Credo of
World Peasantry

Prof. N.G. RANGA, M.P.

INDIAN PEASANTS' INSTITUTE
NIDUBROLU
ANDHRA PRADESH : INDIA

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The Indian Peasantry are really fortunate to have such an able and noble leader as Professor Ranga... The saga of his life is the saga of the Indian Peasant movement.. His range of political activities are world-wide.

As a member of the Indian Parliament for about three decades, he has been striving hard for the success of the Parliamentary Democracy, in India and out side as well.

Dr. George M. Dimitrov
Secretary-General,
International Peasant Union

"Out of fifty five years of life, Prof. Ranga must have spent at least thirty five in work for the people – Pretty good record".

— **Prof. A.G. Stock, M.A.(Oxon)**

"Prof. Ranga has done to the Indian Peaantry what Sydney Webb did to British labour".

— **"The Indian Affairs"**

The author, Prof. N.G. Ranga, is the Father of the Indian Peasant Movement and is known throughout the world as an Apostle of Peasant Philosophy. Born in Nidubrolu, (South India) on 7th Nov., 1990; he had his education at Oxford and later became Chief Professor of Economics in the Pachaiappa's College, Madras. He toured extensively in Europe and studied the Socialist movements in various countries. He is one of the founders of International Federation of Agricultural Producers and played a leading role in the Conferences of 1946 (England) and 1949 (Canada). He represented India in F.A.O. (Copenliagen) 1946, I.L.O. (Sanfranscisco) 1948, Commenwealth Parliamentary Conference (Ottawa) 1952, International Peasant Union (New York) 1954, (Paris) 1956, Asian Congress for World Government (Tokyo) 1954, and Asian Co-operative Conference (Tokyo) 1955. His contribution to the application of T.C.A., Point Four and Colombo Plans to the underdeveloped countries was acclaimed by one and all.

In India he is hailed as the champion of rural masses. He was in the forefront of Freedom struggle and courted imprisonment many a time. He is the founder of many a national organization like the Bharat Kisan Sammelan, Hand-loom Weavers' Congress etc., and one of the pioneers of Co-operative, Adult, Education and Rural Library movements and the Bharat Sevak Samaj.

A great Parliamentarian, he had been a number of the Indian Parliament from 1934 onwards. He had the blessings of Mahatma Gandhi for his new doctrine of Democratic Kisan – Mazdoor – Praja Raj.

DEDICATION

TO

My Parents

Gogineni Nagayya : Atchamamba

AND

Foster - Parents

Pamulapati Ramaswami : Lakshmi Devi

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INTRODUCTION

Peasants, allover the world, need and demand social justice which has long been denied to them. They are consciously endeavouring to secure it, not as a grant but as a right.

Peasants of the world need organization. For ages, they have failed to realize their oneness all over the world. Their immense numbers, their relative numerical superiority and the unawareness of their fundamental importance in every nation's social life have blinded them from the need for their world-wide unity. The world-shaking experiences of the first half of the twentieth century have atlast awakend them into their present world consciousness. " Peasants of the world, Unite!" is the clarion call of all awakened peasants and their organizations. It has taken organizational shape in the I.F.A.P., and I.P.U. The F.A.O. is the governmental facet of the same awakening and world consciousness of peasants, the primary producers.

Peasants have been the traditional votaries of freedom and independence of the producers and citizens. When freedom was banishd by empires and emperors, it took refuge in peasant-homes. When independence was destroyed in industries, crafts and national life, it found umbrage in peasant-way of life. When nations lost their freedom and independence, their soul found its inviolable habitation in peasant's hearths. When peoples' national language, culture, native idiom, and genius were being ridiculed, and put out of the courts and universities of the conquerors and rulers, they found their natural hermitage in peasants' language, song-laughter and dance. When every other group failed to nurse and cherish the Dame Liberty and Independence, the mountaineering, nomadic and tree-loving tribal peasants withdrew into fastness and giddy peaks of giant and forest-studded and snow-clad mountains.

Peasants have formed the back-bone of every revolt and revolution against empires, kings, feudal lords, capitalists, their latest oppressors – the Communists. Again and again they rose in revolt, defying the ever-new rigours of Soviet oppression, in the U.S.S.R. and in Soviet China and indeed in the post-war Soviety Satellite countries of Europe. Every where peasants have been progressing from one freedom to another.

Throughout the ages, it has been from the ranks of peasants that recruit to all other classes have been forthcoming. It has almost become an axiom that as the numbers of all other classes grow, the relative numbers of peasants in any nation come to be reduced. For instance, U.S.A.'s farm-population used to form 70% of the population during last century as is now the case in India and China. But twenty, five years ago (1931) they formed 25% and in (1956) only 13.5%. Very soon i.e., by 2000 A.D., the same development may come to be witnessed in the now-predominently agricultural East. Yet,peasants form the largest single bloc, engaged in any industry or occupation even in the overwhelmingly industrialized Great Britain and in the highly-mechanised U.S.A. Even in this age of ever-expanding vista of synthetic products, including food and clothing, peasants will continue to be the largest and most conscious votaries of freedom and high-priests of Mother Nature.

Peasants are bracing themselves to face the powerful challenges of this second half of the twentieth century. Soviet totalitarians have been trying to abolish peasantism, root out peasants and convert agriculture into farm-factory economy. But Soviet peasants in the U.S.S.R., S.E. European countries and China have been resisting this subversive and reactionary movement with varying degrees of success. Successive cadres of toilers on the Solkhoz and Kolkhoz farms of U.S.S.R, who have come to be metamorphosed into the "unwanted peasants" , are also revolting against the new chains fastened on them. The recent Hungarian and Polish revolutions of 1956 at once nationalistic and peasant-wise and the consequent propeasant reorientation of the Soviet attitudes in all the Soviet lands are only the latest samples of the irrepressible readiness of the World Peasantry to fight for their freedom.

Peasants are also obliged to resist beauracratic regimentation of their occupational life, which is trying to creep into their economy through various disguises, including that of Co-operative cultivation. Having failed to deceive and subvert them by making a frontal offensive, as through the U.S.S.R.'s collectivization, the same demon of beauracratic proletarianism and professinalism is attempting to creep into their vitals through this false Dame (Mohini Avatar) of Co-operatisation of all processes of cultivation. The Yugoslov peasants have seen through this attractive make-up and have therefore recoiled from its embraces. They demanded the resumption of their freedom to cultivate their own holdings and obtained it. More than 75% of the members of the

European satellite Soviet countries similar freedom from the Soviet Co-ops, is being demanded, obtained and exercised by peasants and the communist rulers are conceding this right and freedom to peasants on the excuse that productivity under peasant economy is easily twice as much as under Co-op-economy. The American farmers are also convinced that "there is no place for co-operative farming" in their economy, as testified by their most progressive National Farmers Union (1957).

But in India, as in China, attempts are being made to invert the achievement and preservation of embracing economic freedom of our peasants by first converting peasants into proletariat and then offering all sorts of privileges and protective rights to free the proletariat from their inevitable loss of freedom in their principal activity of bread-wining and nation building. The U.S.S.R. and European satellite countries have made this vain effort with disastrous consequences. It may now be the turn of China and India, the most populous countries with the largest percentages of peasantry to go through this diabolical process of proletarianising peasantry. if this reactionary effort were made on the same Soviet scale and with as great a process of proletarianising peasantry. If this reactionary disregard to the psychological reactions of their peasantry, then, the biggest and most terrific reactionary movement will have been inaugurated in World's history.

What may be the consequences of such a movement? For a time the two largest sections of world peasantry, forming easily the majority of world's population of free-producers may temporarily be converted into agrarian proletariat. The world's movement of freedom, social and economic, will have received the greatest shock of history. The hands of the clock of progress of human spirit and freedom will have been turned back and a new chapter of worldwide enslavement of world's toilers will have been opened.

Will that triumph? No. Will it continue for long? No. Will it become the order of the day of the new age of socialism of co-operation or socialistic co-operative commonwealth? No. These answers flow from the triumphs-however partial, muffled or belated so far achieved by the Soviet Peasantry.

The significance of peasantism is its capacity to yield maximum freedom and employment to primary producers. Peasantism has so far succeeded in producing all the food grains and fibres etc., demanded by the growing populations of the modern world. It is a way of life of free-men, full-fledged toilers and freedom from 'bosses'

supervisors, masters, or organizational beauractrats. It is capable of inventing, and making its own all the benefits of organization through agrarian co-operation. It demands of the state to provide the protective armour needed by it in its struggles against vicissitudes of seasons, economic blizzards etc.

It wants co-operation to be its aid, colleague and co-operator and not its freedom – consuming master, So, for all their activities, concerning their essential needs and supplies and their marketing operations, peasants want Co-operatives. They want their present freedom from economic regimentation to be strenghthened by the Co-ops, which assure them freedom from crutches of all the free services, and which indeed, will provide them the badly needed key-services. They demand organizational assistance from the State, through the medium of their co-ops., to ward-off the evil consequences of draughts, floods, soil-erosion, epidemics, failures of crops and consequent famines. They realize the need for more and more self-governing organizations but only to buttress their age-long economic independence and not to convert them into mere wage-sales. They are also keen on co-operatising the essentially organisational activities in their environment to enable agriculture to make its contacts with other industries most productive, protective and useful.

Peasants are today free, while at work. They know no master. They recognize no superior. They find in their holdings organizational activities in their environment their source of employment and living. They draw strength, satisfaction and pleasure in planning, executing and achieving the fruits of their agricultural activities. They seek to grow into their fullest personality they are capable of ; and they have the basic freedom to achieve this most laudable Socialist objective. It is the same with the handicrafts-men and all other artisans. It is .it is this freedom, opportunity to gain freedom, it is this social independence and opportunity to gain independence that Socialists like Morris, R.H. Tawney, H.N. Brailsford, have been yearning for. It is this "Social freedom" and independence that the Western Socialists who are also lovers of freedom are asking the twentieth century Socialism to achieve. Europe and the American continent lost it, in their search for freedom from toilsome labour, and industrial progress and prosperity. Socialism of the West is now yearning to work for the regaining of this very freedom. So, peasants all over the world, who are still in possession of this price-less freedom are glad to be its custodians. They are determined to nurse and foster

this Dame Social Freedom, until the rest of the toilers of the world come to recognize the true objectives of socialism and cherish their independence and hail them as the basic foundations and pillars of the true and precious freedom of toilers on which co-operative commonwealth can be built and social justice can come to prevail.

Today they provide the beacon-light to the more numerous, but non-self-employed, non-self-governing proletarian and other employees especially of the West, to regain their economic independence and self-goverance and become once again free and co-operative toilers of the World.

Peasants know that an unceasing stream of them are going into better paying and more favoured occupations of this industrial age, through, in such occupations there is no such social freedom and economiic independence as in the peasant way of life. They want such industrial workers also to regain as much of their lost freedom. So they are keen on self governance in industries. They know the limitations of such industrial self-governance, thanks to the inevitable in roads that beauracratism makes over all organizational efforts. So, they favour Industrial Co-ops, Craft – Guilds and Works Councils etc.for their protection. Hence peasants' readiness to make common cause with all other toilers in their democratic efforts to achieve industrial self-governance and industrial cooperative common wealth.

Peasants are not capitalists. Their economy is not capitalistc. They are not an exploiting class. They do not need to exploit any other class in order to cultivate their lands or to find employment on land or to earn their livelihood and achieve freedom from famine and fear of unemployment. Their's is essentially a non-exploitative way of life. As such, world peasantry can and will prove to be the best guarantor of Socialism and Social Justice.

Therefore peasants are basically socialistic and Co-operative. They do not want to exploit anyone. They have all along been contributing so much more to social well-being than they had ever grabbed or consumed. They wish for the welfare of all and they have been the earliest practitioners of social justice. They have also been keen on Co-operation among themselves and with all others. Their recent achievements in modern phase of Co-operative movement in democratic Europe and U.S.A. and in Latin America, Canada, and Australian countries bear eloquent testimony to their readiness and capacity to organize and administer self-governing

co-operatives on a national scale to buttress and augment their basic freedom to own, cultivate their life-giving holdings. Thus consciously or unconsciously they have been the votaries of Guild Socialism.

Peasants are well aware of the eternal conflict of interests between the governors and the governed, the management and the general body, the Co-ops' Directors and their membership. They recognize the advantages of decentralized government over centralized governances and so they favour the practically smallest organizations as the basic unit of governance in political, civic, economic and social matters. They realize the rigours and risks of investing beauracrats and even their own-elected chiefs with such powers as can decide the kind of intimate life they have to lead even while at work or at home. So, they wish to preserve the maximum degree of their existing freedom while at work and demand of society, not only to protect it but also to strengthen it by every democratic means. They know that in the measure in which all other toilers too gain such freedom from bosses, supervisory censorious, beauracrats that they can derive appreciation, and support for their own freedom; hence their urge to work for such an all-round atmosphere of growing social freedom of all toilers.

Peasants are therefore keen on gaining an effective voice in the councils of their national governments. As Democrats and as Socialists and as the protagonists of the ideals of ancient Village Commonwealth, peasants believe in full, free and fraternal comradeship with all other toiling masses in the governance of the modern state. They realize the significance of the impact of social matrix of civil servants on the content and influence of administration. Therefore, they demand that the maximum number of civil servants of all cadres ought to be recruited from among their own ranks.

Peasants are prone, it is true, to be influenced by the promptings of religion, caste, tribe, tradition, which have come to be almost inextricably built into the life on the land i.e. peasant way of life. Yet, they are rapidly learning, under the challenge of proletarian dictatorship from one side and capitalist threat form the other, to rise above those physchological impediments and view national, international problems from their class stand-point to come to grips with the modern machinery of State and organs of public opinion. Hence the success achieved by Scandinavian, Dutch,

Canadian, Australian farmers in gaining a footing in the legislatures; the political stake won by the S.E. European peasantry before the advent of Soviet satellites. Hence also the Indian Peasant's successful comradeship with other classes in the two General Elections of 1952 and 1957 through the Indian National Congress, to the chagrin of Communists.

"More and ever more production" and " greater and ever greater productive effort" are the watch-words of the second half of this century with its growing populations, and their rising demand for social justice and progress. Peasants are making the best contribution in this regard. For instance, the 1955-56 agricultural prodution of the world is the largest on record. This was so, not only in the West but also in the East. So was the Rice acreage and yield of India in 1956-57. in India the Peasants in Community Development Blocks, organized under the Five Year Plan have achieved in a period of 3 to 5 years the startling increase of agriculture production up to 25% . This was achieved by the free-peasantry but not by the proletarianised or indeed co-operatised agrarians.

Yet, " there has been relatively little improvement in net farm income and in the relative economic position of the agricultural producer" as testified by the I.F.A.P. and F.A.O. (1957).

It is not peasants who fail the hungry masses of the world but their costly governments and their organizational, beauracratic paraphernalia. In fact, the U.S.A. Government is obliged to subsidise the non-cultivation of land and the slow fertilization of land (soil banks) and also to subsidise the exports of the accumulated over-supplies of agricultural products.

I have realized the constructive and democratic role that the forty millioin Indian artisans and as many more of other Eastern nations can play as the champions and practitioners of economic democracy in the course of my Oxford study during 1925-26, of the economic bases of the Indian Haud Loom Weaving Industry. It has been my privilege to be associated very intimately from its inception with the self-employed producers' Co-operative movement of India, especially the hand-loom weavers. Today, more than a million self-employed Indian weavers are within the Co-operative fold.

These masses have yet to be liberated from the clutches of the owners of the

"Key Services". They have to be helped to gain control of the "Key Services" through both their own Co-operative movement and State Trading and other governmental measures. They can then become self-governing, self-reliant, powerful and free peasantry and artisans.

It is to achieve these advantages and protection for these broad masses of free-peasantry and artisans that all these who have been associated with me in India's Peasant and artisan's movements have been working ever since 1935. We have derived immense encouragement and inspiration from Mahatma Gandhi's teachings and work through the Khadi and Village Industries Movements.

We are encouraged to feel that through this faith and movements, we will be putting a new hope into the hundreds of millions of these free and independent peasants and artisans and helping them to provide the foundation for the emergence and progress of a truly Co-operative Socialistic Commonwealth. To energise and strengthen them to inspire them with self-confidence and faith in the constructive role they play in the building up of the new society based on free, self-employed, self-governing and co-operatively – organized producers-cum-consumers is the most progressive Gandhian effort that we can make. It is this faith that has inspired all our efforts. It is this constructive effort that has won for us the confidence of India's self-employed masses. It is the good fortune of the Indian Peasant Institute to have become the fountain-head of studies, researches and constructive thought for this movement.

