford to buy chocolates for them. He also defended the licences for rayon factories because of

should be answered". No central minister, however, answered this very uncomfortable question. It just got lost during the discussions and was forgotten!

Thus, on the first day there were plenty of fire-works and angry exchanges and it looked as if the meeting of the NDC will last not two but three days. Despite the fact that Morarji Desai's and B. C. Roy's offensive had been countered vigorously, the Prime Minister and the Planning Minister looked rattled and worried.

Late during the same evening the Planning Commission met, with the Prime Minister, and they tried to work out a strategy to save the size and the shape of the Plan and more effectively lead the National Development Council meeting towards fruitful conclusions. Their discussions brought out the following points:

## Where Cuts Were Made

● The present was the election year and hence it was not correct to press the States to prune their Plans, cut the projects they had publicised.

● The Prime Minister insisted that the industrial and power projects should not suffer and hence no cut was possible in the public sector industrialisation projects.

● The only cut possible in the demands of the Central ministries was on Food and Agriculture, against the

On the second day all came ready to fight and were mightily surprised when they heard the announcement of the Planning Commission;

—That the Planning Commission accepts the targets fixed in the draft.

—That the resources estimate stood at Rs. 7,500 crores but all attempts should be made to raise more.

—That a Committee be set up to effect savings and thus increase the resources.

## Way To Raise Resources

The Planning Minister Nanda, Subramaniam, Chauvan all are in this Committee. The Finance Minister wanted to make it a Committee for raising small savings. He was promptly answered "No, no, that is a committee to decide how to save on the projects, save on the administrative expenses and even on the ministries, how to cut out waste etc".

During the earlier day Chauvan had plugged the point that the resources could be increased not only by raising more taxes but also by saving money where it was being mis-spent or wasted.

The committee that has been appointed is to make proposals for effecting savings all round, in the widest sense of the term. The idea was also inspired by the necessity to bring about some change from the position where the Finance Minister remained

# THE QUEEN AND AID

**T**HE British Queen and the U.S. President-elect Kennedy are being sold by the Rightwing Indian press, with the apparent approval of the India's ruling circles, in a manner that it is high time to think what has happened to our national self-respect. The Indian monopoly press even when it goes servile puts on a moral mask. It is, therefore, useful to go to the Western press for the cue.

West German paper Weser Kurier (January 4), carries a despatch by Hans Walter Borg headlined "India Moves Closer to the West". The writer recalls that it was "not very long ago" that the Indian policies were dubbed in the U. S. as "immoral" while Indians felt that the Americans had "stepped into the shoes of old imperialist powers".

The paper records the change in the following words: "This distrust has changed during the year 1959. This change received a fillip with the victory of Kennedy who along with some of his closer associates are known to be good friends of India and other developing countries."

"The year 1961 opens with the State visit of the British Queen and it is certain that the welcome she will receive will put the reception given to President Eisenhower in the shade".

The Western camp feels that India is less "hostile" while India's big capitalists, highly placed bureaucrats and reactionary politicians expect more "aid".

The British Queen's visit was preceded by her Commonwealth Secretary Duncan Sandys who among other things gushed with enthusiasm over the fact that British investments in India had doubled after independence.

Britain's economy itself is in such a mess that the Queen's visit to India is one of the major moves of the British monopolies to clear the way for their further economic penetration of India.

1960 has witnessed growing deterioration and difficulties in Britain's economy. It has been characterised by stagnation in industrial production, sharp decline in exports and increasing imports, a considerable deficit in international payments has appeared in contrast with the surplus in the past two years.

The British big bankers' organ, the Financial Times dejectedly poses the problem "must every other year be a crisis year? Is there no way out?" The British trade circles admit that a "disturbing fall" had been registered in Britain's share of the total value of manufactured exports in the capitalist world from 25.5 per cent in 1950 to 17.25 per cent last year.

The Times, London, in its December 1 editorial described Britain's economic position as standing "between two fires" of declining production and of rising deficits in the balance of payments.

While Britain's economy is in a dangerous position the new U.S. crisis goes on deepening. The Guardian ex-

pressed the general anxiety among British economic and financial circles when it wrote that the "most immediate danger was that the U.S. might take action to defend the dollar in ways that were extremely hurtful to the rest of the world".

It openly expressed Britain's fear that U.S. may resort to such selfish measures as to lead to further shrinkage of world trade and bring the Western capitalist world into a "danger of slump on a larger scale than experienced since the war."

Under the jungle law of capitalism U.S. exports its crisis to U.K. and the latter in turn seeks to pass it on to India. The British Queen's visit is designed to cover up this operation with the help of unprecedented propaganda drive of "Indo-British friendship" and "cooperation".

The British imperialist statesmanship has always excelled in salesmanship but if Indian statesmanship displays lack of vigilance it will disarm the country against Britain's new economic offensive. Anyway the Indian people cannot afford to sit with folded hands or just enjoy the tamasha of the Queen's visit.

## Kennedy-Diferent?

**T**HE Indian columnists of the monopolist press have publicised Kennedy so well as to create the impression that soon after the new U.S. President-elect assumes office generous U.S. aid for Indian development will necessarily follow.

All this stuff is either knavery or gullibility, it is swallowing the new line of American monopolist propaganda without serious thought and in defiance of living experience.

The Birmingham Post, December 14, commenting editorially, under "Importance of India in President-elect Kennedy's Plans", observed: "People familiar with the thinking of President-elect Kennedy say that he regards it as vital that the United States should help India become the leader of a democratic Asia". It is also recalled that he had described India as "the most important of all uncommitted States".

Reuters Washington correspondent reported Kennedy as stating "we want India to be a free and thriving leader of a free and thriving Asia".

People familiar with the American imperialist jargon know the meaning of the words democratic, free and thriving, when these good

# NOTES OF THE WEEK

words are mouthed by U. S. rulers. People with a sound memory would recall that the same was the basic policy aim as declared by Truman and Eisenhower earlier.

Let us examine the actual position of U.S. economy as analysed by U.S. official spokesmen themselves and then think out what U.S. economic policy vis-a-vis India is likely to be. Kennedy appointed a committee of top economic experts headed by Paul A. Samuelson of the Massachusetts Institute of Technology to study the present state of U.S. economy and advise him on the measures to be taken.

According to U.S. News and World Report, December 25, this Committee expressed the fear that the present U.S. economic crisis would be more serious than any post-war one in the U.S. Samuelson stated to a reporter of this magazine "a truly serious depression is not impossible, there is no guarantee this time that the fourth post-war recession (the present one) will not be a steeper one than the third (the 1957-58 economic crisis) or steeper than the average of the last three".

Kennedy's economic experts forecast dim days ahead, for example, the drop in production will be even greater than expected; business investment will start to decline even more rapidly; the entire building industry will be "disappointing"; unemployment remains an extremely serious social problem, with a possibility of surpassing the highest post-war record; the drop on the stock market will further aggravate the widespread feelings of pessimism; while undoubtedly even bigger deficit will appear in the Government budget.

The Samuelson report concludes that it is best for the U.S. to get ready to cope with even dimmer prospects.

Douglas Dillon, secretary of the Treasury in the incoming Kennedy administration and the current Under Secretary of State, testifying before the U.S. Senate Financial Committee, on January 11, also agreed that U.S. budget will face a deficit and that the international payments constitute a very grave problem which "could not be settled overnight".

Kennedy is not thinking of new bold policies to improve the U.S. economy and to build new and mutually beneficial economic relations with under-developed countries like India. He is not venturing beyond the old beaten track, with which our country is familiar and fed up.

For example in November 1959 he stated "We must return to the generous spirit in which the original Point Four Programme was conceived", and that was by Truman.

Birmingham Post, December 14, editorially forecast "It is likely that when he takes office the President-elect will try to persuade Congress to widen the scope of the Deve-

lopment Loan Fund". The Development Loan Fund mostly gives loans for the development of the private sector in the country concerned. In short it is the U.S. financial agency for the economic penetration of the countries seeking U.S. aid.

Reuters's Washington correspondent reports Kennedy, after his election, as stating: "Our policies cannot merely be a series of reflexes dictated by Russian moves; and offers to make foreign aid the vehicle of a popularity contest or cupidity proposition is senselessly self-defeating. The fact is that we cannot compete with the Russians in barter arrangements, interest rates, and the like".

The above should make it abundantly clear that under Kennedy India should not expect aid under better terms than offered by the Russians or on the same terms but only along the same lines as pursued under Truman and Eisenhower! This should help to destroy the illusions of the honest and unmask the selfish ones blinded by their love for U.S. dollars.

## Old Methods

**T**O relieve its international payment crisis the U.S. during 1960 unleashed both its "export drive" and "buy American" campaign. In plain terms it has meant more unscrupulous seizure of markets, dumping and squeeze of the working people of other countries in a desperate bid to cure its own economic ills. We have our own experience of the above phenomenon. Let us take some recent examples.

The U.S. and India signed in May last year an agreement on the sale of a large quantity of U.S. surplus agricultural products to India. The agreement stipulated that in four years the U.S. would sell 16 million tons of surplus wheat and one million ton of surplus rice to India, of a total value of 1,276 million U.S. dollars.

According to a report published early in the year in the Times of India the U.S. agricultural products were not welcome in the Punjab. The Punjab Government requested the Indian Government to reimburse the losses which may be sustained by it in the disposal of 180 thousand tons of U. S. surplus wheat, as the traders were unwilling to purchase it.

The Indian people are reluctant to buy the bad quality U.S. surplus foodgrains. According to Free Press Journal, Bombay, the offtake of imported U.S. foodgrains from the Government godowns had registered a sharp fall to above 50 per cent during the past six months.

The official sources admitted that this had created difficulties in storage, preservation, and timely turn-over of the imported grains. They are just not wanted and hence, not getting sold.

The Indian peasants have also suffered a great deal following the dumping of U.S. surplus food in the Indian market. The Hindustan Times, New Delhi, reported that the rice prices in the Indian mandis had been falling to the lowest in the past four years.

Similarly the Indian textile mills showed no interest in the higher priced and bad quality U.S. surplus cotton, upon learning that about two hundred thousand to three hundred thousand bales of U.S. cotton will be shipped to India by the end of January under the India-U.S. Agricultural Products Agreement.

The Hindustan Times reported that the price of American cotton was higher than that of any other country, but the Indian textile industry had to accept it, without recourse to arbitration, though it was known that those U.S. cotton stocks were pretty old and there was real risk of deterioration in quality.

According to the other press reports, the Madras handloom weavers suffered hardship and loss because of dirty U.S. trade tricks. The Hindu, Madras, disclosed editorially, on the New Year day, that the Americans, suddenly stopped purchasing from Madras the variety of cloth which was popular in the American market. Since that variety of cloth was produced specially for the U.S. market the stock of one million six hundred thousand yards remained unsold and this left the Indian weavers in distress.

An earlier PTI despatch from New York exposed that some American manufacturers and retailers were selling non-Indian fabrics with the label of "Indian Madras Cotton and Indian Madras Colouring". It is unscrupulous trickery and no honest trade.

A Times of India report discloses that by the end of November 1960 an amount of 111,340,000 dollars in rupees had been deposited to its Indian account for U.S. Government "operations". And the total deposits were expected to swell to at least 297 million dollars within the next four years.

This very large sum of Rupees, which the U.S. Embassy gets from the sale of its surplus and useless agricultural commodities is freely used by it to organise its espionage, propaganda and other activities to acquire greater influence over our country by corrupting our students, teachers, scholars, scientists, administrators and politicians and by luring the greedy ones in our country's rural and business upper circles. These are the dirty methods which in plain Hindustani are called Mian Ki Jooti Mian Ke Sir Pa' (the man's own slippers on the man's own head).

On the eve of the Republic Day let us see without any blinkers where the Anglo-American aid seeks to lead our country and untidely determine to resist it in the interests of the nation, its independence and future.

-P. C. JOSHI

January 17.

NEW AGE

JANUARY 22, 1961

# Reserve Bank Surrenders

**T**HE Reserve Bank of India has suspended with effect from the 13th of this month the operation of the varying reserve ratio, or the special deposit system, which made it obligatory on all scheduled banks to keep with it 25 per cent of additional deposits over those prevailing as on March 11 last year.

Accordingly, these deposits will be refunded to the banks to assist them to meet the demand for funds during the "current busy season". The exact amount to be released as a result of this step is not known, but Commerce (January 14) estimates it to be of the order of Rs. 15 crores. Another estimate puts it at Rs. 18 crores.

## False Plea

The Reserve Bank has justified this relaxation as arising out of its flexible policy of credit control, and the bankers too have acclaimed it as realistic. In other words, the state of the banks' finances could not, in their view, stand the strain of the heavy demand for credit which the

busy season might witness. The affluence of the banking industry—testified by the Reserve Bank itself—however, tells a different tale. Its index for bank shares, which declined from 201.6 to 187.8 in 1959 rose to 198.8 in 1960, and the rise was far greater than the all-India index for variable dividend securities which increased by only a few points from 160 to 165.7.

## Increased Credit

Capital (January 12) ascribes this marked increase to "improved performance of the industry", and rightly, too, for over the year the credit by banks increased by Rs. 191.76 crores to Rs. 1156.24 crores, while the previous year's expansion was only Rs. 98.89 crores. And this in spite of the rise in its costs, and the diverse selective and general credit curbs which the Reserve Bank had imposed from time to time.

The Reserve Bank cannot, therefore, convince anybody about the economic justification of its latest relaxation. Its own orientation in policy, determined by bodies heavily

loaded with leaders of trade and industry, does not perhaps necessitate any explanation either, for with R. G. Saraiya, B. P. Singh Roy and J. D. K. Brown (of the Associated Chamber of Commerce) sitting on its Board, it could not, perhaps, do anything different.

Among others adorning its Central and local boards are: Charat Ram, New Delhi; G.M. Modi, Meerut; D. V. Potdar, Poona; Arvind Mafatal Bombay; P. K. Roy, Murshidabad and K. K. Birla, Calcutta—all luminaries of the business world whose objective it is to reduce the curbs to the minimum and make easy gains through cheap credits.

## Pivotal Role

The banks play a pivotal role in the country's economy, and as such their nationalisation to make them serve the nation's plans is necessary and overdue. What is even more urgent, however, is to inculcate a really national and rational outlook into the policy making organs of the Reserve Bank by relieving it of the representatives of the country's big business.

# PRIVATE SECTOR LEAP

**T**HE private sector's over-fulfilment of the target is put up by its leaders as a plea for convassing a greater share for it in economic development. They, at the same time, cry hoarse about the Government's "restrictive" policies, which, in their opinion, are killing private enterprise and initiative.

## Higher Dividends

While the way they combine the two phenomena—of their being very much alive and kicking, and of the Government not allowing them to grow—bespeaks of their dexterity, their zeal to overdo it at times lands them in a mess.

This has also been the lot of Capital (January 12) this week. In an effort to plead for greater freedom for private limited companies it has emphasised the fact that the expansion of gross and net fixed assets of these companies was smaller in 1958 than in 1957.

Combined with it, however, was a rise in sales and increase in profits, which, after tax, increased by 29.8 per cent to Rs. 6.8 crores in 1958; they had increased by 13.6 per cent to Rs. 5.3 crores in 1957. Dividends also rose by 21.4 per cent to Rs. 5.4 crores as against an increase by 7.2 per cent to Rs. 4.4 crores in 1957.

Higher profits and higher dividends, and yet Capital wants us to believe that private limited companies were placed in some sort of a strait-

jacket by the Company Law Administration in 1958.

The heyday that the private sector has had last year, in spite of the Reserve Bank's curbs, and the restrictions on public and private companies, which Capital laments, has continued in the New Year. This is evident from the spate of fresh floatations in the past fortnight, a list of which has appeared in the Tribune of January 15. The fact that most of the issues have been "over-subscribed many times over" makes it clear that the opportunities for the private sector have been anything but meagre as big business organs allege.

