SECTION THREE

NATIONALISM AFTER INDEPENDENCE
A GREAT PARADOX

PARTY OF UNITY VIVISECTS INDIA

The post-World War II period, as surveyed earlier, has been crowded with momentous developments in the life of mankind. The achievement of independence by a number of colonial and semi-colonial countries resulted in the elimination of three mighty imperialisms (British, French and Dutch) from a large area of the globe. Further, powerful national liberation struggles of subject peoples have been continuing in those countries (Algeria, Malaya, countries of Africa and others) which are still not free from the imperialist yoke. These developments have tremendous historical significance. The countries which secured freedom were confronted with a multitude of new and complex problems arising out of the new historical situation in addition to a number of unresolved old problems. Many of the problems were common to all countries though some of them were characteristic of particular countries only. Further, even common problems bore similarities in some aspects while dissimilarities in others as a result of a different and unique past development of each country as well as due to the specific manner in which imperialist powers withdrew from different countries. Nay, there existed different post-independence national situations in those countries determined by differing positions of different classes and groups comprising the societies of those now free countries. This divergence was reflected also in the diversified ideologies of the political parties which were at the helm of the nationalist movement in those countries at the time of the transfer of power.

We have attempted to portray the development of Nationalism in India upto the end of the Second World War and, further, upto the historic moment when Britain withdrew from India, transferring power to the Indian people. We also observed how the transfer
was consummated on the basis of the division of India on communal lines. We have also described how the Indian National Congress—the Party, which headed the nationalist movement—bartered away the unity of India and accepted the creation of two states, the state of the Indian Union and that of Pakistan, as the price for the British withdrawal from the country.

POLITICAL ENIGMA

This act of the Indian National Congress, its assent to the vivisection of India and the Indian nation, presents an astounding paradox since for decades it had declared itself as the uncompromising exponent and the representative of Indian Nationalism, had resolutely stood for the unity of India, had claimed that the Indian Nation was an organic whole and had symbolized this idea in the form of India conceived and deified as Mother and glorified as such in its national anthem “Vande Mataram”. It, within a short time, renounced this fundamental conception and agreed to the Partition of India in return for the British withdrawal from India. The Party which was the staunch protagonist of United India and a single Indian Nation itself played an active role in accomplishing the reactionary division.

It is necessary to probe into this paradoxical phenomena and locate the causes which prompted the Indian National Congress to act in flagrant contradiction of its most cherished fundamental credo. This astoundingly paradoxical behaviour of the classic national party has confronted historiographers with a veritable political enigma. It raises the problem of the deepest underlying motives determining the behaviour of political parties and the classes the basic interests of which the former serve.

SOME CRUCIAL QUESTIONS BEFORE HISTORIANS

We will first try to formulate the crucial questions which this paradoxical phenomenon gives rise to. These are as follows:

(1) What motives prompted the Indian National Congress to act in contradiction to its original—seemingly immutable—stand?

(2) What circumstances forced it to take such a contradictory stand?

(3) What classes and social groups were really interested in securing such a truncated form of Independence?
(4) The Indian National Congress which was prepared to participate in war on certain conditions and which had no principled objection to practise violence which war involves, abstained from leading the developing mass struggles in the country such as workers’ strikes, peasant struggles, militant middle class actions and, further, rebellions which started breaking out in imperialist armed forces as classically expressed in the R.I.N. Revolt. Why did it not develop and unite all these struggles into a mighty country-wide revolutionary struggle and lead it to overthrow the British rule and achieve independence? Further, why did it not utilize these big movements to counteract the pressure of both the Muslim League and meet the ultimatum of British Imperialism?

(5) How is it that the Indian National Congress did not use even its own techniques of struggle like fasting, individual and mass satyagraha, Civil Disobedience, Non-Cooperation and others to convert the Muslim League to its own goal of a single united independent India or to oppose rather than accept Partition of the country? Why was it that these techniques were never seriously tried to bring pressure on the Muslim League to dissuade it from its decision to secure Pakistan? Why was it never tried to combat the communal menace? Or was it due to the fact that these methods have inherent weaknesses? Was it due to the fact that this so-called unique technique has been nothing but a strategy of generating mass pressure only with a view to compel the opponent to negotiate with the bargaining leadership for securing concessions? Is it basically a technique of compromise? Hence, can it be successfully utilised only under certain circumstances and against only certain types of opponents?

(6) Was Independence a forced gift to the nationalist leadership which British imperialism was compelled to make being placed in a precarious and peculiar historical situation at the end of the War or was it the result of the victory of the Indian National Congress (using its Gandhian technique of pressure) over British imperialism?

If it was the result of the mass movement organised by the Indian National Congress, how is it that Independence was conceded after the movement was withdrawn and after a protracted, tortuous process of negotiations in which the Indian National Congress had to make a somersault with regard to its original stand on India’s independence?

(7) Was secular Indian National Congress justified in taking
a decision to vivisect India on communal lines? Did it really resolve the problems for the purpose of which this step was taken?

(8) Has the Partition of India and vivisection of the single Indian nation really solved the major problems of the vast bulk of the Indian people for which they were striving to secure Independence?

STORMY CONTROVERSY

Adequate answer to the above questions are vitally necessary for the proper comprehension of the development of the Nationalist movement in India not only during the period of transfer of power but also its subsequent phases. A correct appraisal of the causes of this paradoxical phenomenon will provide a clue to the understanding of the direction of development of the Indian history and the economic, political, social, and cultural trends that have been generated in post-Independence India.

It is extremely unfortunate that a very pragmatic hush-hush policy has been adopted towards these crucial questions pertaining to recent Indian history by the theoreticians and leaders of the Indian National Congress as well as by most of the scholars and academicians in the country.

To the best of my knowledge, no serious discussion, no serious controversy, no deep analysis or critical evaluation has been offered to explain this most amazing somersault made by the Indian National Congress and its fateful consequences to the country.

A stormy controversy has recently raged over Maulana Azad's posthumous work "India Wins Freedom" in which he has blamed certain individual leaders for forcing the Indian National Congress to accept Partition. Dr. Lohia, controverting this, has blamed, on the other hand, in his articles "Guilty Men of Partition" (published in Mankind) another group of leaders. Other writers on the subject have been attributing this disastrous event to the errors of one group of leaders or the other.

MAJOR FALLACIES OF HISTORIANS

It is not possible to critically evaluate the major fallacies underlying the viewpoints from which such theories proceed in a short study like ours. However, we can formulate the major weaknesses of all these viewpoints in one statement. All these theo-
ries do not pose the most significant yardstick to evaluate social, political, economic, and cultural developments viz. the fundamental yardstick of class interest. The absence of class analysis disables these historians to probe deeper into the causes which result into the apparently contradictory behaviour of various political parties and other organizations.

Professor D. D. Kausambi, while evaluating "Discovery of India" by Jawaharlal Nehru, has correctly observed that the historian "could have asked himself one question with the greatest advantage, namely, cui bono; what is the class that called for or benefited by a certain change at a certain period in history?" This counsel is, by implication, addressed to all historians who do not make the class approach to historical events.

The inability or the absence of desire on the part of historians to examine and evaluate historical developments with this fruitful approach is, I think, the greatest obstacle to the correct understanding of the social phenomena. It is this weakness that has led to more or less superficial explanations of the events of the nationalist movement in India.

As I have postulated throughout this study, Nationalism is a movement of various classes and groups comprising a nation, attempting to remove all economic, political, social and cultural obstacles which impede the realization of their aspirations. It is simultaneously also a movement of classes and groups to fill positive social, economic, political and cultural content in those aspirations. As Rosa Luxemberg has aptly formulated: "National States and Nationalism are empty vessels in which each epoch and the class relations in each particular country pour their particular content."

Further, in this multi-class nationalist movement, the class which is at the helm of the movement will put its own class impress on the movement, fill it with the content of its own class needs and aspirations subordinating those of other classes to its own. As has been shown in the earlier work "Social Background of Indian Nationalism" and further very tersely referred to in the prognosis made in the Epilogue, it was the capitalist class which led and dominated the nationalist movement in India. It accomplished this through its classical class party viz. the Indian National Congress, which launched, shaped and provided ideological, political and programmatic content to the nationalist movement.

24. Ibid. pp. 12
HISTORICAL POSITION OF INDIAN BOURGEOISIE

A proper appraisal of the specific historical position, needs and aspirations of the Indian bourgeoisie during the War and post-War period is essential to properly assess the dominant economic, political, social and cultural trends of the nationalist movement in India during this period. Such appraisal is also necessary for comprehending its vicissitudes and the tortuous road it pursued. Then alone, we can comprehend various peculiar strategies and tactics adopted by the Indian National Congress during the various phases of this period. It will also throw decisive light on the puzzling problem why the Congress, the uncompromising exponent of the unity of India, agreed to its Partition. The bourgeois class character of the leadership of the nationalist movement will also explain the particular type of the Constitution and the State which were evolved after Independence, and also the various economic policies and programmes which the Congress Government formulated. Finally, it will enable us to understand why particular cultural trends have been dominating the Indian society.

The crucial questions formulated earlier regarding the apparently paradoxical policies of the Indian National Congress could be satisfactorily answered only on the basis of the postulate that these policies of the Indian National Congress have been and are determined by the needs of the Indian capitalist class as it is historically placed.

We have discussed at length the chief characteristics of Indian capitalism and the capitalist class in the chapters on “Rise of Modern Industries”, “Rise of Modern Classes” and others in “Social Background of Indian Nationalism”. We will briefly sum up those salient features.

