

The Brooding Storm Over India

by YANG CHUN-FONG

There is thunder in the air, as clouds of crisis and demoralization darken our land. We appeal to you, in all earnestness, to act so that the brooding storm may still be averted. — "Blitz's" memo to Nehru.

Jawaharlal Nehru's anti-China policy is coming home to roost.

Confronted as he is with growing economic ills, deepening political crisis and mounting popular discontent at home, the Indian prime minister badly needs something to be used as a red herring. He needs it for both internal and external reasons. That's why he produced out of his hat the bugbear of "Chinese aggression" and still harps on a "Chinese threat." However, recent developments in the Indian situation indicate that Nehru is up to his neck in trouble — troubles of his own making.

INDIA under Nehru is drifting deeper and deeper into economic difficulties. To meet the cooked-up "Chinese threat," the military expenditure of the Nehru government has zoomed in recent years, eating up as much as over 50 per cent of the 1963-64 revenue account, thus causing a deficit of 4,500 million rupees in the budget. This estimated budget deficit represents a nearly twofold increase over that of the previous fiscal year. The result: "a wartime budget, with heavy taxation to raise extra funds for defence, had disturbed and disrupted the country's economy," so Reuter reported.

The foreign trade of India is also in bad shape. The rapid rise in the imports of military supplies presents a sharp contrast to the drastic decline of exports because much material and equipment needed for the manufacturing of goods for export have been diverted to war industry. This has further aggravated the adverse balance of India's foreign trade. The year 1962 witnessed an import excess of 4,100 million rupees. This year things are getting much worse.

Deep in Debt

The servicing of India's foreign debts needs quite a lot of money, costing about 870 million rupees in 1963-64 fiscal year. According to data published in the Bulletin of the Reserve Bank of India, foreign debts incurred by the Nehru government during the four years from March 1959 through March 1963 amounted to 15,200 million rupees. In September 1962, the Indian Ministry of Finance told the Rajya Sabha that 6,917 million rupees would be needed in the Third Five-Year Plan period to pay principal and interest on foreign debts. The British press disclosed that Nehru will have to borrow U.S. \$5,000 million in the next three years to be able to pull through. In the current fiscal year the Indian Government went cap

INDIAN CARTOONISTS' LOOK AT NEHRU'S INDIA



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From Swarajya

in hand to the Aid-India Club, requesting a loan of U.S. \$1,255 million. Much as Nehru played up the bogey of the "Chinese threat," the club granted only U.S. \$1,052 million.

Apart from heavy borrowing abroad, the Nehru government has turned the screw tighter and tighter on the common people at home. In the name of "emergency," a long list of new taxes and levies including the national defence fund, defence bonds, defence deposit certificates, savings certificates, premium prize bonds, the compulsory deposit scheme, gold control order, gold loan, etc., has been loaded on to the backs of the Indian people. By the end of June 1963, the Nehru government had collected 687.3 million rupees by means of the national defence fund and gold loan.

In the 1963-64 budget, revenue from new taxes amounts to 2,750 million rupees, of which more than 70 per cent is to be derived from indirect taxes, which weigh particularly heavy on the common people. To this must be added the miscellaneous new taxes and levies imposed by the state governments, totalling about 1,180 million rupees.

Drastic Fall in Industrial and Farming Production

India's severe economic difficulties find another expression in the alarming deterioration of industrial and agricultural production. According to a report by India's National Council of Applied Economic Research, the annual growth rate of the national income in 1962-63 showed a "drastic fall," agricultural production was "stationary" and industrial production was at a "slower pace." In spite of the shots-in-the-arm given by the swelling orders for military supplies, the growth rate of industrial production in 1962-63 dropped by one-third as compared with the 1960-61 period. Below-capacity operation presents too much of a problem even in those industrial branches closely related to national defence, such as the chemical and engineering industries. Non-military

industries, the textile industry in particular, are in desperate straits.

Agriculture fares much worse. Reuter reported that the output of food grains in 1961-62 dropped by 1.2 million tons as compared with the previous year. A further drop by 2.2 million tons occurred in the 1962-63 year. The fall from 79.7 million tons in 1961-62 to 77.5 million tons in 1962-63, Reuter added, means that India will not only be unable to provide for her annual population increase of 10 million but must import heavily to feed the present population. During the Second Five-Year Plan period, nearly 18 million tons were imported as against 11.5 million tons during the First Five-Year Plan period. Nehru himself regards the poor showing on the agricultural front as a cause for shame. While inaugurating the agricultural university at Ludhiana, Nehru admitted: "I often hang my head in shame when I think that a nation with 70 per cent of its population engaged in agriculture depends on foreign countries for food."