I am not opposed to mechanization of agriculture , but it must be proved to be needed, suited and useful to the local social economy of the particular country. For instance in Canada, U.S.A. and Australasian countries, with their limited population and ever expanding urban opportunities for more alluring and satisfying employment, necessarily large-scale and mechanized farming has come to be adopted as their national agrarian feature. But in most of the Oriental and Latin American Countries with their over-populated social economies and un-manageable umemployment and under-employment problems, small-scale peasant economy has come to be inevitably the biggest employment-yielding and social security system. So, I plead for its utilization and development until full-employment prospects and possibilities become available in our Social Economy.

It has till now been the general impression of those under the influence of

Western Socialist tradition, that Social-Justice is needed mostly, if not mainly, by wage-earners and the needs of self-employed persons notably peasants and artisans have escaped their attention. I have been trying for all these years to convince both such Socialists and Asian and African nationalists and Democrats that these self-employed masses need social justice even more urgently.

Till recently modern governments all over the world specialized only in impoverishing and suppressing all these freedom-loving, self-governed toilers, as if their prosperity was of no special concern of the rulers. There was also the impression among the rulers that these masses should be grateful for being allowed to exist as free people and independent producers. But the inter-war experiences of economic crisis, war-time and post-war scarcities of all essential goods, especially food grains and fibres and the threat of communist political imperialism have made the world realize, however partially, its dependence upon the continued existence, enthusiastic productive activity and prosperity of the vast masses of self-employed peasants and artisans. World Statesmen are coming to see the pivotal role that these masses can play in strengthening democratic ideals and freedoms, if only they are liberated from the incubus of beauracratic indifference and snabbery, governmental oppression and indifference and capitalistic exploitation through the "Key Services". So, there is a growing realization of the duties of the civilized governments and international institutions towards these natural and traditional champions of democratic freedoms and Guild Socialism. I am convinced that modern governments ought to be grateful to these masses because their demands for governmental protection and solicitude are the least costly and burdensome. Indeed, it is an axiom of modern political life that as numbers of the self-employed grow more and more, so do the troubles of governments grow less and less. It is all the more reason why Socialists, Democrats should help modern Governments to discharge their duties towards these self-relying masses with much greater solicitude, efficiency and respect.

Therefore, the movements of peasants and artisans that I have had the opportunity to initiate in India and elsewhere are designed to widen the horizon of Socialists and Co-opertors and broad-base their practical efforts to achieve and spread the benefits of Social Justice. They are not exclusive. They are not aimed against any other class. They have grown in the Gandhian atmosphere of

"*Sarve-jana-Sukhino-Bhavantu*" i.e. "May all be happy".

Hence our conception of Democratic State as the "Democratic Peasants, artisans – proletariat – intellectuals – peoples State" i.e. Democratic Kisan Mazdoor Praja Raj. Mahatma Gandhi blessed this ideal. This is his constructive contribution to our modern conception of socialistic co-operative common wealth. I had the privilege of obtaining his blessings for this noble ideal. This "Credo" is a contribution to the interpretation of that ideal, in so far as it applies to peasants.

I am confident that in future when the utmost minimum of populations of even the over-populated East come to be employed on land and when all of them come to be educated to the maximum degree and trained to use the latest and best machinery and learn to control, and regulate the political and economic institutions of our democratic state, their demand for social justice will become absolutely irrestistible. Their support for this noble ideal of democratic Kisan Mazdoor Praja Raj will then become more consciously enthusiastic and powerful. Their organizations will grow to be the greatest champions of democracy and best defenders against beauracratism and evils of majority rule and factionalism in Democracy. Then will our aim of Socialistic Co-operative Commonwealth become fulfilled by the educated conscious, co-operatively organized and freedom loving peasants and artisans. Then alone will our modern society become a just, propsorous, free and happy society.

I am, as ever, a firm believer in decentralized co-operative democratic society. I believe that peasants and artisans, the last and the best bastions of social and economic freedom and independence and the ever-vigilant fighters for social justice, will make the best and greatest contribution to the achievement and beneficent working of such a co-operative Socialistic Society. Hence the publication of this "Credo" at this juncture, as my contribution to this twentieth century conception of progressive, socialistic co-operative common wealth.

It augurs well for the world peasantry that a Forum of Economists and Philosophers from various universities and institutes should have come to be organized for a "symposium concerning peasant way and view of life" by Prof. F.G Friedman of the Arkansas University, and the Prof. Irwin-T. Sanders of Univeristy of Kentucky in U.S.A. should have developed a study in "Research with

peasants in underdeveloped areas" during 1955-57. All these efforts are widening the path blazoned forth by the Indian Peasant Institute ever since its inauguration in 1933 by Mahatma Gandhi.

I am grateful to the staff of the Peasant Institute, especially Paramahamsa, Appalachari and Research Assistants P.R. Parachuri and G.U. Rao for their assistance in preparing this book for the press.

I am specially beholden to Srimati Bharatidevijee and my colleagues, G.L. Narayana, G.V. Appayya, G.V. Subbayya and A. Nagayya for their confidence in my public work during all these decades. Devijee has been my invaluable and constant help-mate.

N.G. RANGA

CHAPTER I

DEMAND OF PEASANTS AND ARTISANS FOR SOCIAL JUSTICE

We maintain that the axis around which the present Capitalist system revolves is the colossal injustice done to the Kisans (agricultural masses), Kalakars (artisans) and the Mazdoors (Proletariat). Economically these people are condemned to varying degrees of poverty, ignorance and want of culture and leisure. Politically they are denied any effective share in the governance of their countries. Marx, Engles, Lenin and Stalin and a host of socialists have studied in great detail, the economy of the proletarian life and provided a key to the proper understanding of the mischief played on them by the capitalistic system. They have unravelled the mystery of the surplus value that capital is deriving from labour. They have delineated a theory and technique of revolutionary endeavour to be made by the proletariat to triumph over the existing class-struggle, to subvert the capitalist system and to achieve a classless society etc. Unfortunately the problem as to how capitalism is exploiting the peasantry, and artisans and how it has, through its alliance with feudalism and capture of political power, prevented the rise of peasants and artisans to their full stature, has not been studied by socialists with the care and thoroughness demanded by the importance of their role in society.

By now, almost all recognize the fact that the working class daily produce, while in employment, so much surplus value, and that it is being appropriated by their employers and their capitalists and feudal chiefs who are in alliance with them. It is not, however, so generally known that peasants and artisans also produce surplus value and that too to a much greater extent and that it is being swallowed up, not only by the feudal magnates – as was thought by orthodox communists – but also by the capitalists and the Soviets. The industrialist extract the surplus value from the proletariat and then share it with other sections of capitalists. The commercial classes perform that function in capitalist countries in regard to peasants and artisans and share it partially with general consumers.

In fact, peasants are in a much worse condition than industrial workers. While the former are allowed to derive only an infinitesimal portion, if at all, of the surplus extracted by industrialists from the worker, as it is passed on to them in the shape

of lower prices of the manufactured goods, the latter are able to obtain a goodly share of the surplus value, extracted from peasants by both the commercial and industrial classes, passed on to them in the shape of higher wages, better and fuller social services and privileges, thanks to their better organizational, political and economic position and consciousness, though they are hardly one-tenth of the total population of World peasantry. The modern proletariat are in a position to gradually emancipate themselves from the exploitation of their employers, but such is not yet the case with peasantry. The proletariat have already achieved, thanks to their trade unions, strikes and other struggles, their essential key position in modern industrial organization and also the activities of their political parties and International Labour Office (I.L.O) a number of privileges, not the least of which are the limitation of hours of work, recognition of unions, minimum time and piece work wages, insurance schemes against unemployment and social securities.

H.N. Brailsford is the one far-sighted socialist who has realized the extreme urgency of this problem. He espies four impediments that have to be got over, in order to prevent these periodical wars and achieve World Peace, they are (a) National Sovereignty, (b) Prevalence of Self-sufficiency over international interdependence, (c) the mischief of conceptions of profit and debt of their relations to raw materials and colonial empire and (d) inequality between industrial and agricultural incomes. He says that the last obstacle is the steepest of the four. "Are we, the mainly urban working population of this island (U.K.) prepared to raise the standard of life of the dark, rural, working population of India and Africa to our own level? The problem arises also at home between city and village, but in a less acute form. The Middle West is the empire of the Atlantic States, as India is the empire of the city of London. Our proletariat is no longer where it was in Marx's Day in Lancashire; it sweats round Calcutta and Bombay. Has it (The Labour Party) faced the fact that empire means primarily a financial relationship between white creditor and dark debtor, which enables the former to thrive on roast beef while the latter starves on rice? The ending of Imperialism means one concrete thing – the smashing of this relationship of debt, the equalizing of these two standards of life. When we are brave enough to make that our urgent aim, we can dispense with force and make an end of Wars". (Why Capitalism Means War?)

Commenting on the Manifesto "Keep Left" of the Leftists within the British Labour Party, Mr George Padmore, the Secretary of the Pan African Congress, says "The authors confess that the conception of international Socialism is purely for white folk of Western Europe. Their Policy is Socialism at Home, Imperialism in the Colonies." "Keep-Left" is not inconsistent with 'Keep the Empire'. (Pan Africa July, 1947.)

Even the aged leader of American Coloured people, Du Bois, is constrained to observe that "even to this day, the feeling among the masses of white labourers in Europe and America is that the industrial democracy towards which they are striving holds no goal or destiny for the labourers of Asia and Africa". (Black Folk P.370 Published 1939.)

Right up to 1939 all of us of the Coloured people came so much under the spell of Marxism that we were thinking of all the toiling masses as proletariat, without caring to look more carefully into the real significance of that term, especially in the light of the Soviet interpretation of it. While there was an international Communion between the Communists of all countries under the leadership of Comintern, those of us, who were fighting for the liberation of the Coloured Nations and countries, and who had the interests of peasants so much at heart, had no means of getting into touch with each other and realizing the World Role of National Revolution or the need for the Colonial and Coloured peoples Freedom Front (CCPF). While I was formulating my theses on these two revolutionary theories during my war-time Jail life (1940-44), I was ignorant of the warning sounded by my comrade Du Bois as long ago as 1939, of course in that pre-war Soviet language that "the proletariat of the world consists not simply of white European and American workers but overwhelmingly of the dark workers (he forgot to distinguish peasants from workers and mention them as a separate and additional category of toilers) of Asia, Africa, the islands of the South Seas and Central America. These are the ones who are supporting a superstructure of wealth, luxury and extravagance. It is the rise of these people that is the rise of the world. The problem of the twentieth century is the problem of the Color line. (Black Folk P.383,) I start my thesis where he ended his. This too is very significant because we have to carry on this light of revolution from one generation to another.

Contra y to one's expectations, Western Socialists have not paid as much attention to peasants as is needed. Despite Lenin's warning that peasants must be

won over, and that they can be socialistic, the great bulk of socialists-thinkers and partisans have preferred to neglect the study of peasant problems and work out, if need be, an independent but complementary branch of revolutionary ideology to reinforce what has come to be known as Marxism, as interpreted by the Comintern, and Cominform. This is a first class blunder. It is calamitous to the World's revolutionary cause. The pre-war European Counter-revolutions and the happenings during the Second World War have shown the dangers of neglecting the peasants. So it is high time that a serious and genuine effort is made to study the ideology and conditions of World peasantry. We propose to address ourselves to this hard but necessary and interesting task.

Even before the end of World War II, the Statesmen of the United Nations began to concern themselves with the plight of the underdeveloped countries, as contrasted with the prosperity of the developed countries, thanks to their growing awareness of their responsibilities in the One World, of Wilkie's conception The sudden and breath-taking postwar expansion of Soviet sphere in South East Europe, the emergence of the U.S.S.R. as the most powerful rival of the United States and the capture of the gigantic China by the Communists rapidly led to the split of the world into two rival blocs and this has forced the Democratic World to realize the potency of Soviet appeal to the great but under-previleged majority of world's population, inhabiting the under-developed regions of the Democratic world. Thus those arose a world-wide rivalry between U.S.A. and her friends on one side and the U.S.S.R. and her friends on the other to capture the hearts and political allegiance of these vast undernourished and hitherto neglected masses.

This rivalry tends to be more progressive in its results than the nineteenth century scramble between imperialist powers of Europe to carve out portions of Asia and Africa, since it has tended to strengthen the people of the underdeveloped parts of the world, whereas the earlier rivalry degraded their people from freedom into slavery. Thus, the very division of the post-war world into two rival blocs has opened new possibilities for the hitherto underprivileged people to breathe in more freely and to summon courage to strike for their political and economic freedom. The nineteenth century imperialism has begun to wither away under the growing impact of the revolutionary trends of the colonial people, encouraged as they are by the two rival worlds at cold-war with each other.

Even while, however, the old regime of colonialism and imperialist hegemony

of the world have been withdrawing themselves from one country after another, the millennium-old suppression of world-peasantry has been growing in its morbid intensity but in a new garb. More than four hundred millions of peasants, that is, easily 25% of the population of the world have come under the grip of Sovietism and have lost their peasant-proprietorship and have been forced to become members of the State-controlled collectives and Farms. Almost the same has come to be the fate of the major section of Peasants in the Democratic World since the State has imposed its coereive systems of food-procurements, levies, price-controls and the conversion of peasants into "trapped producers". Their every move to exercise freedom from the uneconomic price-rings was being castigated by consumer-interests and communists as black-marketing and food banditry.

There has come to be so little difference between the capitalist and the Soviet systems of exploiting the peasantry. Neither of the systems recognizes the progressive nature of peasant economy. Both are unanimous in their aim of liquidating the freedom of peasants. Both are passionately convinced that the progress of industrialization and urban civilization is converting agricultural economy into land-factory economy and subverting peasantry into agricultural proletariat. Both believe in the need for divorcing peasants from land-ownership, agriculture from small-holdings, and freeing industries from their dependence upon the self-governed, decentralized rural economy.

It is strange how the western economists and statesmen have so far failed to realize the truly revolutionary and progressive role that world peasantry and their ally and complement, artisans, can and do play in nurturing and maintaining economic democracy at grass-roots, all so constructively. Yet, even as the two rival worlds are manufacturing their nuclear weapons, they are also paving the way for the emancipation of peasantry from their age-old shell of economic and political exploitation, thanks to their very attempts to rehabilitate and uplift the underdeveloped countries and underprivileged people of the world.

A scientific and sympathetic study has to be made, from world's perspective, to unravel the causes for the present comparatively backward condition of the people and, more especially, of the peasants. The economists of both the Communist and Capitalist persuasion have ignored the operation of laws of exploitation by which the ruling classes in both the Communistic and Capitalistic countries, have been extracting the surplus value produced by peasant masses and

degrading peasantry into political and social slavery. The so called "Scissors' of Demand and Supply schedules and price-squeezes have been used against peasants to rob them of their desserts, under the guise of market-bargains. Their tempting offers of full employment and social securities have so far been confined only to the non-peasant sections, and their conception of social justice has been one-sided so that peasants have been kept beyond its ken. There is urgent need for world peasantry to expose these myths and mirages and to realize the inevitability and indispensability of their capturing real, effective power in political and economic spheres of this modern world. The history of these twelve post-war years has proved that the liberation of peasants and others from colonialism is very useful in their march towards full freedom. But it is not enough. It has also proved to them that to succumb to Sovietism is not to gain freedom from exploitation but only to sink into the embraces of a more pitiless system of exploitation. It has also demonstrated that neither the British Welfare State, nor the post-war conception of indivisibility of the world in prosperity or poverty, nor the Communist flirtation with the peasant co-operatives is really calculated to assure full and freely enjoyable social justice. In that most prosperous country, the U.S.A. peasants are the least prosperous , and in that most Sovietised U.S.S.R., peasants are the most neglected and least socially secured; and yet, in both, agriculturists form the biggest single bloc of toilers. Herein lies the largest wound and the most poignant canker in the body politic of post-war world of capitalism and communism. And the statesmen and economists in both the "Rival Worlds" have to search their hearts and minds to discover a reorientated and humanitarian solution to this problem of problems.

Contrary to one's expectations, Western Socialists have ignored the challenge of world peasants to their one-sided ideology. Despite Lenin's warning that peasants must be won over as they can be socialistic, the great bulk of socialists – thinkers and partisans – have preferred to neglect the study of the problems of peasants and artisans and workout, if need be, an independent but complementary branch of revolutionary ideology to reinforce what has come to be known as Marxism, as interpreted by the now-defunct Comintern and Cominform. This is a first class blunder since any ideology and movement based on it which fails to show the way towards progress and happiness to the majority of world population cannot lay claim to world's allegiance, nor can it hope to salvage the world from darkness, and lead it towards happiness and progress. It is calamitous to the World's revolutionary cause. The pre-war European Counter – revolutions and the happenings during the

World War II have shown the dangers of neglecting the peasants and artisans. In view of the fact that the proletariat also figure as important co-shareres of the surplus value extracted from peasants this pre-occupation of Socialists with proletariat alone threatens to become suspect. That some of the British Socialists also realize the failure of Western Socialism to consider the need for socialistic review of agricultural problems, is attested by Messrs. H.J. Massingham and Edward Hyams in their Book " Prophesy of Famine". They truly observed that the Marxist analysis confined itself only with the "make and mend" politico-economics of the processing, manufacturing and distributing aspects of modern life, but neglected the much more important and fundamental human activity of agriculture. They observed that British Socialism has been so busy in ameliorating the conditions of life and work of the workers and that it has had no time for " social and political creation" as represented by "Agriculture and Peasants" (Prophesy of Famine p.184).