Historically, Indian capitalism did not emerge during the rising phase of capitalism. It emerged belatedly in history, when capitalism as a world social system had already entered the phase of organic decline and decay. It has rested on a weak technical base, has a low organic composition of capital and a very limited market both internal and external as a result of the low purchasing power of the poverty-stricken masses at home and formidable competition abroad.

The Indian capitalist class is considerably interwoven with the semi-feudal landowning class. Indian capitalism has a monopoly structure resting on a financial-speculative rather than a strong
industrial base. Due to this monopoly structure, further founded on the system of the managing agency system, has led to increasing concentration of wealth and control in a very few hands. Due to the peculiar caste structure of the Indian society as also due to the peculiar development of Indian capitalism, the Indian bourgeoisie is largely composed of certain castes and communities belonging to certain regions. This class has also exhibited certain psychological traits due to its peculiar historical origin and development as well as the historical situation in which it has been placed.

Unlike the capitalist classes of the rising period of capitalism, it has been timid and compromising. Afraid of the masses, it dared not organize revolutionary mass movements. “Grumbling at those above and trembling at those below”, this class elaborates pragmatic policies of negotiations. While adopting such policies of negotiations and non-violent pressures towards ruling imperialism, it, when in power, has no hesitation to use the coercive apparatus of state against the masses when they threaten the capitalist social system.

All underdeveloped countries suffer from the two-fold evils of insufficiently developed capitalism and the survivals of feudalism in economy, social institutions and culture. India too has suffered from these. The Indian bourgeoisie, however, due to its historical position, is incapable of fully resolving the tasks of, what the historians have described, the bourgeois democratic revolution such as complete liquidation of feudalism, organisation of a prosperous national economy, solution of the nationality problem, democratization of the social institution, creation of a modern rationalist culture and others.

We have attempted to show in various chapters comprising the earlier book that the fundamental problems (economic, social and cultural) of the Indian society can be resolved only when the state power is transferred from the hands of the vested interests to the toiling masses and then too on a socialist basis.

Both historical research and the experience of the contemporary life of backward nations reveal that the tasks of the bourgeois democratic revolution can be completed only by the socialist transformation of society. As Rupert Emerson has pointed out very tersely, the colonial revolution does not end with the elimination of foreign rulers, but begins with that. 25 In fact, the great

25. Rupert Emerson: Representative Government in South East Asia
process of what he calls a social revolution begins only after independence wherein the gigantic class battles are fought out. If the bourgeoisie comes to power, it attempts to shape the entire economy, polity, social structure, cultural and ideological life in a manner that is suitable to its needs. This class, by the very logic of its position (living in the modern period of general capitalist decline and further in a backward society) is denied the historical ability of successfully solving the fundamental problems of that society. By its futile policies it only aggravates the social crisis resulting in the sharpening of class and other social conflicts. These policies only accelerate the concentration and centralisation of capital, result in the rapid polarization of classes intensifying the economic and social misery of the broad sections of the masses and the lower middle classes. The situation becomes more and more explosive. With the deepening of the social crisis and the sharpening of social conflicts, the bourgeoisie more and more needs coercive forms of class rule and therefore increasingly abolishes democratic liberties and resorts to dictatorial methods of rule (Burma, Pakistan and others). It also campaigns against rationalist and materialist cultural outlooks and revives old feudal religio-mystical ideologies. It tries to inject reactionary ideas and emotion among the masses to keep the masses docile. It acts up to the exhortation of Voltaire that if there is no God, it is necessary to invent one to keep the masses in check.

The transfer of power by British imperialism to the Indian National Congress, the Party of the Indian bourgeoisie in the Indian Union, and to the Muslim League, the Party of the weak Muslim feudo-capitalist class in Pakistan, confronted these parties of the ruling classes in these respective countries with numerous problems. We will restrict our survey to the developments that have taken place only in the Indian Union since the achievement of independence.

B

TRANSFER OF POWER, A CONSTITUTIONAL DEVICE, NOT A PRODUCT OF POLITICAL REVOLUTION

We will briefly indicate how the trends of developments formulated above have been unfolding in India as a result of the power passing into the hands of the Indian bourgeoisie and
being moulded by its classical party, the Indian National Congress. We will succinctly show how the Indian National Congress, which was the custodian of the destiny of the Indian Union, decided to shape the political, economic, social, and cultural life of the people according to the needs of the historically outmoded bourgeois class whom it represented and, therefore, has been landing the Indian society into deeper and deeper social crises, sharper and sharper social conflicts and more and more explosive situations. The policies adopted by it have only aggravated the contradictions and antagonisms which were lying semi-dormant within the Indian society during the period of the British rule but which developed at an accelerated rate under the bourgeois rule during the post-independence years. This was due to the fact that under the British rule, the presence of a common national enemy considerably held in check the conflicts (class, regional and others) between various sections due to the exigencies of national unity and united struggle for national liberation.

More detailed and exhaustive evidence will be found in the elaborate sequel to "the Social Background of Indian Nationalism" which is under preparation.

We will now very briefly survey the major developments that have been taking place in the Indian society during the post-Independence period, under the leadership of Indian National Congress.

TRANSFER OF POWER, A CONSTITUTIONAL DEVICE, ITS IMPLICATIONS

We will first refer to the political developments.

The Indian National Congress, as we have observed before, did not seize power from the British rulers. It secured power as a transfer of sovereignty from the British Rulers to itself and, that too, on the basis of terms and conditions laid down by the Mountbatten Plan viz. foregoing some areas of British India (the parts what subsequently became the territory of Pakistan); the native states comprising feudal India to decide to which of the states—the Indian Union or Pakistan—they should accede and others. The transfer of power was a constitutional device arrived at by negotiation. It was not the result of a victorious political revolution during the process of which new organs of struggle had emerged and which subsequently became units of a new state structure. In fact, one of the peculiarities of the struggles launched
by the Indian National Congress lay in the fact that its leaders did not concern themselves over such problems as what should be the appropriate structure of the future state of independent India and others.

The Indian National Congress and its leaders, nurtured in the bourgeois liberal philosophy, could not even dream of a state of free India which was different from the bourgeois type of state with a bourgeois parliamentary form of government based primarily on the British pattern. Right from Ranade and Gokhale down to the framers of the Constitution of the Indian Union, one hardly finds any original theoretical conception of a new type of state and administrative machinery adapted to the needs of India, a backward colonial country (further with its own peculiarities) when it emerged as a free sovereign country. The Indian National Congress always desired and strove to secure the transfer of power through negotiation and bargains and utilized mass pressures only to strengthen its negotiating capacity. It, therefore, never evolved organs of struggle which were appropriate for overthrowing imperialism and which after achieving national liberation could serve as organs of power i.e. units of the new state structure of independent India replacing the old state structure and the governmental machinery. As Shri G. L. Mehta puts it, "the transfer of power which took place . . . was in the nature of a Constitutional revolution; it involved no breakdown of government or administration as it happens after a violent upheaval. So far as India is concerned, the transfer of power has in some respects been taking place for over three decades both in legislature and executive branches. There was an administrative machinery, an efficient loyal army, industry and trade, civic bodies and municipal politics and an educated middle class."26

C

EMERGENCE OF A BOURGEOIS WELFARE STATE

MAIN FEATURES OF THE STATE STRUCTURE OF INDEPENDENT INDIA

The Indian National Congress, through a Constituent Assembly which was not created on the basis of universal adult franchise,

evolved a Constitution. The following were the main provisions of this Constitution:

(1) The state of the Indian Union was to be a secular state.
(2) The state was to be a federal state with a strong Centre. The state of the Indian Union has in fact a number of features which were outlined in the Government of India Act of 1935 enacted by the British Government for evolving a federal state of India. The constituent regional units of the state of the Indian Union were finally to be based on the linguistic principle subject to administrative and economic exigencies.
(3) The Constitution formulated its conception of a good society expressed in the preamble, fundamental rights and directive principles which it laid down.
(4) It enunciated the principle of equality of all citizens irrespective of caste, community, race or sex.
(5) It provided for civil liberties to the citizens but the clauses providing civil liberties were couched in such phrases and conditioned by such ifs and limits attached to them that the state had ultimate powers to curtail civil liberties and even suspend the Constitution.
(6) It provided for certain exceptional powers to the executive at various levels and vested decisive powers in the hands of the President to be used in case of emergency.
(7) It retained the inherited administrative machinery which British imperialism had created for maintaining its domination over the Indian people. Such features of it as the combination of both executive and judicial powers at the lower district levels, which were violently criticized by the Indian National Congress during the period of the British rule, were retained in the main even after independence. The separation of the judiciary and the executive at lower levels is still not accomplished. The administrative machinery taken over from the British period has not been in the main, democratized.
(8) It laid down the basic law for evolving a state and governmental structure based on parliamentary democratic institutions.
(9) It guaranteed to the citizen property rights as a fundamental right but not the right to work.

A BOURGEOIS STATE

The Constitution by guaranteeing bourgeois property rights acquir-
ed the decisive character of a bourgeois Constitution. And the state elaborated in harmony with this basic principle, of the Constitution logically became a bourgeois state.

As Prof. Laski states, “Any state, therefore, in which the instruments of property are in private hands is, by that fact, biased in its incidence. It may state the rights it confers in universal terms, it confines their effective enjoyment to the owners of the property. Its claim to obedience, in the light of this, is the actual power to enforce it apart—a power wholly devoid of moral foundations—clearly a function of its ability to persuade its members that their lot is better under such a regime than it would be under some alternative. That ability, I have argued, will always depend upon the capacity of the state to satisfy the demands that it encounters”.