Soaring Prices - A Terrible Headache for The Common People

Acute shortages of consumer goods, crushing tax burdens and unscrupulous hoarding and profiteering have combined to send prices skyrocketing. Price inflation is not only on everybody's lips but it is also on everybody's mind. According to official data published by the Indian Government, by the end of July 1963, India's wholesale general price index had reached 135.4 and the food index 137.8 (with the 1952-53 figures as 100), an increase of 7.6 per cent and 12.2 per cent respectively over December 1962. When the Nehru government made public its 1963-64 budget in February this year prices rose more rapidly than ever. In the three months between March and July, the wholesale general price index rose by 6.5 per cent and the food index by 11.6 per cent, approximately the same rate of increase recorded in the four years from 1959 to 1962. Soaring prices affect particularly such daily necessities as rice, edible oil, cloth and kerosene.

Workers Suffer. The common people of India have extreme difficulty in keeping body and soul together. Owing to widespread below-capacity operation or suspension of operation in many industrial enterprises, and to the mass close-down of medium and small factories and shops, large numbers of workers have been thrown onto the scrap heap. According to a preliminary survey, 150,000 textile workers have been laid off. The gold control rule deprived India's 500,000 goldsmiths of their only means of livelihood. By the end of June 1963, more than 160 goldsmiths had committed suicide. Speed-up and overtime work without additional pay have added to the physical and economic strain of the working people. Under the cloak of "emergency," an industrial truce resolution was forced down the throat of the workers. While the workers are required to observe strictly both the letter and spirit of the resolution, the employers and the government are free to do as they please, resolution or no resolution. Commenting on a list of violations of the resolution by the employers, *Link* has this to say:

The list was not exhaustive but indicated the trend. It spoke of dismissals, refusal to comply with statutory

obligations regarding payment of wages, provident fund, lay-off and retrenchment benefits. . . . Even the government has failed to act up to the spirit of the resolution. Cases meant for reference to tribunals have been pending before the government for six months in some cases. Many employers simply refused to be present at arbitration proceedings even after four or five notices issued by the arbitrator. The general complaint among trade unions is that the government has taken up an unusually passive role in all cases of disputes between the workers and the employers, although by its own admission, the workers' record in following the resolution has been commendable.

Peasants Groan. The poverty-stricken peasants are groaning under the intolerable load of taxes and levies of all sorts, including among others the 12.5 to 50 per cent increase in land revenue in the 1963-64 fiscal year and higher irrigation rates. Particularly galling to the peasants is the compulsory deposit scheme (C.D.S.) which stipulates that every peasant paying an annual revenue of five rupees and more pay as compulsory savings an amount equal to 50 per cent of the revenue paid in 1959-60. According to Indian press reports, India's land revenue in 1959-60 totalled 951.5 million rupees. If 100 million rupees are deducted for those peasants paying less than five rupees as land revenue, then the total comes to 851.5 million rupees. Thus the yield of C.D.S. from the peasants is likely to reach 425 million rupees. While backing Nehru to the hilt, the Communist organ *New Age* felt compelled to say that "it is a standing joke to ask the peasants to pay 425 million rupees annually as a forced loan to the government while they themselves require 7,500 million rupees annually as credit and are crushed down under the heavy debt burden of 15,000 million rupees." The same journal said that "the Indian peasant is born in debt, lives in debt and dies leaving a debt to his heir."

Urban Middle Class Feels Pinch. The urban petty-bourgeoisie and middle class are also feeling the terrible squeeze. Mr. Kanwarlal Gupta, President of Delhi Citizens' Council, told newsmen on March 1, 1963, that the 1963-64 budget proposals hit hard the middle classes and challenged the very existence of the poor. According to Gupta, people earning 5,000 rupees or less a year made up 30 per cent of the total income tax payers. Each member of this group paid 42 rupees a year under the original income tax structure. But under the new budget provisions he would have to pay 242 rupees, plus 148 rupees in compulsory savings and a surcharge of 30 rupees.