So it is high time that a serious and genuine effort is made to study the causes for the present unenviable conditions of World Peasantry and the irresistible forces which give momentum and constructive energy to their ideology. I propose to address myself to this hard but necessary and interesting task. I have been engaged in this inspiring work since 1923. Every year has opened up new secrets. Everyone of these two generations of history has only exposed the inadequacy of the hitherto known systems of thought, Capitalism and Sovietism, to explain the peasants' plight and to lead them towards real freedom from economic and political subjection.

The Gandhian way and Rooseveltian idea of parity in social justice have alone weakened the mists of prejudices against peasants. The post-war United Nations conception of'One World' has helped us a lot in visualizing a way-out. The modern world peasant-movement with its armours of co-operatives and parliamentary system of democracy and human rights, and the Gandhian ideal of decentralized democracy at the grass-roots, both political and economic, bids fair to lead us to a full and just democratic world. This thesis is the ideological frame-work of this awakening modern peasant.

CHAPTER II

LAW OF KEY SERVICES

Peasants are the primary producers and hence enjoyed the leading position in the self-sufficient economics of the past, having direct contact with consumers. But with industrialization there began to grow distance between the producers and consumers. For their very living, the peasants have come to be at the mercy of these key services, which exploit them through all possible "invisible ways"

The most important of these "Key Services" is the processing of industries and their activities through middleman. Their exploiting role had been described in the marketing of Paddy, Tobacco, Cotton, Sugar-cane, Groundnut, Jute, Milk and Fruits. The War-time controls and regulations only accelerated this phenomenon.

Next come the institutions which provide finance to the agriculturists such as money-lenders, banks and co-operative banks.

Then come the class of retail dealers.

Even communications went against peasantry; railways and lorries dominated the transport-world, and their services have become so indispensable as to form a key service to agriculture through their policy of discriminating freights.

With the erection of tariff walls and their protection, backed by the worker's demand for cheap food, industry also turned itself into a key service which extracts, for its services, too high a price from the agriculturists.

The provision of currency is another key service that levies its own toll, being the handmaid of banks. Here, dealers in foreign exchange have their own share. This exploitation assumes a pernicious form when it is carried on by the foreigners. Landlordism and officialism are too powerful key interests which levy a heavy toll on peasantry.

THE FALL OF PEASANTRY

It has long been felt by millions of peasants all over the world as a mystery why they, the producers of the most basic and essential commodities and utilities needed by society at all times and in all ages for its very continued existence, and

needed by society at all times and in all ages for its very continued existence, and all other basic production and happiness, have had to be content with the lowest standard of living and the poorest social and agricultural amenities in this age of inventions, machines, atomic and nuclear researches. They have been accepted by one and all as the primary producers, and yet they are accorded the lowest place in the modern socio-economic dispensation. If they look back into the history of their class, they find that through all the millenniums, they had been the very axis around which the rest of society revolved and depended for its socio-economic status and privileges. How has this awful plight come to afflict them?

The explanation to this mysterious transformation, for the worse of peasants all over the world from being the center of life into the most neglected and suppressed sector of modern society, lies in the growth in importance and influence of a number of economic and social forces, which have come to be developed as allies and accessions of the socio-economic structure of modern society of this age of industrial revolution.

As long as the earlier self-sufficient village or rural economy held a way and barter exchanges sufficed to serve the commercial transactions though they seldom took place in that society, peasants could enjoy their pride of place, since what was produced by them was not only the most essential utilities, but they could also be reached by consumers almost through direct dealings with them, their actual primary producers. But once the towns began to grow in numbers, populations and in politico-economic importance, division of labour, diversification of production in agriculture, and specialization in different aspects of agricultural production began to grow in importance; there began to grow also the distances in social and economic as well as physical spheres – between the producers and consumers. Gradually marketing took its modern shape, as the main medium through which the producers could reach the consumers. As commerce took in its embrace different parts of each country and different countries across continents and assumed its modern world-significance, the various means of transport, with all the complicated and highly mechanized equipment, have assumed a new power. Since world commerce and communications could deal in huge quantities of the various agricultural products of many countries, all such costly paraphernalia like harbours, ports, railways, ware-houses, elevators, refrigerators and cold storages, drying plants, and processing factories, grading, packing and accounting and stock-exchange and markets have

consequently grown in importance. All these can be constructed and maintained only at great cost, and colossal capital investments have become necessary. The power of finance and capitalist organization have come to displace the peasantry as the center of the modern socio-economiclife. Thus, all the various services that modern finance and capitalist organization have come to provide for modern economy, have assumed a key position, and it is only through their ministrations that the primary producers (peasants) and the ultimate consumers (citizens) can try to come into touch with the serve each other.

The emergence of this new phenomenon has caused the downfall of the world peasantry from its former leading position. It is this new force which has given the key and commanding strength to the modern state, whether it be Captalisitc, Socialistic or Communistic, through its control over the new socio-economic institutions or activities of modern society, to continue to degrade the peasants, the primary producers, who form the majority of the world population. These economic institutions and activities have become not only the inseparable concomitants of modern society, but also the indispensable equipment or environment, with which or through which alone modern peasantry can carry on their daily activity, and swim or sink in the swelling stream of comtemporary social life. These are therefore the 'Key forces' with which they have to deal in their efforts to reach the consumers with their primary products. It is their 'Key Service' that the peasants have to propitiate, if they are to eke out their livelihood in this increasingly complicated society. The ever-framing relations between these key services and the peasants of the world, are to be espied as the law of key services, in order to enable us to easily classify their general workings and their results, in the study of the socio-economic place of the world peasantry in the modern world.

A number of these key services can be separately dealt with for the purpose of our present study; that is, those institutions or activities within the ambit of the modern society, whose services are so essential for peasants in their daily socio-economic activities, as primary producers. All those institutions which provide finance for agriculturists, such as money-lenders, banks, co-operative banks, and currency and banking come first in their importance for peasants, since agricultural production for markets is highly capital-incentive. Then come the processing industries or activities, which help the primary produce to receive a shape more agreeable to the consumers. Modern communications have assumed paramount

importance for marketing agricultural produce. Manufacturers come in their train and help the consumers to obtain whatever they want from out of the primary produce. The modern system of markets, both wholesale and retail, serving peasants, who need their assistance as producers and consumers, makes itself felt and is needed at all stages whenever any exchange takes place between any two sets of producers, or citizens. There is the overall master-mechanism of modern administration which regulates, permits, controls or commandeers almost every aspect of the complex social life of the present age. All these and such other key forces of the new phenomenon of the modern age can make or mar the life of the modern peasantry.

We find, however, that almost these key-services have tended to militate against the interests of peasants, although in the beginning they might have emerged with the ostensible purpose of helping the peasants also. They have come to levy for their key services, a heavy toll upon the peasants as a whole. They have almost become the masters of peasant-economy, and their power seems to have become as oppressive as feudalism had ever-been.

The historical developments of the past four centuries have given a special momentum to the power of capital; and every economic activity , which demanded and commanded heavy capital investment and the people commanding such activity, had consequently gained special power in modern society. Agriculturists, whether they were feudal lords or peasants or peons or serfs or slaves, were not able to accumulate capital in such measure, nor could they organize themselves as capitalists did into powerful and capitalistic institutions, operating onland and in primary production; and so, all capital-intensive enterprises and activities have become the practical monopoly of non-agriculturists. As and when some agriculturists found enough courage and enterprise to venture into any of the capital-intensive key services, they have come to quickly absorbed by the aggressive and enterprising capitalistic sector; and thus, capitalism has grown in power, influence and personnel, continually at the cost of agriculture. Therefore this post-war world is confronted with the results of this phenomenon of key services, dominating the panorama of primary production and forming the climate in which alone peasants can find their employment, means of production and living, sources of freedom economic and social, and opportunities for political activity.

Looked at from a great distance, our peasants appear to be the owners of their lands, the masters of their daily or seasonal programmes of crop production and personal labour, and the possessors of the produce of their crops. But from a close-up look, we can see that they are not such free agents. They may seem to be free agents in their dealings with the money-lenders or banks, but they are not actually so because they have no staying power if credit is not advanced to them. They may deceive themselves with the feeling that they are to draw water from irrigation sources, canals and tanks, but they must propitiate with bribes the officers-in-charge of such water supplies. They may cart their produce from their homes to the markets but the merchants therein have already gained as their invisible allies the tax-gatherers, money lenders and local store-keepers, to put pressure – all so quietly – upon them to decide upon the acceptance of whatever prices are offered by them. For all outward purposes, the regulated markets, the newspaper reports on the market conditions and other matters may ever appear to be intelligible and available to all people, but actually the modern commercial mechanism is so complicated and marketing has become so highly specialised that most of the peasants cannot understand its secrets. The controllers or owners of processing factories have achieved so much key-power that the peasants of most countries have been obliged to do their bidding, not only in giving away their produce at dictated prices, but also in political voting. Therefore, it is true to say that the modern peasants have come to be very much at the mercy of these key services.

Thus, whoever controls these key services can and does manage to control the economic life of peasants. It is through their control over one or more or all of these key services that modern capitalists have been extracting the cream out of the peasants' toil. To exploit the peasants in the direct manner as the feudal lords, religious priests or autocratic rulers used to do, proved to be not so profitable or useful. It had even caused the downfall of these political masters and their agents who indulged in that direct exploitation. To exploit them in this indirect manner through key services has proved to be so profitable, lasting and convenient, that even the authorities of the Soviet world have adopted it as their primary instrument of exploitation of their collectivized peasants. Marx espied the truth of the exploitation of workers by employers through the extraction of their surplus labour. The present day communists are taking advantage of the capitalist discovery of exploiting peasants through the operations of the key services.

We will try to give an indication as to how these key services are operating against peasants, in the latter sections of this chapter.

THE EMERGENCE OF KEY SERVICES

Except for small quantities of grain and industrial crops purchased at any time, the purchasers of most of the agricultural produce are, in the first instance, not the final consumers, but those in charge of the processing concerns. Generally it is these manufacturers who are operating either directly or indirectly, but effectively through the merchants who ply in world markets. Let us take a few products and consider their marketing.

Paddy is purchased in India by the rice mills generally situated in towns. The mill owners usually have an informal understanding between themselves, and are able more or less to dictate the prices to be paid for the local paddy. Since a peasant has to take the risk of carting his paddy to another distant market, there is losing the carting costs and facing the market fluctuations, there is always a wide enough margin in prices he is willing to accept on the spot, instead of braving the risks of another market. Rice mill owners also utilize forward contracts by advancing credit to peasants when they are in need of such accommodation and ensuring a dead cheap and sure supply of paddy in return. They also take advantage need of peasants have no access to the rice mills to get their paddy polished into rice, and as they are not in contact with the consuming markets, they are naturally at mercy of the merchants and the mill-owners who levy their heavy toll, thus taking full advantage of their key position. And the position becomes worse when the mill owners and the merchants happen to belong to another caste, as is generally the case in India, or to another nationality like the Indians in countries like Burma or Indo-China, since all their savings are exported abroad. It is a fact that the peasants receive only 60 to 75% of the price paid by the consumers even after deducting all the legitimate charges of hulling, transport and marketing. The Royal Commission on Indian Agriculture recognized the existence of collusion between the weigher, the broker, and the tally clerk, especially in the Burma rice markets.

The war time price controls and grain procurements have brought out the utter helplessness of the peasants vis-a-vis the mill-owners. The combination of the administration and the mill-owners has proved too strong for peasants; and both the producers and consumers have been made to suffer from too low prices and too high prices respectively.

Actually the Indian producers of paddy received in 1951 only 67% out of the consumers' price paid for rice; the respective shares of the other agents being freight 7%, miscellaneous charges 17%, wholesalers margin 3% and the retailers' margin 6%. The position of the peasant producing the perishable commodity of potato was worse, being 56% only. (F.A.O. Review of a Decade 1955.)

Tobacco is another commodity whose marketing is monopolized more or less effectively by the Indian Leaf Tobacco Development (I.L.T.D.) Company. All other purchasers, including the Japanese, were unable to break its monopoly even upto the outbreak of hostilities between Japan and the British Empire. Its relations with the peasants have had a curious history which in a way illustrates the capitalist methods of stimulating the peasants to grow new crops according to the latest methods of exploiting them. At first, in Andhra, it offered seeds, guranteed a fixed price for the tobacco to be produced, supervised the cultivation, got the leaf cured in its own barns, and thus encouraged peasants to take to this new Virginian tobacco. This practice is being followed even in 1955 in Guzerat. Later on it only sold seeds and contented itself with curing, while the Andhra peasants had to undertake the responsibility of growing the crop and had to try their luck in obtaining good enough prices in the end. Now-a-days the Andhra peasants keep their own seed, erect their own barns and take the cured tobacco to the market. Thus the company has shifted one after another all responsibilities on to the shoulders of the Andhra peasants as they have become used to raising tobacco. Since the I.L.T.D. and B.I.T Cos are biggest purchasing concerns, almost all peasants wish to take their tobacco bales only to their godowns, in the first instance. There is so much competition for entrance into the companies' godowns that even the 'gate clerks' have to be tipped. Then the company agents fix whatever price they are pleased with, and the peasants have either to accept their quotations which vary from bale to bale, or to go back home with all their tobacco to be carted again. No wonder, when the prospects of obtaining much better prices from other buyers are not very bright and when the carting and the other marketing expenses have to be faced again, most of the peasants are obliged to decide in favour of accepting the companies' prices however low and unreasonable they may be. After a good deal of agitation by the Indian peasant movement, a few open markets were established in Guntur by the Madras Government. But after their experience of these regulated markets for an year and of their defeat suffered at the hands of the Indian Leaf Tobacco Development Co.,

(I. L. T. D.) other companies, the peasants of Guntur have had to ask in 1954 for the for the closure of these markets, so that they could get out of the mischief of these companies. The large number of the biggest Indian exporters are not able to buy more than 33 1/3 % of the best tobacco marketed, and most of them are tempted to cheating the peasants. Need we then be surprised if the I.L.T.D. and the other foreign and Indian concerns have come to combine in 1956 to bring down the prices from Rs.600/- to Rs.300/- within a period of six weeks? The State Ministry is appealed to by the peasants for some protection against this process of exploitation. How can it help them unless State Trading Corporation is established, cigarette manufacturing comes to be state owned and peasants are enabled to process tobacco through their co-operatives and store it in the co-operative warehouses, and credit is offered for their ways and means? As things are, peasants are unable to obtain even 50% of the price that can be had from the manufacturers, even after all legitimate charges for railway, shipping freights, loading , landing and processing etc. are paid for.

Cotton is another staple corp in the marketing of which three or four big foreign exporting concerns play the most dominating part in the internal markets of India. Liverpool, Bombay and American prices are known to them. Anyhow the peasants have very little chance of knowing the latest, market quotations; and even where Radio broadcasts the quotations, they are unable to understand the intricacies of market quotations for different kinds of Indian and American cottons. Moreover, most of them are too much under the influence and control of merchants and the monopolist exporters, thanks to the forward contracts and loans advanced by them, that they often have no choice but sell at any prices that may be arranged by the merchants to prevail in the local markets. Where is then any open-market for Indian cotton? There is always a wide margin between the price paid by the spinning mills and that received by the cultivators, and of late, between the prices paid by the mills to peasants, even after deducting all the legitimate charges for processing, spinning and transport. Thus between themselves, the merchants, export firms, Ginning and Spinning Mills manage to exploit the Indian cotton growers. In Egypt it is the British merchants. In America too, merchants pocket too high a margin.

Coming to sugar-cane, there is so great a disparity in the prices of canes used for the extraction of sugar and gur and country-made jaggery that once a

peasant misses the market for sugar manufacturing, he looses too much by having to sell it for jaggery. This fact works to his disadvantage and to the advantage of the sugar-mill owners. Each day of delay in cutting the cane means loss in its weight and in the price paid for it. Further, each hour's delay above the first 24 hours after cutting, means a progressive loss of the sugar content of the cane, and so a peasant is hard pressed to find a sale for his cane.