## Fresh Ventures

The Tribune list reads as follows: "Besides the Madras Aluminium Co. Ltd., which closed its subscription lists on January 12, the subscription lists of the Thakur Paper Mills Ltd. and the Indian Bright Steel Co. Ltd., open on January 16, of the Bombay Oxygen Corporation Ltd. on January 17 and of the Mahendra Electricals Ltd. on January 21".

All these are fresh ventures. Some old companies too have invited public participation. These are Travancore Electro-Chemical Industries Ltd., the British Paints Ltd., and the Madras Cements Ltd. The spade-work in respect of two more capital issues, which are expected to be offered for public subscription in the middle of February, has almost been completed.

They are the Madras Rubber Factory, which has entered into technical collabo-

ration with, Mansfield Tyre and Rubber Co., Ohio, USA, and Southern Industrial Corporation Ltd., Madras, which has obtained a licence to manufacture flexible shaft machines in collaboration with a Swiss firm.

Three more companies are expected to be floated shortly. These are Permanent Magnets Ltd., in collaboration with an Italian firm Centro Magneti Permanent, and Messrs Core & Co. Tyre and tube project which is proposed to be located in Greater Bombay. And it is not even one month gone in the New Year.

## PROFITS

—The profit of the Bank of Baroda Ltd. during 1960 rose to Rs. 40.65 lakhs, subject to audit, from Rs. 24.89 lakhs in 1959.

—The profit of the Indian Bank Ltd., Madras, during 1960 shows an increase of Rs. 20.86 lakhs over that of 1959.

—The profit of the Oudh Sugar Mills Ltd., rose to Rs. 50.56 lakhs in the year ended July 1960 from 45.65 lakhs in the previous year.

## Top Secret

The week's bright moment was created by the Planning Commission's statistician who informed the National Development Council in a profound, "top secret" note that by the end of the Third Plan 103 per cent children of the 6-11 age group in Delhi would be attending school! (The Statesman January 16).

# INSIDE OUR NEWS & ECONOMY NOTES

## Brief Notices

● The Indian railways are hauling exactly twice as much freight today as they did ten years ago. The track miles of the railways during the decade increased by 11 per cent, the number of locomotives by 22 per cent, and the active effort (in terms of steam, diesel and electric locomotives) by 47 per cent and the number of wagons by 51 per cent. Similarly, the number of passenger miles run rose by 12.6 per cent and the number of passenger carriages by 55.1 per cent.

● A team of Polish experts on small scale industries headed by Deputy Director of Cekop has also arrived in India to explore possibilities of Indo-Polish collaboration in the development of small scale industries in the country.

● About 10 major industries, out of which only 2 will be in public sector, will come up in and around Nahorkatiya in Upper Assam where the Oil India Ltd., is exploring for oil. These will be based on 50 million cubic feet of gas which will be available annually from the wells discovered there. The Assam Government has already appointed a French firm "Soustelle" as consultants for setting up a plant for distribution of this gas.

● An eight-fold expansion of the storage capacity of the state-owned Indian Oil Company is proposed to be achieved within the current year. As against the present 17,000 tons, the IOC will be able to store by the end of 1961 nearly 135,000 tons through its network of storage installations in the country. Besides these the IOC is also trying to set up inland depots in fifty principal cities.

—ESSEN

January 17.

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NEW AGE

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# TOO MUCH!

## Editorial

INDIA is generous and hospitable. India is friendly, with all the countries. India always extends a warm welcome to the heads of the foreign Governments who honour us with a visit. It is right and proper that the British Queen should be similarly welcomed.

But under the cover of giving her the traditional Indian welcome, what is being done is not a demonstration of Indian hospitality but of the servility of those concerned with the job. The noisy fuss that is being made, the good money that is being recklessly wasted, in all the places she is due to visit has become a national scandal and outraged Indian conscience.

The subject was discreetly raised in the Prime Minister's monthly Press Conference. Pandit Nehru was on the defensive and said he had written to the local authorities concerned not to cross the limit. The local authorities could not be doing all the extraordinary things on their own. The Prime Minister will have to look a little inwards, promptly pull up the high and mighty, to successfully assert and vindicate the nation's honour and dignity.

The courtiers from the British Court and their protocol specialists have already visited New Delhi to teach the keepers of the Rashtrapati Bhavan and Indian protocol-men what is permissible and what not during the Queen's visit to our country! The press reports unprecedented status and honour for Britain's Queen during her stay in the Rashtrapati Bhavan and the programme in our capital city and the rest of the country.

Queen Elizabeth is Britain's Queen and not like her late ancestors also the Empress of India. India is now independent. This must not be forgotten. It is unfortunately tending to be forgotten by India's present rulers. This must be remedied and in time.

We are all for extending a friendly welcome to the British Queen come to visit our country. We are against the occasion being misused for a demonstration of servility or expression of gullibility on the part of any section of our countrymen. India's self-respect and honour must come before everything else.

# SAVE LAOS!

THE situation in Laos continues to cause the utmost concern to all who uphold the cause of peace and national independence. Increasingly blatantly the US imperialists are sending in their war engines—rocket-equipped airplanes being the latest example.

Side by side they are doing their best to whip up the SEATO forces to move in openly. The SEATO Council has been called into emergency session twice last week. Secret plans are said to have been drawn up to first send in a battalion of Thai troops on the pretext that the Boun Oum "Government" has "requested" them to come.

It is not precluded that if the SEATO members fail to jump quickly enough to the crack of the master's whip, that the US will go it alone. Admiral Harry Felt, Supreme Commander of U.S. forces in the West Pacific had stated on January 5 that his "forces were ready for any action necessary".

The Associated Press of America reports from Washington that "the U.S. top military command stands ready to carry out any operation that the White House might deem necessary for aiding Laos in its announced fight against the Communists".

All these bellicose gestures are a manifestation of panic. The puppet forces of Nosavan and Boun Oum are reeling before the well-delivered blows of the Royal Laotian and Pathet Lao forces. The rebel stronghold of Luang Prabang is under encirclement. The Government of Souvanna Phouma continues to function and the Prime Minister has spurned all offers for him to go to Vientiane, under temporary control of the rebels.

The Soviet Government has issued a stern warning to the U.S. that it will have to face all the serious consequences if it continues its intervention in Laotian affairs. It is clear that the days are gone forever when the imperialists could export counter-revolution as and when they pleased.

Prime Minister Nehru has correctly called for the reactivation of the Supervisory Commission set up under the 1954 Geneva Agreement. This Commission must formally, officially and immediately begin work and establish contact with the legal Souvanna Phouma Government.

Simultaneously it is necessary to urgently respond positively to the Cambodian proposal that a conference be convened of the 1954 Geneva Conference participants, including the U.S., the countries represented on the Supervisory Commission and the neighbouring countries of Laos—Burma and Thailand.

It is such swift action alone that can prevent Laos erupting into another Korea with the most dire consequences for Asian security and world peace.

## Garhwal

# ANTI-COMMUNISTS ROUTED

From DHOUNDIYAL

THE New Age has repeatedly exposed the false propaganda against the Communists in the border areas by authentic stories that the local Congress leaders and even the nationalist papers have been saying the opposite of what the monopoly-controlled press writes and the tallest Congress leaders mouth to advance their reactionary partisan political aims.

However, the well-greased, high-powered propaganda directed from Lucknow and New Delhi, with the Prime Minister himself in the game, could not but produce some ripples in Garhwal as well.

The local Congress weekly Satyapath had once in its issue dated June 22, 1960, admitted that "There is no concrete evidence of any anti-national propaganda by the Communists." Now, it tried to change the tune and echo the New Delhi press in its issue of October 22, 1960.

## Borrowed Story

It wrote a front paper entitled, Samiyavadien Ke Bharat-virodhi Parachar Men Biddhi (Increased anti-Indian propaganda by the Communists) and stated "According to reports in New Delhi, the Communists in public meetings are openly supporting the Chinese claims on Indian territory. For example it has

been found that the Communists in Garhwal are openly saying that because Yami and Thanyi villages have Chinese names so they belong to the Chinese".

As the Secretary of the Garhwal District Committee of the Communist Party, I served a notice on the editor of the Satyapath on December 5 that by publishing this news defamatory and libellous aspersions had been cast against the Communist Party in Garhwal and called upon the editor to contradict the news item or face the consequences.

## Prompt Clarification

Promptly enough in its issue of January 1, 1961, the following "clarifying" statement appeared:

"In Satyapath's 22 October, 1960 issue the news that was published under the caption Samiyavadien Ke Bharat Virodhi Parachar Men Biddhi, we had taken it from a responsible paper. We had nothing to do with anyone in particular." The newspaper readers will recall that the original story about these villages had first appeared in Hindustan Times.

November last year the PSP General Secretary N. G. Goray and the deputy leader of this notoriously anti-Communist

## Quiet Cowards

In their speeches they did not dare say a word about anti-Indian activities of the Communists in the border areas. On this very issue their party kicks up so much dust throughout the rest of the country. Here they themselves seemed to have realised that if they indulged in any such false propaganda in the border area, it will not only cut any ice but rebound against the prestige of their Party itself. Therefore, when the PSP leaders come this side they keep their mouths shut on the problem!

The veteran, Chandra Singh Garhwal, of the famous Garhwal Rifles revolt in Feshwar, has grown very old but he became so indignant against the Jan Sangh and PSP slanders and pained over Pandit Nehru getting influenced by false propaganda.

He has publicly challenged the PSP and Jan Sangh leaders to contest any Parliamentary or Assembly seat in Garhwal or Chamoli districts against him on the straight issue of anti-Communism. His challenge remains unanswered.

# VINDICTIVE REPRISALS IN GWALIOR

From H. N. UPADHYAY

THE credit of inflicting most merciless blows of victimisation on the employees goes to K. S. Bhandari, the Accountant General of Madhya Pradesh, Gwalior, who has so far sacked thirteen employees and imposed the penalties of reversion to lower post, reduction of pay, and stoppage of increment in more than 25 cases, in the post-strike period.

## Union Hater

It is learnt that ever since he took charge of the office, it had been his endeavour to disrupt and destroy Employees' Association. The Association had so far been able to resist all his moves. In December 1958, he imposed an "Accounts Club" on the employees. It was supposed to be a forum to afford the employees recreational activities but in reality was meant to be a rival body. But the clever move of counterpoising the employees against each other was successfully resisted.

He then tried to impose on the employees a superfluous examination, which was not held in any other audit office. The examination was boycotted by the employees in toto. Enraged by this he availed

the god-sent opportunity of the aftermath of the Central Government employees' strike to teach the leaders of the Association a lesson, and sacked all the office-bearers of the Association.

The unfortunate situation caused grave concern and the Municipal Corporation in a unanimous resolution deprecated the bureaucratic attitude of the Accountant General and urged the reinstatement of the employees who were deprived their means of livelihood.

When Radha Charan Sharma, M.P. (Congress) sought an interview with the Accountant General to acquaint himself with the situation, the Accountant General had the audacity to refuse the interview, and thus insult the electorate of Gwalior.

## Victimisation Galore

Commenting on this editorially, the local daily Madhya Bharat Prakash said: "In the age of democracy, refusal to meet a Member of Parliament, is not only an insult to that particular Member of Parliament, but also to the seven and half lakh population of the Gwalior constituency".

Another daily Jan Pravah also editorially condemned the victimisation unleashed

by K. S. Bhandari and said "Naturally one is inclined to wonder whether in this victimisation the officer is not settling his old scores. Are the higher authorities going to sit pretty when this veritable massacre and orgy of vindictiveness is going on in the beautiful city of Gwalior?"

## Staging Show

After the withdrawal of strike, the only activity which the Association conducted was that of rendering financial assistance to the victimised employees. The Accountant General was not able to view this with pleasure, and he issued a charge-sheet to the newly elected Joint Secretary for being a member of the de-recognised Association, with the avowed object of removing him from service. Now inquiry proceedings have also been instituted against him.

After having seen that no amount of victimisation could intimidate the staff from rallying round the Association, he persuaded some of his agents to stage a puppet show in the form of a social gathering, presumably to create an atmosphere where the Accountant General could boast that having removed the mis-

\* SEE PAGE 13

# SCRAP-BOOK

## CONGRESS "AUSTERITY"

THE 66th session of the Indian National Congress held amidst self-styled austerity is already reported to have cost rupees twenty lakhs. Glimpses of the session were reported in the previous issue. A Bhavnagar correspondent has sent some more interesting material:

Hutments were erected for all the Chief Ministers in Sardarnagar but being VIPs they felt that mere huts were not fit for their habitation and instead stayed in the Bungalows of their disciples, the rich of the town.

The sponsors of the Khadi-Gramodyog exhibition claimed that the exhibition had nothing to do with the 66th session of the Congress. But right on the entrance ticket itself it was printed that the exhibition was being held on the occasion of the 66th session of the Congress!

Anxious to popularise Khadi and products of Gramodyog the sponsors thought it desirable to have a ticket of 20 naye Paise too! But they had their own justification—lots of money was spent on the exhibition itself. Its entrance gate alone cost Rs. 40,000.

This, however does not mean that State Government was lagging behind others in the race to make the session a real MeLa. The entrance gate of the Gujarat Darshan (a Gujarat State Government-sponsored exhibition cost Rs. 80,000.

It is said one artist Kanu Desai has been paid Rs. 1,10,000 for supervising the art-section as well as painting some pictures while other lucky "painters" were also paid Rs. 10,000 each. The State Government it is learnt had sanctioned Rs. 10 lakhs for this show.

At Sardarnagar a railway station was specially constructed although this place is linked by narrow gauge with Bhavnagar. Obviously the purpose was to bring the Congress-horses right up to Sardarnagar.

Ordinarily one would call all this misuse of public money, or in plain words a disgusting waste. In the Congress dictionary, however, austerity possibly has a different meaning.

## QUEEN'S SYCOPHANTS

THE Government of India is madly spending money in organising what is being described as a befitting reception for Queen Elizabeth II of England. Round-the-clock work is progressing in the Ramliya grounds to build a dais and decorate the maiden. For this alone the Delhi Municipal Corporation is spending a sum of Rs. two lakhs.

Many a road in the capital is being given a new

look, steel railings on both sides are being put up and special arrangements made to flood-light important buildings. The statue of the late King George V at India Gate is being repaired. Some people say that all this is going to cost close on Rs. two crores!

The authorities are indeed trying their very best to bring back the days of Viceroyal lavishness. At Rashtrapati Bhavan, the Dwarika Suite, where many an important personage of the world has stayed in the past is being re-done for the royal visitors. The bed-chamber is also getting a new look and is being furnished in Western style.

Our Rashtrapati and the Queen Elizabeth will drive together in state to the saluting base on Rajpath on the Republic Day. Perhaps, they will also take the salute together—an honour which has been paid to no foreigner.

Looking at all this the old people are reminded of the Delhi Durbar—the Convocation of the late King George V. The Marwari and British-controlled press in India are harping on the great significance about the "cordial relations" and "unusual quality" of equality between a former ruler and former subject nation. They seem to forget the fact that India became a sovereign State not because of the mercy and good-will of the Royal family but as a result of the relentless struggles of her own people.

On occasion of the visit is being used to flood the Indian press with propaganda features with dainty tid-bits of the British Royalty's personal life. It is also being made out as if in Britain every thing is sailing smoothly under Her Majesty's rule. Very little is being mentioned in the Indian press about the real conditions in that country today.

Here, however, is an interesting bit from the British press itself: "The London American published a letter from a British reader in one of its recent issues which reflects the strong anti-American sentiment of the British general public.

Bill Wallace, the author of the letter, pointed out: "One cannot avoid the re-sounding fact that Britain has quietly and almost, we fear un-alterably become an American Satellite".

