THE INDIAN LIBERTARIAN

AN INDEPENDENT JOURNAL OF PUBLIC AFFAIRS

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MAKE ENGLISH THE LINGUA FRANCA OF INDIA

Vol. XVIII No. 10 August 15, 1972

6045

ANNUAL SUBSCRIPTION RS. 6-10 PRICE 25 PAISE

	Page
EDITORIAL	
Founders of India's Freedom	2
Twenty Five Years of Freedom *By A. Ranganathan*	5
The Chambal Valley Miracle *By M. N. Tholal*	7
DELHI LETTER	
Peace Under Duress	9
Silver Jubilee of Independence *By K. Kumar Sekhar*	10
Bonus—An Anarchic Compensation Method *By S. R. Mohan Das*	11
British Entry Into E. E. C. Its Impact on India *By Dr. R. S. Nigam*	12
Only Action : Little Thought *By K. S.*	13
Scientific Research and Rural Reconstruction *By Rathanaswamy*	15
Can Monopolist Charge Anything? *By John A. Sparks*	16

EDITORIAL

FOUNDERS OF INDIA'S FREEDOM

The nation will be celebrating on August 15, 1972, The Silver Jubilee Anniversary of the day on which India attained freedom. The Central Government and the State Governments have drawn up elaborate programmes to bring home to the common people the significance of India's attaining freedom which was the culmination of a long drawn struggle, extending over half a century under the foreign British yoke. While the object of these celebrations is undoubtedly laudable and deserves a spontaneous co-operative response from all patriots of the country, it is equally the duty of the Government as also of the different political parties and public institutions to acquaint the post-freedom generation with the pioneering work done in this field by the founders of the Congress and other parties and revolutionary groups and the constructive and yet heroic role played by them in giving birth to freedom movement and fostering it with paternal care and affection at a great sacrifice of their personal interests. This aspect of our national struggle for freedom has got to be specially stressed in the midst of flowers and garlands that are being placed at the statues and busts of the heroes of Indian nationalism that adorned our political firmament during the Gandhian phase of the freedom struggle. The rising generation knows very little about even Mahatma Gandhi, C. Rajgopalachari, Vallabhbhai Patel, Subash Chandra Bose, and has very faint ideas even of Nehru and his achievements. Mrs. Indira Gandhi, they know, only as the daughter of her illustrious Father and present Prime Minister who proved to be the woman of India's destiny during the latest December war with Pakistan.

GALAXY OF PROFOUNDLY WISE MEN

It was the singular luck of India that during the early stages of India's struggle for freedom, this liberation movement witnessed the rise of Indian leaders who were not only patriots burning with the urge for freedom from British Yoke but also statesmen with a keen insight into the realities of the situation then obtaining in the country and a vision of India's bright future. They were intellectually incisive and bold and in wisdom, deep and profound. When one comes to think of these leaders, the names of some eminent personalities cannot but occur to one's mind: Dadabhai Navroji, the Father of Indian Nationalism, the propounder of the theory of India's poverty and Drain of India's wealth from India to Great Britain; Mahadev Govind Ranade who laid the foundations of Indian Economies by his brilliant writings and a pioneer Social Reformer; Shri Pherojshah Mehta, the Lion of Bombay who in the early years of this century, could summon up courage to defy and challenge even the British Governors who were almost Navabs and potentates in those days of mighty and absolute British Rule. Pandit Madan Mohan Malaviya, Gokhale, Shriniwas Shastri, Tejbahadur Sapru who came later on in this field, also belonged to this illustrious line of leaders who aimed high and but never lost sight of the practical

and the real. Those times were such that any misventure in politics would have nipped the movement in the bud and would not have afforded it even sufficient time to lay a strong foundation for a future dynamic struggle for freedom under Tilak, Besant, Gandhi, Patel, Nehru and above all, Subhash Chandra Bose who died a martyr's death on the conclusion of the Second War.

Madam Cama, Aurobindo Ghosh, his brother Barindra Kumar Ghosh, Vir Sawarkar, Batukeshwar Dutt, Bhagat Singh and a host of other revolutionaries who were extremists sacrificed their all and even their blood, marrow and bones for what they worshipped as Bharatmata with Bhagwat Gita verses on their lips. Some of them were mounted on the scaffold and hanged to death. These heroes will always occupy a niche in the gallant and romantic story of the fight carried on by these patriots with unparalleled bravery and unflinching faith in the ideal of India's freedom. Their deeds read like a saga of heroic deeds of legendary heroes like Rana Pratap, Shivaji and Vijayanagar Kings who stemmed the tide of foreign Muslim rule in Rajasthan, Maharashtra and in South India and shattered it to pieces. We dip our pen in red ink to commemorate those constructive and practically-minded founders of Indian nationalism and revolutionary prophets of Indian patriotism who together imparted the light of wisdom and fire of patriotism to the people of India in the early part of this century when the British rule appeared to have been firmly implanted on the Indian soil.

SECULARITY OF INDIAN POLITICS

If one should go through the literature bearing on the nature of politics sponsored by the Congress during pre-Gandhian era, one could not but be struck at the complete freedom of the Congress from religionism and dogmatic ritualism latterly associated with the Congress organisation. The founders of the Congress confined their religiosity if any, to their private life and never allowed it to influence their thoughts and deeds in the mundane affairs of politics. The Congress during those days had in its midst, Hindus, Parsis, Muslims, and Christians who, by and large, were catholic in spirit and could look at wider problems of the nation from a broader point of view. Even Aurobindo Ghosh and Tilak however extremists in their views on the question of employing means of winning Swaraj, which Mr. Tilak said 'was the birth right' of every Indian, were steeped in the ideals of Hindu religion and culture and yet their methods of conducting national movement were bereft of any taint of religious obscurantism which became a regular feature of Gandhian movement.

But with Gandhiji's capture of the Congress and the liberals like Chitamani, Sapru, Shastri and Mr. Jinnah who was then a thorough nationalist, left the Congress in disgust not only for the impracticability of the Noncooperation movement but also association of Congress programme inscrutably and irrationally enough, with a purely religious Muslim movement like that of 'Khilaphat' led by religious enthusiasts like the Ali brothers. Though for four or five years from 1921 to 1925, Hindu-Muslim unity as conceived by the Mahatma, appeared to be in the offing, it ultimately broke down under the hammer-blows of sheer incompatibility between secular politics and Khilaphat fanaticism. The bitterness that arose out of this conflict gave a tremendous fillip to Hindu-Muslim schism and feuds and ultimately ended in the partition of India on the eve of attaining freedom.

GANDHIAN AVALANCHE

Rational and enlightened politics of the Liberals and even old revolutionary leaders thus gave place to politico-spiritual movement of Mahatma Gandhi. The Indian people embeded in religiosity looked upon him and Ali Brothers as their emancipators from thraldom both political and spiritual. Their temper against the British rose to a crescendo, that of Hindus against political serfdom and that of the Muslims against what they considered to be the British game of destroying the Khilaphat. But it was only of the nature of soda-water-bottle effervescence and it was quickly transformed into mutual hate between Hindus and Muslims. Ali Brothers parted company from Gandhiji and went on with their career of pursuing Muslim politics. The gulf went on widening till at last it became a vast ocean that separated finally Hindus and Muslims.

Among Hindus themselves, rationalism which had sprouted in the minds of the earlier generations through English Liberal education, went by the board during Gandhian era with its Ram Dhun, prayer meetings, Charkha, Khaddar and Gandhi caps. Religious teachings like non-violence, Truth, Celibacy, Prohibition got mixed up with politics and sociological problems like Untouchability got confused with that of Temple entry. This irrational twist given to a political movement prevented a direct and rational approach to problems of National language, linguistic provinces, economic planning, foreign affairs, social equality and freedom that arose in the aftermath of freedom. And to this day, our leadership has not out-grown this Gandhian legacy of so called 'inspired' but fantastic experiments with political and sociological problems.