When the Bengal government attempted in 1937-39 to prescribe minimum prices, the mill-owners created so many difficulties and threatened to close down their mills, and the Government had to yield. Here is what the poet Rabindranath Tagore said: "The peasant cultivators of jute who live on the brink of ever lasting famine, are combined against, and driven to lower the price of their labour to the point of black despair, by those who earn more than cent per cent profit and wallow in the infamy of their wealth." (Creative Unity,p.118) Every word of it applies equally to the marketing of every important crop of India and the East. "The difference between the price received by the cultivators and the price paid by the Jute Mill or the exporter is thus estimated to represent 20 per cent of the total prices". (Royal Commission on Indian Agriculture, p.387.)

According to the "Eastern Economist" of 8-10-43, jute contained in 100 yards of Hessain cost Rs.9 or 10 (35% of the total cost), and the Hessain was sold at Rs 26/- ; the manufacturing costs amount to Rs5/- including a fair-return for the shareholders, leaving a clear unearned increment of Rs.10/- (or 40% of the total cost) to the manufacturers as their illgotten levy. The queerest thing was that the Government of India abstained from imposing its price controls, on condition that the manufacturers would impose them; and the latter naturally fixed the minimum price for jute in such a way that they could misappropriate as much as they paid to peasants i.e., twice as much as the Royal Commission on Agriculture feared it to be in 1930. Further the Government of India forced the industry to accept the ceiling prices fixed by the U.S.A. which were lower than the market prices, thus making a free gift of the difference to U.S.A. at the cost of India. Late Sir Azizul Huq, a former member of the Viceroy's Executive Council stated in his "Man Behind the Plough", that even out of the price prevailing for jute in Calcutta, only 60% reaches the actual jute-growers and that the manufacturers obtain more than twice as much as the peasants get, even after allowing for their legitimate manufacturing cost, 7 ½ % profit and another 7 ½ % for depreciation costs. Need there be a greater example of the

exploitation of peasant by merchants, manufcturers' bankers and other capitalist agents? After partition, Swaraj Government encouraged peasants to produce more and more jute to get over the Pakistan monopoly of jute, but so soon as a trade agreement was reached with Pakistan, the poor Indian Jute growers were left to the mercy of the mill owner without any protection.

The power of sales organizations to exploit both the producers and the ultimate consumers, who are so unorganized at both the ends of the exchange of commodities is displayed at its best or worst in the marketing of milk in London and of bananas and other produce of Central and South American States. It has been demonstrated repeatedly how British farmers did not receive even 50% of the prices paid by consumers of their. Milk, exclusive of all the legitimate costs of marketing. It needed the war emergency for the State to be able to control the milk marketing in England. Even in India the milk producers got only 65% of the consumer's price paid for it in 1951. the mischief that those in charge of marketing can play becomes greater when it is controlled by the nationals of another country. The Rural Credit Survey Report (1955) observed that the "main agencies engaged in processing are private agencies over which the cultivator has no control, and 65% of the sale cum delivery transactions were reached in the village itself. (P.35-36.)

The United Fruit Company of U.S.A. controls not only the complete marketing of bananas, oranges and other fruits but also the finances and politics of several states, including of course the so called "banana Republic' – Peru. Industrial resources and railways, and shipping and marketing are controlled by U.S.A. Great Britain, and others since the entry of U.S.A. into the World War II, almost all the marketing of Latin America has fallen into the hands of Anglo-Americans. While the Argentinean Railways and marketing are controlled by the British, Argentina controls the marketing of Uruguay and Paraguay, and monopolises the shipping, and charges "fantastic rates" for transport between the two capitals. We shall see in greater detail in next chapters, the special evils that come in the train of a combination of the law of key services with the imperialist exploitation.

The war time state controls, restrictions and regulations have brought to the surface the utter helplessness of Indian peasants vis-à-vis the middlemen and others engaged in key services. The right to export any agricultural product from one district

to another was given to one or two merchants called licensees, and they took the fullest advantage of it and fleeced both the producers and the ultimate consumers. While the producers' price was kept down, the consumers' price was kept up, and the middleman absorbed as such as that actually received by the producers. In the marketing of paddy and rice, wheat and flour, jaggery and sugar, salt and fire-wood, the only section who were allowed to benefit were the middlemen, and their allies. All the railway staff, the police, the revenue staff and the grain purchasing staff and the Civil Supplies Department conspired to cheat the producers. And the communists who catered to the proletariat also joined hands with them in keeping down the producer's prices. In the end, the grain producers were forced to organize themselves against the machinations of these urban, industrial and key interests.

KEY-SERVICES AND FINANCIAL CAPITAL

Marx did not pay sufficient attention to the operations and the power of finance capital especially in its relation to agriculture. He was more pre-occupied with industrial capital. He was also under the impression that the age of the predominance of commercial capital already gave place to or was succeeded by the age of industrial capital. Lenin however did realize the importance of finance capital in the objective conditions of his times, as displayed in the commercial activities of Imperialism, which came of age during his times, as displayed in the commercial activities of Imperialism, which came of age during his time. But even he too did not care to study the relations of finance capital with peasant agriculture or with anything like the thoroughness demanded by its importance. Leontive who has discerned the importance of it in agricultural economy, is carried away by his pre-occupation with the proletarian economics and has not studied its ramifications. Hence his sweeping and facile assumption that the rate of interest paid for such capital is always lower than the rate of profit obtained by the merchants or entrepreneurs borrowing it.

Here is a picture of the Spanish small-holder struggling in the grips of money-lenders, given by Don Pascal Carrion (quoted in Freedom's Battle) "the small holder who is in want of capital to fertilise his land and maintain his livestock, usually has to resort to money lenders, and when settlement day comes, he finds that he owes everything in his possession – provisions for his family and himself, food for his horses, his fertilizers and even his seeds so that, when the harvest is gathered, he has to sell it at a loss In order to pay his debts and the high rate of interest charged. Is

this not production under distress? He thus loses on both counts by selling cheap and buying dear-since he mostly has to buy on a credit basis, paying an interest rate of at least 25%. The following year he has to repeat the same operation. He has to repay again to the money-lender , who sooner or later is left in possession of his farm or forces him to sell it at a loss in order to pay his debts." (P.141). Does he not look in his helplessness, financial weakness and subjection to money-lenders, and production under duress so very much like an Indian or Chinese Peasant? The F.A.O. Survey (1953) of Latin America also stated that "In most countries of the region, the bulk of credit obtained by the farmers comes from private money-lenders and middlemen, often at surprisingly high rates of interest" . All the world over, the plight of the peasant is the same.

Actually the peasants are obliged to pay usurious rates of compound interest, often exceeding 24% even while they are unable to make both ends meet. In their anxiety to study the ravages of landlordism, the socialists have failed to pay adequate attention to the enormous toll levied by capital upon agriculture. In fact it is no exaggeration to say that the agricultural credit absorbs even more than landlordism. This is true both of rural bankers and the big banks. The big banks charge 50% and 100% higher rates on their rural credit than on their credit advances to the industrialist and commercial people respectively. All this great disparity in the interest charged on the rural and the industrial or commercial capital, to the disadvantage of the former is not at all justified. It cannot even be said that the risks of non-recovery are greater in rural credit, for generally it is found, that there are greater chances, and that too more frequently, of the whole or large portions of the industrial or commercial capital being lost than the risks to be met with in rural credit. Even during such a catastrophe as the last economic depression, banks lost much less on their rural investments than on the industrial and commercial investments.

It all comes to this, that the money lenders and bankers take the fullest advantage of their key position vis-à-vis agriculture. They know that unlike manufacturers and merchants who are able to command large capitals, thanks to their paid-up share capitals, reserves and family properties, peasants have little or no fluid capital, and that most of them start life with the initial handicap of inherited debts. They also know that, while the industrial and commercial concerns can realize part of their investments by their continuous or more frequent sales, peasants are obliged to await the mercy of crop seasons

to obtain their produce, sell it and realize some capital. The F.A.O. Regional Conference for Asia observed (1953) that the farmers are obliged to sell their produce "When prices are lowest and competition among buyers least." They therefore exploit these disabilities of the peasants; their need of capital in order to pay rents or taxes, without having to sell their grain at the low prices at the time of harvest. The peasants need it even more urgently to finance their agriculture while awaiting the harvest; that is, ways and means to pay for labour, feed their cattle and maintain themselves. But there is neither State nor Co-operative credit available for most of them. Indeed both the State and Co-operative credit amounted to only 6% of the borrowed capital of peasants in India. Hence their pressing need for accommodation and the key position of credit.

Moreover, it not an unusual experience of the rural life of countries like India and China, that there are creditors, who go on advancing credit to the peasants, knowing full well that for generations their debtors have not been able to clear off their running accounts of debts, that the sale values of their lands cannot cover their debts, and that there is no chance of their debts ever being fully repaid. Yet why do they continue their dealings with such helpless peasants? It is because the money lenders recover much more than their capital and all reasonable interest thereon in the course of a few years; so exorbitantly high are their rates of interest, charged and recovered. And, such a large percentage of the money-lenders are also traders interested in purchasing grains and other things, from their peasants who are also debtors and selling to them manufactured goods.

The Rural Credit Survey said (1955) that 37 per cent of village money-lenders and 83 per cent of those from towns were also traders. (P.36) "The need to protect peasants from their old habits, engendered by money-lenders, of borrowing almost purposelessly, was so great that some countries like Brazil, Hondvras, Nicaragva, Paragvay and Venezuela, have organized systems of supervised agricultural credit, particularly for small farmers." (F.A.O. survey of the Post-war Decade P.39) Thus such debtors are left in an impoverished and half starved condition, after all their surplus value is extracted by these creditors. Rural credit dominates the rural economic landscape. Need one wonder at the stiff resistance offered by money-lenders and bankers to an attempts to organize Rural Co-operative Banks or to obtain cheap credit from Government, or to any efforts at the control of their nefarious trade. That the Governments of England, France, India, U.S.A. etc., should

have found it necessary to take special legislative and administrative steps to fix the minimum rates of interest, to oblige banks and especially Central Banks to advance cheap and adequate credit to agriculture through co-operative and other agrarian agencies, to provide state credit and take other steps, shows the extremely weak position of agriculture and the key position of credit. And, credit commands and absorbs much more than its usual and due share, and often encroaches upon the subsistence of peasants. Sir Douglas Young, a former Chief Justice of Punjab, observed: "For every crore of rupees taken by the Government by way of taxation....four crores of rupees have been taken by money-lenders who have flourished and grown upon India. British Courts even collect the Bania's (money-lender) debts from him, the result being the looting of the peasant all over India..... it would appear that the best way to deal with it would be to prohibit it altogether." See also, Darling's "Punjab Peasant in Prosperity and Debt."

RETAIL TRADE BECOMES A MENACE

One of the most powerful key services so badly needed by peasants and so cruelly levying its toll, is retail trade. It has two facts, one claiming to help peasants to sell their produce to the consumers, either intermediary or final, and the other claiming to aid them in purchasing their 'Inputs' or factors of production as well as the products of industries needed by them as consumers. Through both these means, marketing has become an indispensable and powerful master of the peasants. Retail marketing is becoming more and more mechanization, and cajolery of consumers, almost to a finesse, so much so, the farmers are helpless and incapable of hoping to compete with the private retailers, even through such highly developed and efficient California Citrus Co-operative Marketing Organisation. The F.A.O. Survey has described this development thus:-

"In the United States, mechanized harvesting and retail self-service have been associated with the provision of almost all household requirements at single convenient locations – a marked increase in the services reduced to consumers by food retailers in sorting, packing, washing, preparing for cooking and even pre-cooking; the rapid extension of quick-freezing methods and temperature cabinets in the food trade, which has extended the marketing life and raised the quality of perishable meats and vegetables at the consumption point".

The result is "the distributive margin has tended to widen, and declines in food prices at the pi oducers's level since 1952 had very little reflection in lowering prices to United States Consumers. (P.50).

This extreme specialization of the retail services provided to the American consumers, costs dearly to both consumers and producers. For instance, the same F.A.O Survey says, that "The farmer's share of the final price has usually ranged between 40 and 50%. It fell as low as 32% in the depression years of 1932-35, rose to a peak of 53% in 1945, and has since declined to 43% in 1954" (pp.37-38). The I.F.A.P. quarterly review of World Agriculture states in 1956 that on the average distribution costs amounted to about half the final retail price. Thus this key service has become not only to costly but also too powerful and indispensable, thanks to the services of Capitalism in giving more importance to processing and professional services than to the primary production and fundamental services.

At the other extreme, there are the marketing agencies in the East which are most inefficient, least organized and therefore most costly. They are so unwilling to observe any "Code of Business Honour and Honesty". The Rural Credit Survey of India 1955 has had to admit that "a feature common to most States is that there is little or no control over malpractices i.e., manipulation of weights and scales, arbitrary deductions. Sale by auction or by open agreement does not obtain in most mandies". There are so few public godowns. Though there are 10,000 registered Co-operative marketing societies, their influence is not significant. The marketing Directorate has introduced grading for most of the staple export commodities. But in the absence of open and regulated markets, public or Co-operative or State-owned warehouses to stock atleast 25% of the marketable products, the mischief of private merchants remains unchecked.

The F.A.O. Survey says that with the establishment, at strategic points, of modern packing, clearing and storage facilities, the Eastern countries may be able to develop new export markets for dried fruits. Both the tropical American countries and the rice producers of Asia are now embarked upon extensive construction programmes. During the twelve postwar years much progress has been made in almost all countries to check the vagaries of merchants and to improve the conditions prevailing in markets, regarding the entry and display of foods, warehousing, weighments, shelter from rain and exposure and deductions. International financial assistance has also been made available to a number of countries of Asia and Latin America to construct godowns, markets and the like. Legislation has been undertaken to regulate the market organization etc. but so much more has yet to be achieved during the next fifteen years before the present mischief, weakness,

disabilities and inadequacies of marketing come to be removed, and parity can be achieved with the western standards.

There are dangers in this process of development also because if it is carried to the same extreme lengths as in U.S.A. and U.K. then also marketing becomes more a menace than a real service to both the producers and consumers. It is true that during and after the world war, attempts have been made by governments to "limit and reduce marketing margins". But "even the refinements of administrative intervention attained in the United Kingdom, were offset in many cases by pressure to maintain margins adequate to keep the least efficient enterprises in business". (F.A.O. Review of a Decade. P.123).

That the consumers too do not gain by this Americanised marketing methods is also admitted by the F.A.O. 1953 Survey. It said that "In the countries where farm prices declined as in the United States, Canada and Netherlands retail prices remained stable". "Retail prices in all countries have fluctuated less sharply than farm prices, and with considerable time-lag". (p.125). the I.F.A.O's 'World Agriculture', also said "A decline in farm produce sale prices had not, in most cases, been reflected in a decline in retail prices" Jan. 1956.

That the retail trade which is needed to serve the consumers and also the producers, serves neither and has come to be menace to both, thanks to capitalist control of our economic life, is becoming clear every day. Whatever may be the economic conditions of the consumers or the producers, the costs of marketing from the farm to the city are inelastic, and change only slowly when retail prices change. As a result of this relatively constant marketing margin, sudden changes in several economic conditions are almost all passed on in smaller or larger returns to the farmers. So given declines in retail prices paid by the consumers mean much larger percentage reductions in prices to the farmers. ('The Farmer and the City',p.II). "About the same amount of absorbed in marketing during a depression as in the period of prosperity". The F.A.O. Review observes that the cost of retailing "accounts for a large part of the retail price when prices are rising". (P.21). Therefore , the F.A.O. is constrained to warn that "unless marketing costs can be reduced, there seems to be no means of reconciling the need to reduce the cost of food to consumers as a means of raising nutritional levels, with the provision of a standard to the farm population comparable with those in other

industries". But will this "Key Service" allow such a development ? Can it be forced to fall in line with other social forces in order to serve both producers and consumers without strangling them, as at present? Indeed, Prof. Colin Clark of Oxford complains of the too high costs of 'inputs'; and it is the daily experience of peasants all over the world that even though the prices of their staple products may go down, the cost of the various factors of production such as manures, seeds and cattle feeds do not go down as quickly and to as great a degree. There is a time-lag which hurts them bitterly. Apart from this, there are more and more industrial products of consumers' use on which more and more peasants are coming to depend and their prices do not happen to move in the same direction as agricultural prices. Moreover, the retail trade is just as powerful in imposing its more or less inelastic charges on manufactured goods as it is in the sale of the farm products. Peasants are thus squeezed in from both sides by the retail trade. Hence their complaint against the misuse of its key-position.