What does all this add up to? Reuter comes to the conclusion that "spiralling prices, scarce consumer goods and smothering taxes have combined to make the life of the ordinary Indian harder than perhaps at any time since India became independent 16 years ago." This picture of the Indian people's miserable life is rounded out by British journalist Arthur Helliwell and photographer George Phillips who gave what an Indian paper called a "heart-rending and down-to-earth account of Calcutta's homeless and hungry millions." Their picture is really a shocking revelation.

Big Business Makes Big Money

A striking contrast is offered by the fantastic profits raked in by Big Business. As *Blitz* put it, "While the

burden on the toiling people and the unhappy middle class is reaching crushing proportions, a handful of rich men continue to fatten, and the law does not seem to affect them." The Tata Iron and Steel Company's gross profit rose from 164.5 million rupees in 1961-62 to 221 million rupees in 1962-63. The Birla Jute Factory reported an increase in gross profit from 16.03 million rupees in 1961-62 to 20.73 million rupees in 1962-63. The gross profit extracted by the Dalmia Cement Factory amounted to 11.6 million rupees in 1962, as against 5.4 million rupees in the year before last. Indian press reports indicate that the House of Tata controls 150 of the biggest financial and industrial units and the House of Birla rules over 300 companies.

Worse Than Dogs' Life. Polarization is growing apace in India, with the rich continuing to grow richer and the broad masses of people continuing to groan and starve. "Ministers and senior officials in India," the *Hindustan Standard* reported, "live in luxury quite out of proportion with the standard of affluence or morality. Even in the most affluent countries there is proportionately less disparity between ministers and senior officials and the common people than in our poor country." This disparity was illuminated during the recent debate in the Lok Sabha on the motion of no-confidence against the Nehru government. One opposition leader charged that a sum of 25,000 rupees was being spent every day on "the man occupying the highest position in the country." He said that while 270 million Indian people live on three annas a day, Prime Minister Nehru spent 16 times as much (three rupees) daily on keeping his dog and a single family of businessmen earned up to 300,000 rupees daily.

The Fruits of Nehru's "Socialism": The Starvation Level

It is all very well for Nehru to talk about building a "socialist pattern of society" in India. But what has he got to show for his "socialism"? Though the aggregate national production increased by 50 per cent over the last 12 years, per capita income rose by a mere 20 per cent—to only 290 rupees per year today. According to *Blitz*, the "fruits of freedom and socialism" under Nehru's leadership amounted to an increase in per capita income of 50 rupees over the last 12 years—that is, an increase of a little over four rupees for each year of sweat and toil! Contrasting this with the corresponding rise in the cost of living, *Blitz* was forced to the conclusion that "the overwhelming majority of our teeming millions have remained where they were before the dawn of the freedom-cum-socialism era—on the verge of the starvation level."

On the other hand, "the world of big business," *Blitz* added, "is becoming more prosperous in the era of socialism." The journal asked Nehru: "Is it not a fact that you have not been able to fulfil your pledges to the people to usher in the dawn of socialism?" After making a survey of the overall situation, *Blitz* concluded that "life is fast ebbing away from socialism in India."

How Much More Remains of India's Independence?

Another banner which Nehru and his Congress Party have been waving for some time is that of independence and non-alignment. True, Nehru and the Con-

gress Party came to power because they had played an active part in the Indian people's fight for national independence. But once in office, Nehru and his Congress Party have steadily gone back on their promises to the people and have crawled further under the thumb of imperialism, thus gravely impairing India's independence. For instance, India's growing reliance on imperialism has disastrously blocked the development of the Indian national economy. According to the *Far Eastern Economic Review*, the biggest item in Indian imports from the United States is food grains, particularly wheat. In the past seven years India has imported around 17 million tons of wheat under various PL480 agreements. In the Second Five-Year Plan period (1956-60) imports of wheat under PL480 alone accounted for 13.5 million tons out of the 16 million tons imported from all sources. Growing dependence on U.S. supplies is a disincentive to the Indian peasant. In his presidential address to the British Association for the Advancement of Science on August 30 last, Professor Martin Jones had something interesting to say on this score. "Land in India," the professor pointed out, "has gone out of cultivation because cheap American wheat has become available."

Blitz complained bitterly: "Emergency is being used only to degrade us into a country of beggars . . . our dependence on Western arms—or more correctly alms." In the face of this national humiliation, Acharya Vinoba Bhave asked a pertinent question: "If we import American food, American arms and even American intelligence to solve our problems, what will remain of our independence?"