Refuting the pretext that American forces came to Britain for the protection of the Island, the author asked them "to take your Polaris-sub, your nuclear missiles and that drunken, sex-starved mob which passes for an army and permit us to contemplate our fate, in our time, in our way". What does Elizabeth II have to say about these sharp remarks of one of her subjects?

## AGRADOOT

January 16

## DARJEELING

# COMMUNIST STAND ON REGIONAL AUTONOMY

EVER since Professor Hiren Mukerjee, M.P., went to Darjeeling and spoke in a public meeting there, the Right-wing press stepped up a barrage of anti-Communist propaganda distorting our Party's demand for regional autonomy for this area. They denounced it as a separatist move and mischievously linked it up with the border issue.

The demand for regional autonomy is not new. It is being persistently advocated by our Party for the last 15 to 16 years. Once again, the Darjeeling District Council of the Communist Party of India has issued the following statement to clarify the Communist stand on the question of regional autonomy:

## False Charges

Recently a barrage of anti-Communist propaganda based on distortion has been launched by certain newspapers against our Party for our advocacy of the demand for Regional Autonomy for the hill peoples of Darjeeling.

This propaganda may be partly due to genuine misconception about the demand and partly due to a deliberate intent to create doubts about the justness of the above demand in the minds of the democratic people of West Bengal.

Hence, it is necessary once more to clearly state the broad principles and features of the concept of Regional Autonomy as advocated by us.

Firstly, the demand for Regional Autonomy is not the demand for a separate state. We demand Regional Autonomy within West Bengal, within the economic and political frame-work of the state and its Five Year Plans. Our Party has clearly stated that the economy of this district is closely bound up with that of West Bengal. Moreover, the sympathy and support of the powerful democratic movement of West Bengal is the best guarantee for the fulfilment of the just and legitimate aspirations of the hill peoples.

Our Party has consistently striven to forge the unity of the hill peoples with the democratic forces of West Bengal in the struggle against the anti-people policies of the Congress Government, and for the all-round improvement of the standards of living of the entire people of the state.

## Spirit Of Constitution

Secondly, the demand for Regional Autonomy is not against the spirit of the Indian Constitution. The principle of Regional Autonomy for minorities with a distinct linguistic and cultural entity within a state constituting the majority of the population in a particular region has been incorporated in the Constitution in its Sixth Schedule, which has provided for the formation of autonomous District

Councils for certain tribal regions of Assam. That principle can be extended to regions in other States where similar conditions exist and may be applied according to the specific conditions prevailing in the region concerned.

Thirdly the broad features of our concept of Regional Autonomy in this particular case have been publicly stated more than once during the last few years by our Party.

## Broad Features

The formation of an autonomous region within the State of West Bengal comprising mainly of the three hill sub-divisions within the district of Darjeeling where the Nepali-speaking people constitute the overwhelming majority of the population.

This region will be represented in the State Legislature and will be under the general supervision of the State Government.

The maintenance of law and order in the autonomous region would be the responsibility of the State Government.

The responsibility of developmental activities namely the development of industry, agriculture, trade, public health, social welfare, local self-Government, education and culture, etc., will be entrusted to a Council elected by adult franchise.

The linguistic minorities in this region would be adequately represented in the Council.

The fundamental rights of these minorities would be safeguarded.

If this principle is accepted and applied in practice then there would be no difficulty in working out the details of procedure by mutual consultation and agreement.

The principle of decentralisation of the responsibility of executing local and regional development activities, by entrusting the same to elected bodies has been accepted as one of the cardinal principles of the Five Year Plans. This has been accepted as the lever for building democracy from below and for unleashing the creative energies of the people.

It is all the more necessary to apply the same principle in the case of people with a distinctive linguistic and

cultural entity inhabiting a particular region. Recognition of their distinct identity does not mean separatism or parochialism.

It is by accepting the fact of distinctiveness and providing a healthy outlet for their urge for development that the sentiments of emotional integration with the majority of the population of the State concerned can be encouraged and realised.

As the elected Council will work within the broad framework of the Plan, there need not be any misapprehension regarding conflicts arising between the State Government and the Council. If the principle of the Constitution is sincerely worked out then any difference of opinion can be settled by democratic means.

Differences of opinion no doubt arise between the Centre and the States, between the State Government and the local self-government institutions etc. Genuine democracy provides for the settlement of such differences through democratic means.

The possibility of differences growing into conflicts should not be unnecessarily exaggerated because in this case decentralisation takes the form of Regional Autonomy. If fundamentals of democracy are not adhered to then conflicts do and can arise in all cases.

The bogey of this region being a deficit one in food and finance need not be raised in this connection. The development plan for the autonomous region will be formulated and worked out as an integral part of the State Plan, one complementing the other.

Even under the existing set-up these deficits are there and that is due to the failure of the Congress Government to develop the resources of the entire State as well as those of this district. That again is due to the anti-people policies of the vested interests.

If the enormous natural resources of this region are properly developed with popular cooperation and the aim of genuine welfare of the people then these resources can contribute not only to the betterment of the living and cultural standards of the people here but also to that of the entire people of West Bengal and India as a whole.

We, therefore, appeal to all democratically minded people to consider the above in a dispassionate manner.

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DOCUMENTS OF THE MEETING OF COMMUNIST AND WORKERS' PARTIES  
Moscow, Nov.-Dec. 1960.  
20 nP.  
Book your orders for Urdu edition also shortly getting ready  
20 nP each  
Single copy postage 25 nP.  
PEOPLE'S PUBLISHING HOUSE (P) LTD., Rani Jhansi Road, New Delhi  
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# SOME FEATURES OF STATE CAPITALIST PATTERN IN INDIA

by  
**R. A. ULYANOVSKY**

**A**FTER the achievement of the independence of the state the liquidation of the technical-economic backwardness in India is most imperative. Whereas in 1947 the population of India consisted of approximately 335,000,000 people, that is 15 per cent of the population of the capitalist world, India's share in the industrial production of capitalist countries was only .75 per cent.

This gap can be overcome only by the industrialisation of the country. This is obvious to all the classes of modern Indian society.

The development of the industry and agriculture of India, the consolidation of its independence is taking place along the lines of capitalism. This is in the interests of the national bourgeoisie. At the given stage the interests of the national bourgeoisie in the defence and strengthening of its independence coincides with the national interests.

The toiling masses of the people are the most consistent fighters for the consolidation of national independence and for that economic progress which will rid India of the most severe and unfortunate consequences of English colonial domination and the menace of new forms of colonialism. During this process of national reconstruction the toiling masses defend their own class interests.

The toiling masses and the national bourgeoisie each have their peculiar approach to the question of the industrial and agricultural progress of the country. These approaches are different.

They are characterised by very sharp and principled differences on the question of wages, on the institution of agrarian reforms, on the question of foreign capital, local monopolies, taxation by the state, the utilisation of the profits of the bourgeoisie and incomes of other owning classes for economic development.

Nevertheless, the interests of the economic reconstruction of the country in the struggle against colonialism, in the struggle for consolidating the independence of the state, in the struggle for peace among people—all these created a certain basis for the general national unity in present Indian society.

## Class Contradictions

However, this does not exclude the growth of class contradictions inherent in any bourgeois society where the anti-imperialist and anti-feudal transformations have not been fully completed.

Though India has wrenched herself free from the system of colonialism, it has with all its great natural resources and man power, remained in the system of world capitalism and, of course, is subject to the laws governing its development. For two centuries the British colonialists held political power in their hands in India and considered it as an appendage of the metropolis to supply it with agricultural products and raw materials.

They deliberately hindered the development of the productive forces of India, preserving pre-capitalist remnants in its agricultural system. At present India is striving to gradually break off the old colonial ties with the metropolis.

India is undergoing many

difficulties in doing this. The socialist countries of Asia have overcome such difficulties long ago as they were able to break away from the system of world capitalism at the time they achieved national independence.

The difficulties which India is experiencing in its economic development are the result of the laws governing the development of national capitalism, and also the result of its national capitalism being dependent on world capitalist economy.

It is a well known fact that in countries which have achieved national independence and which have consolidated their system of people's democracy, at the beginning practically extended reproduction and then simple reproduction was excluded in capitalist economy.

## National Capitalism

At a certain stage of development, capitalist and pre-capitalist relations are transformed here into socialist ones. In independent India the development of the economy is taking place along the lines of national capitalism and at unprecedented tempo, mainly in state forms.

At the same time the position of foreign capital has been preserved to a significant degree and even to a certain extent has become even stronger in India. This phenomenon has been done away with long ago in the Asian countries which have fallen out of the system of capitalism.

The exploitation of the people and the natural resources of India by foreign monopolies greatly hinders the economic development of the country. A number of specific difficulties which are encountered no longer in the Asian countries of people's democracy, are the result of the unresolved agrarian question and the slowness with which bourgeois-democratic transformations of the agrarian system of the country are being realized.

The strengthening of the world socialist camp and the disintegration of the colonial system of imperialism radically changed the international conditions affecting the development of India. India has begun to overcome its economic backwardness and is fighting perseveringly for its economic independence.

In the last few years India's industry has achieved a great deal. With the aid and active cooperation of socialist countries, independent India is exerting great efforts to change the internal structure of its economy by creating the national production of the means of production. On this basis India is striving to reorganize the system of its relations with the world market. It is trying to change the character of its trade with capitalist countries of being the supplier of raw materials and agricultural products.

This is one of the outstanding features of the economic development of India, which began its industrialisation before other economically weakly developed countries had. To a very great extent foreign capital has lost its former monopoly on the internal market of India and on the world foreign market.

## Nationalisation Helps

This is especially so in the field of supplying industrial equipment, the transfer of technical information and in the training of engineering-technical and scientific personnel.

The transfer of enterprises, firms and entire branches of the economy into state property and in the first place, the nationalisation of the property of foreign capitalists is, as has been shown by experience, the most consistent, economically and politically favourable means (for the people) of creating the material-production basis of the state sector.

The historical experience of the Soviet Union, the Chinese People's Republic and all countries of the socialist camp, also the experiences of the Republic of Indonesia, the United Arab Republic, and several other countries of the East and Latin America, have shown this to be so.

Politically, the nationalisation of the property of foreign capital in so-called weakly developed countries is, as a rule, the natural result of the national-liberation revolution and is the result of the power of the national state supplanting the power of the colonial power.

Economically, the nationalisation of foreign property creates the material basis for the economy of the national state. It undermines foreign influence on the internal life of the country and creates the best prerequisites for the further broadening of the state sector in the economy as the basis of reconstructing the national economy.

The building of enterprises at the expense of state capital investments is a long and difficult way of creating a state-capitalist economy. This causes a great though a temporary critical tenancy in the weakly developed economy of the country.

## New Situation

The correlation between two methods of forming the state-capitalist sector, that is, the nationalisation of existing foreign or home enterprises and the building of new state enterprises, the advantages of using one or another method at different stages of the formation of state capitalism—all these depend upon many factors and first of all, on the correlation of the class forces within the country and on its international position.

The disintegration of the colonial system of imperialism, the consolidation of the power of the world socialist system, the sharpening of imperialist contradictions and a number of other factors, as has been shown by the experience of the nationalisation of the Suez Canal in the United Arab Re-

public, the nationalisation of Dutch property in Indonesia, etc.—all these create favourable objective prerequisites for the nationalisation of big foreign property.

The policy of developing state capitalism which was the basis of the Second Five Year Plan in India and a number of other Indian plans, included neither the nationalisation of private foreign concerns, banks, plantations nor the adoption of measures against the acquisition of enormous profits by private foreign capital.

The unrest of the progressive circles in India in this connection is justified, the more so as in 1957-1959 there was a marked increase of West European and American capital and a number of concessions were made to attract this capital.

## Public Sector

It is a well-known fact that the construction of state-capitalist enterprises is taking place also in weakly developed countries where there is no industrial bourgeoisie, and industrial development is only at the initial stage (i.e. Afghanistan, Ethiopia, Cambodia, Sudan, etc.). Therefore, the policy of developing state capitalism is not always the result of the existence of an industrial bourgeoisie in sovereign though economically weakly developed countries.

However, in the process of time and in connection with the increase of the internal social contradictions and foreign influence on the home and foreign policy of these states, these state-capitalist enterprises became privately owned, that is, they were sold to private capital.

This is evidence of the gradual abandonment of the principles of etatism in economic transformation. However, in these countries at the present time enterprises and branches of economy remaining in the hands of the state can objectively oppose the penetration of foreign capital in the people's economy.

In those countries where there is no industrial bourgeoisie as yet the trading bourgeoisie which is linked with landowners and usurers, and sometimes landowners which have gradually become part of the bourgeoisie, become the initiators of such a policy.

Under the present conditions the development of state capitalism in economically weakly developed countries is caused by deeper reasons than only the interests of the ruling classes. This is determined by the natural strivings of a nation which has freed itself from a foreign yoke to achieve economic independence.

This is the decisive condition if a state is to consolidate its state sovereignty and the political independence of the country. The ruling classes which are pursuing their own class aims—the preservation of their own political domination—are interested in the development of state capitalism.

## National Interests

The national interests in realizing such an economic policy often come into conflict with the interests of the higher strata of society, and in such a country as India these interests clash with the interests of the big and monopolistic bourgeoisie. But, as the masses of the people resolutely defend and strive to achieve the consolidation of political and economic dependence, they become further interested in the consistent development of state capitalism.

At certain stages of development and on a number of principled questions the representatives of the private capital sector oppose the state sector and are in favour of weakening, and even curtailing state capitalist measures.

## Ending Colonialism

Practice has shown that the gradual liberation of the economy of weakly developed countries from foreign dependence is more successful when the state-capitalist form of economic development becomes the leading or even the dominant one, and on the whole, the state takes a firm anti-imperialist and anti-colonial position.

Several economically weakly developed countries of the Near East, which have achieved state sovereignty have successfully created a state capitalist sector in industry even at the first stage of the general crisis of capitalism.

However, in the process of time and in connection with the increase of the internal social contradictions and foreign influence on the home and foreign policy of these states, these state-capitalist enterprises became privately owned, that is, they were sold to private capital.

This is evidence of the gradual abandonment of the principles of etatism in economic transformation. However, in these countries at the present time enterprises and branches of economy remaining in the hands of the state can objectively oppose the penetration of foreign capital in the people's economy.

In economically weakly developed countries the bourgeoisie in spite of the acute economic contradictions with foreign capital, is not always able to consistently withstand imperialist pressure. This is explained by its social peculiarities. First, the existence among the bourgeoisie of a great number of comprador or semi-comprador elements.

Second, the participation of the bourgeoisie (through private land ownership, trading and usurious operations) in the semi-feudal exploitation of the peasantry. Lastly, its lengthy subordination to foreign capital and close economic ties with it.

## Compromising Bourgeoisie

Circles of the national bourgeoisie which are less stable and, therefore, more inclined to compromise make concessions to foreign capital and bring pressure to bear on the state. They strive to weaken the state's efforts to create the state capitalist sector of the economy. To a lesser or greater degree similar phenomenon can be observed all over.

In India the native economic policy of the state is being carried out under conditions when the monopolistic circles of the bourgeoisie, which have arisen and developed under the conditions of colonialism, were unable to set up their own undivided political power in the country.

The monopolistic amalgamations of the big Indian bour-

geoisie utilise different links of the state apparatus as a means of enriching themselves at the expense of the masses of the people. They increase the exploitation of the toiling masses attempt to implant political reaction and to change the foreign-political orientation of the country.

However, at the present time, in spite of the support of feudal - comprador elements they have been unable to compel the ruling circles of India, to reject the policy of peace and non-participation in aggressive military blocs. The pressure exerted by the masses of the people and the progressive public who are in favour of first, a neutral foreign policy; second, for cooperation with the socialist camp; third, for the utilisation of the traditions in the imperialist camp—this pressure has had more effect than the demands of the monopolistic bourgeoisie.