RECAPTURE THE LIBERAL SPIRIT

Religion-steeped backward India perhaps wanted a politico-spiritual leader like Gandhi to rouse her sons from slumber. But the reactions of Gandhian cult have not altogether been

healthy on Indian policy. Nehru's secularism foundered on the rocks of his newfangled socialism. It will sink still further in the debris of State Socialism of his daughter Indira who having faced Pakistan's wanton attack on India in December 1972, hopes also to encounter and overcome somehow, the disaster facing the country on the home front in economic, educational and social spheres. The religious twist given by Gandhiji to Congress politics has now been replaced by Socialist one which is equally irrational. If religion divided Hindus from Muslims, Socialist fanaticism is dividing the country into irreconcilable classes rich and poor, industrialists and employees in urban areas, and rich peasants and landless labourers, sugar merchants and consumers in rural areas. It is interested only in bringing a cleavage between them, whatever happens to the industrial and economic development of the country. If drought takes place in any part of the country, in the eyes of the Government, it is all due to hoarders and not to the want of coordinating policies of the Government in securely hoarding the food stock for an evil day, on scientific lines and to the want of irrigation facilities that could be made available by interlinking the river-system. If prices rise, it is due to Merchants and not due to the decreasing output in industrial sector arising out of wrong economic policies. If the Socialist Government fails to discharge its duties of providing housing to the poor by either undertaking a building programme or by giving an incentive to the people to construct houses and buildings, the fault is laid at the doors of the owners of urban houses and property. So the Socialist motto is: 'Rob them to provide land and houses to the poor'. That is the only panacea that Government can think of, for the cure of these chronic ills.

These policies are being deliberately pursued though the Government fully knows that they are sure to bring economic ruination to the country, since they accomplish the one overall aim of concentrating all power into the hands of the Government. Nationalization of industrial concerns, educational institutions, land and property are the order of the day, not in the interests of the poor but in the interests of the rulers, ministers, bureaucrats and what is strange, even of co-operative societies buttressed by the Government which act as the agents of the ruling party during elections

Thus this Government which governs most, has proved to be the worst. India no doubt became independent of the British Yoke twenty-five years ago but her pople have lost Liberty and Freedom in their every day life. People have to look to Government for everything, job, education, food and clothing. The party in power and its members are the only persons who are 'free' while the rest are 'unfree', if not yet slaves. Press freedom is on the wane with the enforcement of innumerable press laws restricting its freedom of expression. Free thought is a taboo in educational institutions. Students are brainwashed by fulsome praise of the rulers and their predecessors in line. Knowledge is at a discount and it is looking towards foreign lands for suitable field for its creative expression.

In this situation, it is no wonder that whatever progress we have made during the last 25 years has been proved to be totally inadequate for meeting the growing needs of the people. Socialist economy may be likened to war-time economy. It may bring perphaps, military glory to a nation but never genuine peace and plenty to the people. A good Government should govern the least and confine itself to the work of law and order and supervision and leave other things to be done by private initiative and free enterprise which makes the consumer the arbiter of market prices, the regulator of production, and the accumulator of national wealth through a self regulating economy. Then power-hunting will cease to be an obsession with the ignorant but vociferous politicians. And then only will the country enjoy 'Prosperity through Freedom'. In short, let the country capture the spirit of Liberalism of Pre-Gandhian era and plan its future along the path of Rationalism, Freedom and Humanism.

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AUROBINDO ON CURRENT PROBLEMS

Shri Aurobindo Ghosh's Centenary is being celebrated throughout India by all sections of the people, with the fullest cooperation of the Government. Aurobindo in his immortal message given to India on the day of India's freedom which was identical with his birth day, declared that India was destined to be the leader of Asia in the years to come.

It would therefore be worthwhile to recall to our minds his ideas relating to the current problems of the day in India. The Indo-Soviet Agreement of 1971 has been much advertised by the Government spokesmen as the master stroke of Indira Gandhi's diplomacy. If it is to be worked out in a spirit of a bilateral agreement, then surely it would not harm India's interests and on the other hand, it can be expected to benefit India militarily and economically. But some people are rightly apprehensive that Soviet Communism might attempt to stride across the Indian Continent by and by, as it did in East Europe and as China tried to do in 1962 in India. Western Asian nations have begun suspecting the motives of Russia in this respect and have been ridding themselves of Russian influence, one by one. Egypt has taken the lead ony to be followed by other Arab countries, if press reports be correct.

(Contd. on page 17)

TWENTY FIVE YEARS OF FREEDOM

by

A. RANGANATHAN

While celebrating the twenty fifth anniversary of our independence, it is but natural to indulge in a self-congratulatory mood. For we have some achievements to our credit. Indeed the survival of democracy can be regarded as our finest achievement. Again we still cherish our freedoms such as the freedom of expression and the politics of dissent. Yet there are disturbing trends—the unsolved language problem, the danger signals of inflation a stereotyped foreign policy that has hitched India's wagon to the star of Moscow.

It is seldom realized that language is not the only characteristic of a nation despite all attempts to trace the so-called "essence of the nation" to its language. Karl Weber wrote: "In nothing does the national character, the imprint of the mental and spiritual power of a people, express itself so clearly as in its language." And Humboldt argued that "the true homeland is really the language." But in reality such a state of affairs does not exist. Viewed in historical perspective, one cannot help concluding that the language used by a people is only a question of accident. The Normans who settled in northern France in the ninth and tenth centuries forgot their language and spoke only French. Similarly the Norman conquerors in England forgot their acquired French and took over the language of the conquered land. And though the Alsatian and the Corsican spoke German and Italian respectively, they belonged to the French nation. The people of Brazil spoke the same language as the Portugese, just as the people of other South American states use Spanish. The Negroes of Haiti speak a corrup dialect of French. Arabic is the lingua franca of the lands of North Africa and Asia Minor. The United States has the same language as England. Indeed more examples could be cited to show that the community of language does not coincide with the frontiers of the nation.

It is against this background that we have to consider the position of English in India. It may be recalled that Raja Ram Mohan Roy made a powerful plea for the modern system of education through the English medium in the famous letter written to Lord Amherst as early as 1823. This tradition was continued by our national leaders. The earlier nationalists, whether labelled "extremist" or "moderate", were all convinced of the benefits of the English language.

The **Kesari** of Poona, with which Tilak was associated, wrote in 1885—"The birth of patriotism amongst us is due to British rule and English education. English education has imparted to us knowledge of ancient and modern history; it enabled us to know the fruits of patriotism among the ancient Greeks and Romans.....It is those who have come under the influence of English education and begun to realise the defects of British administration that have been inspired by the spirit of patriotism." Even as late as 1916, Lokamanya Tilak asked his countrymen not to forget that "it is the connection with England and the education she gave that have given rise to the ambitions that fill your hearts today."

Sir Surendranath Bannerji remarked—"My professional work greatly helped me in my public speeches, as I had to teach the classics of the English language. Among them were the speeches and writings of Burke, Froude, Lord Morley and others. I thus lived in constant association with the masters of the English language and in close familiarity with their vocabulary and methods of thought; and to none do I owe a greater debt than Edmund Burke, whose political philosophy has so largely moulded my own views of government and society."

Dr. Sachindeananda Sinha summed up the case for English very lucidly in his Convocation address to Nagpur University in 1937—"The English language is now the natural or governmental language of nearly five hundred millions of people.....of the world's radio stations, no less than half are broadcast in English .....It is the knowledge of English and of the magnificent literature enshrined in it that has been admittedly the great emancipating force of India.....The arguement advanced by those who would like to determine English from the prominent position it occupies today in our universities, namely that Japan and Turkey have accomplished the feat of national education through the medium of their own languages, is by no means convincing, as it overlooks the fundamental difference between comparatively small countries with small populations of a few millions and India, a great subcontinent with its many languages, vast territories and an enormous population constituting about one-fifth of the human race. Hence the movement to discourage English is a retrograde step from the nationalist point of

view, and it should not be encouraged by the well-wishers of the country."

It is contended that Hindi is being used by a majority of the people in India. But it is conveniently forgotten that the 42 per cent of the people speaking Hindi in all its dialects are confined to a particular part of India. As Rajaji observed: "if 42 per cent in every state were able to understand and speak Hindi there would have been no objection at all to Hindi being the national language. The fact is, in all the states except the Hindi-speaking area, only one per cent of the people can understand or speak Hindi. Our friends in the North really do not understand this mathematics."

Dr Ambedkar has recorded that Hindi was chosen "by one vote". And Dr P. Subbarayan, a member of the official Language Commission, wrote in his minute of dissent that "Hindi was chosen with reservation, because of the reactions of the success of a long struggle for freedom which gave them an uneasy feeling that India lacked the natural linguistic unity which was thought to be so vital for a free people." Indeed as Shri C. Rajagopalachari argued, "there cannot be a single national language for India. The time is past for the achievement of such an object. We are many centuries too late for it."