SIGNIFICANCE OF EMPHASISING THE CLASS CHARACTER OF THE STATE

We raise the problem of the class character of the state because this crucial problem generally has not commanded the attention it deserves among political thinkers in our country. No appreciable endeavour has been made to study and evaluate the class nature of the state of the Indian Union. No serious controversial discussion has taken place to examine, for instance, the problem why the Indian National Congress, which has always glorified the dignity of labour, the morality of “Shrama”, still declared the right to property as fundamental and not the right to work in the Constitution which it framed after Independence. In fact, in a country where unemployment, rural and urban, run into tens of millions, the incorporation of the right to work in the Constitution is a vital necessity. Guaranteeing work (which is the very condition of physical survival) is the basic interest of the propertiless citizens and hence primary duty of a state claiming to be the representative of people. On the other hand, by guaranteeing the right to property it becomes the defender of the basic interest of the propertied minority. A state which does not guarantee the right to work forfeits its claim to be called a representative of propertiless classes ab-initio. It, by its postulates, becomes the representative of the propertied classes, in India basically of the capitalist class.

27. H.J. Laski: The State in Theory and Practice, p. 211
Emergence of a Bourgeois Welfare State

Prof. Laski's Profound Observations

Prof. Laski's emphasis on the need of assessing the class character of the state should be seriously pondered over. Generally, this aspect of the study of the institution of the state is hardly paid adequate attention. About state, Laski remarks: "The state, we argue, is not above classes. It does not transcend particular interests and lead to the expression of the total good of society. It is not a way of moving towards the fulfilment of the desires of its citizens. It does not seek to realise the rights they must claim in order to maintain the full dignity of their capacity as moral beings. It does not maintain law and order simply as the atmosphere vital to the maximum satisfaction of demand. It does not legitimate the force it employs by devoting that force to the service of a Community regarded as a body of men and women with an equal claim to what common good imperfect human beings may hope to achieve.

"What, then, on this view, is the state? It is supreme coercive power used to protect the consequences inherent in the postulates of any given society... If the postulates of the state are capitalist it must logically follow that the state will protect the consequences that a capitalist system requires. This does not mean that the state will protect a theoretical conception of capitalism worked out in thinkers' laboratory. It merely means that the state will protect ideas of social good which capitalists put forward as necessary inferences in a society in which theirs is the dominating interest to be satisfied; in a capitalist society, therefore, the power of the state will be coextensive with the capitalist ideas of social good. There may be dissent from these ideas, but the only way in which the dissent can become the major principles of social action is by the transformation of the capitalist basis of the Society. And since that basis is maintained by the state, if necessary by the use of armed force, it follows that the state must be captured by dissent if it wishes to transform the basis of society".28 And further,

"It is this fact which makes it so significant in modern state that its armed forces should be responsible to the government alone. For once their loyalty to the government can be assumed, it is largely, though not wholly, in a position to enforce upon the general body of citizens any decision it may choose to make. The facts that, under modern conditions, the general population is both unarmed and without the means normally to arm itself on the scale

28. Ibid. p. 204-205
that state can do, place dissent from the decision of the State always upon defensive; that is why all modern revolutions depend for their success upon the attitude of the army. That is why, also, it is so significant that, in the capitalist state, positions of authority in the army always belong, in overwhelming proportions, to the members of the capitalist class; the ideological outlook of those members is, normally, a guarantee of their loyalty to the government they serve. . . . The separation of coercive authority in society from the mass of population is essential to the maintenance of law and order there once an unequal interest in the results of the property-system has to be secured.  

We have discussed elaborately this problem and quoted at length from Prof. Laski because theoreticians and academicians in our country have hardly examined the nature of the state of the Indian Union from this crucial angle. There have been extensive discussions about the secondary features of the constitutional machinery. There have been even criticisms of some lacuna in the structure of the constitution or of the governmental machinery by political thinkers and leaders of political parties, but the fundamental problem of the specific class character of the state of the Indian Union has hardly been discussed. The full and far-reaching implication of guaranteeing bourgeois property right as a fundamental right and relegating of the assurance of employment (gainful occupation), of the right to work to a secondary position of a mere non-justifiable directive principle has not been fully examined. It has great significance for the very fate of capitalist democracy in a country like India where capitalist economy is weak and underdeveloped due to the twofold reasons viz. its belated arrival in history and obstructed growth due to imperialist domination till very recent time.

A Bourgeois Welfare State

(10) Further, the Constitution by guaranteeing property rights reinforced subsequently by laying down (only as directives) principles for the amelioration of the conditions of the common people has built up the basis for constructing not merely a bourgeois state but a bourgeois welfare state, what Laski calls a Social Service State. This signifies two things, viz. (1) that the state is no longer to become a mere police state performing the negative function

29. Ibid. p. 205-206
of maintaining law and order but (2) it also will undertake to perform the positive function of providing social services to society by actively participating in the various domains of social life.

TWO ALTERNATIVES

This raises two problems. Will the state be able to provide sufficient social services to the mass of citizens within the matrix of the capitalist economic structure so as to eliminate those evils which result from the workings of the capitalist mode of production? Secondly, having raised the hopes among the masses, who are more and more pressing their just social and economic demands, demands which could be satisfied only by revolutionising the very motif and the mode of production based on capitalist private property and wage labour, the capitalist social service state is confronted with almost an insoluble problem. Either it will have to curtail social services in the absence of sufficient financial resources and, confronted by resultant aggressive struggles of the poverty-stricken people, will have to steadily curtail democracy and move in the direction of its transformation into a dictatorship of the fascist or military type, or it will have to alter the Constitution by bringing about a revolution in the very economic foundations of the existing society, a revolution in the very property relations of the society.

Can a state which is evolved to perpetuate and stabilize the capitalist system and which has elaborated its governmental structure of legislatures, executives, and judiciary as well as army and police to safeguard the present economic system based on capitalist property relations become the instrument of abolishing that system itself? Or will it choose to eliminate the democratic frills and steadily transform itself into a dictatorship?

The following profound observation of Prof. Laski deserves careful consideration:

"Here it is sufficient to point out that the problem of capitalist democracy can—save in the dubious event of economic recovery—only be solved either by the suppression of capitalism or by the suppression of democracy. The first means, the communal instead of private ownership of means of production; and inherent in that transformation, a change first in the class relationships and thereby, in all other relations in society. It would mean a revolution in our way of living comparable in profundity to the changes of the
sixteenth century, or to those induced by the breakdown of the aristocracy at the end of the eighteenth. The suppression of democracy would involve 'no such fundamental changes in class relations'.

LESSONS OF CONTEMPORARY HISTORY

We have raised this discussion to focus attention on the following significant facts: (1) A positive welfare state is not a supra-class state; (2) A state based on the principle of representative institutions and universal franchise is also not a supra-class or an umpire state when a society is based on private ownership of means of production and has a resultant class structure; (3) The tendency to idealize capitalist democracy as a model, or as the only appropriate form of the state and governmental structure is historically unjustifiable and is unconsciously a rationalization of the desire to justify the bourgeois class state; (4) The claim that a positive welfare state based on universal franchise and representative institutions is a sufficiently effective instrument to counteract and even eliminate the evils born of the capitalist social system is unwarranted and is not supported by historical experience.

It will be instructive to study the history of capitalist democracies during the last few decades, both in West European and other advanced capitalist countries as well as in the colonial capitalist countries which have in recent times shaken off imperialist domination and become independent.

The instances of Germany, Italy, Spain and recently France under De Gaulle, have clearly indicated how easily a capitalist democracy is transformed into an open dictatorship when the bourgeoisie feels that democratic forms of their class rule are an obstacle to their basic interests in a certain historical situation.

The quick transformation advancing in the growing number of countries, which evolved democratic forms after securing independence in varying degrees, into military dictatorial regimes, as also increased curtailment of democratic liberties in almost all undeveloped countries where direct military rule has not been established, also prove the same truth. The ruling classes find democratic frills incompatible with the smooth functioning and sometimes even the existence of the existing exploitative social system.

The growing decline of civil liberties and also the increasing

30. Ibid. p. 203
inroads of the state executive on democratic freedoms of the people even in such classical bourgeois democratic countries as England and the U.S.A. also reveal the same reality."

ACTUAL FUNCTIONS OF THE BOURGEOIS WELFARE STATE

The positive active intervention of the capitalist state in the domains of economic and social life of the people free the capitalist class from the burden involved in programmes of ameliorative measures which being economically weak it now cannot afford. The state also gives active financial support to the capitalists and formulates taxation policies favourable to them. It further creates the state-owned public sector of the national economy (the state capitalist sector) which basically assists, complements or buttresses the private sector. It also devises disciplinary measures to prevent the workers and employees from launching strike and other forms of struggle against intensified capitalist exploitation (compulsory arbitration and other machinery, Trade Disputes Acts further limiting the freedom to strike and others). Thus capitalist welfare states basically protect the interests of the capitalist class.

Thus we find that a unique development takes place in capitalist democracies during the declining phase of capitalism. In some countries, the state increasingly discards democratic forms and assumes dictatorial forms to preserve capitalist relationships. In other countries, it takes up the role of a positive social service state and actively intervenes to regulate the functioning of the capitalist system with a view to prevent its dislocation and even breakdown which would result from the extreme concentration and accumulation of capital in the hands of a few monopolists and consequent polarization of classes.

As Prof. Laski, Prof. Saville and a number of eminent political thinkers have shown, the negative bourgeois police state which restricts its activity only to the maintenance of law and order by being changed into the social service or welfare state does not thereby cease to be a class state of the bourgeoisie. This transformation only indicates the changed demands of the capitalist class from its state, changed due to the transformation of laissez-faire capitalism into monopoly capitalism.