Several economically weakly developed countries of the Near East, which have achieved state sovereignty have successfully created a state capitalist sector in industry even at the first stage of the general crisis of capitalism.

## Industrial Growth

National capitalism, the interests of which are represented by the state power of India, is as yet young from the viewpoint of the length of its independent existence and weak from the point of view of the rate and scale of accumulation. Its structure is backward. It is immature as the petty-bourgeois forms of ownership predominate in the country. This national capitalism demands rapid development in an epoch when capitalism as a whole (as a world system) is on the downgrade and the forces of socialism are growing and becoming stronger all over the world.

The policy which the Indian Government has adopted at the present time, of accelerating the development of the productive forces by creating a heavy industry in a relatively short time should eliminate the constant menace of imperialism using the economic backwardness of India to re-establish its domination.

This policy should create the basis for the transformation of the entire industry of the country and should create the basis for the rise of agriculture and give work to the people. There are more than 40,000,000 partially or fully unemployed. Such an economic policy undoubtedly corresponds to the needs of the nation.

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## Monopolist Strata

In India the British imperialists possessed colonial state - capitalist monopolies seizing big branches of the economy (railroad transportation, war-plants, banks, foreign trade, irrigation, insurance, etc.). In essence this was a continuation of the domination of state-monopolistic capital of the metropolis in the colony.

The transfer of these branches of the economy into the hands of the national state as a result of India winning its independence and the consequent nationalisation of part of the property of foreign capital by the sovereign state, deprived this property of the traits of colonialism which was characteristic of it formerly.

The monopolistic strata of the national bourgeoisie were unable to make the bourgeois state and its property the instrument of its monopolistic domination. In spite of their importance they are com-

attempt of the monopolies to seize the leadership of the country into their own hands. On this basis is the front of democratic forces being formed against both foreign and home monopolies. The question of the scope, manner and effectiveness of state intervention in the development of the private-capitalist sector of the economy has become one of the basic questions of class relations in India long ago.

On this basis is the front of democratic forces being formed against both foreign and home monopolies. The question of the scope, manner and effectiveness of state intervention in the development of the private-capitalist sector of the economy has become one of the basic questions of class relations in India long ago.

## Favourable Development

In India as well as in other economically weakly developed countries, where the productive forces lag unusually behind the level reached by industrially advanced states, the transition to comparatively large scale state form of bourgeois ownership, (the economically ripest form) creates favourable possibilities for the accelerated development of the productive forces.

By diminishing the necessity of keeping within the framework of private capitalist or monopolistic ownership and by utilising the highest form of bourgeois ownership on a national scale (that is, Government ownership of nationalized enterprises and those created by the Government itself) the Government of India and other similar countries have accelerated greatly the preceding states of capitalist ownership being skipped.

Objectively this is very favourable for the entire historical process and for those countries approaching socialism. It is natural that the home, big and monopolistic bourgeoisie and representatives of foreign capital strive to set up the local petty and middle bourgeoisie against state capitalism, depicting this as an antipode to "free enterprising".

If in economics the policy of developing the state sector accelerates the process of capitalist industrialisation in India, then as regards to social-political questions this enables the ruling circles to come before the masses with the conception of building the socialist model.

## Class Struggle

However, in no way does this signify that the policy of developing state capitalism presupposes the weakening of the class struggle. On the contrary, it acquires even greater scope though often its forms may not be so apparent.

Big Indian capital wishes the state to assist in the enrichment of big capital. It desires that small and middle enterprises be subordinated to it. The working class and wide masses of people actively support those measures of the state which are for greater control over monopolies, those measures which increase taxation on the profits and superprofits of monopolies and those which suppress all

pelled to take cognizance of the force of democratic socialist ideas and the anti-capitalist moods of the broad masses of India, and cannot ignore the new conditions of development of India.

At a certain period the economic and political struggle of the working class and all the democratic elements of society consists in supporting anti-imperialist and anti-monopolistic state capitalism as the most progressive means of bourgeois development in so far as the latter is not eliminated by the socialist revolution.

In connection with the problems of the further development of modern India three main tendencies are being more clearly noted. They are as follows:

## Three Tendencies

1. The working class and the social strata close to it, are carrying on a struggle for the socialist way of development as the main new way, opposed to any form of capitalist development.

2. The growing national forces (the working class and the strata close to it, play the most important role here) demand the nationalisation of the property of foreign capital, the limitation of the activities of home monopolies and a consistent anti-landlord agrarian reform. Under the pressure of these forces the ruling circles are carrying out progressive transformations in the field of economics.

3. In the field of foreign policy they are pursuing a policy of active neutrality and non-participation in aggressive blocs. At the same time the national bourgeoisie is striving to carry out the technical-economic reconstruction of the country by making certain concessions to foreign capital and to landowners.

There is a growth of the resistance of the right elements of the big bourgeoisie and reactionary landowners who strive to, by all means, not to permit or in any case, to weaken the effectiveness of progressive social-economic internal transformations. They try to change the foreign policy of the Indian state so that it be pro-imperialist.

Thus, the question of the character and the ways of the further economic development of India has become an all national problem, the pivot of the class struggle and the main and inner class contradictions among the bourgeoisie. These contradictions have ripened during the entire period preceding the sovereign development of the country.

## Foreign Capital

In all weakly developed countries the struggle for democracy is first of all the struggle for nationalisation of foreign capital, for the limiting of the economic power of big capital and monopolies. This has been demonstrated by the experience of many years. This struggle interrelates with the monopolies subordinating the economic and political life of the country to themselves.

The development of the state sector is one of the means of fighting the monopolies. The progressive forces of economically weakly developed countries quite justly consider the development of this sector as the most democratic way of bourgeois development. The toiling masses have some basis for considering that under certain conditions this may facilitate the transition to socialism. Let us consider from the point of view of the development of state capitalism some of the main economic problems which have been confronting India during the last few years.

From 1956 to 1958 there was a great shortage of internal and external resources to finance the Second Five Year Plan of the development of India. The forced increase of state expenditures for capital investments both at the expense of greater taxation of the masses and by the aid of growing deficit financing had proven to be insufficient to ensure greater employment and crisisless development.

There is no doubt that state enterprising is one of the bases for the present economic upsurge in India. Enormous state investment in production which have amounted to 45-50 milliard rupees in the last eight to ten years have created exceedingly favourable conditions for the development of Indian economy. In the process of reproduction very much depends on the scale of state investments, on government orders and on the output of the state sector, especially in the production of the means of production.

## Market Anarchy

However, the fact of the growth of the state capital sector (so far, at the initial stages being greater in the field of capital construction than in the field of industrial production) does not affect and cannot abolish the laws governing capitalism.

The unfavourable consequences of all the above on the development of the productive forces make themselves felt in spite of all the attempts at state planning. The economic development of India during the recent decade and especially in the last five years has resulted in a steady, gradually increasing new capital accumulation in industry and the supplanting of old main capital in the industry, in electric power stations, transportation and to a certain extent (though incomparably less) in agriculture.

The liquidation of colonial imperialist monopoly and the consolidation of the independent national state, which had begun the industrialisation of the country and the institution of progressive reforms—the above is the main political-economic basis for a deep process of renewing the basic capital and broadening the internal market.

## Rising Investment

In the country there is a constant increase in the volume of investments of the state and of private capital in new objects. Big amortisation sums (which had accumulated over a period of tens of years) are being spent to replace equipment in old plants and to extend old or to build new industrial sites.

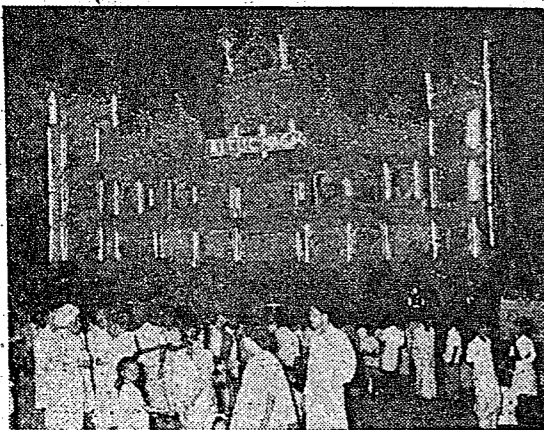
This has caused the productive capacities, especially in the second subdivision and even partially in the first, to

## Economic Laws

Indian bourgeois economists do not disclose the laws governing the development of state economy. They do not base themselves on a study of the class nature of bourgeois society and the state.

# SALUTE COIMBATORE!

## Glimpses Of AITUC Session



The AITUC Nagar at night

IMAGINE yourself watching an entire division of an army, 25,000 strong, marching in measured steps along a four-mile route with clockwork precision, carrying thousands of Red banners with TUC inscribed on them and lustily shouting slogans in chorus. That was what I saw with my own eyes in Coimbatore on January 12 as I covered the procession and rally marking the grand finale of the 26th session of the AITUC. It was an unforgettable experience.

I have seen bigger processions during my 18 years of journalism and louder demonstrations too. But never before have I been struck by such a remarkable combination of enthusiasm and orderliness, of militance and discipline in a collection of 25,000 men and women going in a procession.

In Delhi every year elaborate rehearsals ensure timing on the Republic Day Parade and other VIP celebrations. But in Coimbatore, this trade union procession had no rehearsals. Yet the organisers calmly told me beforehand that it would take exactly two hours to cover the route, and almost to the very minute, the huge procession clocked in at Chidambaram Park for a one-lakh strong rally after making punctual start from its musterpoint four miles away.

### COLOURFUL PROCESSION

This was entirely a workers' procession. They came in bulk from textile mills and plantations, as also from cement quarries, engineering works, handloom centres, from tanneries and beedi factories, from among municipal and motor transport workers.

What was no doubt its most conspicuous feature was the impressive turnout of 2,500 women workers, with a section of them putting on Red Saris leading. No drooping spirits here nor scared looks, they held high the TUC banner and vigor-

ously shouted slogans that put across all calls sent out by the AITUC session itself, from "Hands Off Congo" to the demand for dearness allowance linked with cost of living index, from the fight for peace to the fight for a national minimum wage.

Thousands lined the streets to greet the procession. At some places rose petals were showered on it by men and women who have nothing to do with the trade union movement. Next day the people were talking about the procession in the town, that nothing like this had happened before.

The rally of one lakh which came as its culmination—addressed by Dange, by the representative of the World Federation of Trade Unions and leader of the Soviet Trade Union delegation—was regarded as a record-breaking one for the city.

Labouring people in Coimbatore turned up in large numbers irrespective of their affiliations. While workers could persuade the managements in most of the mills to close for the afternoon rally, bosses at Varadraja and Chandra Mills, where the Hind Mazdoor Sabha is active, refused to comply with the workers request.

### WORKERS' TURN-OUT

But after lunch the workers in these two mills walked out in a body and not even a

frame was running. Even the HMS following came out and joined the rally. The two millowners are today looking a bit foolish before the other members of the Millowners' Association.

I heard that some outside friends of the Reception Committee were worried that the rally not coming off on a Sunday might have a depleted attendance. The Coimbatore Textile Union leaders, however, were confident of the response to their call. "Any day is Sunday here once the union gives a call", one of them confidently told me and he proved right.

### MILITANT BASE

I remembered what a famous trade union leader had said about Coimbatore's textile workers. Soon after addressing their union's conference for three hours in an alien tongue he had remarked that outside the Socialist world nowhere had he seen such a long and strenuous speech being listened to by such a disciplined working-class gathering.

I have sometimes heard it being said that a militant base of the working class does not command influence among the middle classes, that a trade union stronghold need not necessarily hold sway over the rest of the town. Coimbatore has belied such theorists. Here there was no hauteur of the gentry against the powerful trade unions, in fact the worker in Coimbatore commands the respect of all sections of the people, such being the approach and standing of his trade union leadership.

### UNITED FRONT

It was, therefore, not surprising for the Coimbatore trade unionists—though it was certainly not me—to find the Secretary of the South Indian Millworkers' Association and many leading citizens representing different professions, being present at the inaugural sitting of the AITUC session.

A well-known industrialist of the place G. D. Naidu lent one of his premises to the Reception Committee where the concluding sittings of the delegates' session and other functions could be arranged.

But really the entire responsibility of the AITUC's 26th session, the longest, perhaps, was borne overwhelmingly by Coimbatore's workers. The Reception Committee's entire collection of Rs. 28,000 for the meeting and session expenditure was from the workers and workers alone.

Out of this, Rs. 10,000 came from other districts of Tamilnad, while a big sum of Rs. 18,000 was raised

from Coimbatore District alone. The entire amount was raised from gate collections on a single day early in December, such is the unwavering hold of the AITUC unions over Coimbatore workers.

The AITUC Nagar was set up in a park named after one of Tamilnad's greatest sons in freedom struggle, Chidambaram Pillai. In the fitness of things, the Reception Committee arranged the staging of a drama depicting the great life-story of Chidambaram Pillai in the evening set apart for cultural programme. The production was by a leading drama troupe led by TKR Brothers.

No previous AITUC session had a "Nagar" of its own, complete with a post office, fire-brigade, hospital and tea stalls. A big water reservoir was specially constructed, while the inevitable row of camp latrines, added an extra realistic touch to the temporary township. The beautiful pandal was named after the late Chakkarak Chettiar, former President of the AITUC.

Its front gate with the facade of a Muslim palace made with bamboo and palm leaves used to attract huge crowds, particularly in the evening, when coloured lamps would light it up showing the giant portraits of Louis Salliant, Dange, Mirajkar and Chakkarak Chettiar.

### REAL GLORY

But the real glory of Coimbatore's hospitality, however, lies not in decorations and the magnitude of the pandal. It was seen in the finest volunteer corps that any trade union centre can claim in the country. Only a band of 155 dedicated volunteers ran the entire show. All of them are actual workers from the local mills who took leave for the period of the session.

With all discipline and sense of responsibility that a first class trade union life has imparted to them, these young enthusiasts could be often seen trying to get over the language barrier to talk about matters of common interest to the delegates. Strictest security measures were combined with excellent public-relations behaviour, and it is no mean credit to them that not a scrap of paper was missing during the conference lasting over eight days with nearly 2,000 delegates, observers and staff attending.

**TREMENDOUS WORK**

And the same smartness, discipline and loyalty marked them when 5,000 volunteers from different factories marched at the head of the procession, each carrying a TUC banner on a pole.

★ By NIKHIL CHAKRAVARTY

From the Reception Committee Chairman down to the youngest volunteer, every one of them worked day and night as one team. Dange in thanking them voiced the feelings of the personally checking up every item fixing the programme for fraternal delegates to collecting tickets at the pandal gate on the evening of the cultural show. By such personal example, they could



S. A. DANGE  
General Secretary, AITUC

delegates coming from outside when he specifically mentioned by name N. K. Krishnan and Parvati Krishnan for the great job done.

There was no assignment that these two comrades left for others to do. Practically every train by which delegates arrived was attended by the Reception Committee Chairman herself, with her volunteers, while N. K., as he is affectionately called by his comrades, could be seen



A view of the Session  
(All Coimbatore Pictures by IPA)

in time, flag hoisting was performed duly, and the session commenced as scheduled, the drizzle once more breaking out into a downpour. Unnoticed by the delegates present, the leaders of the Reception Committee arranged alternate accommodation for hundreds of delegates.

A camp was quickly established at Perur five miles away and the Krishnans drove 30 miles down to another town to hire buses immediately transporting delegates during the period of the session.

This "operation Perur" was an amazing feat pulled off in a couple of hours as silently but swiftly as a commando action. Many delegates from Bombay and Calcutta have commented that even in their own cities with all facilities and resources at their disposal such a thing could not have been possible.

### TEAM SPIRIT

On the day of the cultural programme a cloud burst drenched the entire AITUC Nagar. Undaunted the Reception Committee refused to abandon the programme. Instead, they took the step at a great financial loss, of cutting down the sale of tickets only up to the available covered accommodation and giving up the open-air enclosure.