The use of English in India is not a phenomenon peculiar to India when viewed in the perspective of history. The growth of a bilingual Graeco-Roman culture in the Mediterranean basin during the first three centuries of the Christian era is an instance in point. Again, Latin was used in mediaeval and post-Renaissance times to facilitate the commerce of ideas in multilingual Europe. Bacon's **Novum Organum** and More's **Utopia** were written in Latin. Some of the greatest savants, like Descartes, Huyghens, Newton and Leibrite wrote their famous treatises in Latin. Great civilizations have been the products of bilingual cultures.

Switching to the economic scene, it is clear that the acceleration in the rate of increase of prices is disturbing. Actually it is galloping inflation. For the current price level is 7.1 per cent above what it was only a year ago. Indeed a single month (May 18 to June 17, 1972) registered a rise of 3.1 per cent. Again the index number of wholesale prices in June 1972 was 199.3 as against 186.1 in June 1971. And the food articles index was 230.9 in June 1972 as against 207.7 in June 1971. This must be set against the revised output of food during 1971-72. For according to present estimates the expected output would be 105 million tonnes—7 million tonnes less than he original assessment. All this comes on top of the alarming rate of growth of our population—the population of India in 1971 was 548 millions, which means a 24.8% increase on the 1961 figures of 439 millions.

The current economic situation in our country is gloomy. And surely the Prime Minister appeared too light-hearted—one cannot be light-hearted in grappling with serious economic problems—in dismissing the rate of acceleration in prices as "seasonal" and "inevitable". It is obvious that it is not a "seasonal" price rise. For the prices do not register a decline, as they should, at the end of the "season". And the theory of "inevitability" goes against the fundamental canons of development economics. While a reasonable increase in prices arising from the natural growth of the economy is inevitable, it is ridiculous to argue that an artifical state of inflation is an "inevitable consequence of economic growth". In fact the current steep rise in prices is derived from massive doses of defici financing. Over the past six years deficit financing has been at the rate of Rs 300 crores a year. And the increase in money supply caused by the expansion of bank credit is Rs 819 crores an unbearable burden which is having a disastrous impact on our economy.

While the Government of India presided over by Mrs Indira Gandhi deserves the gratitude of the nation for revealing statesmanship of a higher order in hammering out the simple Agreement, it is high time that we broaden the scope of our foreign policy. It is true that New Delhi has split Pakistan into two, which has resulted in changing the geography of the subcontinent. But the geographical balance has not been turned to our advantage as a result of our dependence of Moscow. We seem to be circumscribed in four sensitive areas—West Asia, South East Asia, the U.S.A. and Europe. The full implications of Soviet Russia's expulsion from Sadat's Egypt, America's gradual disengagement from Vitnam, the developing dialogue between Eastern Europe and Western Europe and the new Washington-Peking-Moscow dialogue have not been grasped by New Delhi. What we require is a dynamic approach which would enable us to make a meaningful contribution to the current international situation instead of allowing ourselves to be dominated by a super-power like the Soviet Union. For we have not only to play a meaningful role in the current international scene but also assert our rightful primacy in the Indian Ocean area.

THE CHAMBAL VALLEY MIRACLE

By M. N. Tholal

Acharya Vinoba Bhave has given the timely warning that new dacoit gangs will spring up if the Madhya Pradesh Government, in its concern with issues of prestige on the surrender of more than 400 dacoits, allows its attitude towards Sarvodaya workers and the jailed dacoits to be vitiated. This is a warning which should not go unheeded in New Delhi, if for no other reason than the fact that it comes from a man who has kept himself scrupulously aloof from party politics. It comes appropriately after some impolitic pronouncements made by the Madhya Pradesh Chief Minister on diverse issues in the recent past.

Acharya Bhave has truly observed that raking up matters of prestige is vain and irrelevalent. He might have gone farther and said it is foolish in the extreme, particularly as no responsible Sarvodaya worker has at any stage during the historic drama staged in the state claimed any personal credit for the historic event. The Bhopal Correspondent of the Hindustan Times was present when the bandits laid down their arms at Jaura. In a despatch to his paper he quotes from Mr. Jai Prakash Narayan's speech whose exact words, according to him were:

> "You are witnessing an usual and historic incident which could not have taken place in any other country. I do not believe it is my power or my sacrifice that has brought this about and I have no doubt it is a divine miracle. The 'Baghis' have received an inner inspiration and a new light motivating them to play a better role in the social and national life."

I have had occasion to criticise Mr. Narayan severely more than once in these columns and cannot refrain from stating the simple fact that if he had exploited the occasion to take credit for himself and the Acharya for the miracle that has taken place in the Chambal Valley, few honest men could have possibly taken exception to his claim, justified as it would have been in the circumstances. But he has done nothing of the kind and if newspapermen and the public have done it for him, it can hardly be considered anybody's fault, much less ascribed to him. Chief Minister Sethi feels sore at the press coverage, although he himself was almost gratituously photographed in the company of the surrendering dacoits.

It is a pity that Mr. Sethi should have chosen to attack Mr. Narayan publicly, charging him with breach of trust, holding Sarvodaya workers responsible for undermining the role of the Government particularly the police department, and gone to the length of virtually branding them as publicity seekers. Mr. Sethi says it is not only the Sarvodaya workers but also the Government which has brought about the mass surrender of the dacoits. JP, in a number of speeches after the surrender, openly acknowledged the help extended to his co-workers by the Government, which it was its bounden duty to do. Thus, although the Sarvodaya workers do not deny it, it would not be impertinent to ask Mr. Sethi how the Government brought about the mass surrender, since by Government he can only be meaning the police which has been there all these decades. And how is it, as a correspondent asks in a daily, that it is almost two months since the Chambal Valley dacoits' surrender that the Chief Minister has awakened to the need of publicly voicing his allegations against the Sarvodaya leader and his co-workers?

The crucial issue, as the daily's Bhopal correspondent says, is one of confidence; the problem of putting an end to the institution of dacoity in the Gwalior region has deeper ramifications. The people of the region in any case have an innate hostility towards the machinery of law and order while the 'Baghis', rebels against the established order, have been accorded honour and prestige which would have been the lot of the police if it had been performing its functions properly. Inspector-General KM Rustomji's allegation that the Sarvodaya workers had made heroes of the dacoits was not devoid of truth but,obviously, something of the sort was needed to lure them into the surrender mood, quite apart from the fact that people were generally inclined to ragard them as such.

Indeed, it must have been some similar feeling that made Inspector-General Sukul embrace many outlaws, who in turn bent down to touch his feet, or made the Chief Minister have himself photographed with the dacoits. What the Administration had failed to secure after spending Rs. 50 crores over years was realised almost instantly in a mood of goodwill, the seeds of which were sown by Acharya Bhave eleven years ago. It is obvious that confidence, born of goodwill has to be maintained and that the police has to be on its best behaviour if a gulf between the Sarvodaya workers and the dacoits, on the one hand, and the police, on the other, is not to arise to spoil, if not undo, the miracle.

Already, it is reported, Sarvodaya workers have been stopped from visiting the jail where the dacoits are lodged and their vehicles have been withdrawn in a huff. Things are reported to have gone so far that a Sarvodaya worker as devoted as Subba Rao, who had been persuaded by the dacoits to meet Mr. Sethi and request him to expedite arrangements for the education of

their children now that schools have re-opened, was refused an interview.

Having regard to the fact that the people of the area have greater confidence in voluntary workers, specially if they are associates of Vinoba Bhave or JP, their ill-treatment — and refusing an interview is nothing short of ill-treatment and highhandedness — can only be ascribed to melancholy meanness, unless it was engineered by the police through baseless reports intended to create a gulf between the Chief Minister and the Sarvodaya leaders. Mr. Sethi has betrayed his own opinion of the police when he offered them a "special allowance for staying honest" in the course of his promise to clean up the police and revenue administration in the region and induct men of known integrity to replace those whom he distrusts. The cynical will be inclined to belittle his optimism and he should not be so sure of his hopes as to turn away those already engaged in selfless work and have already shown splendid results, whose integrity and efficiency cannot therefore be doubted. A bird in hand is worth two in the bush. In a matter like this it is worth two hundred in the bush. Mr. Sethi would be very much mistaken if he thinks that, with 400 and odd outlaws behind the bars, his police will be able to handle the rest of the problem successfully. There are many who believe that the problem is the creation of the police itself.

The JP–Vinoba experiment has also started yielding results in Bihar where, on an appeal made by superintendents of police of different districts, hundreds of anti-social and criminal elements wanted by the police for many years have started surrendering. Mr. Sethi has himself spoken of the silent valuable work done by former dacoits, Lokman and Tehsildar Singh, in the operation surrender. Their example and advice had an immediate impact and the bandits felt they could also return to fruitful normal life after serving their jail terms. The Government and the public could not have failed to realise the nature of the powerful forces of goodwill released in the Chambal Valley and Bundelkhand. These forces can be strengthened if the 400 now facing trial can emulate Lokman and Tehsildar Singh. For that purpose Government will have to keep a close watch on the underhand police technique, with which high Administration officers must be mighty familiar.