Press Censorship. Needless to say, all this proves extremely embarrassing to the Nehru government. In order to keep the people in utter ignorance of foreign "aid," New Delhi has clamped down a tight censorship on the Indian press. Indian newspapers may not publish stories of arms aid from other countries unless officially announced, nor reprint such reports published abroad.

Under the pretext of meeting the "Chinese threat," the Nehru government has lined up with the imperialists and fallen further under foreign domination. The Voice of America agreement and the joint air exercise agreement constitute an open infringement of India's sovereignty and independence. It is, therefore, not without reason that *Blitz* felt pretty much worried lest India become a satellite nation. The paper warned: "No nation offers its independence on a platter to a conqueror and not all conquerors come with swords. If the modern history of Latin America, West Asia and even of Western Europe has anything to teach us, it is that in the second half of this century, national independence has been nibbled away piece by piece, in the name of a 'common defence against communism.' Once a nation begins to sway on this slippery path, the status of a satellite is its inevitable destination." The same journal further wailed that "the world is fast coming to the conclusion that we have given up our independent foreign policy of non-alignment. It is this feeling that has

transformed the attitude of the Afro-Asian nations towards our country."

Popular Discontent and Protest

Growing reliance, political, military and economic, on the West, particularly U.S. imperialism, and the steady whittling away of India's independence has deeply hurt the sense of national honour of every Indian patriot. Moreover, further belt-tightening because of increased taxation and soaring prices are meeting with mounting opposition and resentment among various sections of the Indian people. Strikes, protest rallies, petition meetings and demonstrations have been reported among the workers in different branches of industry. Reference should be made to the strike of 30,000 workers of the Bombay Municipal Corporation as well as to the determined fight put up by the goldsmiths. The Bombay strike highlighted the widespread unrest of the city's industrial workers and white-collar employees, who together with their dependents make up nearly four-fifths of the city's population.

The Bombay strike had its political as well as economic significance. Just as one Indian journal explained, the strike was not only a strike on economic slogans, but also "a protest of the working class against the manner in which the emergency is being exploited by the wealthy to make profit out of the sweat of the underdog." The strike showed up the Nehru government and the Indian modern revisionists for what they really are—the sworn enemy of the working class. Mass arrests, ruthless persecution and police brutalities against the strikers were all in the day's work. The renegade Dange came out in the open against the strike and pleaded with the workers to wait and give him time enough to negotiate with the government and employers.

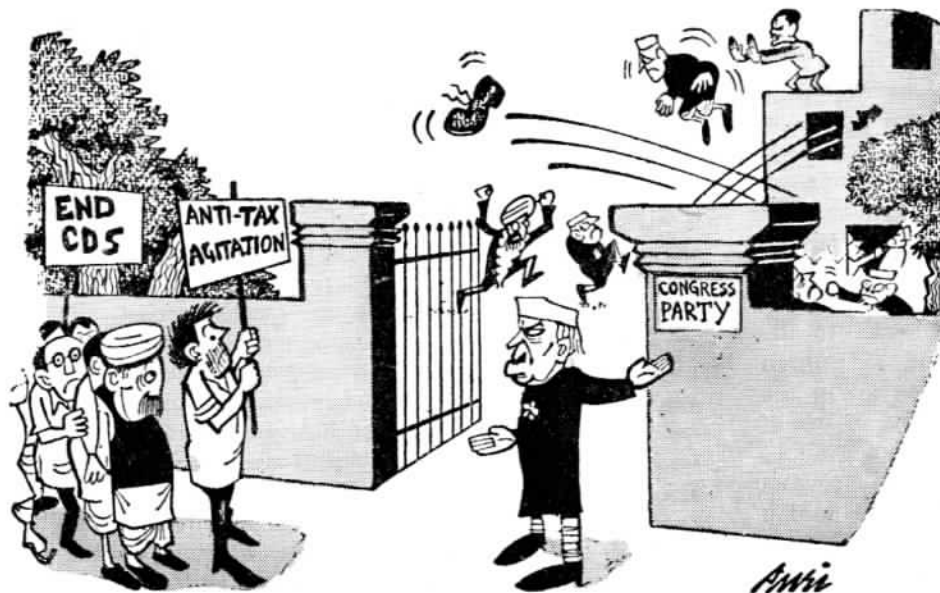
Militancy in Labour. Analysing the present mood of the Indian working class, the *Free Press* journal wrote: "There is a new militancy in labour, unknown since the beginning of the emergency. Strikes are considered no more anti-



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From Times of India



"How can you do this—can't you see there is a war on?"