The crowd would try with all its might to see the play. The producers of the drama could not but praise this, for, it told them how the working-class organisation could show respect for cultural standards at considerable sacrifice to themselves.

The team that worked with N. K. and Parvati comes from actual working-class stock. Reception Committee Secretary Chennayyan Ramaswamy, GOC of volunteers formerly employed in the Associated Cement Factory in this district is an ex-millworker who is also the secretary of the textile mill workers' union.

Ganapathi who was in charge of the famous procession of January 12th. Prominent Captain of the volunteers like Subbian, Arogyasami, Vasudevan, Arumuga Mudaliar—are all from textile workers devoted to the work of the Union. And their excellent leadership explains why the local police had hardly any job to do when the crowds turned out for the inaugural day, cultural evening or final procession and rally.

Scheduled procession started

### GREAT COMRADES

The Control Room at the AITUC Nagar was manned by Joseph, a bank employee and Giri, organiser of the plantation union in the Nilgiris. I can hardly remember a single conference where efficiency and comradeship could go hand-in-hand in such equal measure as in the case of these two.

And the same was true of the kitchen commandant K. M. Sundaram, leader of the Motor Transport workers in Madras. Two lawyer friends of Coimbatore workers, Jayaraj and Marudhachalam did not spare any pains to look after the fraternal guests from abroad, no easy job at a district centre.

Behind all this success lies the powerful working class movement. It has a glorious militant record of trade union action under the banner of the AITUC.

The Reception Committee Chairman made references to these: in 1940-at Tirupur, workers struggled for dearness allowance against the rising cost of living during war time. In 1946 textile workers fought a protracted battle against victimisation and in 1948 came 108-day long struggle against retrenchment and increased workload. And as late as 1957, the plantation workers at Valparai had to face police bullets on the Republic Day.

"Such a record of struggle and sacrifice, of unrelenting fight in defence of their interests that the workers of Coimbatore can proudly claim today also. It is also an index of their loyalty to the AITUC, for it is the AITUC unions which have stood at the forefront of these struggles in the last two decades".

### STRUGGLE RECORD

Its significance was evident from the fact that of the 13 flags hoisted in front of the AITUC Nagar to commemorate Tamilnad's memorable working-class actions facing even martyrdom, as many as 11 represented Coimbatore's roll of honour.

To pay homage to one such great action, Dange hoisted the TUC Flag on a crowded roadside in front of the Stane's Textile Mill where 11 workers were shot dead by the police in 1946 during a struggle against victimisation.

But the AITUC in Coimbatore does not live on past glories alone. The District Textile Millworkers' Union has today a membership of 15,000 (a large number of which are women) starting from 4,000 in 1954. Its actual influence extends over twice as many workers as it has membership.

The Union has 25 offices and it actually owns 12 buildings. It runs a fortnightly journal and has in hand two industrial housing projects. With all its record of relentless struggle, it has often given lead in successful united actions, the latest being that for implementation of the recommendations of the textile wage board. According to the South Indian Millworkers Association, this is the only union that can deliver the goods.



Indrajit Gupta on the mike with Mirajkar and Dange on the right. Fraternal delegates in the back row.

In the neighbouring plantations at Valparai, the first AITUC union was formed in 1952, and today it has a membership of over 15,000.

### NEW SPIRIT

Six miles away from the city of Coimbatore situated amidst the foothills of the Nilgiris, Madukkarai is the Associated Cement's biggest factory in South India. When the fraternal delegates at the AITUC Session paid a visit there, Parvathi introducing union leaders said "This is one of the unions run by workers and victimised workers of this very factory. This is an example of the new cadres that are coming up in the AITUC".

The President of the Union Madheson and Secretary Ramaswamy, the GOC of volunteers in the Reception Committee—are victimised workers of the cement quarry.

### INTERNATIONAL UNITY

The union's office building was constructed by the workers themselves, brick by brick, in their free hours, costing half the estimate.

How intensely interested the union members are in the world outside could be seen from Ramaswamy's speech greeting foreign delegates. "The presence of fraternal delegates at the AITUC session shows that the working-class in its fight for peace, economic advance and social justice has got brothers throughout the world".

Appropriately enough the leader of the delegation from the German Democratic Republic Reuther said amidst cheers: "The

same blood runs in the vein of every worker, whichever country he may belong to".

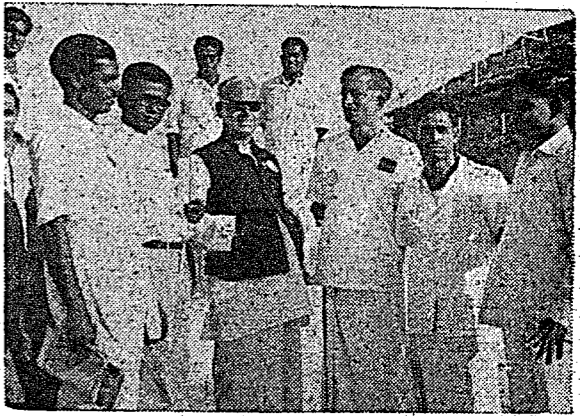
Souvenirs presented by fraternal delegates included three toy-bears. Immediately the Union President announced amidst applause that these would be awarded to the children of those members of the union who would raise the highest collection for the AITUC Building Fund. Tamilnad has so far donated the highest sum and inside Tamilnad, the Coimbatore District heads the list.

### AITUC GAINS

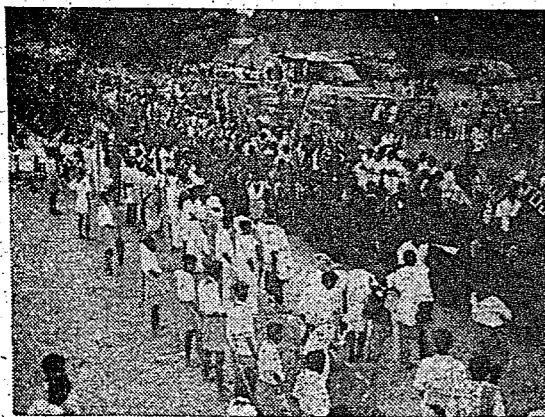
Near Madukkarai, we passed a small place called Kola-thupalayam where at a textile mill the INTUC had a strong hold only three years ago, so much so that at the time of the last general elections, the polling agents of Parvathi Krishnan were actually kidnapped. But today it is the INTUC Union which has been reduced to a small minority and it is the AITUC union which is active and powerful there.

### CLASS HAJESTY

Driving down the road to Madukkarai, I could not but be moved by the picturesque landscape—a sheet of water spreading on one side and the blue mountains beckoning from the other. Along with this beautiful picture of nature I have carried back with me from Coimbatore another piece of beauty—the majesty of human dignity represented by her class conscious worker. Watching him at close quarters strengthens one's faith in the power and discipline and its political role as leader of this great nation of ours.



A. S. K. Ayyangar (with dark glasses in front row) N. K. Krishnan (third from right) and other organisers of the Session.



Women workers in procession

# STATE CAPITALISM IN INDIA

\* FROM PAGE SEVEN

increase in the last few years much quicker than the volume of the actual production. This lagging behind resulted from the slower and limited broadening of the home market.

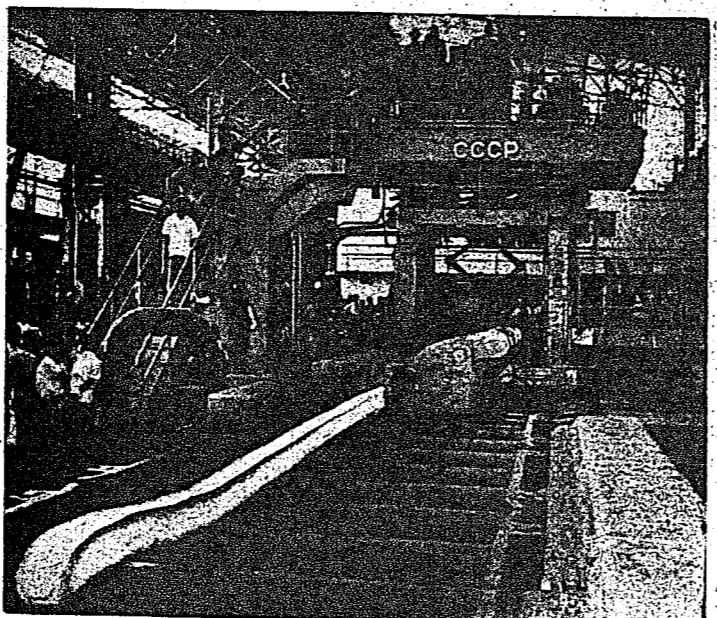
These are the reasons for intensified efforts to find foreign markets for products of the second subdivision and very recently for products of the first subdivision in the countries of South-East Asia,

Africa and the Near and Middle East.

The elimination of British imperialist colonial monopoly has permitted a sharp change in the fields of capital investment in favour of the first sub-division of social production and a change in the structure of these investments. Thus, 65 and sometimes even 75 to 80 per cent of capital investments were expended on new equipment.

(This was due to the acute

Rolling  
Mill  
In  
Bhilai.



needs of the country for new branches of production, which the country had been completely deprived of, or which had been extremely poorly developed. The prerequisite for the transition to wider technical-economic reconstruction had been the development of such branches of production as locomotive and car construction plants, ship-building, initial electric-machine building and the construction of tools and instruments, light-machine building, electric power stations and hydro-electric power stations, chemical fertilizers and organic acids, pharmaceutical industry and war plants.

## New Structure

The full development of ferrous metals, heavy machine building, fuel-electric power stations, oil wells and oil refinery industry—all these have become of most vital importance objectively.

The greater role played by private capital investments have been facilitated recently by the possibility of transferring basic capital into amortization funds, to artificially reduce profits or exempt them from taxation. As a result the industry, which was over-taking the widening of the home market, was used to only 70 to 75 per cent of its capacity during the First Five Year Plan. According to official figures its capacity was only 80 to 85 per cent during the Second Five Year Plan.

Thus, great under-capacity production is by no means only a sign of rotting, over-ripe capitalism in industrially developed capitalist countries. It is also a result of its very anarchic, destructive nature in the countries where capitalism is weakly developed in spite of the state regulation of the economy.

Over-accumulation of the basic capital in relation to the market capacity very clearly evidences the intensification of anarchy. Over-accumulation of basic capital in relation to the market capacity is a very clear evidence of the increase of anarchy in capitalist production and the impossibility of really controlling capitalist accumulation, during the industrial upsurge in India.

Thus, on the one hand, life itself refutes "people's" capitalism which the Indian bourgeois economists extol, often in someone else's words. On the other hand, life itself disproves the obvious insufficiency of half measures and that "state planning" is not necessary for private capital which quite obviously is motivated by its own private interests and not the interests of the state.

The narrowness of the home market and the increasing anarchy of private-capital investments result in the forming of frozen superfluous basic capital. Capitalists do all to have it included in the cost of production and in the final selling price.

The contradiction of so-called mixed economy in which there is the combination of the principles of private-capitalist and state-capitalist industrialisation is clearly expressed in the following phenomenon. Such a mixed poorly planned economy in the process of forming, prices, competition on the market and the race for profits, itself to a great extent, narrows the market which had been created by new investments. This in its turn creates the possibility for the growth of crises of industrial overproduction.

## Inadequate Planning

Another contradiction, which hinders the development of the home market and which is linked up also with the anarchic character of investments and the under-capacity of main capital, is caused by the persistent efforts of Indian capitalism to increase the production of products without noticeably increasing the number of workers.

They also strive to prevent an increase, in any case to any significant degree, of the nominal wage fund. Such a tendency which is characteristic of capital objectively hinders the growth of the purchasing power of the home market. It creates a certain instability in industry, sharpening the contradictions between production and consumption and between labour and capital.

Invariably the big bourgeoisie oppose the natural formation in the country of a new historically higher wage level of hired labour power, corresponding to the new conditions of the struggle and the living conditions of the working class in independent India.

Taking advantage of state regulation, the big bourgeoisie strives to preserve as long as possible those factors which being a heritage of colonialism, affect the cost of labour power and determine its low level in many aspects. Such a situa-

tion contradicts the main tasks of the industrialisation of the country. Industrialisation demands that the working class be highly qualified technically and be cultured. This in its turn depends on the material welfare of the workers.

## Narrow Market

The bourgeoisie assumes that precisely the preservation of a low standard of life of the working class and the intensification of labour create the necessary possibilities of increasing the competitive abilities of India's industry on the home and especially on the foreign market.

During all these years the struggle of the proletariat for increase of wages is not only a question of immediate demands but one of principle. It is a struggle for the recognition by the ruling classes and the state of the historical necessity of raising the value of labour power, this necessity being due to the new position of the proletariat in a country which had freed itself from colonialism.

The advanced forces of India are carrying on a struggle for such a change in the national economy which would bring about a steady rise in the living standards of the masses. Monopolistic groups of the bourgeoisie have other narrow-class aims. They are further consolidating their forces, politically and openly oppose the masses of the people.

(To be concluded)

**NEW AGE**  
COMMUNIST PARTY WEEKLY

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 74, Anand All Road,  
New Delhi

Phone: 25794  
Telegraphic Address:  
MARKBADI

**SUBSCRIPTION RATES**

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  
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# LONG, HAPPY LIFE TO YOU, NIRALA!

THE 65th birthday of Surya Kant Tripathi Nirala, one of our greatest Hindi poets, is being celebrated on Vasant Panchimi by all admirers of Nirala and men of letters. We offer him our sincere felicitations and wish him quick recovery from illness and a happy life in the days ahead.

As we know Nirala has been ill for a long time. The last time Sampurnanand, the then Chief Minister of Uttar Pradesh met him, the poet said that he had lost all hope of recovery.

We are prepared to believe that what Nirala said was in sheer irritation and it would not turn out to be true, for we know that he is one of those who has suffered the most from lack of patronage from the Government. One of the greatest Hindi poets, he is also one of the most neglected by the ruling powers.

Although Nirala's name is associated essentially with the Chhayavadi, he is probably the first among them to recognise the vitality of realism and pave the way for the full flowering of realistic and progressive trends in Hindi literature. His novels like *Bille Sur Bakariha* and stories like *Chatur Chamar* present vivid pictures of the poverty-stricken life of our people.

As a poet, novelist and story writer Nirala fully reflects the agony of our peo-

ple and places his faith in the undaunted courage and spirit for struggle of the toiling millions. Pioneering the progressive trend in literature he does not allow our people to be duped by the bourgeoisie and their leaders.

He lashed out mercilessly at their vacillating character in the period of struggle for independence in satires like *Kukurmutta*, and calls upon the poor to unite, march forward and take their destiny in their own hands.

## Realist Grandeur

Nirala is the foremost among those who broke the rigid formalistic barriers imposed by the pre-Chhayavadi and introduced blank verse for the first time in Hindi. His personality in the field of literature is so dominant and his impact so deep that even the so-called experimentalists have Nirala only to cite as their model.

They only forget that Nirala rose to full grandeur in the genre of realism and to deprive literature of this genre and to beat the hollow drum of formalism would lead to the negation of Nirala's contribution and would deprive our literature of all its vitality and intrinsic strength.

Nirala, as a poet and as a human being drew his Antaeus-like strength from

his constant touch with the soil, with the neglected, the poor, the proletarians.

His Ram Ki Shakti Pooja is symbolic of the struggle of man against the forces of darkness. His *Geetika*, *Parimal* and *Anamika* are full of songs in the praise of our motherland and the unvanquishable strength of our glorious people.

Born in a small village of Uttar Pradesh, Nirala had to face all the rigours and restrictions of the caste system. He grew among the village urchins and saw the poverty of his people with his own eyes. Later his life in Bengal literature and his association with Matawala and Babu Mahadeo Prasad gave him full opportunity to develop his poetic calibre.

