

that Pandit Nehru should have tried to cajole private investment into these industries. But that is an approach which is not likely to redound to the credit of private enterprise, for it would mean that private-enterprise is unable to assess the risks involved in pioneering, or having assessed them, decides that discretion is the better part of valour. Enterprise that always tries to play safe ceases to excite, and one need not feel surprised that Pandit Nehru—who hates nothing more than timidity—prefer to ignore this vapid argument. Nor can it be asserted that in the past six years, the private sector has showed such initiative and drive as to claim preferential treatment. Given the urgency for industrial development, what Government could be expected to wait patiently for private enterprise to become more dynamic than it has been?

There is a further point. With the acceptance of the idea of planned development, it was inevitable that wider powers of control and direction should be vested with the Government, under the Industries (Development and Regulation) Act. It is also true that the Act as it stands contains provisions which for some people have an undertone of distrust in private enterprise. But few can gainsay the fact that in a planned economy, some control of private enterprise is unavoidable; or that in the actual administration of the Industries (Development and Regulation) Act, there is a slow-but steady move towards a rational interpretation of the provisions. There is admittedly room for greater flexibility in this direction; but so far, nothing has happened to indicate that the trend has been reversed.

As regards the second disturbing occurrence, it is not clear whether the Birlas' proposition has been definitely turned down. Even if that is so, how does it amount to a break or reversal in Government's industrial policy? As pointed out earlier, the Policy Statement of 1948 lays it down that the State is to be exclusively responsible for the establishment of new undertakings in the iron and steel industry. The extent to which private enterprise will be able to participate in this task depends on the Government deciding to invite co-operation. It is to be noted that this leaves room for joint effort by Government and entrepreneurs, and not for a completely private undertaking.

All this is not to say that the refusal of the Government to allow Birlas to go ahead is justified. That is a question which needs to be probed into deeper than has been done so far. It can be rightly argued that when a country needs iron and steel as badly as does India to facilitate development, any agency which is willing to start a new plant should be allowed to do so. After all, Government has enough powers to keep the industry under control, and make certain that the output flows into those channels which the planning authority lays down. All this is accepted. But the point which has been overlooked is something different. And that is that the refusal to permit a privately owned and operated steel plant does not mark a departure from accepted policy. On the contrary, it is well within the letter of the 1948 Statement, and the spirit of the Congress resolutions. Indeed, if a licence had been granted to Birlas, then one could justifiably have argued that a change had occurred in Government's policy.

It would thus seem that the prevailing feeling in the private sector has to be attributed to something other than a perceptible change in Government policy towards private enterprise. One possible explanation is that the public is upset by references to "socialism" in Government circles, especially when there is a trace of approval about it. It is probably a measure of the difference in the connotation of that word to different sections of the community. To the Prime Minister,

it is a system in which the means of production are collectively controlled, so that concentration of economic power is avoided and democracy is freed from the pressure of vested interests. His ultimate goal of a socialistic economy is, in other words, not an end in itself; it is a means for safeguarding the basic equalities and freedoms, for attaining a Welfare State. To the private sector—at least the vocal part of it—'socialism' is probably an inevitable first step to a police State. It is about time that the private sector paid some attention to what the Shroff Committee, with its pronounced bias for private<sup>4</sup> enterprise, pointed out. The changes in the economic climate, said the Committee, "are manifestations of the changing conceptions, in India as elsewhere, of the functions of the modern State and of social justice. These trends in social and economic philosophy have come to stay and must therefore be recognised, and it would be unrealistic to expect any major change in their direction."

As always, more importance: is placed in this country on what is spoken rather than on what is being done. To expect a basic change, in the role of the State in the industrial sphere is to admit a lack of awareness of the historical forces in operation. Maybe these forces are operating in a much less drastic form than appears from the Prime Minister's oration. That may be good or not, so good, according to one's predilections. But there is little sense in trying to kick history and feeling sore about it.

## Socialist or Praja-Socialist ?

**I**N Congress, individual thinking is at a discount. Congress functions as a well-organised political party. It has never tolerated "rebels". They have either been expelled, or they have themselves left Congress. That is how the organisational strength of Congress has been maintained. Unlike Congress, PSP is a party where there is too much individual thinking. It is a standing joke in political circles in the country that even as the Army in Latin America or Middle Eastern countries has more generals than soldiers, PSP is a party of leaders without men. PSP leaders will resent such sarcastic remarks against the party. They profess faith in democracy. They argue that the members of a democratic party have

every right to hold different views. They are jealous about their right to freedom of thought and expression. Individuality is a virtue. But it has its limits. Developments within PSP pose the question whether a political party can encourage individuality to such an extent as to degenerate into indiscipline.