Mr. Sethi has declared that he will not spare the Sarvodaya leaders if they criticise the Prime Minister. This is a crude declaration of loyalty to Mrs Indira Gandhi which would perhaps not go unrewarded, implying as it does the belief that the Prime Minister is always right — a belief to which few right-minded can subscribe in their sober moments but which gives an insight into the reason for Mr. Sethi being where he is and the position he now occupies. But does he seriously mean that leaders of the stature of JP should give up their non-party stance if they are to be spared by Mr. Sethi?

Not that Mr. Narayan would resent criticism of his statements but those who criticise him are expected by newspaper readers and radio-listeners at least to make a sensible contribution to the public debate. Mr. Narayan's recent reference to "concentration of power in one person" was more a criticism of the Congress Party and its members and their selfish instincts than of the Prime Minister who may naturally be expected to want to have as much power in her hand as possible, like any other politician. Mr. Sethi has only succeeded in declaring that he is a firm believer in fascism, for that is the kind of stuff fascism is made of, and no one need expect Mr. Sethi to make any constructive contribution to keep the Prime Minister in her proper place in a democratic set-up.

Knowledgeable observers in the country have good reason to think and believe that democracy is in danger in India, the more so as it is hardly deeprooted in the country. They have received with undisguised shock the report that the one-time president of the Swatantra Party, Mr. N. G. Ranga, has decided to join the Congress Party and strengthen Mrs Gandhi's hands at a time when a non-party leader of the stature of JP is feeling alarmed at the concentration of power in the land in a single individual. Many of them are naturally asking : Is that the kind of stuff the Swatantrists are made of? Surely, there should be a limit to the lure of loaves and fishes of office and to the forgetfulness of their professions by eminent politicians of the land.

(Contd. from page 9)

has proved and Bhutto may prove again. Besides, there is the possibility, some would consider it a probability, that Mr. Bhutto may not be where he is a few years or even a few months hence, conditions being what they are in Pakistan. But we should have the satisfaction of having done our duty by peace, which is all that a peaceful nation can do.

The Cabinet changes have brought forth the comment that new hands are being tried in the departments concerned because the old ones have failed. Mr. D. P. Dhar having proved a success in the department of foreign affairs has been put in charge of the Planning Commission in the hope that he will be able to make a success of planning which has defied the brains of Congressmen. It was a mistake to reward party work with such high offices in the hope that the seats of office will bring forth the required brilliance. Loyalty and brilliance seldom go together and the induction of two new Cabinet ministers from outside the party is naturally being regarded as proof of the paucity of talent in the ruling party.

DELHI LETTER

PEACE UNDER DURESS

(From Our Correspondent)

The ratification by the President of the Indo-Pak Agreement a couple of days before Parliament was due to meet to consider it, it is generally conceded here, was ill-advised. Nothing would have been lost by delaying the ratification by a few days and thus acknowledging indirectly the supremacy of Parliament, even though the latter's approval was a foregone conclusion as most of the parties there had indicated their approval of the transaction.

The event of the fortnight has been the decision of former Swatantra Party President, Mr. N. G. Ranga, to join the Congress. Strange as it would have been regarded in any circumstances, it is regarded stranger still at a time when the public is inclined to be uneasy over what Mr. Jai Prakash Narayan has summed up as "concentration of power in a single individual", which cannot by any means be considered a highly exaggerated statement. Mr. Ranga owed it to the public, and to Swatantrists in particular, to explain the reasons which impelled him to take the step he has taken. He must have been brooding over it for a long time.

If he considers the step he has taken to be a right one, he should be wanting others to follow in his footsteps, particularly those who consider themselves to be his followers or at least hold him in high regard. The people are entitled to know the reason why and to accept or reject the same according to their whims and fancies, and to enlighten the public with the contents of the same so that all may take part in the public debate that should go on and on in a democratic society. Otherwise the affair of defection assumes a hanky-panky aspect doing little credit to the performer or the country at large.

The Madhya Pradesh Chief Minister has made it known that he would stand no criticism of the Prime Minister even by Sarvodaya leaders. The threat is not likely to cow down the latter, but their criticism of the Prime Minister, to which they are perfectly entitled, should not be allowed to undo miracles such as they have performed in the Chambal Valley or are about to perform in Bihar, if the Press reports are to be believed. Surely the MP Chief Minister does not mean to say that he is not prepared to co-operate in any manner with those who do not, like him, always kowtow to Mrs Gandhi, not even in the public interest such as the one involved in the surrender of the 400 and odd dacoits of the Chambal Valley and Bundelkhand. For, the public interest should be held supreme, even far above the demands of the dictatorship of a single individual, which cannot by any means be considered democratic.

A minister of Uttar Pradesh has out-Sethied Sethi in his Fascist performance. Mr. Charan Singh has done a public service by pointing out in the Uttar Pradesh Assembly that Information Minister Tandon had said in a public speech that the opposition parties must disband or their place would be in hell. "Is this the way a minister should speak?" he asked. When Mr. Tandon rose to his feet to say that nothing could be more true, Mr. Singh lashed out saying, "You should be rather ashamed of what you have said; we have a right to exist and have our say." But that is exactly what seems to be on the point of being denied.

The public is entitled to an explanation and clarification of what the UP Information Minister said and maintained. How will the place of the Opposition parties, who refuse to disband, be in hell? Will he have recourse to the Indian Army or the Indian police for the purpose? For, without their armed help the members of the Congress party, faint half-believers in a selfish casual creed, would not be able to cow down the opposition parties which even in the last elections secured a majority of votes. In any case it is obvious to the people at large that fascism is raising its head in right earnest, with the approval, or at least with the connivance, of the powers-that-be.

The Indo-Pak Agreement has been duly ratified, as it deserved to be. A correspondent has made a point in a letter to the editor of the Hindustan Times to the effect that the Jana Sangh, in its crusade against the Agreement, should not involve the Army by staging its protests in the occupied areas which are under the control of the Indian Army. "Leave the army alone and stage your protests in the Capital which is the proper place for them" is what he rightly suggests. It is for the Army to obey what orders it receives from the Union Government and it is not for the soldiers to decide or even to consider whether those orders are right or wrong. An appeal to their emotions right in their midst is obviously misplaced.

Reading between the lines of the statements made by the Pakistani leaders from President Bhutto downwards, one is inclined to think that they are accepting the Agreement under duress. For ten or fifteen years, declares the President, they will not be in a position to wage war against India. So why cavil at the clause renouncing the use of force? And, adds the President, who can prevent a people from going to war if they are determined on it? Nothing indeed, not even the prospect of disintegration, as Yahya Khan

(Contd on page 8)

SILVER JUBILEE OF INDEPENDENCE

By K. Kumara Sekhar

The Silver Jubilee of our independence is close at hand. But the wary hope that the day we celebrate it would be marked by solemnity, rather than pomp and ceremony. For, while celebrating our independence for the twenty-fifth time at least, le us not commit the same old mistake over again, of "over-rating independence" in the life of our nation, when it is but an "insignificant little first step", and but a "means to an end". For, it is this complacent "attitude to independence", and overweening pride in it, that has led to a tendency to hang on to past laurels, oblivious to present perils.

But for that original error, of "overrating freedom", as an end-in-itself, when it is but a means to something else, we would have been miles ahead of where we stand,—without Nehru having to paste that little poem on his table, to remind him of the miles and miles that he had to go. Our misfortune lay in that our best leaders had to spend the best part of their lives, not in running the country, but in struggling for its independence. It thereby gave them a "wrong psychology", and bent of mind, of attaching more weight to it than its due, and extolling and rewarding all those connected with the liberation movement, with monuments for the dead, and high offices for the living, to the detriment and neglect of patriots of today, who find their voices gagged, their existence ignored, and their achievements for the country belittled.