EXPLOITATION BY COMMUNICATION SERVICES

Even communications have got out of the control of peasants; the days are gone when they could hope to take every thing to the market by their headloads, bullock-carts, pack-bullocks or pack-horses or even by canals. Railways and latterly motor lorries have come to dominate the transport world and their services have become so indispensable as to form a 'Key Service' to agriculture, so much so, their freight policies have come to mean much for various crops. Through their policy of discriminating in favour of export of raw materials and imports of manufactured goods and against the movements of inland traffic in both raw and especially manufactured goods, the Indian Railways had been able to decide upon the character of economic development. During the last two world wars, the shortage of wagons became so great that both merchants and peasants had to pay heavy bribes to the Railway Staff to get wagon supplies. In Argentina, Government's efforts to develop inland road-transport were effectively sabotaged by the British-owned Railways. The Indian Railways contributed to the elimination of most of our past inland water-ways traffic and also to the prevention of its development. Having thus gained a very effective control of the total transport facilities, the Railways have proceeded to charge too high rates. Even at that, the supply of wagons had at no time been adequate in countries like India so much so that business people had to offer large tips to the Station Masters and even higher officials in order to get wagon

supplies in time. And, during the world war II, as before, Railway staff in charge of goods transport has come to fleece agriculturists and dictated its own terms and these encroached upon peasants' livelihood. Motor traffic has also come to be controlled by big capitalist concerns, and monopoly interests are growing with their usual evils. In Thailand, transport costs absorbed (1953) 2/8 to 3/8 of the sale price.

The F.A.O. Survey has truly observed in 1953 that "without roads, railways, water-ways and transport vehicles, the movement of goods from the production locality is impossible and subsistence remains the objective of all economic activity".

"War time requirement provided expanded transportation facilities to a certain extent in areas like the Near East and Africa.... And they could easily be converted to peace-time uses".

"In other parts of world, the postwar period saw a tremendous development of transportation facilities".

But, transportation costs continue to be, by and large, prohibitive especially for the movement of heavy or bulky agricultural goods for internal consumption. Too often, lack of any kind of quick or safe transport facilities discourages peasants from producing anything for market.

Even the F.A.O. brochure on "The Farmer and the City", which is couched in the friendliest terms for urban people, admits (1953) that "relatively unchanging transport costs, tariff rates and other marketing costs take their toll of what the farmers in the exporting countries receive". (P.20).

The provision of currency-medium of exchange – is another key service that levies its own toll by being the handmaiden of the banks. Whoever is responsible for regulating the total quantity of currency in circulation and for settling upon the national scales of prices, whether consciously or unconsciously, has a great opportunity either to help or to thwart the peasants. Dr. Sun Yat Sen has observed in his famous second lecture that the foreigners "only have to issue several millions of dollars to use .. The foreigner at a very small expense can print millions upon millions of paper dollars and can exchange these .....for millions of our dollars worth of our goods". (From San Thi Chu I.O.28). In the same way, the British Government financed the Anglo-American purchases of Indian goods and services during the war by issuing the unending stream of paper notes, and the Bengal, Orissa, Vizag and Malabar

famines and the Bihar and Assam war-time epidemics were its worst effects. More often that not, currency policy has been manipulated to the detriment of peasants' interests. Generally currency is manipulated in the interests of the capitalist class, and often an invisible but immense transference of peasants' resources is effected through a stealthy rise in the exchange rate of local currency.

As regards the effects of increasing the value of Rupee, R.C. Dutt warned the Parliamentary Commission, long ago, that it would "increase the indebtedness of the cultivators and labourers of India...The measure serves to add to the profits of the prosperous classes who feed on the distress of the poor and to add to the mill-stone which the poor and indebted classes carry round their necks, to add to the profits of the rich money-lenders and to enhance the liabilities of the poor cultivator who has a debt". (Dutt's Economic History of India, Vol. II.P. 590). These observations apply to the economic conditions of the peasants at present as truly as they did in 1900.

Thus through the operation of the law of "Key Services to Agriculture", various interests from merchants to manufacturers, from bankers to dealers in foreign exchange and currency, from railways to markets, are able to levy heavy tolls upon agriculture and rob the peasants of almost all the 'surplus value' that they and their family members and workers constantly produce and accumulate. They even manage to encroach upon a portion of that socially necessary labor that is needed by the peasants for their own maintenance and reproduction. They act like leeches and such the very life blood from the vitals of peasantry. On the surface, everyone of these key-services appears to be drawing from agriculture only what is their due and nothing more; but in truth they extract much more and their cumulative achievement is that the peasants are reduced to a chronic state of poverty, and all that can be conveniently extracted from peasantry is squeezed out of them.

This exploitation assumes a grimmer and more pernicious form when it is carried on by foreigners and especially when those foreigners and their concerns belong just to that imperialist country which holds either political or economic sway, in pre-war China, various spheres of influence were carved out between European nations and Japan and America; and between them, they squeezed out most of the resources and stamina of the Chinese through their control of the Key Services. Dr Sun Yat Sen estimated in 192 that the foreign imperialists were extracting through their control of key services as much as 1200 millions of dollars per annum from the

Chinese economic resources. Almost the same awful toll used to be levied on Latin America by Anglo-American Imperialism before the World War Ii. In war-time India, most of her foreign trade came to be monopolized by the United Kingdom Commercial Corporation, to which the Government of India granted the monopoly of selling the Indian goods to the allied countries and their armies.

Landlordism and officialdom are two very powerful 'Key Interests' which levy a heavy toll on peasantry. The peasants of most countries suffer from them. Through various means, a few lakhs of landlords have gained control over vast extents of lands in almost all countries. They do not allow any peasants to cultivate them unless they pay heavy rents. Even where their rights have been restricted and tenants' privileges statutorily safe-guarded, their rents are still high and unjust. They contribute little or nothing to agricultural economy. They share no risks. They are mostly drones and parasites. Nevertheless they have to be paid their rents, as other-wise peasants cannot cultivate their lands. Many are the other abuses of this land-lordism in different countries. From encroaching upon the free exercise of franchise by tenants to demanding forced labour, landlords poison the rural life of their respective areas. Peasants have no choice but to demand the abolition of this system. Governments, priests, hereditary feudal chiefs and commercial absentee-landlords have all their share in this unjust levy made on the peasants. Capitalism has got into alliance with landlordism, and they together fleece and disable the peasants.

Then there are officials of Government, Religious Orders, landholders and recently the merchants, officials of the Railways and Irrigation works, and processing firms who demand and obtain heavy bribes from the peasants. Those peasants who live near forests, who draw off water from tanks or canals for irrigation, who need wagons for Railway Transport, who have to take their food grains into the private or public markets, who have to get their record of rights over land registered, or who have to insure against the risks of being charged unjustly for petty offences, are obliged to offer periodical mamools or tips to various officials, the total incidence of all these tips or bribes is quite considerable, considering the general poverty of the colonial peasantry. Many of these key interests have to be appeased or propitiated before the land is cultivated or the crop is harvested.

It is the duty of the peasant movement to fight the monopoly interests in these Key-Services. So the law of Key-Services gives us the Key to the long sought

secret as to who is extracting all the surplus value of peasantry. It also shows the conductpipe by which Imperialsim sucks the blood of the colonies and dependent peoples.

Recently in some countries, industrial workers have come to be pitted against peasants, thanks to the chicanery of industrialists and commercial classes. This has come to be possible owing to the fact that, while the peasants are keen on developing their national industries and paying decent wages to the proletariat, the latter are anxious only to achieve higher wages and cheaper food and other necessaries, without waiting to think of the fate ofteh peasants. The capitalists who are constantly on the watch to augment their own profits while making someone else the scapegoat, have seized upon his difference in the attitude of the peasants and workers, and have been trying to create to conflict of interests between them. By getting everybody to support protection for industries and forcing Government to raise tariffs, they benefit themselves, while passing on only a portion of their profits to the proletariat. In order to keep their workers contented with lesser wages than what ought to be paid, they raise the false slogan of "cheap food" and prevent any protection or subsidies being given to the peasants. Thus in Australia the higher wages are turned into an economic obstruction to the farmers. While the farmers are obliged to pay higher prices for industrial goods which are protected from foreign competition, no protection is afforded to the farmers in their attempts to market their produce either at home or abroad. But in fact, it is industry which is also turned into a "Key Service" which extracts too high a price from the agriculturists, (Practical Economics by G.D.H. Cole, p.31). for its nominal services to peasants and nation.

CHAPTER III

PRODUCTION UNDER DURESS

In the ancient self-sufficient village economies, production went on without any artificial compulsion. In feudal regimes of the past and the Soviet regimes of the present, the peasants would be obliged to work and produce as the State would dictate. During the past four centuries of the capitalistic hegemony, they were obliged to "produce under duress" although there was no visible compulsion as we find in the Feudal and soviety Orders. The one-sided attitude of the modern State with its discrimination against peasantry and the capitalistic incentives to agriculture only led to depression and unemployment. ("Production under Duress in India".)

Marxian and Marshallian theories of supply and demand analysed from peasants'veiw point. Supply schedule for agricultural commodities is inelastic and unorganized. The staying capacity of the Peasant is limited. Demand for agricultural goods fluctuates with income, but the demand schedule for agricultural products would be determined not by the consumers' decisions but by the merchants who play a lot of mischief with their reserved stocks to keep prices down in their own interests. Yet, in the absence of any organization and State help, peasants have to depend on them.

A fall in agricultural prices tends to be prolonged and more rapid. The reduced income resulting there from makes the peasants continue to produce with greater assiduity, just to maintain their subsistence level of living. But a raise in the prices tends to be short-lived. Some instances analysed.

Agriculture is subject not only to the 'Law of Diminishing Returns' but also to the 'Law of Production under Duress'. It is not the marginal production that decides the price but the latest accretion to it, though it be the smallest dose of supply.

I have enquired into the family and agricultural budgets of thousands of peasants all over India during the last twenty five years and in most of the cases they showed deficits. (See also Author's books – 'Economic Organisation of Indian Villages. Two Volumes 1926 and 1928. 'Economic conditions of Zamindari Ryots' 1933. 'Tribes of Nilgiris'. 1934) I have asked them how they could get on, while losing every year on their farming. They used to point at me their half starved and

half clad children, ill-fed cattle and the down-trodden workers telling me sorrowful tales of their loss of lands, poverty of their soils, growing debts, dilapidated houses and cattle sheds and abandoned farms. That was their most eloquent condemnation of the present system. But Communists think that it is mostly due to ground rents payable to landlords or State. They do not progress much further than thinking of the onerous rates of interest charged by money-lenders. Such a half hearted study is not worthy of true revolutionaries.

As long as self-sufficiency economy was obtaining in the Village Commonwealths, peasants were obliged to work for so long, on such crops and lands, as much of crop as was needed for the maintenance of the local people both during the months of work and leisure and also during the festive seasons. They were also accumulating their surpluses, vouchsafed to them by fair weather conditions and the culture of improved crops under better systems of production, as a matter of famine insurance. On the whole there was no greater compulsion on them than what was implied in the need for production and the needed momentum for working hard. Such cultivation can be treated as 'free production' or production without artificial compulsion.

In the feudal regimes of the past and the Soviet regimes of the present, peasants would be obliged to work hard especially on lands belonging both to themselves and the feudal lords or on collective farms or state farms, for so many hours a day or so many days in a season or an year, on pain of imprisonment or loss of their holdings or orchards, in order to make it easy for the feudal lords and their dependants of the past and the Soviet masters, proletariat and city people of the present, to live well on their toil and production. Such production is to be classified as 'Production under Duress' because peasants would not care to work thus, over and above whatever work they perform on their own holdings for their own benefit.

We maintain that the world peasantry has been obliged during the past four centuries of capitalist hegemony of the world, in greater or lesser measure in ever growing areas of the world, to produce under duress the agricultural commodities, fell forests and catch fishes and rear live-stock, although for all outward purposes, there seemed to have been in practice no such compulsion upon peasants, as is obviously the case in the feudal or Soviet orders of society. The post-war world has

recognised the duty of the modern state and society to assure every family and adult, full-employment and maintenance and social securities. It has also accepted the ideal of Social justice as between countries and continents. Hence the adoption by the United Nations, of the Charter of Labour of the I.L.O and also the U.N. Charter of Human Rights. Even during the Inter-war period, England and Germany, France and Sweden have only accepted the right of every worker to live and work, but to education as well; but they have tried to implement those rights through the organisation of insurances against unemployment, illness and old age. If we view the needs and rights of peasants also from this angle, we find that the modern society, whether it be the four-century old Capitalism or the forty-year –old Soveitism, has not even begun to realize its elementary duties towards the peasantry and the artisans who form more than 60% of its populations. On the other hand, it has taken advantage of the pre-capitalistic disabilities of peasants, such as were imposed upon them by the then tyrannical political regimes.

The so called 'Free-enterprise' World blithely pretends to believe that peasants are producing their various crops, and rearing live-stock etc., just because it must be paying for them to do so. Even statesmen of the Gandhian persuasion used to trot out, from the Congress Treasury Benches, the wholly unjust and wrong argument that so much of food grains were being produced and sold at what we complained to be "wholly uneconomic, controlled and procurement prices" enforced by Government, because peasants must be finding them to be remunerative. Behind such wrong beliefs, lies the failure to recognize certain basic facts of the peasant world. Every one acknowledges the truth that peasant economy is not merely one of cash nexus but a way of life. It is also admitted that peasants have depended, through the ages, upon themselves and their holdings for employment and maintenance both for themselves and their progeny. But as population increased, the possibilities for extending cultivation to the hitherto uncultivated public and private lands diminished; and as other alternative employments failed to show up or grow and as the State abstained from exploring ways and means to create new employments to the growing numbers of surplus rural population and thus relieve pressure on rural employment, the burden of maintaining so much of unnecessary 'reserves of labour' and other dependents has grown beyond the capacity of the peasants. They have had to live and work only on agriculture. They have only one

source of employment and means of living, that is, their land. So, as their population grew, they crowded on that sole but seemingly beneficent means of living, and exerted themselves to their utmost in order to find work and live somehow. Capitalism took the fullest advantage of this awful predicament of the World Peasantry. It played however with their emotions and natural worldly attitudes through its capricious mechanism of the price-incentives, by offering to pay more in cash for commercial export-crops and by holding out attractive loans, forward-contracts and urban manufactures. So, for a long time the peasants were kept ignorant of the real aims of these mischievous capitalistic incentives. And the total agricultural production, as well as per-capita and per-acre production, went up almost in every country. But the great economic depression opened the eyes of large sections of the World Peasantry to a part of the mischief of capitalism and the solely one-sided attitude of the Modern State and Society. Ever since they have begun to realize how, while the educated unemployed of the east and the proletarian unemployed of the West were being offered either work or unemployment benefit, they were obliged to work harder and harder on their ever dwindling holdings, produce more and more and sell their products at ever cheaper prices, in their vain hope of finding some employment and a subsistence living. They began to wonder why they were pursuing such a suicidal policy whereas their proletarian brethren and their custodians, the industrial employers, were closing down their factories, stopping their production, thus facing a reduced demand by a reduced supply. They were also struck with the injustice of the state coming forward to provide employment through its public works to the proletariat, whereas little or nothing was being done in most countries either to purchase the peasants' food-grains, cotton etc., or to provide other work for them. It was through such heart-searing experience that the realisation began to dawn on the minds of more and more of peasants that, after all, they were all working on land and producing different crops, irrespective of the degree of demand for their products because they had no other go and they had no other employment. Thus they realised that their's was really production under duress – the duress of economic forces created by capitalism, the compulsion of the consequences of the loss of self-sufficient economy and acceptance or development of commercialised agriculture. Theirs was the production under duress, caused by the failure of the state to come to their rescue and by the refusal of society to realize its duty to protect them from the consequences of the failure of the capitalist price-incentives to yield full employment and decent living.

The full significance of this production under duress' becomes so glaring more especially in India, what with her vast population and otherwise under-developed economy, because the prices of wet land in India are five to ten times as high as in the United States with her highly developed economy and more or less full employment prospects. Just as prospective teachers are glad to pay away their salaries for six to twelve months to those teachers who are prepared to go on leave from educational institutions, and themselves work freely in their places as acting teachers in order to take their places and gain one year's teaching experience so paid for as qualification for employment, so also peasants are glad to pay higher prices for land, accept lower remuneration for their labor and work overtime on their holdings, rather than go without employment. Thus, instead of society taking pains to provide employment and decent living to peasants, the world peasantry are obliged to subsidised the rest of society for the mere previlege of being allowed to live and work on their own, in their economic self-governance through their over-production, which is continually being under-priced and under-sold. This is the irony of history of the votaries of economic democracy.