III

From *Hindustan Times*

Political Disintegration Accelerated

social, DIR or no DIR. Already we had one major strike with all its customary trappings in the Bombay docks and there is promise of more to come in the industrial belts in north, south, east and west. Indian labour today is in a near-revolutionary mood, because in the name of increasing output in the long run there has been a reduction in well-being in the short run."

Peasants Fight Back. The workers are not alone in fighting against the Nehru government. The Indian peasants are joining the battle. Crop failures, intolerable taxation and price inflation have combined to drive the Indian peasantry to bankruptcy and desperation. On his visit to rural districts near New Delhi a correspondent of the Japanese broadcasting association reported that he had heard peasants voicing sharp criticism of Nehru and his Congress Party. The *London Times* disclosed in a dispatch from New Delhi that the policy of the Nehru government had aroused bitter resentment in the countryside. This year peasants in various parts of India have put up a sharp fight against the expropriation of their land by the government and clashes with police have become commonplace. In April more than 5,000 peasants from 20 villages in Uttar Pradesh demonstrated in front of Nehru's residence. These mass actions by the long-suffering Indian peasants are significant straws to show in which direction the political wind is blowing in India.

Intellectuals on the Move. Discontent and restlessness are on the increase among the Indian intellectuals. Many cases of strikes, petitions and parades to protest against increased tuition fees and soaring prices have been reported among Indian students. More and more students are taking part in the struggle of the workers and peasants. The conscience of the Indian intelligentsia has been so greatly outraged by Nehru's abject grovelling before imperialism that they cannot remain indifferent and silent. "Things cannot be allowed to go on like this any longer, can they?" That's the question patriotic Indian intellectuals are asking themselves these days. And it will not be long before they give the answer. Many leading public figures have already spoken out in protest against the mistaken poli-

cies of the Nehru government. Even sections of the Indian national bourgeoisie are feeling bitter and resentful. They have every reason to do so. Squeezed by domestic monopoly capital, threatened by increasing infiltration by U.S. capital and hit hard by crushing taxation and runaway prices, wider sections of the Indian national bourgeoisie are being pushed to the wall. They feel compelled to fight back for survival.

Mass pressures are building up against the Nehru regime. The partial modification of the much hated C.D.S. and of the gold control order in September by the Nehru government is indicative of the ever growing strength of the Indian people.

The pace of disintegration of the Nehru government and the Congress Party has been quickened as Nehru persists in his anti-China policy in the service of imperialism. The Congress Party, according to *Blitz*, was once considered "the supreme political force in the country" and "the image of the Congressman was a khadi-clad volunteer, tramping the dusty village paths, carrying all his belongings in a bundle on his shoulder." Now all this is radically changed. As *Link* sees it, the picture of the Congress today, "a noisy crowd of squabbling groups swearing loudly at each other" is not one that any man can see "without a sense of disgust." "Today in the minds of many people," deplored *Blitz*, "the Congressman himself projects the ugly image of his being a well-fed, pompous and moralizing minister riding about in a luxury car bought with the people's money."

In August this year, a motion of no-confidence against the Nehru government was tabled in the Lok Sabha and was voted down by the Congress Party's huge majority. But what was politically significant was that it was the first time in the history of Indian parliament during the past 16 years that such a motion had been introduced. "Nehru has won the vote but lost the day," commented a villager as he came out of the public galleries of parliament after attending the four-day debate. No truer words could have been said.

Reshuffle of Cabinet. Under these circumstances, Nehru shook up his cabinet. The Kamaraj Plan for transferring ministers to organizational work in the Congress was exploited by Nehru to kill two birds with one stone. On the one hand, he hoped to create a false impression of a "new deal" to soften up the popular discontent. On the other hand, he sought to get his opponents out of the way and thus consolidate his position. The *London Times* revealed that Nehru used the Kamaraj Plan to "remove from office some half dozen men whom he had in years found no other means of dislodging." AP added that Nehru's "decision to accept the resignation of six heads of state government was based mainly on banishing trouble-makers."