Let the world realize, at our coming landmark, that we have matured much in the last twenty five years in our understanding of the real meaning of independence, and in arriving at a more correct and sober assessment of freedom, from our original native approach, and apotheosising attitude to it. Today, let it be known that the attitude to independence we display, has markedly improved, between the forties and the seventies, from an idealistic to a realistic view of it. Today, we are no longer overwhelmed by Nehru's memorable words, made on the eve of the first independence day, that "at the stroke of the mid-night hour, while the world sleeps, India awakes to life and freedom". For, something tells us now that India did not as promised awake to life and freedom, for today instead, we find it on the contrary gasping for socialism. Obviously the identification of freedom with a "spontaneous new life" was a grave error, of not only Nehru, but all the leaders who walked in his footsteps. Coming at the end of a long dark struggle, freedom might have meant to an older generation of leaders, a sort of "dawn" for the nation. Yet, to the young generation, looking back, it is hardly mentionable. They can clearly see that the subsequent inertia in our progress, is to be traced unhesitatingly to the lamentable fact, that "political liberty" was given an "oversize place" in our perspective, so as to cloud our vision of future.

The slow progress, registered by under-developed countries in catching up with the advanced countries, and their continued subjection to appalling poverty, even with independence, ought to serve as a lesson to one and all, as to how lack of effective participation in, and enthusiasm for, economic reconstruction by the people here, in a manner comparable to their struggle for liberty, has been responsible for their subsequent plight. The trouble with all Afro-Asian peoples has been that, namely to make a tremendous show of unity, sacrifice and enthusiasm for the cause of the nation, till their country is liberated from the foreign yoke; and then to bid goodbye to all those very things that carried them forward sofar, so that backsliding begins. It is clearly the result of a "wrong set of values" animating our peoples, that of "over-valuing political independence", and "under-valuing economic independence".

We speak in epic language about our "freedom fighters", but turn a blind eye to the subsequent "nation builders", who have infact the "greater task" to do. Freedom is after-all something like an "underwear" to a nation; but what really matters is its over-wear. Had oriental peoples shown half the enthusiasm for nation building activities, as they did for 'freedom fighting", one thinks the gap between the developed and under-developed worlds, would have been much reduced, long ago.

One is lead to conclude, that it all stems from a psychological error on the part of the people here, who reckon with freedom as full of rights and little of duties, when it is actually full of duties and little of rights.

It is a pity, that even so late in the day, no Afro-Asian statesman, endeavours to rectify this error. The cause for this must lie in the fact, that almost all the Afro-Asian rulers are former freedom fighters; they still love to hold in reverence, their old roles, especially since the people not exhibit the same enthusiasm for their subsequent efforts, of post-independence reconstruction, hwich has somehow become a relatively dull affair.

The "leaders of tomorrow", of these countries, have however to see to it, that the people experience the same intoxicating "sense of achievement and fulfilment", in constructive activity, as they do in "liberation fights". Then it is, that the celebration of the independence of a country, would be attended with more solemnity than is now noticeable, appreciating the true nature of freedom, as but a "means to an end", no more "over-valuing political independence".

BONUS - AN ANARCHIC COMPENSATION METHOD

by S. R. Mohan Das

The effectiveness of an industrial system lies in its organised and structured ways of operation. As a part and parcel of such ways, any compensation system that is devised in industrial working should also be organized and structured. The wage and salary systems are called such systems. Into such structured systems of wage and salary, various factors and influences could be brought to bear to affect the quantum of the wage or salary. No matter what are the diverse considerations that have to be taken into account, they are all channelised within the organized and structured framework of the wages or salaries system so that there could be efficient management of the wage or salary system. The structured wage or salary system is like a reinforced concrete foundation on which a complicated structure can be built.

Unlike the earlier compensation systems of payment in kind which cannot be easily quantified, the wage and salary system provides enormous scope for quantification, computability and thus perceptability to the giver as well as receiver. It imparts disciplines of management to both the receiver and giver in the proper utilisation and channelisation of the compensation system. Thus the wage and salaries system ought to have been structured better and better in a developing society like India.

But the reality of situation prevailing is some thing terrible. Not only has the wage and salary system kept in shambles, making administration costs terribly high, but to this jungle growth is now being added another poisonous growth called a bonus system as an **ad hoc** compensation arrangement to generate more troubles and conflicts among both the givers and receivers of the compensations.

Bonus first started as an **ex gratia** payment given unilaterally by employers with their goodwill. The concept of **ex gratia** was galling to the pride and status of citizens in a democratic system, so the concept had to be changed. An attempt to bring rationality to the concept of bonus was made when bonus was defined as "profit-sharing". This rationality could not however be lived with by those who provided the conceptual definition because profits had many claimants for sharing and workers alone could not be allowed by the other claimants to get the lion's share. This is the situation in the L.I.C. where no matter what happens, the Government shall not reduce its share of statutory return. Even if the business as well as premium income soars up, neither the policy holders nor the employees could automatically expect shares from the increased working. The lion's share goes to the Government and all other constituents including labour have to be satisfied with secondary priorities.

There were other situations where workers worked well, but due to reasons beyond their control, profitability was absent. Having been given a taste for an additional compensation apart from wages, the definition of profit-sharing given to bonus, generated frustrations among such workers. Therefore, a new definition had to be improvised and some trade union leaders belonging to the INTUC started this semantic acrobatics. Bonus was sought to be defined as the gap between subsistence wage had only abstract meanings without any tangi- and fair wage insome respects, and fair wage and living wage in some respects. All these terms ble or concrete meanings. The net result of all this exercise was not just "more and more" which is quite natural in all societies, but a totally unstructured and **ad hoc** "more and more" which produced some peculiar behavioural characteristics in both the giver and receiver of the "more and more"

It is because of the **ad hoc** character of bonus with illogical definitions that it has become one single issue that now emerges as the cause of industrial conflict, work stoppage and inter-union rivalries. High powered bonus commission, the Bonus Act, numerous case laws and now a Bonus Review Committee, have all been made to go through an exercise within the rigid framework of the illogic of bonus and none of the opportunistic definitions could provide a fig leaf to cover the illogic of the bonus system in India that is fundamental.

This illogic is now inevitably going to lead to a situation where employees working in civil services such as State and Central Government offices, Municipal offices, Zilla Parishads, Municipal Councils will have the fullest justification in demanding bonus and if they fail to get it, equally justified in agitating for it because, after all, they have been continuously encouraged and whipped into parasitical expectations.

The parasitic aspect of the Bonus system as existing can be seen from two contrasting situations. Recently in one firm, there has been an agitation by employees to give them additional bonus from the "set on" reserves of bonus above 20% which the Bonus Act provides for. But the act also provides for a set off in relation

(Contd. on page 13)

BRITISH ENTRY INTO E.E.C. ITS IMPACT ON INDIA

by

Dr. R. S. Nigam

With the signing of the treaty of accession at Brussels and clearance of British Parliament, the European Economic Community is being enlarged from 1st January 1973. This has been the result of long negotiations during which Britain has tried to safeguard the interests of its Commonwealth partners, especially the Commonwealth sugar producing countries and import of dairy and meat products from New Zealand. Some Commonwealth countries have been offered the associate status but for countries like India the E.E.C. has agreed to offer negotiations for some sort of a trade agreement so that their individual difficulties arising out of the British entry during the transitional period may be solved by mutual negotiations.

However, in the long run, these countries' commercial relations with the Community would be determined by the application of the Generalised Scheme of Preferences of the E.E.C. and Britain. British imports from these countries would now be subject to the gradual application of customs duties under the **Common External Tariff** of the enlarged Community, if these imports are not under the system of G.S.P. The Enlarged Community would, if necessary, examine any problems that might arise in the light of the effects of such a system, taking account of the interest of other countries in the same region, i.e., India, Pakistan, Malaysia and Ceylon. At the instance of the Netherlands, Indonesia has also been included in this category. For Hong Kong, however, the Enlarged Community is not prepared to make an offer on the lines of India, Pakistan, etc. For sensitive products from Hong Kong, like textiles and footwear, the offer will not apply. For some other semisensitive products, special procedures will be devised from time to time. This is necessary to protect the home industry of the E.E.C. countries.

Although pound sterling has been pretended to be kept outside the negotiations for British entry, at the instance of France, its role as a "reserve currency" has been discussed in the context of the negotiations. This has become important as the Community has declared its intention of moving towards an Economic and Monetary Union which might require adjustments for the pound which had played the role of an international reserve currency for a considerable time. It is envisaged that Sterling balances will be gradually run down after Britain joined the Common Market. In fact, one can foresee two future possibilities in this regard:

(a) Merging of Sterling reserve with the Special Drawing Rights (SDR) of the International Monetary Fund so that the I.M.F. may take the burden of administering the Sterling holdings of Member-Governments, or

(b) The evolution of an Euro-currency to take the place of Sterling; this may be a consequence of the fact that the Six are committed to have increased economic and monetary cooperation and the ultimate aim is to bring about a Monetary Union of the Community members as recommended in the Werner Report.