PSP leaders hold different views, but they are all democrats. Differences among the leaders had reached a stage when it was necessary to have a fresh mandate about the party's future policy. PSP, a democratic party, accepted this principle by holding a convention at Nagpur. It has rejected the demands of the Lohia group. But it has not expelled Dr Lohia and his followers. A new national executive has been

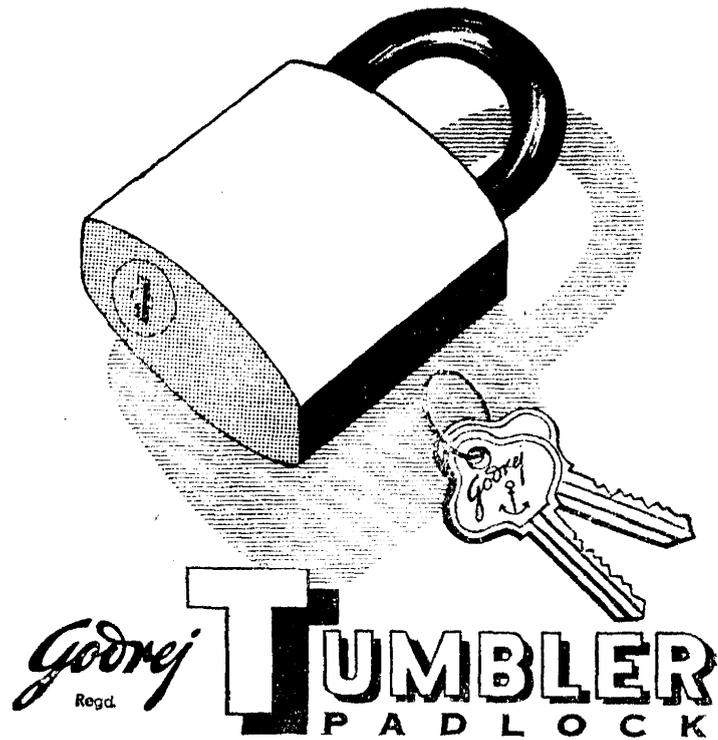
formed. One Acharya has replaced another as the Chairman. Acharya Kripalani is a disciplinarian. He is familiar with political parties and party politics. He is no longer the Chairman. But there is no indication that he will refuse Acharya Narendra Dev's request to him to remain a member of the national executive. Asoka Mehta has also resigned from the national executive. But he has not left PSP. Both Acharya Kripalani and Asoka Mehta are likely to respond to Acharya Dev's expected invitation to them to join the new national executive as members. Dr Ram Manohar Lohia has taken a more definite line. He has announced his decision not to join the national executive. But he has let it be known that he has no objection to any of his followers being represented in the re-organized national executive.

PSP is an attempt at a synthesis of three distinctive political trends. Acharya Kripalani left Congress to join PSP because he was opposed to the drift of Congress away from Gandhian principles. By merging his Praja Party with the Socialists, he hoped to utilise the combined strength of the merged organisation to re-introduce Gandhism in politics. BY accepting him as Chairman. PSP indicated that it was not opposed to Gandhian principles, Jayaprakash is a Marxist Socialist, who believes in Gandhian doctrines. He has dedicated his life to the Bhudan Movement. Asoka Mehta, the theoretician of the former Socialist Party, is a Socialist. Because he is not a Marxist he finds no contradiction between his brand of Socialism and Gandhian politics. Unlike Jayaprakash, Acharya Kripalani and Asoka Mehta are parliamentarians and party politicians. But all truth believe in "depoliticalisation". in emphasising Society as opposed to the State. Acharya Narendra Dev is a Marxist, but is a believer in evolution as opposed to revolution. He is not as much a Gandhian as Jayaprakash or Acharya Kripalani is. Dr Lohia now seems to have emerged as the doctrinaire Socialist within PSP.

PSP is at the crossroads. Even when the Socialists merged with the Praja Party, some of them were opposed to the alliance. Acharya Kripalani is a twice disillusioned politician. Long ago, he felt dissatisfied with the way Congress was going. He has now expressed dissatisfaction with the way PSP is

drifting Those Socialists who disapproved of the alliance with the Praja Party are now hoping that PSP would function more as a Socialist than a Praja-Socialist party. PSP represents that section of political India which is opposed to both Congress and the Communists. Even as Congress depends on Pandit Nehru to keep in harness the progressive elements within it, PSP has been hoping that Jayaprakash will give it a similar dynamic lead.

One of the inferences from the last general election is that an influential section of the population is opposed to both Congress and the Communists. It is, therefore, a permissible deduction, that PSP has a future as a Socialist party. To Acharya Narendra, Dev falls the responsibility of consolidating PSP into a Socialist party without any doctrinaire insistence on the class struggle or the Marxian interpretation of socialism.



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