BASIC PROBLEMS CONFRONTING THE CONGRESS GOVERNMENT

The state structure evolved by the Indian National Congress,
through a Constituent Assembly which was formed on the basis of a narrow electorate, is a bourgeois democratic welfare state and it has been confronted with the same basic problems which the capitalist state is facing in other parts of the world.

The economic, political, social and cultural policies adopted by the Government of the Indian Union headed by the Indian National Congress and the reactions of various sections of the Indian people to these in the form of diverse movements, constitute the content of the national movement in India.

We will now briefly allude to the major policies adopted by the Indian National Congress and put into operation by the Congress Government during the post-independence period.

D

POLITICAL TRENDS

POLITICAL TASKS

In the political field, the Congress government was confronted with the following major problems:

(a) Absorption of the feudal states.
(b) Reconstitution of regional state units.
(c) Elimination of the foreign pockets.
(d) Creation of suitable traditions and conventions as well as detailed working out of the pattern of the governmental machinery such as would ensure law and order when it started implementing its various plans of industrial expansion and agrarian reconstruction. It had to devise methods and techniques (conciliation and arbitration machinery for labour disputes, and others) so that the discontent of various sections which had to bear the burden of these Plans may not lead to actions which would interfere with the smooth carrying out of the Plans. This became particularly necessary since all sections of the Indian people harboured a hope, even a conviction that Independence would solve all their problems and would lift them up to the plane of a higher economic and social existence.

(e) Establishing India's position and influence in the international political sphere as a newly emerged free and sovereign power.
The Indian National Congress, having secured political power tackled the problem of absorbing the feudal states adroitly and firmly. A detailed picture of the elimination of the states and incorporation of their territories in the Indian Union has been given by Shri V. P. Menon in his book, “Integration of Native States”. Sardar Vallabhbhai Patel has been recognised as the main architect of the strategy to achieve that objective.

The strategy was worked out by the following methods:

(1) Negotiations with the princely rulers of somewhat bigger states to make them agree to the integration giving them baits of large salianas and purses; (2) Invoking threats of States’ people’s movements which were already sharpening and were predominantly led by congress leaders; and (3) By Direct Police Action in some cases like Hyderabad where the feudal autocrat was not amenable.

This task was accomplished with relative ease due to a number of reasons. (1) Indian feudal princes had lost their militancy after 1857 and were duly perpetuated by the British government for its own strategic reason as a social support to its rule. (2) A very large number of states were petty principalities having very small territory and population. (3) The territories of these states were interlinked with the British Indian territory and, economically and in other ways, were developing under the impact of and in close liaison with the latter. (4) The big states were closely following the model of the British administrative, taxation and general economic patterns and had therefore already created a climate for an easy fusion with British India. The trading classes, the intelligentsia, the professional classes as well as other groups in the native states were considerably interlinked or even fused with their counterparts in British India. (5) A number of these princes themselves were getting bourgeoisified having made vast investments in Indian industries. (6) As a result of the general oppressive atmosphere as well as due to the impact of the nationalist movement in British India, powerful state’s peoples’ movements, predominantly led by the Indian National Congress, had also been built up. (7) Indian princes were militarily very weak. Their armed forces were more in the nature of ‘show pieces,’ when compared with the powerful military machine of the Indian Union.
All these factors combined with the economic bait of liberal salianas and princely purses and the pressure technique adopted by Sardar Vallabhbhai Patel resulted into the elimination of the feudal states from the Indian scene.

UNDESIRABLE FEATURES OF THE STRATEGY AND ITS CONSEQUENCES

However, the elimination of the states brought about through the policy of negotiation and bargain between the princes and the government of the Indian Union and not by means of the plebiscites of the peoples of the state had some undesirable consequences. (1) It created the problem of Kashmir which looms large on the Indian political scene. (2) It left vast hoards of money running into crores in the hands of the princes, which could have been taken possession of by the Indian Union and utilized as capital for financing its Plans of economic development of the country. (3) It absorbed a considerable number of the members of this feudal nobility into higher echelons of the governmental machinery, thus injecting into it traditionally orthodox and reactionary elements.

RAMA RAJYA WITHOUT RAMA

However, the abolition of the feudal states, which constituted a reactionary social force and which was artificially perpetuated by the British for political strategic reasons, was a progressive measure resulting in a uniform political pattern of India.

The Indian National Congress, representing the bourgeois class, gave a burial to the centuries old monarchist feudal order and thereby ushered in a new era of the non-monarchist bourgeois republican political order in India. History is full of ironies. The Indian Nation Congress which built up its movements with the declared objective of establishing Ram Rajya, became the liquidator of the decadent relics of that princely-monarchic order of which Rama was considered the doyen during its progressive phase.

THORNY PROBLEM OF NATIONALITIES

The problem of evolving appropriate units of the Federal Indian Union has proved a thorny one. It raised a number of issues: (1) Redistribution of the territories of old provinces which existed
during the British period and carving out of new state units. This involved disputes over border zones; (2) Fusion of the territories of the newly integrated feudal states into appropriate neighbouring states of the Indian Union; (3) Creation of the constituent state units of such size that they are economically feasible and administratively manageable; (4) The structure and the functioning of the state unit must be such that the vast mass of the people could grasp the administrative processes, ventilate their grievances, and could take active interest and even participate in its activities. This made the adoption of the regional language known to the masses as the language of administration and the government indispensable to them; (5) The state unit had to be composed of such organs of government and such procedures of rule had to be evolved as would assure the control, criticism and observation of the state functioning by the citizens; (6) The state unit should be so organised that the bureaucratic irresponsible administration becomes responsible and responsive to the will and the wishes of the people; (7) The reorganization of state units should provide against their uneven and lop-sided development. It must lead to the uniform development of all units.

This implied a qualitatively new type of reconstruction of the constituent states. It involved a new type of territorial redistribution based on nationality and linguistic principles, also on the safeguarding of equal opportunities of development to each unit. Nay, it signified that the Indian Union was to become a cluster of equally flourishing nationalities having a common economic structure but variegated culture-patterns, that it would be a free, voluntary, cooperative union of various nationalities that constituted the single Indian nation, and, finally, that it would maintain its unity and cohesion on the basis of a voluntary recognition of the basic common interest and bond by those nationalities.

We have discussed in detail the problems of nationalities in the chapter on Nationalities and National Minorities in the "Social Background of Indian Nationalism". We have shown there how these problems could be fully and correctly solved only if first, the power was transferred not to the Indian vested interests but to the working people and secondly, only when the national economy was not geared for the profits of the few who own the means of production but was based on the social ownership of the means of production and universal planning, and, further, functioned for the satisfaction of the needs of the people.
EMPIRICAL APPROACH OF THE CONGRESS

The Indian National Congress during the pre-Independence period had proclaimed the reorganisation of the provinces on the linguistic basis. However, after Independence, it did not, of its own accord, provide for the reconstitution of the states on this basis in the Constitution. This unleashed a series of struggles of various nationality groups for that demand. The struggle for linguistic provinces in multi-lingual provinces was further complicated by various other struggles in those provinces such as competitive struggles among the capitalists belonging to different linguistic groups for economic domination and middle classes for seats, posts, and jobs. Further, the masses of the multi-lingual states desired unilingual states so that they could actively participate in and influence the administration. The Indian National Congress instead of evolving a clear cut principled approach to the problem adopted an empirical, short-sighted policy regarding it. It conceded the demand in Andhra only when a stormy mass struggle erupted and under the pressure of the death due to fast undertaken by an outstanding protagonist of the unilingual Andhra state. Regarding the problem of nationalities, there was a divergence of views within the Congress itself. The Congress Central Government instituted after great delay a State Reorganization Commission to investigate this crucial problem. During the tour of the Commission undertaken to find out the demands of various linguistic units, intense belligerent passions were roused. This, however, brought to light various specific grievances of the linguistic groups and, further, resulted into a spate of memorandams reflecting divergent and conflicting views among various sections of the people. Dissatisfaction against the economic, political, social, and cultural policies of the government also found expression in this movement. The issues of the distribution of jobs and seats, economic development of areas, educational facilities, share in the benefits of social welfare schemes, the medium of instruction and that of administration, and others came to the forefront under the blanket designation of the linguistic movement. The struggle over these issues still persists and has found its classical expression in the Samyukta Maharashtra and Mahagujerat Movements in the huge, unwieldy bilingual Bombay State. It also finds expression in the struggles over border territory.

It should, however, be recognised that the plan for the reorganis-
ORIZATION OF STATES AS FOLLOWED BY THE PARLIAMENT HAS BEEN ON THE WHOLE ON LINGUISTIC BASIS. BUT THE PROBLEM OF NATIONALITIES IS NOT EXHAUSTED BY THE MERE CREATION OF LINGUISTIC STATES. IT ALSO MEANS PROVIDING FACILITIES TO EACH NATIONALITY TO FULLY DEVELOP ITS OWN POTENTIALITIES. IT MEANS PROVIDING FULL ECONOMIC AND SOCIAL OPPORTUNITIES TO THE BROAD MASSES OF THAT NATIONALITY. IT MEANS CREATING ADEQUATE CONDITIONS (MASS LITERACY AND MASS EDUCATION, FREE AND RICH DEVELOPMENT OF THE REGIONAL LANGUAGE AND OTHERS) FOR THEM TO BE ABLE TO FREELY PARTICIPATE IN DEVELOPING THE DISTINCT CULTURE AND CULTURAL LIFE OF THAT NATIONALITY. BUT THIS IMPLIES ABILITY ON THE PART OF THE RULING BOURGEOISIE AND ITS CONGRESS GOVERNMENT TO SO PLAN ITS RESOURCES THAT IT FACILITATES, ALONG WITH THE DEVELOPMENT OF THE WHOLE COUNTRY, ALSO THE DEVELOPMENT OF EACH NATIONALITY AREA. AS WE HAVE OBSERVED, THE INDIAN BOURGEOISIE, PLACED AS IT IS, CANNOT FULFIL THIS MISSION. IT HAS NEITHER THE RESOURCES NOR STRENGTH TO PERFORM THIS HISTORIC TASK. THE INADEQUATE MEASURES ADOPTED TO TACKLE THE NATIONALITY PROBLEM BY THE CONGRESS GOVERNMENT IS DECISIVE EVIDENCE OF THIS INABILITY.