For reducing the Sterling Balances, any proposal would have to satisfy two things:

(i) Protection of the interest of the balance holders; and

(ii) The avoidance of unaccepted burdens on the British Balance of Payment.

The Rome Treaty provides for the progressive abolition of restrictions on movements of capital between member countries. At present, Britain operates certain exchange control restrictions in respect of capital movements to all non-Sterling area countries including the six Common Market countries. Sterling area countries enjoy certain privileges and can take advantage of the excellent financial services provided by the City of London. After Britain's accession, these services may not be regarded dually exchange control restrictions in respect of movement of capital and services are to be abolished in favour of the members of the Enlarged Community. It has been agreed that this problem will be taken up detail after British entry into the common market when Britain will be in a positon to negotiate as a full member. At present, Sterling is quite safe on account of Basle guarantee of the ten rich countries which provides for the underwriting of a sterling against any devaluation for the benefit of Sterling holders. The Basle Agreement is to expire in 1972, but has been extended for two years more. The recent international monetary crisis on account of weakness of the Dollar and revaluation and floatation of strong currencies like Japanese Yen, German Mark, Dutch Guilder, Swiss Franc, etc., has resulted in a search for new international monetary arrangement and the

(Contd. on page 14)

ONLY ACTION: LITTLE THOUGHT

Article by : K. Kumara Sekhar,

One feels, the Indian people have reason to complain against the way in which Mrs. Gandhi generally functions, over-emphasising "action" to the detriment of "thought". Those who have lived in the Nehru era, where there was on the other hand plenty of profound thinking, and wide spread public debate on every proposition of government, whether it be neutrality, or bank nationalisation, or co-operative farming, naturally find it difficult to bear with this change for the worse. Nehru being a great thinker, always explored thoroughly the intellectual aspects, threadbare, of every step he took, meeting every argument against it as far as possible, for the benefit of his people, so that when he brought about any change, even those who initially dragged their feet, later on felt quite at home in the new environment.

But Mrs. Gandhi has an irksome way of doing even positively progressive acts, on a "snap decision", as if dictated by her whim of the moment, so that she fails to carry large sections of even her own party men with her. To bring all those people into step with her, she calls them "backsliders" and "defectors" and threatens them with dire consequences of party disciplinary action, not realising her own guilt and deficiency, in not convincing them of the value of her measures. This kind of brow-beating, of one's own party colleagues, to be sure, is not in conformity with the true spirit of democracy. Contrast this, with Nehru's own large and involved thesis on the philosophy of neutralism, with which he regaled his audiences, and won over even the die-hards and the intellectuals who were pro-west. Whereas, all that Mrs. Gandhi did, on listening to the host of complicated problems associated with ceilings, was to merely retort, that the party is "committed" to it. As if this could, would and should silence all her critics ! This clearly indicates a dearth of intelligence and ability to convince one's opponents with sound reasons, in favour of one's propositions. The ceilings issue, for instance, raised several tricky questions, which have been filling press columns. Can there be discrimination between major and minor sons? If an owner of private irrigated land, broke his pumping sets, would he get a higher ceiling? Or, if an unirrigated land owner installed pump sets later on, would his land be subject to a second ceilings cut? If a single building in big cities costs more than five lakhs, how is it going to be cut up between government and the owner? What about people who won five lakhs of urban property in every state, and thus may on the aggregate be owning about forty lakhs of urban property? For all these problems, it is up to her to think out intelligent solutions with Solomon's wisdom. Yet, with her characteristic naivety, she is reported to have said that, much time is lost by too much of thinking and discussing matters. May be she is a "woman of action"; but action has also to be backed by considerable thought. If as is said, Jeanne D' Arc is her ideal, she is certainly living up to it, by her sudden flippant attacks on her targets, in the same French girl's light-hearted manner, without adequate mental or material preparation.

So it is, that a nation that had been accustomed to have a thoughtful PM, at times finds it inconvenient to bear with Mrs. Gandhi. She may not be actually thoughtless, as Bhutto for instance would like us to believe. But she seems to be incapable of "thinking aloud" on issues, a thing in which Nehru was an adept, and which he did very frequently, so that the people understood his mind fully well at every stage, and gave him the necessary co-operation.

(Contd. from page 11)

to the minimum bonus of 4% that has to be paid irrespective of whether there is loss or capacity to pay. The "set off" is provided for so that after paying the minimum bonus even without the affordability, when the affordability comes about later, the "set off" could be taken advantage of. Though theoretically this has been possible, in reality, union leadership, for understandable reasons, can never accept compensatory adjustments in the "set off" and there has never been a case reported of such adjustments, though the law provides for it.

In such circumstances, we are now trying to take our society into even greater modernism during the 1970s with such an unstructured **ad hoc** system as the present bonus, which offers itself as a noisy rattling toy to our politicians to play around with. It has brought about a ruinous situation. The whimsicality displayed by the present Minister of State for Labour when playing around with bonus system has caused further havoc and respectability to this whimsicality is sought to be given through the recently set-up "Bonus Review Committee" where the union nominees are being encouraged to agitate within the committee intimidating and hustling the non-labour committee members. They will succumb because they will take the position, as the tarliest ones did, that if they will have to order payment of an unstructured compensation system at somebody else's cost and for which they could get some temporary popularity, why not do it by following the line of least reaistance. Thus the Review Committee that has recently been established has already been pre-empted from autonomous functioning. In between all this, the whole country and its working people are continuously corrupted by the parasitism generated by **ad hoc** structures like bonus.

MISUSE OF NATIONAL ANTHEM.

(Contd. from page 12)

Press reports state that the police commissioner in Bombay is arresting dozens of persons, for walking out of theatres while the national anthem is being sung. Before this phenomenon spreads to other states, it is essential that all concerned should try to know what is what. It is obvious, that the said Commissioner regards that the people concerned, are all bent upon dishonouring the national anthem, and are therefore guilty of a grave offence. But I feel sure, that many who walk out of theatres while the national anthem is being sung, like me for instance, do it not to dishonour it, but as a sort of protest, against the "misuse" of our great and beautiful national anthem, by playing it at the end of film shows.

So, if seen in the right perspective, it is not the wary and humble cine goers, who feel indignant about it all, who ought to be taken into custody, by the police commissioner, but those in the government responsible for so "dishonouring" the national anthem, by ordering it to be played, in such cheap places as film theatres, and on such trite occasions, as that of the end of a generally frivolous film show. Yet, rather strangely, men in Government have thought it fit, that cine goers should stand to attention, while so solemn a thing as the national anthem is being played, under such humiliating circumstances.

The error, it is clear, lies with the government and not the people, for the playing of the 'national anthem' should be reserved for truly 'national' events, meetings, celebrations. To play this great song of Tagore, at the end of every film show is to "cheapen" its solemn effect on the people.

Considering that two to four shows are presented in every theatre daily, and every week a good number of new pictures released, and film going is a frequent habit with many, the effect of insisting on too frequent a homage to the national anthem, is bound to have a negative reaction, and the initial feelings of love and respect are bound to give way to disgust and disregard.

Even from the aesthetic viewpoint the playing of the national anthem at the end of an average picture is not in good taste. And as most films released nowadays are not up to the mark, the only way left to the public to register their contempt for them, is to scurry out even before the curtain is rung down. It is at this point that the national anthem is played, which claims the attention of the people on patriotic grounds, while on aesthetic grounds the people feel it desirable to quit the place, instead of celebrating the end of the picture, with due pomp and ceremony, which is what the playing of the national anthem in one way implies, and which is exactly what the public think, that most films of today do not deserve.

So, before exercising his arbitrary and ruthless powers, the said Commissioner ought to have thought twice, as to "who" really is the guilty party here, the cine goer or those who weild the govt. Verily, the occasion calls for a Police officer as concientious as "Javert" in Victor Hugo's LES MISERABLES.

—K. S.

future position of pound Sterling cannot remain unaffected by these developments.

All these are pieces of a mosaic which would fit together to build up a general picture of multilateral agreements between the six and the four new members, all the exceptions and adaptations being basically of a transitional nature, which the four countries will be allowed so that they can be gradually integrated into the Community system as envisaged by the Rome Treaty as smoothly as possible. It should be noted that the entire process of international trade is undergoing a thorough change and is in the process of transformation. The Kennedy Round of traffic reductions and the Generalised Scheme of Preferences (both of EEC and U.K.) which are being implemented simultaneously have changed the entire field of international commerce. It is certain that old fashioned commonwealth preferences and not likely to last long (even if Britain does not join the EEC on account of future parliamentary vote, for which there are no possibilities now) and global solutions are to be found for trade problems of the developing countries on non-reciprocal basis extending the "infant industry" argument beyond the narrow national frontiers as suggested by Paul Prebisch, the Secretary-General of the First UNCTAD. At this moment, it may be difficult to envisage clearly the emerging pattern of international economic relations, but one thing is certainly clear, that the future of the developing world is full of opportunities and potentialities, and it is high time that these countries should exploit the new opportunities like G.S.P. to the maximum possible extent by following the right type of economic and commercial policies at home and abroad.