In rich and socially responsible countries like the United States, Australia, New Zealand, Canada, Sweden and Denmark, where there are other openings for employment and having outside agriculture, and where the conscious society is willing to cherish the rights of the peasants for decent living and of their live-stock and soils for protection, efforts are made to assure them such prices for their crops and live-stock products and such family incomes and living conditions as can assure them more or less humane conditions of life comparable with the conditions of others. The Eisenhover regime has inaugurated the idea of building up deposits in 'Soil Banks' and 'Fertility Banks' i.e., by restricting the area under the plough and developing diversified agricultural production through the development of live-stock and horticulture, to supplement the contribution of the Rooseveltian system of price-supports. The underlying assumption of these two systems is that peasants have to be saved from 'production under duress', by enabling them not to go on producing at their present tempo even when there is no demand for their products, that they should be helped to diversify their productive efforts and that such change does not fail to supplement the efforts of freedom-loving peasantry through its productive armour of social securities.

The tragic inhuman attitude of the Capitalist and Communistic worlds

towards peasants becomes all the more glaring, when we keep in mind the utter absence of the so called 'infrastructure' or the environmental and occupational equipment. It is the duty of society and civilization to enable peasantry to organise and carry on their productive activities. In most parts of the under-developed countries which embrace more than half of the area and population of the world, there are not even village roads or village to town roads, harbours or ports. Even inland waterways and railway communications are yet so inadequate. Markets are not organised and ware-house accommodation is so inadequate. Weights and measures are not yet standardised. Agricultural commodities have still to be graded. Agricultural research, manufacturing and servicing of tools and machines are yet in the initial stages. The know-how needed by different aspects of agriculture has been taking shape only since 1939. The study and provision of irrigation and flood-control facilities, anti-erosion of soil, river-conservancy measures, rural electricity, organization and modernization of hand industries, and protection from famines and floods, are being taken up since 1948 by international and national institutions and governments, only under the inspiration of the F.A.O. (1946). Every year the damage caused by famines in different parts of the world is colossal. What wonder is there that the agricultural production under such calamitously neglected conditions of social life can only be under 'duress'. Thus, the non-agricultural people have been living at the expense of these woefully neglected and terribly exploited majority of the world population. In the Soviet World there is even less excuse for enforcing such production under duress because, unlike as in the capitalistic sectors, there is a nation-wide plan. And so to force the peasants to 'produce under duress', without offering them the benefits of the same social securities as are offered to all others, is to indulge in planned inhumanity and to commit a worse crime than capitalism has so far done.

The significance of the existence of this law of 'production under duress' is that it explains how and why the peasants have had to accept for all these ages, prices which are often much below the 'courtesy prices', prices which have left them so little margin over and above the subsistence allowances and prices which have condemned the peasants, their families, cattle and even soils to over-exploitation, over-exhaustion, and malnutrition. It also explains why the peasants have hailed the Rooseveltian system of parity prices, the inter-war European programmes of national self-sufficiency in agriculture, especially in food production. This lets us into

the secret of peasants support to the parties which stood by the Rooseveltian price support policies in the United States and to those political parties in the United Kingdom, France and other European countries which have offered to protect them from the pre-war blizzards of world competition and economic crisis. It is because of this peasants' taste of the mere semblance of security from this 'production under duress' and of the sewful uncertainty and cruelty of impact of the world price parities of the first half of this century, that peasants everywhere were bringing all their political pressure to bear upon the political parties and impel them not to return to the old unmerciful, untrammeled and multilateral world trade, and to hedge the GATT with so many exceptions and provisions that the national systems of stabilization of agricultural prices remain mostly unaffected.

We propose to examine, in some detail, the conditions of world agricultural production, with the aid of these two keys to the understanding of peasant conditions of life, namely, the law of key services and the law of production under duress.

It will be the task of the modern revolutionary peasants and votaries of social justice to see that, through the organization and control of co-operatives to provide 'Key Services' for peasants through their own self-governed social institutions like the co-operatives, and through the institution of stabilization of prices, and price-support schemes, social securities, 'Grain and Soil Banks' and diversified agricultural production of live-stock and protective foods, the peasantry are saved from the mischief of these laws and their consequences. Once peasants realize the urgency of the need for co-operatising all organizational activities of agriculture to strengthen their freedom to work on their lands and maximize their production, they would become aware of this need to achieve co-operative hegemony of world peasantry. They will then only be impelled to move irresistibly and without any hesitation to achieve, by constructive and revolutionary means and strides, all that economic and political power needed to overcome the operation of these laws by their opponents, the capitalists and communists, to regain their former central and leading place in society, and finally to achieve social justice not only for themselves but also for all sections of toilers.

The peasants of the Danish and Scandinavian countries and the farmers of Canada, Australia and New Zealand have gained mastery over most operations of these laws, th ɔugh their co-operative or state organization of marketing, and have thus achieved a high degree of protection from exploitation. It augurs well for the

development of co-operative common wealth sector in India that the Union Government should have decided on the advice of the Reserve Bank of India, to build a chain of ware-houses, to become a partner in the multi-purpose peasant co-operatives to enable them to organize co-operative markets and credit-societies, and thus liberate large sections of peasants from the capitalistic exploitation.

Fortunately some economists are also coming to recognise the strength of the fact that the peasants are being exploited by the industrial and commercial interests. (Prof. Ganguly's presidential speech at the Indian Economic Conference, 1954). The 'Eastern Economist' (Indian Delhi Weekly of Capitalist interest) observes, "It was Lord Stamp who once declared that the world as a whole had been fed below cost for the last one hundred years, if one took into account the proper elements of costs. The incomes of the agriculturists are in every country lower than those of other classes of the population and the disparity does not show the least sign of being narrowed, much less closed. It is not a question of the efficiency or otherwise of the agriculturists. The highly efficient British and Danish farmer and the equally productive American and Canadian agriculturist enjoy lower incomes than the industrial classes in their own countries".

Of course, "as for equalising the incomes of the agriculturists and the industrial sections, 'the Eastern Economist' stands in the way and it contents itself by saying" It solutions lies along the lines of supplementing the incomes of the less favoured economic sections by comprehensive social insurance. But all this will have to wait till our national income is at least doubled, if not trebled within the next decade". So the capitalist-economist advises the peasants to wait till that happier time when our national income comes to be doubled or trebled. What is to happen in the meanwhile? How many more Calcutta starvation scandals (1943) are we to witness? Patience, cry our Marshallian Indian economists of the best order! Peasants can only answer to them, thanks for your admission of the fact of exploitation being the cause of our poverty, we shall think of our own solution.

MARXIST AND MARSHALLIAN THEORIES OF SUPPLY AND DEMAND ANALYSED FROM PEASANTS FRONT

The whole position of orthodox Marxists regarding the relations of the peasants to the markets of the agricultural produce and to the prices paid in markets, is governed b their general assumption that, on the whole, exchange takes place at or around the real values of commodities, and in the long run, agricultural or other produce is paid such prices as either fully cover or fluctuate around the axis of their value. Marx maintained that " in its pure form, the circulation of commodities demands an exchange of equivalents" and added, " but in the real world, things do not occur in a pure form". (Capital.p.146)

He held the view that "commodities may be sold at prices which deviate from their values but his deviation is an infringement of the law of exchange of commodities". Lenin too said "the production of commodities is a system of social relationship in which all these products are equated to one another in exchange" and also that, "the theory of value must assume an equal supply and demand but does not assert that such an equality is always to be observed in capitalist society".* but neither he nor Leontiev, the Soviety Economist, has cared to study in detail, the effects of such fluctuations as may arise, when such an equality between supply and demand is unattainable. Leontiev writes"The price is sometimes higher, sometimes lower, than the value of the commodity. The value, however, always remains the center of axis around which the price oscillates" (page 80). Then, what about the 1929-35 economic depression and the World War II, when the prices widely deviated from values? The following quotations from capital Vol.I. are also illustrative of the failure of Orthodox Marxism to study the effects of fluctuations in prices, and the deviations, wide, bizarre and prolonged, between the real values and the prices of commodities:-

1. "No elaborate enquiry, as to the value of cotton is needed, seeing that the capitalist has bought the raw material in the open market at its value". (P.180) if only he had cared to make that'elaborate enquiry' into the frequent disparities that arise between the values and prices of commodities, especially agricultural goods, peasants could have had a much earlier chance of

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* Quoted by Leontiev in his 'Political Economy', p. 78.

awakening themselves to their historic responsibilities, with the aid of that intellectual gaint.

2. Marx made the pre-supposition, for the sake of analysing more easily the nature of dealings between workers and employers and also other social factors, that "the commodities with which we are concerned labour power as well as others, are bought and sold at their actual value". (p.327) Unfortunately he did not try to analyse the nature and strength of practical impediments to the pre-supposition, and their effects upon different owners of commodities.

Since they have believed that, "Surplus value cannot arise out of the circulation of commodities, for this represents only the exchange of equivalents," they have not bothered much to investigate whether, through the circulation of agricultural produce from the producers – the peasants – to the consumers, merchants and others may not be squeezing all the surplus value that peasants, that is, the land-owning and the landless sections of agriculturists, are daily producing. Marx did, however, observe that, "The merchant, who parasitically thrusts himself in between the buying producer, and selling producer of commodities, manages to over-reach both" (Capital, Vol.I, p.150) but he did not follow it up. They know that "Capitalism knows only one source for the increase of capital, and this source lies in production, in the plant, in the factory, the mine, the agricultural enterprise etc.," (Leontiev, p.207); but they do not care to study, whether capitalism is not extracting undue profits or squeezing out all the cumulative surplus value accumulated from agricultural produce, not to speak of its equally effective control over the purchases made by the peasants.

It cannot be said that they were unaware of the mischief that capitalists can play, when matched against the weaker parties. The following extracts show that they realized how workers are being worsted in their everyday market dealings with their employers. Marx said that " the isolated worker, one who freely sells his labour power, is hopelessly unable to offer any resistence to the encroachments of capital, when capitalist production has reached a certain stage of maturity" (Capital Vol.I, p.307). yet he did not care to see how similar was the helplessness of a peasant to that of an 'isolated worker' in his relations with the merchant in the world market.

Regarding an industrial worker, marx wrote that "when he went into the market as the owner of the commodity, 'Labour Power', to confront there the owners of other commodities, he was one commodity owner facing another commodity-owner....But when the bargain has been struck, it is discovered that he is "not a free agent"..in fact the creature sucking his blood will not loose its hold so long as there is a muscle, a nerve, a drop of blood to be exploited". (Ibid,p.311). How aptly does the above fit in with the condition of a peasant vis-à-vis the merchant in the World Market! He too is "a free agent". He too possesses his comoditiy and faces the purchasing power or money of the merchant in the maket. He too gets into a contract for the exchange of his commodity for the value, as represented by the money of the merchant. Yet he too cannot get the money of the merchant unless he parts with all he has, puts intohis commodity, as a result of the sweat of his brow and the sacrifice of his very life blood.

Similarly, Leontiev recognized in regard to workers that "unlike most other commodities, with respect to labour power, there is always a tendency for the price to stay below its value". (Page 119). Yet he does not recognize that peasants are in an equally helpless, if not worse, condition and the prices paid for their produce tend'to stay below their value'. Leontieve ought to have realised that, as in the case of labour so in that of agricultural production too, "market transactions give a deceptive appearance, as if the entire value incorporated in agricultural produce is paid for". (Leontiev. Page.55).

Their neglect of this branch of study may have been due to their notion that agricultural producers are also capitalist entrepreneurs and also to Lenin's observation that peasants are the last of the capitalist classes. (Leontiev, Page 204). Yet they too are conscious of the fact that "commercial capital exploits the small independent commodity producers, gradually transforming them into its workmen working at home". It is a pity that they have not realized that there is a world of difference between capitalist (industrial) entrepreneurs and peasants and that, while the former are obliged to give only a part of their surplus value or profits to merchants as remuneration for their services, the latter i.e., the peasants, are forced to part with not only all the surplus value produced by both the peasant's family and workers, but also a portion of their legitimate remuneration, that is, the socially necessary maintenance. Thus they hav ignored the fact that there is a qualitative difference between industrial entrepreneurs

and peasants, and that the former are partners of capitalists, while the latter are their victims and enemies. Though both own their respective means of production and produce commodiies and accumulate surplus labour and value from out of the workers engaged (whether or not family labor is included), the former merely engage other workers, while the latter engage themselves and their family members and a few occasional wage earners. The entrepreneur commands considerable capital. He is able to manage merchants and can manipulate ably in markets, while the peasant is poorer, enslaved to money-lenders or banks, and is at the mercy of markets. The former need only pay interest at a rate much lower than his own profits, whereas, the latter has to pay usurious rates of interest. The former is organissed and has gained control over the economic and political institutions of modern society, while the latter is helpless, unorganized and powerless.

Most unfortunately, Marx started with the wrong premise that exploitation can be espied and surplus value extracted only when 'the direct producer is not free'. He thought that 'the surplus labour of the nominal owner of the land cannot be filched from their (Peasants) lands by any economic measures, but must be forced from them by other measures, whatever may be the form assumed by them'. (Capital Vol. III pages 918-919). He seems, however, to have been aware of the fact that peasants have to pay ground rent which is 'the normal form of surplus labour performed', as otherwise they cannot get the land which is their "essential means of production". He is right in thinking that the landlord's right for that land depnds upon the political fiat of the State, and so he considers the ground-rent as having been paid 'without any equivalent'. So is the right of an entrepreneur to his so-called capital,land and workshop; and indeed his right to ply his manufacture and the surplus value he extracts from his workers may also be considered t ohave been got'without any equivalent', (Ibid-924), but marx does not consider that transaction as being other than economic. He has proceeded to examine in great detail the manner of causes for the results of the relatins between workers and employers, and discovered his great law of 'surplus value'.So, there is nothing inherently uneconomic and dundamentally different in the relations between peasants and capitalism and its allies as distinguished from those relatins subsisting between the proletariat and capitalism and its allies, so as to make the former extra-economic and the latter essentially economic.

In fact, what has happened is this: while Engles, his noble colleague maintained that "political economy in the widest sense, is the science of the laws governing the production and exchange of the material means of subsistence in human Society", marx has worked on a slightly narrower conception that"the distribution of the means of consuption at any time is only a consequence of the distribution of the conditions of production themselves" ('Critique of Gotha Programme' pages 20-21). Once the elements of production are so distributed, then the present day distribution of the means of consumption results automatically. Lenin too has understood marx's Teachings " as the study of production relationships in a given historically determined society in their genesis, their development and their decay" (Leontiev's political Economy', Page 6) So, most unfortunately marx has neglected the study of what actually happens once the peasants produce their crops and place their products at the disposal of society, and also the mechanism of distribution of wealth that obtains in any society. As the Japanese Leader, Mr Shimonaka observed, marx turned only to what happens ever since processing of raw materials enters the economic life, and neglected the study of economic forces at work during and after the production of raw materials. Only this wrong lead hasd guided the orthodox conmunists.

Lenin did however visualise the importance of studying, not only production relationships but also distribution relations. He maintained in his 'Great Initiative' that "classes are large groups of persons, differing according to their places in the historically established system of social production, according to their relatins to the means of production, according to their roles in the social organization of labour, and consequently according to their methods of obtaining the size of the share of social wealth".

ROLE OF TIME FACTOR IN THE INTER-ACTION OF SUPPLY AND DEMAND

The more or less static marshallian conception of exchanges, especially with regard to agricultural products, has come to give place to the latest Micro-Macro conception of flow of economic transactions and politico-economic relative bargaining powers of the producers and consumers, sellers and buyers. ('A General Theory of Economic Process' by N.W. Chamberlain of Columbia University). This mid twentieth century American conception of exchanges is more suited to explain the postwar practices of stabilization of agricultural prices, the Price-Parity economy

of the United States farming. Yet, it does not indicate the way out of the basic injustice from which agriculture suffers i.e., production under duress, Politico-economic pressure of key-services, and age-long under valuation of agricultural services. Hence the fact that the Capitalist and Soviet theories are based on the exploitation of peasantry and other primary producers.

But neither the Marshallian economists nor orthodox Marxists have cared to enquire into the duration of the intervals that may come in between the time when prices are found by producers to be too low and the time when the total supply is too much reduced as to oblige demand schedule to rise high enough to cover the marginal costs of the supply, i.e., to rise to the level of supply schedule'.we have alsoto recognise the possibility of a depression setting in before the demand schedule rises, or out of a sudden disturbance in the marketing conditions caused by inflation or deflation of currencies of any of the prominent countires concerned. During such a long or short interval, large quantities of wealth may get transferred from producers to consumers, and vice-versa. Any science which does not care to study the effects upon society of such disturbing factors and what happens during such intervals, and contents itself with the thought that anyhow, in the long run, demand and supply balance each other, fails in its primary duty of research.