FOREIGN POCKETS


THE PROBLEM OF THE PORTUGUESE POCKETS IN INDIA REMAINS STILL UNRESOLVED. IN FACT THE PRESENT POLICY OF THE INDIAN GOVERNMENT IS DETERMINED BY ITS TOTAL FOREIGN POLICY (PANCHSHILA) IN THE CONTEXT OF THE EXISTING WORLD SITUATION DOMINATED BY THE COLD WAR BETWEEN BIG POWERS AND THE FEAR OF A GLOBAL NUCLEAR WAR. PANDIT
Nehru has repeatedly remarked that all international problems should be resolved peacefully and through negotiation.

PROBLEMS OF ADMINISTRATION

The Congress in power was faced with the task of evolving traditions and conventions suitable for and in harmony with the functioning of the democratic state structure which it had evolved. It had also to work out an administrative machinery which would effectively maintain law and order in the context of a rapidly changing economy, changing according to the postulates of a mixed-economy and on the basis of capitalist and state-capitalist programmes and plans of rapid industrialization of the country and others and which would involve imposition of heavy economic burdens on the masses and would therefore evoke their resistance. The bourgeois state and the national capitalist economy had to be preserved in the context of the growing demands and resultant struggles of the masses who had dreamt for decades that Independence would bring solutions of their fundamental problems such as employment, food, clothing, shelter, education and other minimum amenities of life.

Further by laying down in the Constitution the fundamental rights and directive principles, the Congress in power had kindled hopes among the broad masses that the state would have the character of and function as a social service or welfare state. To assure democracy and social-welfare measures to the poverty-stricken people on the background of a weak national economy and that, too, a capitalist economy with exploitation and profit-making as conditions of its very existence, the Congress created for itself a difficult and contradictory situation. When the state is unable to remove the poverty of the masses by lifting their standards and social welfare measures, the masses, it is the experience of history, start struggles and even challenge the very capitalist economic foundations of society. In this situation, the government requires to curb the struggles to maintain law and order or abolish capitalism. As Professor Laski has observed, the first path is easier and adequate for the capitalist state. It is in tune with its fundamental postulates. The evolution of the Indian state towards greater rigidity and increasing curtailment of civil liberties, we fear, confirms Prof. Laski's view. The Indian state is orienting towards the road of slowly sacrificing democracy to preserve the capitalist foundations of society.
GREATER RIGIDITY AND INCREASING CURTAILMENT
DEMOCRATIC PLANNING?

As we have observed, the Constitution itself had kept sufficient loopholes in the phrasing of the clauses dealing with civil liberties. Further, it had left wide powers to various executive organs and agencies. In addition, the Government of the Indian Union had perpetuated a number of emergency laws like the Preventive Detention Act and others which were the target of attack by the Congress during the British rule. The growing discontent of the people against the rising cost of living, taxation policies of the government, its legislation curtailing civil liberties and democratic rights of the working people (right of strike and others), also against its educational and other policies has been expressed in various types of struggle such as strikes, demonstrations, individual and mass fasts and others. These struggles have been growing at an accelerated rate in recent years. The Congress governments on their part have, to cope with these struggles, resort to such measures as detention, arrests, and imprisonment, the use of Section 144 and others, banning meetings and processions, and lathi-charges and firing in various parts of the country. This reveals the growing tendency of the government to rule by strong hand and increasingly curtail civil liberties. Criticism of this tendency has been advanced both from the Right and the Left. Scepticism has been expressed by some political thinkers regarding even the adequacy of the democracy of the Parliamentary type. Acharya Vinoba Bhave and Jayaprakash Narayan have been, with greater and greater emphasis, advocating the idea of Non-Party Democracy. There are groups which even talk about the advisability of scrapping democracy itself. Some even consider the principles of universal suffrage and periodical elections as of doubtful political value and hint at the necessity of dictatorship as a way out.

Indian people are passing through a critical period. Next decade is fraught with crucial developments. There is a growing tendency towards the steady curtailment of civil liberties, crippling of democracy, even a glimmering of the danger of dictatorial form of rule, mainly from the Right.

FOREIGN POLICY

As we have observed before, the bourgeois Congress government, due to the historical position in which the Indian bourgeoisie is
placed, has throughout the post-Independence period, pursued the policy of manoeuvring between the imperialist and socialist blocs and tried to secure technical, economic, and other aid from both. However, since the capitalist social system prevails in India and the state power rests in the hands of the capitalist class, the basic orientation of its policy is towards the capitalist camp. This is decisively seen from the fact that India is a member of the British Commonwealth, that Nehru and other leaders express their aversion to communism, that they contrapose democracy and communist totalitarianism and that India has more extensive economic and ideological ties with the capitalist countries.

PANCHSHILA

But as the cold war conflict between the Imperialist and the Communist blocs sharpens, the Nehru government has been finding it difficult to balance between the two blocs. The economically and militarily weak Indian bourgeoisie is extremely afraid of a world war. It feels that India like any other nation will not be able to keep out of it and will suffer disastrously. The Nehru Government therefore staunchly stands for Panchshila or the policy of peaceful coexistence. But events like the British aggression against Suez, the revolts and wars in the countries of the Middle East, the Hungarian Revolution, the Chinese aggression against Tibet, periodical exchange of artillery duels between China and Taiwan, establishment of military dictatorships in Pakistan, Burma and other countries, almost weekly wars and revolutions in the countries of Latin America, conflict between the imperialist powers and the Soviet Union over the explosive Berlin issue, the chronic war of national liberation of the Algerian people against France, numerous struggles of the emerging African nations and others—such stormy developments mock at the principle of Panchshila, at the dream of peaceful coexistence between nations and classes. The more vociferously the principle of peaceful coexistence is preached, the more violently it is infringed in practice by belligerent groups in the social world.

The genesis of the violent and turbulent events in the contemporary world lies, as we have observed, in the contradictory world social system itself which gives rise to all kinds of antagonisms and conflicts. Till the social world is divided into nations which dominate and nations which are dominated and classes which
exploit and classes which are exploited, conflicts will break out. Socialism alone can eliminate conflict from the social world by eliminating imperialism and capitalism. But even when these have been superceded by socialism (a society based on the social ownership in the means of production), a bureaucratic caste, due to historical reasons, may emerge and though capitalist oppression would have been abolished, a new type of oppression may emerge giving rise to Poznan riots, the Hungarian Revolution and such other conflicts.

Pandit Nehru very likely received a shock when the British invaded the Suez area and when the Chinese armies marched into Tibet to claim and incorporate Tibet as a part of China and when later on they ruthlessly suppressed the revolt of the Tibetan people for independence. The Chinese leaders were vying with Pandit Nehru in declaring their allegiance to the principle of Panchshila.

Interests determine the practice of nations and classes and not abstract principles like Panchshila. The foreign policy of the Indian Government is also determined by its own self-interests.

E

HISTORIC CHOICE—CAPITALISM OR SOCIALISM?

ECONOMIC POLICY OF CONGRESS

In the economic sphere, the Indian National Congress, after coming to power was faced with the task of building a prosperous national economy based on a balance of its industrial and agricultural sectors, also that of creating a strong heavy industry so that the Indian economy could be really an independent economy. This task was a formidable one. Heavy industry, its development being obstructed by Britain in the past, as observed in the book "Social Background of Indian Nationalism" was very feebly developed. The agrarian economy rested on the primitive plough and even the hoe technique, extreme sub-division and fragmentation of land and uneconomic holdings. It further suffered from the admixture of semi-feudal land relations. Agriculture was rapidly declining resulting in the accelerating impoverishment of the rural masses and the polarization of the agrarian population. Due to the insufficient expansion of industry which would incorporate surplus rural population, the overpressure on agriculture had grown intolerable and the problem of unemployment and underemployment
had acquired monstrous proportions. Even the high prices of agricultural products during the war period had benefited only landlords, moneylenders, merchants and a small stratum of the upper section of the peasantry.

SIGNIFICANT PROBLEMS

The task of transforming an underdeveloped colonial economy into a prosperous national economy has raised such numerous significant problems as follows:

(1) Can this transformation be brought about within the matrix of capitalism? Or does it require a complete transformation of existing capitalist property relations?

(2) If a prosperous national economy could be built up on the capitalist basis, would it be achieved on the exclusive initiative of private capital with minimum interference from the state or will the state be required to take very active part for this consummation? In the latter case what will be the proportionate roles of the private and public sectors in the development of the total national economy? If the public sector plays a dominant role in this development, will it mean an advance towards socialism? Does the active intervention of the state in the economic sphere and the dominant position of the public sector in the national economy imply the crippling of capitalism? Is capitalism inherently antagonistic to the active intervention and the moulding of the economic life of the nation by the state?

(3) Can an economy developed on the basis of capitalist postulates resolve the fundamental problem of effective market? Can it further resolve the agrarian problem which is the central issue of the predominantly agrarian economy of a backward underdeveloped country?

(4) Can the regulators of the national economy achieve simultaneously the two tasks, viz. (1) acceleration of the process of capital formation and (2) providing minimum subsistence needs of the vast mass of the unemployed and the under-employed people as well as millions of poor peasants, artisans, and lower strata of the middle class who live at below subsistence level?