The Commonwealth is in the process of being transformed from a "sectoral multi-national arrangement" into a "global arrangement" of trade and aid cooperation between all developed and developing countries. In the next 10 years a clear picture of the new relationship is expected to emerge when Britain will play its role as a full member of the E.E.C. the experience of the working of G.S.P. will be available, E.E.C. will move towards its goal of economic monetary and political integration, flow of aid will be internationalised and new trade and payment arrangements are expected to emerge. The next 10 years may change the entire concept of international trade from one of reciprocity to that of complimentarity. The institutions like UNCTAD, G.A.T.T., O.E.C.D., I.M.F., I.B.R.D., etc., will play an important role in this transformation.

SCIENTIFIC RESEARCH AND RURAL RECONSTRUCTION

M. RUTHNASWAMY

At the Seminar held in New Delhi last month, when about 50 eminent scientists met to discuss the question of the "best way of using scientific talent in India," the suggestion was made and strongly supported that a Minister and a Ministry of Science be established in the Government of India. In view of the large amount of money (Rs 323 crores in the Fourth Plan) spent on scientific research and development, on the large number of National Laboratories and other scientific institutions, nearly 32 in number, the ambitious scientific policy resolution of 1953 which aims at nothing less than to secure for the people of the country all the benefits that can accrue from the acquisition and application of scientific knowledge, and the anxious problems and difficulties that beset the path of the working scientist in India, to which reference was made by almost every scientist who took part in the Seminar, it would seem that the suggestion requires serious consideration.

In addition to the arguments advanced at the Seminar, it may be mentioned that almost every moden government has a minister and a Ministry of Science. In Britain, the second Labour Ministry of Mr. Wilson had a Minister of State for Sciencein special charge of civil science. The Ministry's activities in its field were organized through a number of research councils. In the Conservative Government which succeeded it, there is a Secretary of State for Education and Science, whose activities continue to be organized through research councils and he has as his colleague a Minister of Technology. In the Federal Republic of Germany there is a Minister of Atomic Energy. In Italy there is a Minister of Science and Industrial Research. In Japan, there is a Minister of Science and Technology. In the U.S., where the President is also the Prime Minister, science is the special care of the Executive Office of the President through the office of scientific Research and Development. In the U.S.S.R. the Presidium acts, as in the case of other subjects of administration, through a Central Committee for the coordination of scientific research, while the Academy of Sciences, which dates from the 18th century, is charged with the duty of giving guidance to the large number of scientific institutions and to individual scientists, numbering about 150,000, the largest number for any one country.

If India is to succeed in the economic and especially in the industrial field, science and scientific research must hold a key place in the Government's plans of progress. There must be a special Minister and a Ministry of science. Only a special Ministry devoted to the task will have the time and energy to administer the large financial provision made in the Fourth Plan for scientific Research and Development and supervise and stimulate the work in the 32 laboratories and other scientific institutions which have to be inspected and kept up to the mark. Scientific education has to be improved from the university down to the primary school level. Industry has to be provided with a large contribution to promote scientific research. The scientific spirit has to be cultivated in the people. State Governments have to be encouraged, helped even needled to promote scientific research and development in their areas of jurisdiction. All this requires a Minister who commands the enthusiasm, the energy and the belief in the worth and value of science that will make of the new Ministry a source of inspiration and help to the scientific and industrial world of India.

As for the objection of cost involved in the establishment of a new Ministry at this time of financial stringency it may be met by reducing the cost of administration of the Central Ministries of Education, Agriculture and Industry. These subjects are, according to the Constitution, the principal and primary concern of the States. The Central Ministries in these subjects are only there to administer the aids and subsidies made to the State Governments out of the Central Government's larger and increasing financial resources. So, these Ministries of Education, Agriculture and Industry at the Centre are just superfluous merely to administer the funds and grants and a strain on the financial resources of the Government of India.

Another Minister and Ministry that should be established at the Centre in India is a Ministry for Rural Works and Rural Reconstruction. If the **garibi hatao** programme of the Government and of the party in power on which the party won its huge majority in the election, is to be realized, the programme must be put into effect in the area where poverty prevails most extensively, as well as intensively. The largest number of poor is to be found in the villages of India. And this poverty can be removed only through work and employment. And this employment must be provided to the people in the villages through public works and that will increase the prosperity of the villages. It is rural public works that will solve the problem of Indian poverty. It is a village roads (one million miles of them), village drinking water wells (40,000 of them), village housing (60 million of them), rural industries (the old vi-

(Contd. on page 17)

"Monopolist" Can He Charge "Anything He Wants?"

John A. Sparks

To their first course in economic principles, college students bring a wide assortment of misunderstandings. The "nature of competition," in particular, is a subject where there is almost always confusion. During a recent classroom discussion one student, who is representative, said: "This idea of rivalry between producers is fine, but what if there is only **one** producer of a product, for example, only **one** dairyman in a town. Then, it seems to me that he would have a monopoly and **could successfully charge any price he wanted to charge:**" The class nodded a general assent.

The fallacy that the exclusive producer of a good or service holds the enviable power to charge "anything he wants" has been exposed and refuted.[1] Yet, most members of the class assumed that in the absence of other "flesh and blood" competitors there would be no curbs upon the pricing practices of the single seller. Preoccupied with "competition by competitors," the class neglected other important kinds of competition. They are not alone.

"When competition is named as a regulator of enterprise outputs and prices, it is usually the competition among the firms already established in this or that industry which is emphasized .... **Most studies of individual industries refer, when discussing competition, almost entirely to rivalry among established firms."**[2] (Emphasis mine)

What are the alternatives to "competition by competitors"? What forces keep the lone producer from charging "anything he wants"?

Competition by substitution

In order to start class discussion, I asked one girl if she would buy milk from the hypothetical dairy at $5.00 a gallon. "No!" she said without hesitation. "I'd buy canned juices instead or maybe even powdered milk." The young lady's common sense revealed some doubt that a single seller can successfully charge "anything he wants." Her answer indicates that sole sellers, no matter how powerful they think themselves to be, confront a very real kind of competition — by substitution.

In the classroom example the price of whole milk had become exorbitant. No other whole milk competitors were in sight, but resort could be made to powdered milk or other drinks. What economists call the "substitution effect" occurs in many areas. As a building material, steel can be supplanted by concrete and certain plastics. Glassine and plio-film substitute well for cellophane. Peanuts can replace popcorn. The power of the consumer to substitute presents a continuous threat to the sole seller of a product who believes that he can charge "anything he wants."

Demand Elasticity

Another student interjected, "To me there is no real substitute for milk. I don't like powdered milk and I never drink fruit juices. Substitution isn't open to a person like me." Consumers, who for various reasons are unable or unwilling to substitute, may nevertheless have a sizable impact on the single seller who arbitrarily attempts to charge "anything he wants."

Simple cultailment of product use by such a consumer can seriously cut into the revenues of the overconfident exclusive producer. Buyers who have no alternative products available to them are nevertheless often able to cut back on current consumption. When consumer responses to a price rise are substantial and widespread — "elastic" – the single seller's price increase will actually yield him lower revenues than before because total consumer outlays for the product will decrease. The single seller charging anything he wants in disregard of this "demand elasticity" may bring disaster upon himself in the market place.

It is said that although consumer demand for many products is "elastic," the demand for "necessities" is less changeable, that is "inelastic." The argument goes that since consumer response to price increases for "necessities" is so sluggish and limited, the single producer of such products escapes the discipline of demand elasticity. However, it has been estimated in studies of the demand for water that a doubling of prices would within a year reduce domestic household water consumption by about 30 to 50 per cent. Even a price increase of so necessary a commodity as water would result in quite a decrease in gallons demanded by users within a relatively short time. At best, the sole seller is taking a serious risk when he theorizes that his product is a "necessity" and therefore immune from the exercise of consumer buying restraint.

Potential Competition

The young man who had triggered the whole discussion restated his argument: "I suppose it is unlikely, but what if consumers could neither find substitutes for the highly priced good nor could they significantly reduce their consumption of it? Then the single seller would be able to charge anything he wanted, wouldn't he?"