Taking agricultural production, it is a matter of general knowledge that whenever demand schedule falls, i.e., prices go down, supply schedule cannot so easily adjust itself to changed circumstances, and the time-lag is easily more than an year. Because the elasticity of agricultural supplies is very little and the staying capacity of peasantry much less while the elasticity of demand for its products is much greater*, every economic depression affects peasants more adversely than other classes.

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* Quotations from the F.A.O. Brochure on "The Farm and the City" (1953)

"Farm production cannot be quickly expanded or contracted but may, seriously and unexpectedly, be reduced by bad weather, pests, or diseases – because it requires the co-operation of Sun, rain, soil and man"

"Individual farmers are less able to control their output than those in business concern"

"When demand falls suddenly, farmers usually go on producing about the same total volume and feel the reduced demand mostly in the form of lower prices, while, in the same circumstances, factories quickly reduce their output and take the reduced demand mostly in reduced quantities produced and sold, and only to a slighter extent in reduced prices".

"In both commercially organised agricultural regions and in more self-sufficient agricultural areas, farmers usually aim to produce about the same amount year after year"

Mr.G.D.H. Cole writes in his "Europe, Russia and the Future" published in 1942:-

1. "The peasants of Southern and Eastern Europe have no agricultural surpluses in any real sense. The only sense in which they have a surplus in that they must, in order to keep their land, get cash to pay rent or compensation to past land-owners, and money for industrial goods and fro supplies, without which they cannot live or produce".

Let us examine a little more closely what happens when prices of agricultural produce, say staples, go down. The ability of suppliers (peasants) to reduce their supplies, that is, the elasticity of supply, is dependent upon so many factors. It is distinctly less in the case of peasants than in that of planters and big land-lords, certainly much less than in that of manufacturers. There are so many reasons for this. There used to be in stock before the Second World War, as Suffenny Straksh has also testified, as much of foodgrains (wheat) as is needed by the people of the world for two years' consumption. So, even if the sowings are reduced, the accumulated stocks, already in the hands of merchants are there to disable peasants in their attempts to force prices up by reducing their present production. Most of the agricultural production, which is over and above the subsistence production, cannot be stopped or reduced, to any great extent, owing to the necessity of peasants to pay taxes, rents, and interest on debts, and to purchase manures, implements and sometimes even seeds, and to obtain cloth, salt, kerosene, matches etc for their families.

2. As Stephen Leacock says "Every Wheat-producing country must reckon on the fact that once in every so many years the production of wheat will collapse owing to a super-abundant crop". -"Our British Europe"

The I.L.O. Report on Social and Economic Reconstruction in the United States observed:- "Whereas industrialists could economise on labour costs by discharging workers, this possibility was less open to the farmer, whose labour was usually supplied for the most part by himself and his family. The depression in fact had the opposite effect fo driving many unemployed city workers to seek food and shelter with their relatives on farms, so that the farm population increased by two million between 1929 and 1933. the increased supply of labor tended to maintain or increase farm production. Even in the case of farm bankruptcy, the land was seldom left uncultivated; either the previous owner remained as a tenant, or some new tenant came in to take his place. The fact that farm output, unlike that of industry, was thus so persistently maintained in face of the decrease in profitability, ledof course to a proportionately greater slump in prices".

Large areas of lands, now under certain staple crops, are not suitable for any other crop, and so, their undiminished production must be flowing into markets, irrespective of price-levels. Even what is produced for subsistence, goes to swell the figures of total production and depresses the general level of prices, and thus weakens the producers. Large sections of peasantry must go on producing, if for nothing else, at least for keeping themselves, their workers and cattle employed, and gaining the barest possible fare, since there is no other avenue for employment and since the state has not yet undertaken the responsibility, except in England and that too only for the agricultural workers and not for farmers, of providing unemployment insurance for both the landed and landless peasants. Several crops are perennial, say sugarcane and fruit trees, and their production cannot be so easily and rapidly cut short. The same is the case wit live-stock. The capacity of peasants to shift from one crop to another is very much restricted owing to various causes including climate, soil, rainfall, cost of seeds, manures, implements, irrigation facilities, seasonal time-tables or work demanded by different crops from peasants, and capital investments sunk or needed. There is also the present inability of peasants to take a comprehensive view of the world market, and then to regulate their sowings and thus control their world-total supplies in harmony with the price levels.

To give a few instances of marketing of crops:-

Supposing the price of beef, mutton, dairy produce or wool have gone down very much. Grass lands, needed hitherto for the feeding of animals cannot be

converted into arable lands in less than two years, and even for any such conversion, huge capital is needed. Such a conversion from grass land to arable land in England in the War-crisis, needed enormous state assistance. Peasants, being incorrigible optimists, need three to four years' continued depression in prices before they are convinced of the need for such a drastic change-over, even if their lands are suitable for such shifting of use and even if at all they are capable of it. Yet Banks may not be willing to advance the needed capital.

Rice and jute growing areas cannot be put to any other crops, especially if they are wet crops, since rice and jute are grown mostly under irrigation, artificial or natural, in low lying lands with heavy rainfall. Certain rotational crops are raised to maintain the fertility of land and to avoid pests. It is not easy to devise or introduce suitable substitute crops, on sufficiently large scale, to bring down the total national production of the depressed crop. The 1932-36 experience of the Burmese, Malayans, Siamese, Indonesians, Indians and Chinese, in their inability to reduce to any important degree their production of rice, is positive proof of the helplessness of supply to respond to the vagaries of demand. The Indian producers of groundnut and cotton have always suffered in the same way, then suddenly the war had cut off the continental the Japanese markets. On oneside production could not be reduced so much on the other internal consumption could not go up. Thus rice, jute, sugarcane, cotton, oil-seeds, coconut and copra and bananas had to be produced for years, even when prices were falling.

The same I.L.O report says that though the prices of cotton fell from 18 cents per pound in 1928-1929 to 4.6 cents in June 1932, and 5.5 cents a pound in February 1933, the reaction of cotton growers to this low price had been to increase the area planted in 1933 by more than 60% and their cultivation meant actual losses to peasants. Some crops like cotton have some special peculiarities, robbing peasants their chance of developing diversified crop economy to avoid the worst effects of price-fluctuations. In America, "Wherever cotton is an important crop, it becomes the one important crop-wheat, oats and corn can be fitted into the calendar in such a way that there will be very little over-lapping of the demands which the different crops make for attention. Not so with cotton. It requires labour almost throughtout the entire year. It becomes difficult or relatively unprofitable to devote much land or labour to the growing of other crops'. (Popular science – page 1532). It is assumed by Marshallian economists that, when prices fall, the production is cut,

and thus marginal costs are reduced, benefiting peasants. But it is not so in many cases. It is not the marginal costs that generally settle the agricultural prices, though it is assumed to be so. Even the peasants cultivating marginal lands are uable to give up their lands and their cultivation, as is known only too well to North-Eastern Plateau States to U.S.A, since it takes a long time for them to decide upon the liquidation or realization of their investments already made and to go in search of other lands or other employment. When once prices are reduced to a level below the marginal costs, the producers' total surplus of all those peasants whose costs are less than the marginal costs is correspondingly reduced*

It is even more, likely that peasants in better situated areas,enjoying greater facilities and freedom to change over from one crop to another and to arrange their crop economy as between a number of crops, may decide that the changed prices of anyone commodity are not high enough to leave sufficient margin for them to cover their costs of production,and so may either reduce or stop their sowing under the concerned crop. In such cases, it may not be the marginal lands but more fertile lands whose costs are lower than those on the margin, which may go out of the crop area; and to that extent, not only are the marginal costs and cultivation not affected but also the general average productivity of the crop is reduced, and the average costs of production may remain the same while the total producers' surplus is seriously diminished.

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* Concerning industrial manoeuverability in production as contrasted with agricultural inelasticity, the American Conference on Economic Progress (1955) has made the following observations:-

"Within a month or even overnight the larger and more highly concentrated industries can cut their production and payrolls drastically. Steel output was 27% lower in the third quarter of 1954 than in the third quarter of 1953, and the production of durable manufacture was 13% lower.

But American Agriculture has no similar power; it must sow long before it can harvest; it is effected by unpredictable weather; and it has little means to achieve concerted action. Even if it could turn off production overnight, most of its fixed costs would not be reduced. Thus the farmer cannot quickly make those very rapid production shifts which mean the difference between income maintenance and extreme losses".

See also the F.A.O. Brochure on "The Farm and the City".

"A general fall in farm prices does not encourage farmers to reduce production very much. They do switch over from producing one commodity to another if the price of one is more favourable than the other".

"So many of their costs are fixed that there is relatively little they can save by reducing production" (p.14).

The I.L.O. report on 'Social and Economic Reconstruction of U.S.A.' observed , 'The normal mechanism tending to induce necessary curtailment of production by wiping out the less efficient units, did not function in the same way in agriculture'. In fact, though "prices had fallen disastrously, production has not been reduced". 'the farm output, unlike that of industry, was thus so persistently maintained in the face of the decrease in profitablility. (Page 252)

Again, if the cultivation of such commercial crops as Tobacco, Sugarcane, Pepper, Spices, Betel-leaf which cater to 'key-demands', is generally more paying than that of other crops, though they need greater personal attention of peasants, then peasants may continue to produce nearly as much as before even if the prices go down, provided their cultivation does not become less profitable than that of the other crops. Thus the rigidity of supply schedule and the elasticity of demand schedule place the peasants at the mercy of demand. This is so, especially during ' short-term' period.

The league of Nations' Survey of "Social Consequences of the Economic Depression" published in 1936, has observed "The experiences of recent years clearly shows that the total volume of agricultural production is very little affected by sudden changes in business activity".

"It is the production of foodstuffs that offer the strongest resistence to the influence of market influctuations. Consequently more than 80% (in the European countries almost 90%) of agriculture was immune from any absolute contraction during the depression".

"The persistence with which agricultural countries continue to produce the same quantity of goods may mean much greater losses for them than they would suffer if they were able to adopt their output to the new conditions of the World Market".

When compared to these disabilities of peasants in restricting their supplies in answer to lower prices, the ability of demand to react to any alterations in supply schedules is much greater, that is, demand is ever more elastic than supply. There is always the possibility for consumers to change over from their consumption of wheat to ragi, maize or corn or even rice or vice-versa; to shift from beef to mutton or to pork; to shift from milk to butter-milk or curds; to consume less of bread or rice and

more of fruit; to take more of jaggery and less of sugar, to eat more of one fruit and less of another and so on. Various combinations to them in varying quantities can be resorted to, to minimize the consumption of the too costly or too rare commodities and yet to reduce or eliminate any possible loss of taste or sustenance.

Consumers are served better by merchants who regulate the demand of consumers, guide them by imperceptible propaganda, and try manipulations in pricing and arranging for the regular flow of supply different kinds of produce from different countries in such a way that consumers are not inconvenienced, while the producers in anyone country are not inconvenienced, while the producers in anyone country are thus disabled from reaping whatever advantage there may come to be by a temporary shortage of supply of the concerned commodity in local markets. The following quotations from the Book of Popular Science(page 1103) shows how well are consumers served by merchants:-

"When each country depended upon its own production alone, its supply of grain was limited to a few harvest weeks. During the rest of the year, demand alone was prominent. Now the World's Wheat is marketed in many months of the year. In January, it comes from Argentina, New Zealand and Australia; in February and March from the East Indies; in April from Mexico, Egypt, Persia and Asia Minor; in May from Texas, China, Japan and North Africa; in June from California, Spain, Italy and Southern France; in July from most of the United States, Upper Canada, Hungary, Southern Germany and Northern France; in August from Western Canada, West Russia and Northern Germany; in September from Scotland, Scandinavia and North Russia; in November from Peru and South America and in December from India. In similar manner, the other cereals are harvested throughout the world at different seasons. International trade in grain, therefore, does much t stabilize prices". The same thing cannot be said of the manufactured and other goods that peasants and the proletariat are obliged to purchase, since Governments, banks, merchants – all seem to conspire to keep their prices at a higher level than those of agricultural produce.

Moreover, merchants have usually two years' supply in store, thanks to their credit with Banks, they know when and where fresh supplies of raw produce are likely to come. They have free access to the peasants' stores in almost all parts of the world, thanks to their levers for credit and forward contracts. So, they are able

to protect consumer from the worst effects of any calamitous shortage of supply of food stuffs, etc.

But this does not mean that consumers get the full benefit of the strategically favourable position of their demand schedule. Their own actual demand is not so elastic, as it turns out to be when manipulated by merchants, they are generally slow, unless provided by higher prices, to shift their consumption habits. And, the merchants are never slow to take advantage of such a weakness. Thus, the paradoxical position arises namely, while the producers complain of lower prices received, the consumers groan under higher prices, and while the producers are unable to meet their costs, the consumers are obliged to pay too high prices. In such cross currents in business, the whole battalion of middlemen, from the village merchant to the city speculator, from the retailer to the wholesaler, and even the corrupt officials reap the fullest benefit possible.

IMPACT OF WARS – ECONOMIC CRISES

The experience gained during this second world war is invaluable in this regard*. There is great disparity between the prices paid to cotton growers, and paddy and wheat and sugarcane producers, and the prices exacted from consumers, even after allowing more than enough margin fro transport, packing cleaning, spinning, weaving and all such other essential services. It is immaterial for us at this stage of our study as to who, among all the middlemen that intervene between the primary producers and the ultimate consumers of the finished goods, pockets this margin. Governments of the war-time India instituted control over wheat prices, but the merchants defeated it. It is now trying to control the prices of sugar, cotton yarn, rice and cloth. But, be it noted that cloth control came in with the high-priced co-operation of the Textile Industry, while peasants are not given any adequate representation on the Textile Control Board or the Food Committee, nor are they paid remunerative prices for their cotton.

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* This is what has happened in war-time India when the producing provinces like Punjab and Sind were complaining loudly that while they were supplying their wheat cheaply, the Government and their favourite merchants of Bengal were making huge profits by adding unreasonably high surcharges and selling wheat to the famished Bengalis at abnormally high prices. Indeed, that is the story of the marketing of wheat, sugar, cloth and other commodities which were supposed to be subject to the Central Government's Price Control.

In America, President Roosevelt was also fighting with great difficulty, yet with less success, with the same classes of middlemen for the same object of protecting both producers and consumers. Great Britain too has fared no better, during both the Wars in her dealings with middlemen.

For more than twelve years during the after World War II, there came to be the sellers' market for agricultural products almost a unique experience during this century.

Mr Day said in march 1943, "Today the farm labourer is paid a Government-guaranteed minimum of 60 shillings per week. If , for instance he is a Special worker, Shepherd, Cowman, or Tractor-driver, he may earn five or six pounds a week. The farmer's prices are guaranteed and controlled". Why this special Boom? Not because of the laws of Orthodox Economics, but because of the War-time political dynamics.

The industrial goods especially of America and the allied Asian countries, also had a similar advantage. Yet, while the manufacturers reaped huge windfall profits because of this, peasants were not allowed to derive at least half as much of their profits, because, the state showed considerable partiality in favour of the one and against the other. Hence, the conclusion drawn by the F.A.O. that, though peasants did gain some effective advantages during that period of seller's market, their relative position vis-à-vis industrial interests did not change very much, because the latter gained very much more. It also happened that, in countries like Burma and Argentina, most of the grains derived from higher prices for their agricultural exports were kept by the governments as a disinflationary measure, but not passed on to the peasants. New Zealand and Australia were able to build up substantial special reserve funds out of the wartime profits, as insurance against any possible sagging of price levels after normalcy is attained in the postwar years for once buyers market returns; and these funds have been drawn upon since 1954 to peg the prices and thus protect farmers. Peasants realized, as never before, during that interesting period of their advantage, how much the urban middle classes and proletariat have come to accept, as if it was their divine right, the pre-war low level of food prices as being their just due, and have been terribly annoyed that they were at the very mercy of peasants. So, they were shocked at the temerity of peasants to protest against the food price controls and compulsory procurement levies imposed by the State at their

bidding. No wonder, the middle classes were impatient not only to put down any attempt of peasants to obtain remunerative prices, but also to hearken back to the pre-war trends in foodgrain marketing. So, peasants realized the utterly unjust attitude of the urban classes towards their just demands. They noted how successfully industrialists had persuaded the governments to fix the control-prices of manufactured goods, at a level which would cover the costs of production of marginal firms, while the peasants were denied the same privilege in fixing foodgrain prices. It became thus clear that capitalism is a harsh and unjust and totalitarian, despite its professions of faith in democracy, as communism is in its readiness to suppress the peasants.

Even over pretty periods, say five to seven years, the position of peasants is not much better. Although prices do tend to rise a little in response to a general reduction in the production of anyone or any complementary group of agricultural produce, that rise is never so great or steep as what one expects or one notices happening under similar circumstances in the case of industrial production. Owing to the almost unorganisable and unregulated nature of agricultural production, demand schedule is able to remain in a more or less permanently low level; that is, much lower than what is needed to cover the minimum costs of supply schedule.