Nirala could not go to college or the university. His educational institutions were the seething and agonising life of our people and his own unabating efforts to fulfill his responsibility as a writer.

Sitting in some dilapidated room in some out of the way house in Lucknow Nirala wrote his masterpieces like *Tulsidas* and *Ram Ki Shakti Pooja*. The publishers were never late in minting money out of the hard labour of this man, and they threw a few silver pieces at him to meet his bare needs.

Even after independence Nirala had to look to the people as his chief patron.

I HAVE read in the New Age dated the 8th instant the resolution of the National Council, expressing its sorrow on the death of my son Hasan Nasir, and thank you also for your very kind message of condolence passed by the same Council.

I have lost a son and I know that my loss is great, but for what I have been reading in the papers and the messages that I have been receiving, I realise that the Party has sustained a much greater loss.

I hope and pray that Nasir's tragic and brutal death and the publicity that you have given it, will prevent the authorities of Pakistan from adopting cruel methods of interrogation

and political prisoners henceforth will be saved from the atrocities of the police and the horrors of the torture chambers.

I also take the opportunity of informing you that throughout my journey to Lahore, Delhi and Amritsar, friends, and Party members both in India and Pakistan were exceedingly kind, obliging and helpful not only to me but also to my family members, and this spontaneous and generous gesture went a long way to soothe and console a grief-stricken mother. I can never repay this gratitude.

With thanks,  
Yours sincerely,  
(Mrs.) Zehra Alambarar.

He refused to face the humiliation of accepting charity from either the radio or other institutions. It is a pity that the Sahitya Academy, too, finds itself above the necessity of doing something for Nirala.

Surely our people are not going to forgive those who have driven this great poet to the miserable situation in which he is. The last I saw him was in a back street of Daraganj at Allahabad and he said: "Look how our literature is blossoming now. Our efforts, after all, were not in vain".

—MUNSHI

# RAHULJI'S CRITICAL CONDITION

RAHULJI'S condition is serious. He could not speak clearly. No strength left in legs. The other day he fell down suddenly. We called the specialist today. He is gradually losing eye sight. He has been admitted in the hospital.

"Had he been in India, the sympathy and good wishes of all his friends would have helped him to recover soon. I am persuading him to return to India. But he is adamant. I shall work, he says. But his condition is alarming. I shall have to face the same economic stringencies as before if I return to India, he says.

"We are all alone here. What shall we do? Please, inform all your friends in Delhi about Rahulji's condition".

## Alarming News

The above are a few excerpts from Srmati Sankrityayan's letter from Ceylon to our comrade Sachchida. The letter is dated January 3, 1960. We do not know how his condition is at present.

The letter is full of alarming news and must not be brushed aside lightly. Any complacency might lead to serious and irrecoverable loss to the country.

Mahapandit Rahul Sankrityayan is one of the greatest scholars that India can boast of. Author of several score of books ranging from travel-

ogues to treatises on philosophy and history, he was accorded the highest honour by the Sahitya Academy a couple of years back for his monumental work *Madhya Asia Ka Itihas* which is being translated in several Indian and foreign languages at present.

## Great Scholar

A great Sanskrit and Pali scholar, he earned the love of millions of Indians by actively participating in the struggle for independence and personally organising the toiling peasantry for their redemption from poverty and hunger.

This, naturally, earned for him the wrath first, of the British rulers, and then, of feudal and vested interests in our country who wield powerful influence inside the Congress and our ministries. It was not surprising, therefore, that Rahulji could not work as the editor of *Hindi Vishwa-Kosh* and in utter frustration had to look outside India to continue his life as a self-respecting human being.

## Legendary Figure

Finally, this Buddhist scholar was appointed the Head of the Philosophy department in Vedalankar University, Ceylon and settled down in that country for good.

There is hardly a poet, scho-

lar or literature in India who does not know Rahulji and has not drawn inspiration from the epic struggle of his life.

He is a legendary figure in our social and cultural life who has lived as a poor peasant, a vagabond, a Buddhist monk, Pali and Tibetan scholar, novelist, peasant leader, philosopher and historian. There is hardly a library in our country whose cupboards are not adorned with Rahulji's books, for his books have been translated in almost all the fourteen languages of India. His *Volga Se Ganga* and other books have been translated in several foreign languages, too.

## No Proper Job

It is a sad comment on the state of affairs in our country and especially in the Ministry of Education when a scholar of the calibre of Rahul Sankrityayan cannot be provided a job to suit his talents and economic requirements.

His falling health in a hospital far removed from our country is the sharpest indictment of all the "achievements" of the ruling party which never feels shy of striking a grand pose while talking of literature and culture.

## Diabetes Affliction

Rahulji had been suffering from diabetes lately. He was

very reluctant to leave this country where he had lived and worked all his life. "I do not want to live a day more than I have worked for my country, than I have moved my pen in her service," said Rahulji when we met him last.

## Grave Condition

"I shall work, says he. But his condition is alarming," writes Srmati Rahul now. "Had he been in India, the sympathy and good wishes of all his friends would have helped him to recover soon!"

It is difficult to add anything more to her letter. All patriots, all persons who honour their national pride, all cultural organisations, and above all, all writers, will, we hope, persuade the Government of India to call Rahulji back to India immediately and accord him the honour and economic help that he deserves.

## Safeguard Self-Respect

While preparing to celebrate the Republic Day, let us turn for a moment towards one of India's finest sons lying isolated in a hospital in a foreign country and pledge ourselves to safeguard the honour and self-respect of our scholars and writers.

—M. SHARMA

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Adcrafts

# WOMEN, UNITE FOR PEACE!

● By Renu Chakravarty

FROM November 29 to December 5, 1960 there converged upon Warsaw women from 136 countries, representatives of over 50 organisations and notable individuals to attend an important meeting of the Council of the Women's International Democratic Federation, which marked fifteen years since its birth. It was time to take stock of what it had achieved and what were the tasks ahead.

Warsaw, which had been subjected to all the worst diabolical acts that war could wreak on a nation with its completely smashed-to-dust buildings and the lacerated soul of its people crushed, killed, humiliated beyond endurance by the atrocities of the fascist hordes of Hitler, was a fitting venue for a conference of women who had gathered to declare their invincible will to outlaw war.

The banner of national freedom as the birthright of all peoples was reiterated as the sheet anchor for every step towards peace, progress and prosperity for which women yearned throughout the world. Lastly, in the path of its onward march, every country endorsed the grand objective of strengthening and safeguarding the dignity of man, to ensure which, the Council demanded, that the liberties enshrined in the U.N. Charter of Human Rights, be respected.

One of the most significant features of the conference was the large number of women from Africa, Asia and Latin America who gathered here. For the first time women from Togoland, Zanzibar, Guinea, Kameruns, Ghana, Nigeria, Kenya, Basutoland, Congo—unknown names that had sprung into prominence through their heroic struggle against imperialism, for independence and elementary human rights—participated in this Conference.

## Inspiring Unity

What was most inspiring about this conference was the fact of women, mothers, the creators of life whether of the imperialist countries or of the colonies, unitedly condemning imperialism and supporting the just struggle of all peoples to be free.

## National Freedom

In ringing tones they said: "What can the defence of the rights of women and children mean, when we are robbed of the elementary right of national independence and freedom from imperialism in all its forms?" It was natural, therefore, that the question of support to the fight for freedom especially in Africa was one of the main concerns of this conference.

The young Algerian doctor Nafessa Hamud who had known the tortures of a concentration camp spoke of how five lakhs of men and women of all ages, even children, were detained in prisons and concentration camps, how two millions were taken from their homes and put in so called regrouping camps, how three lakhs of refugees lived in frightful conditions on the Tunisian and Moroccan frontier. She related how massacres, bombardments, indescribable tortures by electric shocks and other despicable means are used to try to cow down the people fighting invincibly for their freedom.

It was decided that a week of solidarity with victims of repression be observed by all national organisations, in which one day should be devoted to support the Algerian

people's struggle. As the U.N.O. General Assembly was just at this time meeting to discuss the Algerian question, the W.I.D.F. Council addressed a telegram to the U.N. Council reiterating these demands of the women of the world.

At the meeting came the news of the arrest and torturing of Prime Minister Lumumba of the Congo. A wave of indignation and concern ran through the Conference. This was all the more shocking because as the resolution on the Congo passed by the Council stated, these acts of violence were committed in the presence of the U.N.O. troops sent in response to the request of Patrice Lumumba to assist his legally invested government!

The Council called on all its national organisations to alert women about the dangers in the Congo and to create a movement of solidarity with the women of the Congo and to insist that U.N.O. meet the above demands.

## Inspiring Unity

What was most inspiring about this conference was the fact of women, mothers, the creators of life whether of the imperialist countries or of the colonies, unitedly condemning imperialism and supporting the just struggle of all peoples to be free.

A rousing example was seen in Mme Isabella Blum, the great Belgian fighter for Peace when she said she was ashamed of what suffering Belgian imperialism had brought upon the men and women of Congo and extended to them her unstinted support for the right of Congo to be free of imperialism and colonialism in all its forms. So too French women supported the struggle of Algeria and the Cameroons.

Many of the representatives of these colonies spoke of the military and armament bases being created on their soil by imperialism. The representative of Kenya spoke with great concern of the setting up of Nato military, air and naval bases under various pretexts. She further stated that there were plans to establish American rocket bases in Kenya and other places on the eastern seaboard of Africa.

The Cameroons' delegate, too, spoke of how the puppet government of Djuandi has signed an agreement by which Nato and Western groupings are to be accepted, Nato troops are to be stationed in bases in Cameroons and their aerodromes will be used by Nato.

The Japanese women spoke of how remilitarisation under the US Security Treaty, which was passed in the face of stubborn resistance of Japanese people

and under which military bases are maintained in Japan. Okinawa an integral part of the Japanese territory has been turned into the biggest atomic war base under U.S. occupation.

So too Korea and Viet Nam spoke of how U.S. military troops and bases were threatening their security and peace.

The Latin American countries were well represented at this gathering of the W.I.D.F. Of special interest was the young but determined delegation from Cuba who were led by the beautiful young Vilma Espin de Castro. For the whole of Latin America Cuba has become a symbol of how a small country can resist the mighty exploitation of USA which dominates every country in South America.

## Cuban Example

As Julia Arevalo de Roche of Uruguay stated "Cuba is the touchstone of one's attitude to all Latin America". Everywhere, therefore, demonstrations demanding "Hands Off Cuba" are becoming more insistent and powerful. For this in itself is an effective fight against imperialism, which as was reported had built military bases everywhere.

In Venezuela the U.S. has rocket launching sites, as well as in Uruguay. In the Panama Canal Zone is the biggest of all U.S. bases and tens of thousands of soldiers are on the borders of the country. The delegates from Cuba and Venezuela pointed to the provocative action of the U.S. fleet in manoeuvring in the Caribbean Sea.

That disarmament, the abolition of foreign military bases and nuclear and rocket-carrying weapons will weaken imperialism's power to inflict suffering or to crush the liberation struggles was apparent to all. The Declaration for general and total disarmament, for national independence, for peaceful coexistence and friendship between peoples—a charter of the women of the world gave an unequivocal answer to the question "Shall we permit the way of imperialism and colonialism to prevail?"

It stated that "a world without arms would mean for all peoples a life of freedom and prosperity, the development of their economy and culture the vast wealth released would give a roof over the heads of the world's population, health and education for all children and the urgently needed development of production in the under-developed countries".

The rearming of West Germany, the news of the demand made by the Bundeswehr generals for nuclear arms and the military exercises carried out by them on French soil was one of the major causes of concern which weighed on the minds of the women gathered there, especially European women who in one generation had twice suffered the terrible casualties of war by Germany.

That is why a special resolution on the German ques-

# WORLD PEACE COUNCIL GREETS CUBAN PEOPLE

THE delegation visiting Cuba on behalf of the World Council of Peace, composed of Dr. James Endicott (Canada), Sunderland (India), Chang Chen-yi (China), Mario Lucio Luzzato (Italy), George Pirinsky (Bulgaria), and Fernand Vigne (France), conveyed to the Cuban government and to the Cuban people on the occasion of the second anniversary of their revolution the full sympathy, solidarity and support of millions upon millions of men and women struggling for peace in every country of the world. We print below some extracts from that message:

The changes which the Cuban people, exercising their own sovereignty, have decided upon for their economic and social independence and progress, are of the highest value, aiming as they do at a better life in Cuban society on the basis of human values, peaceful coexistence and friendship of the peoples. The Cuban people have raised a new hope in the hearts of millions of people of all the continents, and, especially, amongst the peoples of Latin America, whose solidarity with the Cuban people is a fact clearly expressed by the numerous distinguished delegations present these days in Cuba. This hope signifies trust in progress built in peace and trust in peace based on independence and

the sovereignty of each country. The defence of the rights of the Cuban people and of peace in Cuba is also the defence of world peace. Cuba is one of the decisive fronts for the future of mankind. All peoples have an interest in supporting the defence of Cuban independence which means the defence of world peace. In these very days particular threats are being hurled against the Cuban people. The delegation of the World Council of Peace considers that the acts of sabotage and terrorism being carried out in Cuba, the preparation of mercenary groups in neighbouring countries, the menace of direct U.S.A. military attack against Cuba constitute a serious threat to peace.

Peoples everywhere must be told these facts of the present danger of an imperialistic aggression against Cuba. They must condemn any attempt at interference or aggression and insist on assurance of peace and respect for the sovereign rights of every people.

The delegation of the World Council of Peace is confident that the forces for Peace in all countries of the world, and especially in Latin America and the U.S.A., will be able to remove this great threat to peace.

How women in independent Africa can find their own feet and serve their nation was found in the speech of Mme. Loffo of Guinea. She said that the party in power in Guinea has a leading national political body called the National Bureau which includes two women, the president and Secretary of the Women's organisation. There are many sections in charge of various aspects of work and in each there are two women. In the Central Trade Union Committee again there are two women. In this way women are learning by their activities and experience.

It is from all these experience that the need was stressed for holding regional conferences to deal on the spot with common problems and the specific issues to be taken up by women. Further more the demand for enlarging the Secretariat of W.I.D.F. by the addition of another African member, was successfully concluded by the inclusion of Mali.

The themes and the conclusions of the meeting echoed in the speech of Nina Popova of U.S.S.R. who ended by quoting those words of Gorky: "You are only people . . . but we are mothers. To speak of destruction before a mother means to speak against her. . . . We women are stronger than death; we who constantly give the world sages, poets, heroes, we who sow in the world all that which makes its glory—we have the right not to plead, but to demand peace for many centuries".

Women's Emancipation While peace and freedom are of supreme importance to the future well-being of women and their dearest possessions, their children. It was clear in the regional meetings held, that the emancipation of women and the establishment of their political social and economic rights have to be won by conscious struggle against orthodox and feudal prejudices and domination. This was very interestingly evident at the regional meeting of the Asian African women. Ransom Kulk of Nigeria in a telling speech said, "Women in Nigeria are considered good enough to fight for freedom but when freedom is won they are not considered good enough to be elected to Parliament."

# PUNJAB AND AKALI AFTERMATH

● By Balraj Mehta

A highly tense and critical situation that had been allowed to develop in the Punjab for the last several months—with the sides directly involved taking positions of extreme rigidity—has been somewhat eased following the calling off of the Akali Morcha early last week.

While the worst has been averted, forces, however, are again at work to prevent any real and lasting solution of the fundamental problem facing the border State and bring about that true reconciliation between the two communities—Hindus and Sikhs—without which such a solution is impossible of achievement.

To the credit of the Akalis it must be conceded that with the remarkable mass mobilisation that they displayed in the course of the Morcha, the question of linguistic reorganisation of the Punjab and in fact of the whole of the northern part of India has been sharply and squarely posed before the people and the Government.