(5) Who will perform the fundamental and crucial task of augmenting the economic surplus as well as direct it as investment in the industrial field instead of commercial and speculative fields? Who will prevent it from being used up in the domain of con-
sumption? Further, from what sources this economic surplus for investment purpose was to be created?

(6) Further, how was the agrarian crisis to be resolved? It could be resolved only by a mighty industrial leap, a leap which would not only shift the centre of gravity of production from agriculture to industry, but would also create an extensive field for secondary and tertiary occupations and services for absorbing the surplus agrarian population. No amount of effort could really and permanently resolve the profound agrarian crisis unless the surplus population was withdrawn from agriculture and was provided with alternative employment. Further, the agrarian crisis could be resolved only if millions of uneconomic subsistence oriented farms were transformed into economic, efficient and well-equipped productive units of cultivation. This implied a fundamental reshuffling of property relations. It meant a total overhauling of the entire agrarian economic and social relationships. Could these changes be brought about within the matrix of capitalist system of production?

(7) How was the problem of providing minimum subsistence needs of the vast bulk of the people to be solved? Could weak capitalism simultaneously provide profits to the capitalist class as well as provide purchasing power to the vast mass of the people to buy necessities of life in the market? In short, can capitalism in a backward country and that, too, in the declining phase of its total existence, provide employment to the tens of millions of unemployed persons as well as living standards to the working population without catastrophically affecting profits, even wiping them out, which provide the basic motive of capitalist production? Can it assure people food, clothing, shelter, education and other needs and still assure profits to the capitalist class?

In short the Indian National Congress was confronted with two major alternatives.

We have argued throughout in our earlier book "Social Background of Indian Nationalism" our view that the basic economic debacle confronting Indian society can be resolved only if the entire property relations were transformed, only on the basis of complete elimination of capitalist property relations. The elementary needs of the common men could be assured and a harmonious upward development of economy could be achieved only if a structural transformation of the entire existing capitalist economic system—a transformation which ends the very private property
basis of that economy and substitutes in its place social ownership of the means of production—effected. Under such a new socialist economic system the whole productive mechanism will function to produce not for the profits of the few owners but for the satisfaction of the assessed needs of all members of society. Society as a whole will own and administer the productive technique at its disposal, with the satisfaction of the human needs as the sole motif of production.

We have indicated in every chapter of that book how the crucial problems of Indian masses cannot be resolved within the matrix of capitalism. We have also indicated how efforts to resolve the economic problems of the Indian society on the basis of capitalism would hurl the Indian society into further contradictions, into further polarization of classes, and also into such insoluble dilemmas that the entire economic process come to a veritable deadlock.

ECONOMIC DILEMMA BEFORE CONGRESS

The Indian National Congress which came to power was faced with a dilemma. It had, on the one hand, promised peasants and workers, unemployed and underemployed, artisans, and other sections of the middle classes that independence from the foreign rule would end their misery and solve all their problems. Its support from the masses was based on these promises which kindled hopes of a bright human existence in their minds. It even talked of socialism to the masses. On the other hand it was a party which fundamentally stood for capitalist private property. It subscribed to the Gandhian doctrine that the capitalists have a right to their property, though they should in practice behave as trustees of their property, as humanitarian capitalists. After the withdrawal of the British from the country—when power was transferred to it, it had to formulate definite policies to shape the political, economic, social, and cultural destiny of the Indian people. It had to choose between two alternatives. As we have observed, being a party of the bourgeoisie, it could not but choose the capitalist road of development of Indian society and evolve its policies on the basis of capitalist postulates. It declared property rights as fundamental in the Constitution. It decided to use state power for developing a prosperous Indian society on a capitalist basis. Nay, it chose to adopt a determined policy to develop Indian society on the capitalist
foundations even with active intervention, participation and initiative of the state since the Indian bourgeoisie was economically very weak.

THE POLICY OF MIXED ECONOMY

This decision of the Congress was embodied in the two Policy Resolutions of April 1948 and April 1956 of the Congress Government. The major premises of the projected programme of economic development were formulated in these two Resolutions. They clearly state that Indian Economic Development will proceed on the principle of a mixed economy. The adoption of the method of the mixed economy was unavoidable since the Indian bourgeoisie was economically too weak to undertake by itself, without state aid, the development of the Indian economy. The Congress Government attempted to translate this basic policy into action through its First and Second Five Year Plans. It subscribed to this essentially capitalist policy of evolving its pseudo-socialist, i.e. (really capitalist) pattern of economy and society in India.

As Prof. Hanson observes, India is an outstanding example of a country having eclectic or empirical views about the relative virtues of public and private sectors. As he puts it: "India is fully committed to the conception of economic planning but is prepared to allow, and indeed to encourage, private enterprise to develop important sectors of the economy so long as it can be induced or compelled to conform to the national plan and to operate in the public interest. Referring to undertakings under private control, the Prime Minister, Mr. Nehru, said: 'As long as these industries are kept going and are employing many people, we would rather use our resources for developing new projects and employing more people. If these industries are well managed privately, we see no need for nationalisation at any time.' Although the Congress Party is now officially committed to a socialist pattern of economy, this policy implies welfare economics rather than the nationalisation of the means of production, distribution and exchange and Mr. Nehru's statement would appear to be as relevant to the government's Second Five Year Plan, now being formulated, as it is to the First".31

TWO CONCEPTIONS OF PLANNING

It is necessary to remove some misconceptions about the term Plan-

31. A.H. Hanson (Ed.): Public Enterprise p. 400-401
ning that is prevalent in the world of current economic thought. The idea of Plan is closely associated with socialism, as it had its inspiration from the Plans elaborated by the Soviet Union. However now-a-days the concept of Plan has acquired two distinct connotations; one of Capitalist Planning or the regulation introduced in the functioning of the capitalist economic and social system which became inevitable due to a number of historical reasons; the other of Socialist Planning, i.e. Planning based upon a structurally transformed social order founded upon the elimination of the capitalist class, liquidation of profit motive in production, and further, based upon the social ownership of means of production and production for needs.

It must be noted that active participation of the state even in the economic activities including its elaboration of the public sector is now not considered as hostile to the preservation of capitalist society.

PUBLIC SECTOR AND CAPITALISM

In fact, "The public industrial enterprise has become an important and probably an indispensable part of modern life". As Prof. Friedman observes, "Its growth indicates a significant change in economic and social thinking between nineteenth and mid-twentieth century. The theory still prevalent a century ago, that the state was limited to certain supervisory functions, mainly in the field of military and foreign affairs, police and justice, and that it had no business to enter the field of industry, has given way to the recognition that the intervention of the state in these fields is a legitimate and indispensable function of modern government... Its development is due to a variety of motives, pressures and purposes which differ from country to country and from government to government".32

Even in the classic land of capitalist private property and "free enterprise", the U.S.A., Public Enterprise has already emerged and proliferated. Lilienthal and Marquis classify public enterprises into four groups, viz. (1) Enterprises to aid private business in need of financial or other assistance and to direct its efforts towards fields deemed socially desirable; (2) enterprises in the fields deemed socially essential although not profitable; (3) enterprises in fields where private enterprise is deemed likely to be unsatis-

32. Ibid. p. 11
factory; (4) enterprises incidental to governmental activities of a non-governmental character.\textsuperscript{33}

As Prof. Hanson remarks, "To-day, the U.S.A. tolerates a range of public enterprise which, although very restricted in comparison with the range found in many other countries, would have been regarded as positively socialistic in 1920's."\textsuperscript{34} According to him, "Public enterprise, therefore, may not unjustifiably be regarded as filling the interstices of private business."\textsuperscript{35}

In short, the public sector, which means the state's active participation in the national economy, has become indispensable even for preserving the capitalist system in the present epoch of monopoly capitalism, due to such reasons as imperfect competition, need for large capital to maintain old and start new industrial and other economic enterprises due to technological development since private individuals or corporations are often unable to mobilize such capital and others. We will enumerate below the principal reasons why the capitalist state—the committee to manage the affairs of the capitalist system as a whole—has been increasingly intervening to regulate the functioning of the capitalist economy:

(1) Private capital is unable to provide resources for massive investment required for modern highly developed technical equipments for industrial and other enterprises.

(2) Private monopolies require aid from state to be able to successfully compete in the international market where even giant monopolies look puny before still greater oligopolies.

(3) Strategic and military requirements of the state demand heavy and massive military equipments.

(4) State intervention becomes necessary to regulate the intensifying class struggle in favour of propertied classes.

(5) State planning and regulation of the functioning of capitalism has become crucially necessary to maintain the stability of the national economy and, further, to strengthen the competitive power of the national capitalist economy in the international sphere.

PUBLIC SECTOR, A MATTER OF NECESSITY FOR THE CAPITALIST CLASS

If such a situation prevails even in highly developed capitalist

\textsuperscript{33} Ibid p. 28
\textsuperscript{34} Ibid p. 29
\textsuperscript{35} Ibid p. 28
countries like the U.S.A., Great Britain, France, West Germany and others, the active participation and even the leading role of the state in sustaining capitalism has become still more indispensable in countries which are underdeveloped and which have just freed themselves from the colonial status. “In every country of this group, economic development via public enterprise is a matter of necessity, not of choice. It is not, for them, a very important question whether existing private enterprises should or should not be nationalized. The primary question is by what means the State, which alone possess the means of mobilizing adequate supplies of capital and of managerial skills, can best undertake the development of those undertakings of industrial, extractive or public utility type, without which "backwardness" cannot be overcome and national independence itself cannot be fully guaranteed. . . . As the Far Eastern observer at Rangoon Seminar put it: ‘Nationalization in Great Britain can be conceived as the final stage in a long historical development of industrial organization, whereas in South-East Asia it is the first step—and in some countries intentionally only a temporary one—towards starting an industrial society’.”