"Wait a minute," interrupted another student. "if the dairy owner is able to do so well, that is, successfully charge $5,00 a gallon for milk, I just might start a dairy, too. People in

town could buy milk from me instead of him and for less."

Potential competitors wait in the wings, as it were, to make their entrance onto the business stage. Today, companies large and small are in search of profitable products and markets. They have instant capital and "know-how" available. The threat of such new entrants is an unseen force with real impact on the single seller. Not only do potential competitors come from the outside, they often come from within a company. An employee of the single seller may become convinced that he can "split off" and produce the highly demanded product at a lower price than is currently being asked. The technical computer field has witnessed this pattern over and over. In all industries, high profits serve as a signal flare attracting competitors to the scene. Enticing as such profits may be to the single seller, he knows that they must certainly be shared if he continues to ask a high price.

Conclusion

Can the seller who is without actual competitors really "charge anything he wants"? Some may believe, as the class did, that this is so. But, the threat of substitutes, the flexibility of consumer demand, and the eagerness of would-be competitors work together to firmly guide the exclusive producer of a good or service away from arbitrarily high prices toward the realism of the market. Charging "anything he wants" and receiving it is a seller's dream, but certainly not the reality with which he must continually deal. ..

(Contd. from page 15)

llage industries brought into economically viable centres like panchayat unions but modernized so as to serve the needs of the modern mechanical works that will provide the largest scope for employment and thereby bring about an improvement in the standard of living and the economic prosperity of the people. Spread over 5 to 10 years this programme of rural public works may go a long way to drive poverty out of the country.

To organise and administer these works and the larger funds that have to be spent on them a special Minister and Ministry in the Government of India are required. Although all these rural public works come within the province of State Governments, they are too poor in financial resources to undertake these rural public works on the large scale that this problem requires. The bulk of the money for financing these works must come from the Central Government in the form of aids and subsidies. And it cannot stand at the derisory level of Rs 50 crores which is at present allotted. It must be immediately raised to Rs 100 crores and proportionately in the coming years till it reached at least Rs 250 crores a year.

In view of the fact that the States have not been able to spend even the little amount that has been allotted to them the new Ministry of Rural Works and Reconstruction must have its own agents and agencies in the States as is the case in the Us. This new Minister also must have the qualities and qualifications that will make of the new Ministry and its work the success it deserves to be—enthusiasm, energy, a sense of cost and economy, the drive combined with tact that will enable him to persuade all concerned, his colleagues in the Government of India, the State Governments, industry, the people generally, especially those in the villages for their cooperation in the form of free labour which will considerably reduce the cost of this great programme. The hour has come. The men must be found.

—Swarajya

(Contd. from page 4)

Aurobindo had some hard things to say about Communist expansionism and its threat to the soul of man and nations of the world and to their very existence and the danger caused to their minds and hearts by its 'Asuric' ideals. Communism according to him, was a regressive movement and retarded the evolutionary advance of man-kind towards the harmony of creative Truth, Freedom and Brotherhood. So India must beware, least the Indo-Soviet Agreement becomes Russia's gate-pass to the domination of India even as 'Bhaism' was turned by China into a gate-way to India across Tibet which we had let down so badly when it was overrun by China.

Aurobindo's ideas on India's linguistic states being granted greater doses of antomony to enable them to live their own styles of living and contribute their several strains to the composite culture and civilization of the whole country, may be usefully studied for the solution of the vexed problem of Central-States relations posed by D.M.K. to the Central Government in particular and other States in general.

He conceived of India's progress as general all-round, well-being, grounded firmly in her distinctive material, intellectual, aesthetic and spiritual personality. India's personality has to be rehabilitated, if she is to play her glorious role in leading other members of Humanity in their progress towards Peace, Harmony and Oneness. Material prosperity was also needed in India, but only as a part of the general all-round progress. India should on no account lose her soul in her craze for material prosperity. Let our Marxists secular rulers heed to these words of wisdom coming from this Great Indian Seer who in his own day, was also the leader of India's struggle for political freedom.

INDIA AND BRITAIN

It was reported that the Government's plan to celebrate the Silver Jubilee of India's Independence would make a reference to Jallianwala Baug incident. It would be a great pity to recall the incident as it is likely to provoke anti-British sentiments. It is best that India should on this joyous occasion recall only the good that the British rule had done, and forgot the evil. Gopal Krishna Gokhale said that disorder was the portion of India for centuries and that the British had brought to the distracted country peace and order, without which no progress of any kind was possible, and that several British statesmen had declared that Britain's greatest work in India was to pass on her governance to Indians and withdraw from friendly and self-governing India. Among such British friends may be mentioned Lord Macaulay, Lord William Bentinck, Lord Ripon, A. O. Hume, Sir William Wedderburn, Sir Henry Cotton, E. S. Montagu and Mrs. Annie Besant.

Bal Gangadhar Tilak, who had special personal reasons also to hate British rule in India, had nevertheless acknowledged the good that it had done to Indians. He said: "You must not forget that it is the connection with England and the education she gave that have given rise to the ambitions that fill your hearts," and affirmed: "We want the English people, English institutions, English liberty and Empire." In his tribute to the British rule he said: "It has been well said that British rule is conferring inestimable benefit, not only in its civilised methods of administration but also by bringing together the different nationalities and races of India, so that a United Nation may grow together the different nationalities and races of believe that if we had any other ruler, except the liberty-loving British, they could have conceived and assisted us in developing such a national ideal. Every one, who has the interests of India at heart, is fully alive to this and similar advantages of British rule."

Let us recall with gratitude the good that British rule and British friends had rendered to India and forget Gen. Dyer and his like.

—P. Kodanda Rao

THE MONOPOLIES AND RESTRICTIVE TRADE PRACTICES

by

Observer

We can trace the history of the Monopolies and Restrictive Trade Practices Act back to 1959 when Prime Minister Nehru decided to set up a committee to investigate as to who had benefited from the additional income that had been generated in the country by the development efforts of the first two Five Year Plans. This was the Mahalanobis Committee, which after a four-year study, came to the conclusion that there was a Concentration of Economic Power in the private sector and that the majority of the additional wealth generated by the two five-year plans was controlled by the larger business houses. Since then, the scrutiny into concentration of economic power has continued in one form or another — The Monopolies Inquiry Commission (1965), The Hazari Committee (1967) and the Dutt Committee (1969) — which culminated in the Monopolies and Restrictive Trade Practices (MRTP) Act passed in 1970.

It is worthwhile at this stage to comment on some of the conclusions of the Inquiry Commissions which proceeded the MRTP Act. The Monopolies Commission eulogised the role of concentration of economic power in accelerating industrial developments, in achieving industrial diversification, in securing favourable foreign collaboration terms, etc. The Dutt Committee was most realistic in its appraisal of the use/misuse of indusrial licences by the larger business houses. Only 3 out of 73 larger industrial houses were found guilty of misusing the licences secured by them, and except for these three houses, big business as a whole was given an almost completely clear rhit by the Dutt Commission.

Yet the Monopolies and Restristive Trade Practices Act does not seem to have given its due consideration to those positive aspects of the large business houses which have been referrrd to and elaborated in the reports of the various commissions proceeding the Act. In fact the MRTP Act has virtually closed the door for big business to expand — except in the case of "core" industries, like steel, heavy engineering, basic chemical industries, etc.

The MRTP Act considers the concentration of economic power as being a sufficient cause to restrict the growth of the larger houses, without investigating whether this concentration has been used for the public good or to the public detriment.

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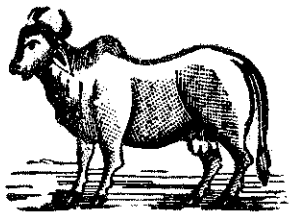

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August 15, 1972

THE INDIAN LIBERTARIAN

Independent Journal of Free Economy and Public Affairs

Edited by: Kusum Lotvala

Published On the 1st and 15th of Each Month

Single Copy 25 Paise

Subscription Rates:

Annual Rs. 6; $3 (U.S.A.); 12 Sh. (U.K.)

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Edited by Miss K. R. Lotvala, for the Libertarian Publishers Private Ltd. Printed by Miss K. R. Lotwalla, at States' People Press, Janmabhoomi Bhavan, Ghoga Street, Fort, Bombay 1, and published by her at the office of the Libertarian Publishers (Pvt.) Ltd., Arya Bhuvan, First Floor, Sandhurst Road, (West) Bombay 4.