## Distorting Demand

However, at the same time, by distorting a genuinely democratic demand into an issue of the rights of one particular community and conducting their agitation under the garb and slogans of a religious crusade—Dharam Yud—of the Sikhs, they have permitted the unscrupulous ruling junta in the Punjab to pose as the upholders of secularism and created a deep division within the people themselves.

Now that the agitation has ended, the very nature of the agitation based as it was on the Gurdwara and the issues as they were posed has left

the position as baffling as before.

The Akali leader, Master Tara Singh has characterised the agitation as "a drawn game, with chances of a replay". Evidently, strictly speaking in terms of the Akalis and the State Government led by Sardar Pratap Singh Kalron, the description of Masterji is fairly correct.

## Impressive Demonstration

Besides an impressive demonstration of the Akali strength, the agitation forced the hands of the Government to speed up the implementation of some of the important provisions of Regional Formula with regard to the Punjab language.

The position and the status of the Punjabi language, moreover, has won greater official recognition. For the Akali leaders, an important gain has been that they can claim to have by-passed the Punjab Chief Minister and are in a position to deal directly with the Prime Minister and the Centre.

Sardar Kalron on the other hand can claim to have met the Akali challenge with firm hand and can draw satisfaction from the fact that though in his own camp he has wielded complete cohesion and loyalty to himself, sharp differences within the Akalis have come to the surface at the close of the agitation.

## Hesitation Of Akalis

The doubts and hesitations exhibited by the Akali leadership particularly Master Tara Singh, when called upon to take the fateful decision to end their campaign has also detracted much from their credit and prestige and to that extent can be said to be a vital gain for the ruling group in the Punjab.

While drawing up a balance-sheet of gains and losses for the two sides involved may be an interesting exercise for some, the attention of the political forces in the Punjab appears to be exclusively concentrated on assessing the effects of the recent happenings on the electoral prospects and how best to ensure the most advantageous conditions for themselves in the coming months.

Indicative of this mood is what an important Congress functionary from the Punjab who was in New Delhi to hold consultations with the Central leaders observed: He was glad that the Akali agitation began last year and has ended well before the general elections next year.

## Congress Damaged

If the agitation had been launched some time now and had continued for its duration during the current year when they had to start

"wooing" the voters, it might have proved very damaging to the Congress, he said.

That such approach might strengthen the suspicion that the Punjab Chief Minister forced the agitation on the Akalis at the time of his own choosing—an allegation often made by the Akalis—is, of course, quite another matter.

Meanwhile, the Punjab Congress leadership is exuding complete confidence as to its ability to face the situation. According to their calculations, the Scheduled Caste voters will be solidly behind the Congress and a sizeable section of Hindus will side with it as the only force capable of standing up to and beating the Sikh communalists.

Among the Sikhs, they are banking upon encouraging and strengthening division among the Akali ranks and even win over an influential section to actively join the Congress on the eve of the elections.

## Concessions Ended

On the political plane, the Congress leaders are stressing that while going ahead with the implementation of the various pronouncements in regard to the Punjabi language—with the Hindu communal opposition brow beaten and paralysed—they need not make any further concessions.

There could be some vague playing up of various formulae emanating from so-called moderates among the Sikhs which they will neither accept nor reject till the general elections are over. At the same time Sikh masses will be demoralised and divided by a powerful agitation designed to show that Master Tara Singh, even after making them suffer and sacrifice so hugely, had failed to deliver the goods.

## Akali Moves

Interest at the moment, however, centres round the moves that the Akali leadership will make in the days to come. Ironic though it may seem, the Akali camp after waging what from all fair accounts has been a magnificent battle, presents a picture of utter confusion, sharp conflicts, lack of faith and bereft of any clear policy and initiative.

The indecisiveness that marked the conduct of Akali leadership during the closing stages of the agitation, especially after Master Tara Singh's release has been widely noted. Besides the feeling of having reached a dead end which gripped the Akali ranks, the position was further complicated by what amounted to a tussle for leadership.

## Sant Fateh Singh

Though Sant Fateh Singh, who has emerged as a heroic personality among the Sikh masses, is not a political personality in the strict sense of the term—which is the reason stated to have prompted Masterji to choose him as the "dictator" after himself in the first instance

—an active group of young Akalis has rallied round the Sant in opposition to Master Tara Singh.

This group is stated to be critical of the strong religious overtones of Masterji in his management of the Punjabi Suba agitation and wants it to be conducted more as a political and secular movement purely on linguistic principles.

## Leadership Challenged

The challenge that this represents to Master Tara Singh's leadership, though as yet subdued and inchoate, is real and considering the peculiar mental make-up of the Akali leader will considerably colour the behaviour of Master Tara Singh.

Already the stress that Master Tara Singh has begun to lay on the objective of safeguarding the position of the Sikh Panth as against the linguistic principle, which had been brought to the fore by those who conducted the Akali Morcha in his absence, is motivated, it is stated, by his well known strategy to weld the Sikh masses behind him as the guardian of their sectarian and religious rather than democratic rights.

## Swatantra Party

Besides the internal stresses within the Akali camp, the pulls of political groups such as the Swatantra party and the PSP are also being felt. An influential section led by Sardar Gopal Singh Gouli, General Secretary of the Akali Dal, is known to be a strong advocate of Akali-Swatantra alliance in the next elections.

All these various pulls and counter-pulls within the Akali Camp not only leave com-

plete uncertainty as to what twists and turns the Akali politics will undergo in the coming months but also adds a measure of tension in the life of the people as well and to that extent represents dangerous potentialities in the political situation.

## Democratic Forces

In this context, the Hindu communal forces in the Punjab find an opportunity to become active once again. They had lost initiative in the situation which for months was completely dominated by the Akali and Government struggle.

But already they have begun to raise their shrill voices to warn against what they describe as possible surrender to Sikh communalism and thereby to regain grip over the Hindus in the state.

The democratic and the left forces are, thus, faced with an extremely complex situation. Steering clear of the communal pressure and exposing the secular pretensions of the Kalron group, they will have to unify the masses behind the truly democratic concept of reorganisation of this region on linguistic basis.

The reaction among the people of Hariana, the Hindi-speaking region of the Punjab, to these developments will be of considerable importance in shaping the future course of events.

## ANNOUNCEMENT

The next issue of New Age will be a Republic Day Number. It will be ready for posting on January 24. Among its other special attractions will be the start of a series of articles on the Moscow documents of the 81 Communist Parties by Ajoy Ghosh.

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# CRAZY BUREAUCRAT RUNS RIOT IN GWALIOR

\* FROM PAGE 4

chief mangers he had brought back normal good relations in his office.

And in order to make preparations for the social gathering, at which the Comptroller and Auditor General had been asked to preside, a reign of terror has been imposed on the employees.

The Employees' Association has given a call to boycott the function as untimely. To see that the boycott is unsuccessful, spies have been unleashed on each individual activist to watch his activities.

No one is allowed even to move from his seat. Some employees who moved from their seats had explanation memos served on them. On the other hand the agents of the administration are given every facility to carry out their activities. The officers who question the absence of the agents are reprimanded! When the bulk of the staff

refused to pay the subscription a unique method was found to collect the money. Receipts were forced on the employees with the warning that if the amount was not paid it would be deducted directly from their pay packets.

Nobody's service is safe in the Accountant General's office at Gwalior. The whole administrative apparatus is geared to harass the pro-Association employees. Many of them have been transferred to outside duties. These who have been left out are subject to the agonies of the disciplinary actions. The agents of the administration are being taken at their instance.

This is totally against the declared policy of the Government of India. The Central Government must probe into the matter and take suitable action.

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# CHANGING MAP OF INDIA'S

From Our Special Correspondent

ALL the way from Delhi as I travelled to the 26th session of the AITUC, I was not sure if I would be able to grasp its significance since I had a very faint idea of the problems facing the trade union movement today. But by the time the eight-day long session ended at Coimbatore on January 12, the balance-sheet of my impressions showed that something had been learnt of the changing landscape of the country's economy and the emerging pattern of the trade union movement.

Quite a few old faces I came across, some of them veterans of '30s and '40s but what caught my eyes was the large number of new faces from new areas and sectors. By the time the session ended, it had passed resolutions on as many as 38 industries and professions, from iron and steel, coal, petroleum and textiles to leather, catering, beedi, and cigar.

This was a session with a record number of delegates (1,317) coming from 841 unions with a membership strength of 9,59,266. Along with them came 33 observers from unions not affiliated to the AITUC.

Dange in his summing up speech touched on the significance of "this new phenomenon" of "such wide participation": "The delegates have come with the consciousness that there must be a centralised movement, a greater awareness for a centralised direction so that the smallest can join hands with the biggest and fight together for defence of the gains and also for further advance".

## Commission Method

One could see this in the urgency with which delegates from different industries sat down for meetings of their respective industrial groups and also in their anxiety to get the session adopt resolutions on them. Perhaps more than plenary sessions, these group meetings, sometimes extending to the early hours of the morning, produced fruitful results which will have a long-range effect.

In these groups, there was more of a down-to-earth approach, a grappling with concrete problems and less fussing with theoretical abstractions. In fact, the entire session saw very little of theoretical quibblings, despite the posing of a good number of issues of a fundamental character in the problems that came up before it.

A departure from the previous sessions was the experiment of holding commissions this time. Delegates were split into five commissions in which the participants could be more in number and discussions could touch on all burning questions.

Five such commissions met. K. G. Sriwastava led the first one on tripartites, Code of Discipline, labour participation in management and works committee. While some advantage could be secured by the workers from tripartites and other industrial bodies, there was serious concern at the Government's repudiation and non-implementation of the conventions and decisions

such that whatever machinery is available and can be utilised for defence of workers' interests, the AITUC should participate in it".

The Commission on social security led by Indrajit Gupta and K. T. K. Thangamani made a detailed examination of the unsatisfactory working of the Employees' State Insurance Scheme. It wanted extension of the scheme to the families of the insured workers, provision for hospitals at all major centres, as also polyclinics and industrial housing.

It noted that the Labour Ministers' Conference proposal to raise the employers' share from 1.25 per cent to 3.50 per cent had not been enforced. The Commission wanted it to be raised to the statutory limit of 4.75 per cent. Actually during the year ended March 31, 1960 the workers had contributed Rs. 4,08,00,000 while the employers' contribution came to only Rs. 3,18,00,000.

The Commission also favoured the extension of the Employees' Provident Fund Act to all registered factories, transport undertakings, shops, cinemas, hotels and hospitals. The compulsory raising of the rate of contributions to 8-1/3 per cent was favoured and the interest rate was suggested at 4 per cent.

## Social Security

Improvement of the provisions of maternity benefits, as also legislation for fixing gratuity at the rate of one month's wages for every year of service, were demanded. Amendments to the Workers' Compensation Act were also suggested to do away with the inconveniences faced by workers in getting its benefits. Statutory provision for unemployment relief scheme in consultation with workers' organisation was also suggested.

The Commission on Productivity Bonus and Wages led by Satish Loomba held ex-

tensive discussions dealing with the problem in all its aspects. In fact the entire question of wages in the Third Five Year Plan was the central issue before the AITUC session.

Regarding productivity, it was held that there could be no question of agreeing to it unless it was introduced with the approval of recognised unions.

## Labour Productivity

In this connection, Dange, when introducing his general report observed "On principle, we do not support productivity under capitalism because it hits the worker. But there is a difference between developed capitalism and under-developed capitalism, wanting to develop.

"In certain cases, under certain conditions, we do not object to productivity. These conditions are: no retrenchment, no increase in work-load and no fall in wages".

The overall view of the commission on the issue of bonus has been that the Labour Appellate Tribunal's formula requires overhauling and honest and just criteria for bonus should be adopted. Reliance on the balance-sheet to gauge the employer's capacity for bonus was attacked, Dange pungently putting it: "The balance sheet is a lying manifesto of the bourgeoisie".

Many contributed to the discussion on the position of real wages, whether it has fallen or not, quoting from experience of their respective industries.

In his summing up speech, Dange reviewed the question of wage rise: "My answer to the capitalist is, you give a wage rise but you take it away by price rise. So give me sliding scale of Dearness Allowance linked to the cost of living index. This has to be the central slogan in organised industries".

Dange defined the second slogan as fight for a national

minimum wage as the very rock bottom below which no human being could work and live. He claimed that it was conceded in principle at the 15th Labour Conference but the Government of India has gone back upon it in the Second Pay Commission.

But again the Textile Wage Board had to recognise it in principle. "The worker has thus gained on the issue morally, politically and ideologically".

The importance of fight for the slogan of "a standard rate for standard job" was underlined by Dange. It helps the unity of the workers, helps their collective bargaining and helps them to discipline employers.

Over and over again, what was stressed by Dange was that the worker has to demand a portion of the value added to manufacture as his own share. To avoid distortion of this demand Dange clarified the issue further. He said that what the AITUC is asking is not that the entire additional value produced should be distributed to the working class but that, at least, a portion of it.

He put it to the public that the wealth of the nation is growing and no doubt the working class has contributed to it. For every rupee given to the worker, he has returned Rs. 2.39 np. extra. So there must be a rise in the workers' share of wealth that he is producing by his labour.

The report of the Commission on Trade Union and Democratic Rights, presented by P. Ramamurti revealed that in practically every State there had been serious inroads into these rights. The need for a determined campaign to defend was sharply focussed.

## AITUC's Demands

In this connection, Dange defined the AITUC's demands: Firstly, recognition of the union having majority following; the representative character of the union to be determined by a secret ballot.

Secondly, the worker should have the right to belong to any union of his choice.

Thirdly, there should be no compulsory imposition by law of one union in an industry so as to impose an unpopular pro-employer unrepresentative union.

Fourthly, the right of meetings which is being hindered by prohibitory orders under Section 144, must be restored fully.

Fifthly, the worker should be protected against arrests and detention for industrial actions, arbitrary dismissals.

Sixthly, the workers and trade unions should have access to holding meetings in plantations and mining areas, private towns and closed areas.

Dange also suggested a joint campaign with other class organisations like the Kisan Sabha which suffer by infringement of democratic rights.

An outstanding feature of this session of the AITUC was that as many as 64 women delegates came from Mysore,

# ECONOMY-AITUC GIVES LEAD

Tamilnad, Bihar and West Bengal.

In this context, the commission on problems of women workers led by Parvathi Krishnan, brought out significant facts. A campaign for equal pay for equal work, it was felt should be taken up on an all-India plane since though the Government has ratified the ILO Convention, it has yet to be enforced, as in the case of plantations.

Even at Bhilai, women are not paid equal wages, the difference sometimes being as much as one hundred per cent. Surprisingly enough, the Minimum Wages Committees of some of the State Governments maintain this inequity.

Regarding maternity benefit, it was stressed that while its importance has to be focussed, more important is the demand of equal pay for equal work as it affected all women workers equally.

## Sure Grasp

It showed how far the AITUC had advanced in grappling with the new realities of Indian economy in the last three years since its last session, where only the general attitude of support to the public sector had been stressed.

Details were given by delegates speaking in the plenary sessions on the General Report—corruption, mismanagement, blackmail by powerful sections of private capitalists, attempts at sabotage by foreign vested interests, and also anti-labour attitude of the bureaucrats in running of the public sector enterprises.

## Women Workers

A serious decline in the number of women workers was disclosed. From Bombay and Tamilnad came reports that even where women are being superannuated men are being recruited in their place, and in the new mills, in those departments that have been usually manned by women, such as reeling, no women are being recruited.

In fact, in some mills men were being trained by women workers and then the men were being made permanent while the women were thrown out. The importance of trade unions campaigning as a whole for the rights of women workers, especially their right to work was underscored. In industries where women are predominantly employed as cashew, coir, ginning and match, the wage pattern is very low.

It was felt that the AITUC should demand the appoint-

ment of a commission to probe into the problems affecting women workers. The issue of women's employment should also be raised in Tripartite bodies, particularly for providing work facilities for them during the Third Five Year Plan.