BOURGEOIS PRECURSOR OF FIVE YEAR PLANS

In fact, the irony of capitalist development in these backward countries lies in the fact that even in its colonial phase, this development took place largely through the active economic activities or under the protective patronage of the state. Even before the government of the Indian Union launched its programme of planned economic development of India and during the British rule also there was a spate of planning proposals and projects both by various spokesmen of Indian propertied classes as well as by the British government. Vishveshwaraiya’s clarion call for bourgeois planning, the National Planning Committee’s Reports prepared under the auspices of the Indian National Congress with Nehru as the President and Prof. K. T. Shah as the Secretary, Reports of the various committees and planning-cum-development departments set up by the British government both at the centre and at provincial levels to elaborate plans both for the war and post-war periods, further Reports on various aspects of the problem of economic development, and, finally, the well-known Bombay Plan popularly known as the Tata-Birla Plan—these were all efforts at planning

36. Ibid p. 400
which were either projected as schemes of development by the bourgeoisie, or were plans which were worked out by the British government for war and post-war exigencies.

As Prof. Wadia and Prof. Merchant have observed: "Long before the framing of the constitution and as early as 1944, under the Direction of the Central Government, the provinces had prepared plans and schemes selected from them were partly executed. The Central Government, likewise, had commenced work on plans of its own. Among the more important schemes on which work was already started were Damodar Valley Project, the Tungabhadra Project and the Bhakra Dam Projects." 37

The Indian bourgeoisie, though it had become comparatively stronger during the war period, was, on the whole, too weak to undertake, without the state aid, such a herculean task as the crucially needed and extensive industrial development of India.

The Congress Government representing the Indian bourgeoisie class as a whole undertook this formidable task. To accomplish this task, it decided to create an expanding public (state) sector of economy and adopted national functional planning as the method of economic development. It declared its decision of this approach to the task in its industrial Policy statement which it concretized in its First and Second Five Year Plans.

That the Plans inaugurated by the Congress Government are capitalist and not socialist plans requires to be properly grasped for a correct understanding of the subsequent development of the Indian economy and Indian society in general.

F

ECONOMIC TRENDS

The Congress Government, having decided to achieve the economic development of the country on capitalist lines, was confronted with numerous problems, the most difficult, almost disconcerting, being that of raising financial resources for the various Plans it formulated. The problem of resources was more complicated and difficult since it had to be solved in a manner which would strengthen the bourgeoisie and the national capitalist economy.

All industrial, agrarian and financial policies of the Government have been oriented to this basic and formidable task.

37. Prof. P.A. Wadia and K.T. Merchant op. cit. p. 20
38. Ibid p. 572
INDUSTRIAL POLICY OF THE CONGRESS GOVERNMENT

The industrial policy of the government has been as follows:

(1) It has assigned certain types of economic activity to the Public Sector. The development of power production, irrigation, heavy industry, and transport and communication have been undertaken by the Public Sector. In all these domains the public sector did not always replace the private sector but also reinforced it.

(2) It has left most of the consumer goods industries, which were privately owned and constituted a part of the private sector, in private hands. Nay, by its taxation, export and import policies, it has even actively assisted their expansion.

(3) The Government also started a number of financial and other corporations to give financial and other aid to the capitalists.

(4) A number of the units in the Public Sector have been operating through the intermediary of contractors. This has provided a fruitful hunting ground for profits to numerous private parties. A race for securing these contracts has led to an unholy alliance between the state bureaucracy and private capitalist groups resulting in nepotism, corruption, and bribery. Favours have also been shown on the basis of caste and regional affiliations which thereby have been accentuating castism and regionalism in the body politic. The tale of numerous scandalous deals like the Jeep Scandal, the Tractor Scandal, the Ammunition Scandal, Fertilizer Scandal, Mundhra Scandal and a number of others reveals how in a country with a backward economy the liaison between the state officials and the private sector results in large scale corruption, enormous waste of public money and extensive profiteering by the section of capitalists who are assigned the task of fulfilling some items of the programme of the public sector.

(5) The policy of shift from direct taxation to indirect taxation, the deliberate offer to compound taxes which were unpaid or evaded by a considerable number of capitalists, frequent changes in the policies of controls and decontrols of basic commodities, favouritism shown to particular groups of capitalists in the sphere of the issuing of licenses, and the using up of foreign exchange resources by importing those commodities which were required by private sector as well as which catered to the luxury needs of the bourgeoisie, prosperous section of professional classes, higher echelons of bureaucracy and the upper section of the middle class, and such other measures of the Government have resulted only in
benefiting the capitalist class and upper stratum of middle class of the Indian society. This only proves that under capitalism the policies of the government on the whole favour the rich, at the expense of the common man.

(6) By introducing compulsory arbitration and other measures the Government has curtailed the democratic rights of the working class.

(7) While trying to subserve the interests of the bourgeoisie as a whole and its monopoly section in particular the Government has, found it necessary to discipline and curb the activities of some sections of the bourgeoisie who are engaged in non-industrial, speculative and money lending activities. It has evolved devices such as would divert their resources from those fields into the sphere of industrial investment, the basic requirement for the development of the national economy.

(8) Further, the government has been increasingly adopting more and more the policy of depending on foreign capital for financial aid. It has been assuring it more liberal terms. It has been entering into agreements with foreign companies which are highly favourable to the latter. The agreements signed by the government with the Standard Vacuum Company and the Burmah Shell Company reveal how the former has been whittling down its earlier stand regarding terms and making important concessions demanded by those foreign companies.

PLANNING ASSISTS INDIAN BOURGEOISIE

The fact that the Planning has been benefiting only the Indian bourgeoisie and that too basically its monopoly section is borne out by the developments that have taken place within the national economy. The process of the concentration and the centralisation of capital has made rapid advance after independence. The few monopolies have been extending their octopus-like grip over various sectors of the national economy. This tendency has been continuing unabated even after the proclamations of the Socialistic Pattern in India by the Congress Government.

The table on page 84 indicates the trend of profits in certain important industries.

EMINENT ECONOMISTS ON PROFITS OF CAPITALISTS

The given table, as the eminent economists remark, “do not include the huge illegal profits made by many capitalists by the
The following table indicates the trends of profits in certain important industries.

**Industrial Profits Index (1939 = 100)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Jute</th>
<th>Cotton</th>
<th>Iron &amp; Steel</th>
<th>Tea</th>
<th>Sugar</th>
<th>Paper</th>
<th>Coal</th>
<th>Cement</th>
<th>All Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>313.2</td>
<td>317.7</td>
<td>86.1</td>
<td>216.3</td>
<td>171.5</td>
<td>167.6</td>
<td>171.8</td>
<td>142.5</td>
<td>191.6</td>
</tr>
<tr>
<td>1948</td>
<td>361.2</td>
<td>548.1</td>
<td>96.3</td>
<td>127.9</td>
<td>381.3</td>
<td>257.0</td>
<td>201.0</td>
<td>252.6</td>
<td>259.9</td>
</tr>
<tr>
<td>1949</td>
<td>89.3</td>
<td>292.0</td>
<td>116.0</td>
<td>138.4</td>
<td>216.4</td>
<td>318.7</td>
<td>287.2</td>
<td>295.0</td>
<td>181.5</td>
</tr>
<tr>
<td>1950</td>
<td>456.9</td>
<td>356.6</td>
<td>134.2</td>
<td>271.2</td>
<td>262.4</td>
<td>479.0</td>
<td>209.2</td>
<td>333.4</td>
<td>246.6</td>
</tr>
<tr>
<td>1951</td>
<td>679.1</td>
<td>551.1</td>
<td>157.7</td>
<td>103.9</td>
<td>420.8</td>
<td>604.1</td>
<td>178.4</td>
<td>419.7</td>
<td>310.5</td>
</tr>
<tr>
<td>1952</td>
<td>183.4</td>
<td>262.8</td>
<td>162.6</td>
<td>88.8</td>
<td>409.1</td>
<td>566.8</td>
<td>220.4</td>
<td>293.4</td>
<td>190.6</td>
</tr>
<tr>
<td>1953</td>
<td>326.2</td>
<td>379.4</td>
<td>179.4</td>
<td>391.4</td>
<td>419.8</td>
<td>512.7</td>
<td>145.5</td>
<td>279.0</td>
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<tr>
<td>1954</td>
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<td>387.2</td>
<td>222.9</td>
<td>712.3</td>
<td>334.9</td>
<td>666.1</td>
<td>153.0</td>
<td>341.4</td>
<td>314.2</td>
</tr>
</tbody>
</table>
evasion of controls and by black marketing”.39 They further throw "considerable light on the enormous profits made by some of the industries in the post-war period", and "such colossal profits show that the capitalistic development in India is going on according to the inexorable laws of capitalism. The exploitation of labour goes on merrily in India . . . . Many industries enjoy the present prosperous position as a result of the sacrifices of the masses. And yet, when one raises the question of minimum wage—not to talk of a living wage standard—or progressive labour legislation, there is a big hue and cry against it and the plea of inability of industry to bear the burden is always put forward. . . . To charge commissions as managing agents, equivalent at times to the total profits, to distribute dividends at rates varying from 15 to 20 to 30 per cent or more and then to urge the plea of what the industry can bear is only possible in a country where public opinion does not exist and where labour is not sufficiently organised.”40