The demand for reservation of a percentage of jobs for women was raised. Before the Textile Wage Board, the AITUC had demanded 25 per cent reservation of jobs for women. The percentage for other industries will be formulated after further examination of the problem.

An indication of the rich experience gained by trade unionists in the working out of the Second Five Year Plan was provided by the volume of references to the actual functioning of the public sector enterprises.

## Bureaucrats Sabotage

Hence comes sabotage by mismanagement. Workers must be defended but at the same time the trade unions will fight against mismanagement and corruption, bad production and attempts at sabotage. Also the trade unions are to oppose attempts being made to "denationalise" the State sector units.

In a resolution on labour participation in management, it was clearly stated: "We must specially try to utilise it to what extent possible, in the public sector enterprises to fight the bureaucratic management, have any check on wastages and corruption and defend interests of the workers."

An important issue on which Dange focussed the attention was the danger of imperialist sabotage and he elaborated this point by referring to the battle for oil between the Oil Ministry and the Western Oil Companies.

## Workers' Duty

He exhorted: "The workers must be on their guard against sabotage by the imperialists and their agents, viz, the monopolists. We want factories. Today they may belong to the Government which does not satisfy our demands. But tomorrow they will be ours and we are going to run them in the interests of the people".

Basing on these facts, Dange said that the AITUC would give a call for nationalising key industries, like iron and steel, banks, plantations and coal mines.

## Act Politically

"We do not object to any capital coming to our help. But if sabotage is going to be attempted, then we shall teach them the same lesson

within that framework we support the Plan.

"We support the State sector in relation to the country and the class both", Dange said: "because in relation to the country it promotes heavy industry, while in relation to the class it is State-owned, its surplus goes to the State and it is subject to Parliamentary criticism and control. It is not the private property of the capitalist class".

Reiterating the AITUC's famous two-pillar policy of supporting the plan for the nation and opposing the attacks on workers and people, Dange said that the AITUC's support to the Plan or State sector does not mean that the AITUC gives up the struggle to defend the interests of the workers.

He added, there is justified criticism that in relation to the workers, the State sector bosses behave no better than other employers. That is because those at the top of the State sector belong to the same class as the powerful capitalists and there are some among them who do not want the State sector to thrive.

## National Force

"Trade Unions have a role to play in protecting, using and further developing this parliamentary democracy so that it is not overthrown by military and personal dictators nor used by monopoly profiteers for their narrow class interests".

## Democracy Attacked

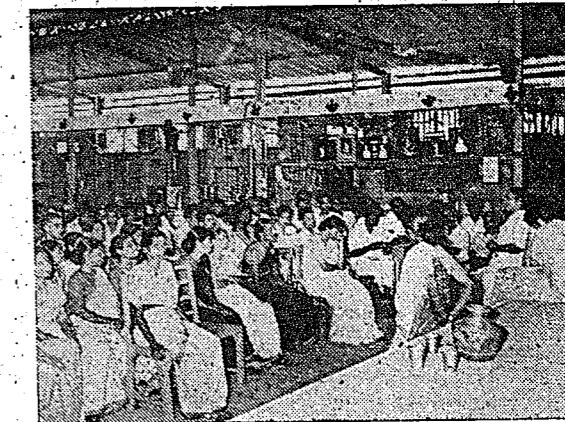
Dange quoted the significant example of growing contempt for the parliamentary system on the part of big business: the Associated Chambers of Commerce and Industry President, Williams, gave a call to the employers for "recruitment of army personnel for positions of responsibility", while Morarji Desai who was present did not object to such a call.

In dealing with the urgent question of working-class unity, Dange laid special stress on the significance of the arrival of Central Government employees in the field of struggle, "unitedly on a nationwide scale", and regarded their strike of July 1960 as "a new stage in the advance of the trade union movement".

## Strategic Industries

Perhaps, the most significant feature of the Coimbatore session of the AITUC in terms of the future advance of the working-class movement in this country was the fact that among the delegates strategic industries of metal and engineering, mines and petroleum constituted the biggest block numbering nearly 300.

In terms of membership, metal and engineering, this time topped the list with 2,09,775, with textiles taking the second place having 1,55,839 members and mines com-



Commission on problems of women workers.

that a small country with a revolutionary Government as Cuba has done".

Another highlight of the AITUC session was a call to the trade unions "to mobilise politically, act politically", while defending their day-to-day economic interests. Dange laid repeated emphasis on political actions on democratic issues, both national and international—workers' mobilisation against imperialist attacks on Congo, Cuba, Algeria, Laos and Goa, fight against the war danger, defence of parliamentary democracy and rally against military dictatorship.

"Trade Unions have a role to play in protecting, using and further developing this parliamentary democracy so that it is not overthrown by military and personal dictators nor used by monopoly profiteers for their narrow class interests".

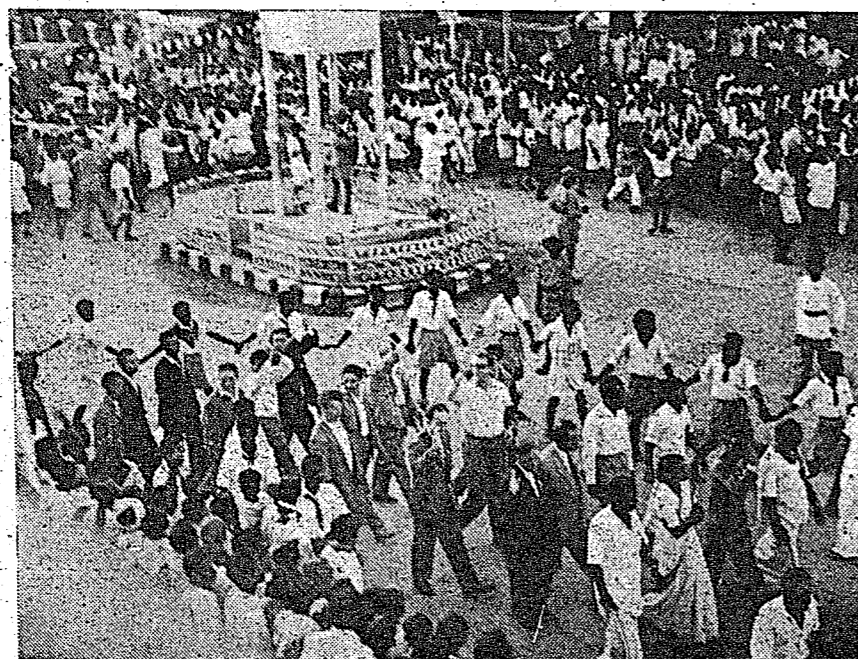
## National Force

The growing emergence of the AITUC as a national force with its role of bringing India's workingclass in the great struggle for the building of socialism was symbolised by the presence at this session of large delegations from trade union bodies of the Socialist world—the Soviet Union, the German Democratic Republic, Poland, Rumania, Hungary, Mongolia, apart from Indonesia and Ceylon. The World Federation of Trade Unions sent one of its Secretaries and the International Labour Office its Regional Director.

Coimbatore indeed marks a new milestone in the great AITUC's glorious history of 41 years of dedicated service to India's working millions.

## Editor On Book Review Controversy

WE have received quite a few letters from readers, specially in Delhi, disagreeing with the review of Hemango Biswas, "Seeing China with Eyes", published in New Age of January 15. Their opinion is that those polemised against by Biswas were not always ill-intentioned critics. We have received some criticisms of other book reviews previously and wish to state that, as is normally the case with any journal, the reviewers' views are not always those of the Editorial Board.—EDITOR.



Grand procession at the end of the Session led by President S. S. Mirajkar, Jeevanandan, Parvati Krishnan and others.



Parvati Krishnan, Chairman of Reception Committee, addressing.



# ANOTHER LIE NAILED—MRS. ROY'S MURDER

● From Our Special Correspondent

MRS. Ellen Roy, the wife of late M. N. Roy, was murdered in very tragic circumstances at Dehra Dun.

The Roys were ex-Communists gone anti-Communists. The murder of Srimati Roy was enough for the professional anti-Communists in our country to step in and seek to exploit the situation.

Goenka's Indian Express, January 11, under the caption "Red Hand Alleged in Dehra Dun Murder" published a story that "the international communist movement or some Indian communists have been directly or indirectly involved" in the murder of Mrs. Roy.

## Awful Insinuation

The gentleman who made this discovery is reported to be Laxmanshastrji Joshi who is introduced as "an admirer of the late Sri M. N. Roy" and "a leading Congressman," a member of the AICC. In his statement he discloses that M. N. Roy while in the Communist International had opposed Stalin and Mao Tse-

tung only to insinuate that Mao's man murdered Mrs. Roy!

The necessary lurid background is manufactured by recalling the two fires that broke out in the headquarters of the Geological Survey of India, Dehra Dun, allegedly destroying the detailed maps of the Sino-Indian border.

## More Lies

The poisoned curry is further spiced with the story that the papers of the Indian delegation on the way to Rangoon for talks with the Chinese on the border dispute were stolen, and the fact is underlined that Calcutta is "a Communist stronghold".

Srimati Roy is further reported to have warned the Home Minister, G. B. Pant, about the Geological Survey fires and the theft of the Indian government delegation's papers and that the two could be correlated.

The last one is that since foreign spies have succeeded in penetrating the Central Secretariat, "it was quite likely that Srimati Roy's letter to Pant did not remain a secret" and Srimati Roy was duly murdered.

The Communists need not give any facts nor answer the numerous time-worn slanders vended by the Indian Express. After interviewing the local officials engaged in the investigations, the popular local weekly of Dehra Dun, The Vanguard, January 8, states, "Senior officers of the Central Intelligence Bureau who were here in connection with Srimati Ellen Roy's murder case have ruled out political motive, it is reliably learnt". It further states, "the CID officials investigating the case have intensified their investigations on the lines of burglary".

## Police Statement

The local Superintendent of Police, also issued a statement, duly published in the Times of India, that there was no trace of any political motive behind the murder.

Brijendra Kumar, secretary of our Party has issued the following statement, effectively countering the baseless slanders against the Party:-

A statement by one Laxman Sastri Joshi, said to be an admirer of the late M. N. Roy, has appeared in the Indian

Express of January 12, 1961, alleging Red hand in the murder of Srimati Ellen Roy.

## Political Motives

The statement is downright false and mischievous, and damaging for the conducting of proper investigation into the murder. It has been given with a double objective.

Firstly, the statement is politically motivated, and it is such a shame that a so called admirer had gone so low as to make a political capital out of this ghastly and dastardly murder for which we Communists feel as disgusted and sad as everybody else. Secondly, Sastri's aim is to set the investigation authorities off the track.

To prop up his theory, Sastri has also raised the bogey of Red sabotage in the recent fires of Survey of India at Dehra Dun. The arguments that he has used are not his own, but borrowed from the July 11, 1960 issue of the Jan Sangh mouthpiece, the Organiser.

The Communist Party has already given a lie to this baseless bogey in the New Age (Weekly) of September 4, 1960. It is only an ignoramus or a deliberate and interested liar who even now can say that the

fires were in any way connected with "Sino-Indian border Maps" or "Historical Documents".

Everyone knows that the godowns where the unfortunate fires broke out stocked not-Maps but Disposal goods, and that they are about two miles separated from the Section which concerns Maps of any sort, whatsoever.

## Fantastic Theory

The great theoretician cannot be ignorant also of the facts that the theory of political sabotage has been categorically denied by the Survey as well as the investigating authorities.

We would advise Sastri, in this connection, to peruse carefully the replies given by Prof. Humayun Kabir, Minister of Scientific Research & Cultural Affairs in the Lok Sabha on September 1, 1960 to the Short Notice Question tabled by Dr. Ram Subhag Singh and others on the matter.

Thus the fantastic theory of Sastri of Red hand in the said murder has no basis in facts; it is sheer political kite-flying and as such the Communist Party can only strongly condemn it and express disgust at such a cheap and disgraceful propaganda stunt in such a grave matter.

# ADVANCE BATTLE TO SAVE PLAN

\* FROM FRONT PAGE

the sole dictator of financial resources. He did not like the proposal at all and will do his best to sabotage it and curtail its scope.

The NDC meeting thus ended much earlier than anybody expected. The expected burst up did not take place.

Before the NDC began Morarji and Co. were up and doing and felt cocky enough to mould it their own way. After the meeting was over, the Planning Minister Nanda and Professor Mahalonobis are more confident and there is more self-assurance in the Planning Commission circles.

## Triumph Claimed

Professor Mahalonobis is reported to claim that in this NDC meeting his concept of physical planning has triumphed, which he has been pleading for long, even since the beginning of the Second Plan. The main argument is that for the first time in Indian planning the physical targets had been fixed and accepted as primary. It is to achieve these targets that the financial resources have to be found and now the finances will no more dictate the targets.

The circles close to Nanda claim that this NDC meeting and resolution passed by it meets the needs of the States and satisfies them; it ensures the priority of central industrial projects, the NDC through its resolution has accepted these industrial projects as firm commitments.

## Set

### Priorities

Thus, whatever increased resources are available will be used by the Planning Commission, from year to year, on a set basis of priorities. The Planning Commission and the Centre will remain in full control and hence there will be less selfish scrambles and chaos. The States have been made responsible for more resources. The earlier tendency of the States to rely exclusively upon the Centre has been curbed.

The columnists of the Eastern Economist, Bria-Da Costa pen-pushers, who aim beyond even Morarji, are very angry. They are of the opinion that the Plan has been made very lopsided; the resources are not there and hence no meaning in having big targets; the Plan has been reduced to an election stunt.

The one plea they make is that the only hope to fulfil

the targets now is to depend on the private sector and give it all the necessary facilities!

The Finance Minister Morarji Desai was very vociferous and aggressive on the first day. He did not look at all happy the second day. He suddenly became silent, looked sullen and stood aloof. The new tricks he is thinking have yet to be found out.

The initial attack of reaction on the Third Plan has been held back and nothing more. The Plan remains in a critical stage and this is evident from the balance-sheet of this NDC meeting.

## Many Gains

On the plus side are the following gains:

● The Planning Commission stands committed to all the major industrial projects contained in the Draft and also the ones subsequently added.

● The fulfilment of physical targets has been accepted as the primary aim and raising the financial resources become the resultant task to be accomplished. Morarji Desai will not be able to put his foot down like before, if other

Ministers show courage and initiative.

● The States are more satisfied and from being mostly spoonfed by the Centre, they have now undertaken to raise the bulk of resources for their plans themselves. On the minus side remain the following factors:

● The primacy of physical targets being accepted as national policy is welcome but a plan based on physical targets implies institutional changes and the rest of it, which problems were not even discussed. The new phrase "physical plan" is in real danger of degenerating into a fashionable but unrealisable and meaningless slogan.

● The financial resources may no more be primary but they have to be raised. Morarji Desai yet remains the boss of this affair and no new policies to raise funds different than those associated with his Ministry were discussed.

## Vested Interests

● The States have been asked to go ahead with their plans and the central industrial projects have also been okayed. The States' representatives will press their demands

in yearly reviews and exert political pressure, the industrial projects take time to plan, build and operate and in the game the latter, more important for the nation, are likely to be the casualties.

● After the available resources have been grabbed by the States there will be no way out left except to let the private sector have the industrial projects, to be started in partnership with foreign private capital.

● The World Bank has been waiting and waiting for just such a contingency and hence its Mission is making no commitment about the total quantum of aid for the Third Plan. It is yet studying the Third Plan projects, promises to send out more experts, missions to investigate and asks us to wait for the next Aid India Club meeting!

## Reaction Poised

Reaction has failed in its first onslaught but it has not yet been vanquished. The size and shape of the Plan has been saved but sound and popular policies that will help ensure the realisation of the physical targets of the Plan have yet to be ensured. This is the big fight ahead.