ECONOMIC RULERS OF INDIAN PEOPLE

The concentration and centralisation of ownership and control progressing at a rapid rate in Indian industries even after independence has been adequately shown by Shri M. M. Mehta in his works “Structure of Indian Industries” and “Combination Movement in India”. Prof. V. K. R. V. Rao in his foreword to the “Structure of Indian Industries” while summing up the findings makes the following observations:

“The most interesting contribution Dr. Mehta makes is in his analysis of recent trends in managerial, administrative and financial integration in Indian Industries. He finds that a few Managing Agency Houses exercise overwhelming control over major portion of Industries . . . Dr. Mehta concludes, and quite rightly, that there is an unmistakable tendency for the concentration of ownership and control in a few managing agencies’ firms. Among other alarming features that he notices in our recent industrial history are a tendency for the amalgamation and absorption of smaller trusts by bigger trusts as also the mutual amalgamation of big trusts with vast financial and managerial resources. The system of multiple directorship with resulting concentration of industrial power in a few hands is another development of which Dr. Mehta

39. Ibid p. 572
40. Ibid pp. 573-574
wants the reader to take note. Thus about 100 persons hold as many as 1700 directorships of important concerns, 860 of these being held by 30 persons; while of these 30 persons, ten hold between them no less than 400 directorships. Thus says Dr. Mehta 'for all practical purposes a few leading families in India control and guide the industrial destiny of the country. Fresh and young blood seldom find an opportunity to enter the (closely preserved) and (well-organised) industrial oligarchy'. Another feature of our industrial organization to which Dr. Mehta draws attention is the close link that has developed between industrial power and financial power, either through managerial integration or the system of interlocutory directorships. Thus, all the six leading Indian Managing Agency Houses maintain close connection with Banks, Insurance Companies and Investment trusts through the system of interlocutory directorships. Also the practice of inter-investment of funds in companies under the same Managing Agency is widely prevalent both among Indian as well as European Managing Agency Houses'.

It is interesting to note that the Company Law Reform Act which is to come into operation in 1960 and is designed to check this tendency, though looked upon as an encroachment, leaves sufficient time to reorganise the entire structure of control by the Managing Agents in such a manner as would continue to retain the hold of the same families over the industry by indirect means.

ECONOMIC OLIGARCHS AND NEPOTISM, CORRUPTION

The control of industry, trade, and finance by a few families, belonging to certain castes and further belonging to certain nationalities, has far-reaching implications in terms of employment and economic opportunities. Family, caste, and provincial considerations distort the entire system of personnel selection. Further, the concentration of wealth and the control of the levers of shaping public opinion like the press, the cinema, educational institutions and others being in the hands of a few families give them ample power to buy off a part of professional and other sections of the middle class, kindle competitive struggles on caste, community, and provincial lines among them, provide discriminatory facilities for a select few for specializations in higher arts and skills (scientific, technical, engineering, and general), who are needed to provide

41. Dr. M.M. Mehta: Structure of Indian Industries, p. VIII-IX
the personnel for their economic and state apparatus. A systematic analysis of the family, caste, and community backgrounds of the personnel of legislatures, governmental and administrative machinery and even ministries, also of the social reform, educational and cultural institutions on the lines indicated by the pioneering work of Mill's "Power-Elite" in America—will throw illuminating sociological light on the close liaison and sometime even fusion that exist in contemporary India between Big Business, the Government and other agencies which shape the ideological and cultural life of the Indian people. There is sufficient evidence of the rapid growth of these trends.

The social and cultural trends that are developing in India could be understood only in this background.

CLOSER UNDERSTANDING BETWEEN STATE AND THE PRIVATE SECTOR

The rapid expansion of the public sector became necessary in the historical situation in which Indian capitalist economy is placed; the adoption of some welfare measures became necessary for assuaging the growing unrest of the people whose conditions have been steadily worsening as a result of the rising cost of living; the stringent steps taken against a few groups of capitalists for resorting to illegal and dishonest practices in their hectic hurry to make profits, practices which would jeopardise the capitalist economy as a whole; large expenditure on the maintenance and development of the military machine of the state required to cope with increasing internal disturbances and threat of aggression from Pakistan; unpredictable and empirical policies adopted by the Congress Government because of the complex and contradictory national situation which it has been confronted with; the hurricane advance of the socialist ideas and movement in the country and the inscribing, on its banner, of the slogan of a socialist pattern of society by the Congress itself—all this created some fear in the mind of the Capitalist class about the role of the private sector. However, this fear has been now allayed giving way to a new feeling of confidence in that class as a result of a proper appraisal of the government's policy regarding the private sector as a result of the more unambiguous pro-capitalist statements of the responsible spokesmen of the Government.

Charles A. Myers very aptly describes this changed climate
while appraising the language and content of the New Industrial Policy:

"The moderate tone and the appreciation of the role that private enterprise would have to play in rapid industrial development was in marked contrast to earlier statements and was greeted with restrained approval by the private sector. This was all the more remarkable, because the attitudes of the business community which find their way into print are typically not balanced appraisals of the actions of government, nor even entirely accurate indicators of the feelings businessmen act upon. But there has been increasing recognition that, for example, additional steel plants are badly needed and the important thing is not who owns them but that they get built promptly. The belief that the public and private sectors supplement and serve each other, and are not antagonistic, may be gaining ground in both business and government thinking. In an analysis of the 1956 Resolution, an American economist working with the Ministry of Commerce and Industry has noted '... with the possible exception of one or two industries dealing with public utilities and national resources, India has abandoned the overall programme to nationalise private industries falling within the public sector'. Government has in no way given up its "socialistic pattern of society", but the emphasis appears to have shifted towards the maximum speed in industrialisation and this means utilizing the private sector to the full. The Indian Government is not willing to spend its limited supply of capital and managerial resources where independent businessmen are doing an adequate job.... It is perhaps true that the first and most difficult phase of the adjustment between business groups with a tradition of private enterprise, and a new government dedicated to a socialistic pattern of society, is coming to an end."42

CONFLICTING VIEWS AMONG BOURGEOISIE

While feeling more and more secure, a section of the Indian bourgeoisie is trying to bring pressure on the Government to eliminate what it considers as "financial waste" involved in the expenditure on some welfare measures initiated by the latter to placate a small section of the masses, also to abandon its present foreign policy of manoeuvring between the two power blocs and instead to identify

42. C.A. Myers: Industrial Relation in India, p. 48-49 *
India with and join the world capitalist bloc headed by the U.S.A. It also counsels the Government to create greater confidence among the foreign capitalists and capitalist governments so that they may give more financial aid and invest more extensively in India. They also press the Government to refrain from adopting measures which not only are wasteful but are likely to kindle false hopes and resultant moods of frustration among the masses who might then, in desperation, revolt. The conflicts within the cabinet, among the higher circles of the Congress, between the outstanding ex-leaders of the Congress like Shri Rajagopalachari, Ranga and others who have left the Congress and its present leaders who have grouped round Pandit Nehru reveal this trend. Nehru and Rajaji symbolize these two tendencies, the former representing the earlier policy and Rajaji expressing the new trend. Within the Congress and even within the Cabinet itself these two trends are in modified form contesting for hegemony. Pandit Nehru and Morarji Desai seem to be the focal points of these divergent viewpoints though the latter does not fully subscribe to the views of Rajaji.

Whatever difference may exist between the views of the two wings of the bourgeoisie and bourgeois politicians, it is pertinent to realise that both wings are fundamentally wedded to the policy of preserving Capitalism in one form or another, stand for this or that variant of capitalism. The two viewpoints express conflicting conceptions of how to consolidate capitalism in India, and in what structural form.

**AGRARIAN POLICY OF THE CONGRESS GOVERNMENT**

We have enumerated in the earlier work “Social Background of Indian Nationalism” the principal problems of the agrarian sector of the Indian economy. We have also stressed the point that the agrarian problem is the hub of the problem of the reconstruction of Indian national economy. We have also stated that the agrarian crises can be resolved only, firstly, by accomplishing a total revolution in agrarian property relations; secondly, by creating appropriate economic units of agricultural production; thirdly, by providing facilities to the farmers to improve their techniques of production; fourthly, by assuring a large number of people who are pressing on agriculture without contributing to the production alternative means of occupation in secondary industries or tertiary services; fifthly, by planning the agrarian production in harmony
with the total needs of the community, and others.

We will briefly review the agrarian policy of the Congress Government and its effects on the agrarian and the total national economy. We have attempted to indicate the trend of development by referring to the findings of eminent scholars as well as to the statements of the Government and other committees in our other work "Rural Sociology in India". We will first briefly allude to the principal measures adopted by the Congress Government and then examine their consequences for the agrarian economy and agrarian society as a whole.

GOVERNMENT MEASURES

The measures of the government can be classified into the following categories:

(a) Measures to extend and improve the extant agriculture.
   (i) Reclamation of certain lands for cultivation.
   (ii) Construction of major and minor Irrigation Projects, some of them of multi-purpose nature.
   (iii) Production of improved seeds, fertilizers, and tools, as well as insecticides.

(b) Measures to reform land relations.
   (i) Vesting of the estates of the intermediaries (Zamindars, Taluqdars and others) barring certain properties such as home farm lands, homesteads and others on the basis of payment of compensation to the intermediaries.
   (ii) Placing of limitations on future acquisitions of lands by different classes of people.
   (iii) Tenancy Reforms designed to reduce rents, give security to the tenants against eviction, and give them also an opportunity to acquire permanent rights over the land by payment of fixed compensation subject to the landlord's right to a certain amount of land for his personal cultivation.
   (iv) Restrictions on sale and mortgage, letting and sub-letting of lands.

(c) Measures to protect farmers from the oppression of creditors.
   (i) Numerous measures to regulate private money-lending.