Further, consumers are protected from any adverse effects of a drastic reduction in the 'Frontier Production' of any agricultural produce by another peculiar feature of agricultural economy. In actual practice, it is not the marginal lands, or production and producers, that settle the prices. It is those producers who hold a dominating position on the side of supply, and who have the capacity to increase their areas under the concerned crop and can increase their total supplies of it by intensive cultivation on their more supplies of any crop will not at all be seriously curtailed and no marginal areas will at all be abandoned if the fall in prices is very steep and persists over a long period. But in these days of quickly recurring economic crises, peasants are not able to assert themselves and make consumers yield through a drastic curtailment of supplies.

Supposing there is a general rise in agricultural prices ro a rise in the price of any one important agricultural produce, its benefical effects are not fully or readily experienced by peasants. Merchants try their best to prevent the trickling of such information to peasants. Much of the produce would have passed into the hands of

merchants by the time such a rise in prices makes itself felt. If, however, the rise in prices continues for more than one season, than a good deal of it reaches peasants, though nearly as much, if not more, is appropriated by merchants, thanks to their key-position.

If such rise in prices is a part of the rise in the general level of prices, then the agricultural prices are often found to rise less steeply than the prices of manufactured goods. In fact, even during such periods, peasants fare less well than industrial and commercial classes. Hence the continued failure of thousands of banks and more farmers of America during the 1920-22 boom, and the great disparity in the prices to the disadvantage of peasants between agricultural and industrial products over the whole period, 1913 to 1939, not only in U.S.A., but also in many other countries. The same disadvantage was experienced by peasants during World War II, for although there is rise in the general level of prices, there is disparity of 1:2 and sometimes 1:3 between the rises in prices of agricultural and industrial commodities.*

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*(1) The Canadian Prime Minister observed on 18-10-'41 "Rising prices thus serve to aggravate the inequalities in society. Nor is the position of the farmer any happier than that of the wage earner. The present war is a war of machines. The Scarcity of manufactured goods is likely to be greater than the scarcity of farm products. The rise in prices will consequently be unequal if prices are left to themselves. The things farmers have to buy tend to go up in price, more than the things they have to sell." What he feared in 1941 October actually came to pass by 1955 October.

(2) Messrs. Gadgil and Sovani have made a careful study of the effects of war-time inflation in India. We will state here only a few of their conclusions with which we are in agreement. They say that not more than 20% of the rural population are benefited by inflation. But they cannot say to what extent. Their conclusion is that 'whether between classes or between regions, inflation favours the better-off; the rich it makes richer and the poor, the poorer' (War and Indian Economic Policy. Page 119) thus it gives the key. Now who are the rice among peasantry? Certainly not those whose holdings are less than 15 acres per family. And those having more than 15 acres per family, from 5% of the total land-holding peasants. Their percentage position in the whole landed and landless peasants, will be much less. Even in regard to these, 'the net advantage, to such a producer, of the whole process (gains as a producer, losses as a consumer) is dependent on the extent to which his extra gains as a producer are not eaten up by the extra rise in the prices of the commodities that he consumes (Page 106)

Moreover, while manufactures are so well organized and conscious of their joint interests that they can manage not to increase their production to such an extent as would again bring down prices so drastically, peasants are unable to take their long view of effective concerted action not to push up their production and swell the total supplies of commodities, and thus soon to bring down the level of the prices of their goods. Thus, while a fall in prices of agricultural produce tends to be prolonged, a rise in prices tends to be short-lived, since the supply is unorganized blind, chaotic, and so much at the mercy of merchants.

In fact, every additional effort made by the world peasantry to augument the supplies of cereals and other agricultural produce, has been exploited by commercial and industrial classes in further pushing down the level of agricultural prices and worsening their conditions.

The beginning of the streams of supplies of Australian wheat and New Zealand beef spelled the end of what little prosperity the producers of American wheat, cotton and beef, and of Argentanian beef, had enjoyed. Also, the American farmers, who formed 50 to 70% of the population in the middle of the last century, came to dwindle down to 25% by the forties of this century and to 10% by 1950, owing to the increasing competition of cheap Australian and Canadian wheat and Argentanian beef, which were being produced on their virgin prairie lands, even apart form the labour-saving development of mecahnised and large scale farming. Today, as a result of this growing competition with large scale farming of these sparsely populated areas, American wheat growers are unable to make a decent living.

"As is well known, in any tracts the cultivator ordinarily sells even a part of the good requirements of his family, being forced to buy it back later in the season at enhanced prices". Even when a peasant produces more than his family needs for food, he cannot hope to gain anything net, unless what he has to pay out in increased prices is less than his additional remuneration through prices. In reality, except a tiny minority which may be even less than 5% the great bult of peasants lose more from inflation than what they gain. Only in so far as their burdens of debts are reduced and the values of their lands are raised, they gain a little.

"Need one describe the plight of the Chinese peasants, when their national wholesale prices had gone up by 500% by October 1941., while the external markets for their produce were lost and an internal chaos and the Japanese invasion robbed them of all their resources and drove them aw: y from their ancestral holdings?" (League of Nations Bulletin of Statistics. P.1043)

The effects of modern means of transport and the development of the World market in wheat etc., upon European peasants and farmers were described thus:- 'The trans-oceanic steamboats and the railroads of North and South America and India, enabled very peculiar masses of land to enter into competition upon the European grain markets. There were on the one hand the North American prairies, the Argentine Pampas and Steppes, made fertile for the plough by nature itself, together with the virgin-soil, which offered rich harvests for years to come even with a primitive cultivation and without any fertilization. And against the competition of the virgin prairie soils, the Russian and Indian peasants that were ground down by taxation, and the European capitalist farmer and peasant could not stand up at the old rents. A portion of the soil of Europe fell definitely out of competition for the raising of grain to pay the rents every where. Falling prices and falling productivity of the additional investment of capital became the rule of Europe. This accounts for the woes of the landlord from Scotland to Italy, and from Southern France to Eastern Prussia. Fortunately, all prairie lands have not been taken under cultivation. There are enough of them left to run down all the great landlords of Europe and the small ones into the bargain (Frederick Engles' Capital Vol. III. P.842-43).

Here is the admission of the British Minister for Agriculture, of the enforced disabilities from which agriculture has suffered since 1918 – "Farming, in the years immediately before this War, both in this country and over a large portion of the World, was comparatively speaking, unprofitable. Farmers and land-owners had seen their capital steadily reduced in the years after the last War, both by bad harvests and poor prices and, in many cases by almost penal taxation".

This process of ruination of peasantry has continued until today, and not only the landlords but also the great peasant masses have come to be condemned to an abnormal and prolonged economic depression and too low a subsistence level. Through this unregulated and anarchical exposure of agriculture and unrestricted exploitation and peasantry, the industrial and commercial classes have come to achieve their present powerful and dominant position and vantage ground.

The cost of production investigations made by Government of India in 1936-37, those made by myself under the authority of Madras Government, in 1928-30, and by the Indian Central Cotton Committee and Indian Council of Agricultural Research in 1927-37, show how the demand schedule for cotton which is able to command all the cotton available in India, was high enough only to barely

cover the minimum of supply schedule, and that interest charges on peasants' debts, taxes, rents, costs of manures, replacement of agricultural implements and cattle, could not be covered at all by the prices offered at which Indian cotton had to be sold. Even the League of Nations Survey states that "at the beginning of the depression the yield of an estate was a negative quantity in several countries" and that in U.S.A. the farmers "were unable to renew their plant or repair their buildings, and this meant depreciation in the value of their farms". Worse was the plight of the producers of rice, wheat, ragi, bareley, and corn; and even their children had to be underfed and ill-clothed. So, the orthodox, theory of value (and prices) does not hold good in agriculture. Whatever may be the pace set by demand, it controls production; and therefore, the levels of agricultural wages, farmer subsistence, cattle maintenance, agricultural efficiency, and farmer's cultural equipment and attainments are at the mercy of demand. The depressed and disabled state of agriculture is thus imposed and perpetuated.

Even in England, just before the Second World War began, the average level of British farming had fallen so low that, when Cambridge Univerisyt conducted an examination into the books and training methods of 200 farmers, none of whom farmed more than 200 acres, it was shown conclusively that the average net income of each farmer was 18 shillings per week less than the wages he had to pay to his own labourers. These varied in all countries, but were never less than from 25 to 40 shillings per week. (J.Went North Day in Bombay Chronicle).

Even when prices were too low as in 1932, the U.S.A. farmers could use up only 42% of their farm production, and the rest of it hadd to be placed on the markets. No wonder, while in U.S.A. 'Agricultural products lost 37% of their value' when compared with other goods, their supply could not be much reduced. How can peasants obtain a rising standard of living when they are forced to go on producing and marketing their produce, whatever may be the state of demand and however low may be the prices ruling in the World Markets, as long as they have to pay for their inputs and interest charges. It is especially when prices fall, that there is a great need for peasants to reduce their production. But the proportion of their net incomes absorbed by interest increases abnormally, as for instance, in U.S.A. it had gone up from 57.5% in 1926-29 to 87.2% in 1931-32. Mr J.C. Kumarappa has rightly observed in his "Public Finance and Poverty' (1930) that, "to obtain the necessary funds (to pay land tax or rent) the ryot was oblied to shoulder the loss consequent

on sale at a low price in an already overstocked market, and often was forced to borrow. This leads to his chronic indebtedness to the usurer. Very often the tax falls on income which is below the efficiency line, and becomes cumulative in its poverty production". But, as the League's Survey said, "since they were unable to pay the interest on their debts, all they could do was to contract new loans".

Ever since the outbreak of World War II while the prices of industrial goods have gone up by from 250 to 450%, the inflation of currency went up by more than 250%, thus perpetuating and even worsening the earlier disparity in prices of agricultural and industrial goods, always to the detriment of the former. The U.K. minister for Agriculture referred on 18-7-40 to the happy position of England, as the "only important buyer in the overseas markets and that they have, pressed upon us from every quarter of the globe, supplies greately in excess of what we are able to bring to this country". Actually in many countries, as in England and India,, active steps were taken to prevent any rise in agricultural prices, even while the profiteerinjg in manufactured goods could not be controlled owing to the complete loss of European markets. The position of agricultural countries was still further worsened, since they have had to depend only on the diminished markets, being confined to Allied Powers. Thus the World War II; has still further weakened the Colonial peasants. Somehow or other, once the average earnings of the industrial workers and entrepreneurs have come to be much higher than those of the agricultural workers and peasants, and also the general average level of the prices of industrial goods rose higher than that of agricultural produce; this inequality manages to persist always to the advantage of the former.

This inequality began, even as the World Markets were being organized and developed. Since the World Markets came into existence more for the sake of and at the instance of the industrial, commercial and urban interests, they have tried their best to perpetuate and worsen this disadvantage of agriculture and to reduce it into a more or less permanent depressed occupation.

Marx also observed, "There were the lands of the Russian and Indian Communes that had *to sell a portion of their product, and an increasing one at that, for the purpose of obtaining money for the taxes* wrung from them by the pitiless despotism of the State, very often by *means of torture.* These products were sold without regard to their *cost of production*, sold at the prices offered by the

dealer, because the *peasant had to have the money under any circumstances when the tax paying day came round.* Farmers had to pay off during the depression about 10% of their debts, not by "payment to banks but rather through forced closures and forced sales". Sir M. Darling, in his "Punjab peasant in Prosperity and Debt", relates the same helpless obligation of peasants to produce irrespective of price levels, in order to pay taxes and interest and to maintain themselves at any cost. A British Collector of Gujarat wrote more than a century ago, "Ryots have nothing else to do but to cultivate even if they get no profit; they must cultivate their fields for food for themselves and families. They are so wedded to the country or to the village to which they belong, that they would pay the rent if they could, without gaining anything for themselves" (R.C. Dutt's Indian Economic History, Victorian Age. Page 133)

This is more or less a permanent weakness of agriculture vis-à-vis consumers, that is, Industries, Commerce and Professions. The dominating position held by demand, thanks to the support it derives from the whole capitalist system, over supply of agricultural produce, results in keeping agriculture a permanently disabled and depressed industry, in both the predominantly agricultural and partially agricultural countries, irrespective of their national wealth. It is therefore wrong fo rboth the marshallian economists and Orthodox Marxists to be content with their assumption that, sicne, in the long run, the demand schedule – price level must in theory adjust itself to the supply schedule costs, there need be no special worry or study made, to see whether or not peasants are getting a fair deal in the long run, or whether or not there are any special laws apart from those governing production and distribution of non-agricultural products and services.

It must be clear by now that agricultural production is being carried on under a 'Duress'. Agriculture is subject, not only to the 'Law of diminishing returns' as the Marshallian economists tell us, but also the '*Law of production under duress'*. Peasants have no choice but cultivate and produce various commodities and place them on the market.

Under such circumstances, where is any freedom for a peasant to decide whether or not to produce to markets? He is free only in law, but enslaved in fact. Therefore, what is happening in agriculture is "Production under Duress'. Just as a worker must sell his labour in order to obtain necessaries of life, so also a peasant has to go on cultivating and supplying his commodities to markets so as to maintain

himself. In countries where there is unemployment – insurance, trade unions and a number of social services, a worker had gained some freedom to refuse to work under onerous conditions; but nowhere has a peasant gained even that much freedom to refuse to take his produce to the markets, if prices are too low and if the merchants' behaviour too bad, and so on. Thus this 'production under duress' is the primary cause for the depressed state of agriculture.

In countries like India and China, where immense numbers of masses suffer from chronic under-employment and periodical unemployment, the pressure on every avenue of employment becomes unimaginably great. So, it is no matter of surprise if large masses of peasants are ready to work for too low a remuneration on land, and thus get only one half or one third as much of food (Dr. Akroyd estimates that evey one needs atleast 25,000 calories of food) as he really needs. Mahatma Gandhi has estimated the total unemployment of India as equivalent to 50 million workers' labour; Sir M. Viswesarayya put it as 40 millions. The latter proceeds to say, "The total number of persons suffering from insufficient food, clothing and shelter, even judged by the low Indian Standards, cannot possibly be less than a hundred million". (Unemployment in India by Sir M. Visweswarayya. P.6) The Bengal starvation scandal deeply underlines these estimates. It is this whip-lash of unemployment and under-nourishment, hunger and starvation, that has served World Capitalism so well.

This conclusion is not vitiated by the possibility of some peasants deriving "producers" surplus or as the Orthodox Marxists say, 'differential rents' by producing commodities which are earlier produced than the marginal production. Actually, as long as the farmers of U.S.A. Canada, New Zealand, Australia, Argentina or Brazil are able to turn more and more land under any crop whose prices go up, there is not much chance for the marginal producers to hope to recover their marginal costs, because, at prices which are much lower than marginal costs, because, at prices which are much lower than marginal costs, but which just more than cover their own costs, the more efficient or more fortunate farmers are prepared to sell all their present produce and even increase their production. For instance, when prices of rice came down precipitately in India, the imports of broken rice, which were sold at much lower prices, brought down the general level of prices for all the Indian rice, by presenting a cheaper substitute to consumers. This was demonstrated by the effect of import duty of half a rupee per 82 lbs of broken rice from Siam. Once that duty was imposed, the general price level for all Indian rice

rose to that extent. Thus, it was not the marginal production that decided the price, but the cheapest accretion to it, though it be the smallest dose of supply. In this manner, the law of diminishing returns, though operating against peasants, seems to have not much influence in settling the price levels in favour of marginal production. So, in abstract theory, it might have been correct for marshallian economists to say that, unless the cost of marginal production is covered, the total supply will be reduced since the horizon of marginal production becomes narrower and narrower. But, owing to the operation of the law of production under duress, the classical theory has to be modified, and the interactions of laws of diminishing returns and marginal productivity and marginal prices held in abeyance. The evil effects of this law are many and unless one remembers its existence, many happenings in agrarian economic life will be otherwise inexplicable.

CHAPTER IV

CAPITALIST TENTACLES OVER RURAL ECONOMY

Predominance of rural self-sufficiency upto the development of industrial revolution Impact of capitlist, industrial development over cottage industries and rural economy. World markets favoured development of single crop and cash-crop economy in preference to former diversified agriculture-Capitalism's attempts to degrade agriculture from being central economic force, to gain stranglehold over agriculture.

Capitalism was subserving the interests of the urban peoples, especially the professional, commercial and industrial (artisan classes at that time) sections of them, and had been exploiting and depressing agriculture since the early centuries of the Christian era so far the Orient is concerned, and since the sixteenth century in the west also. Throughout all those centuries, hardly anything more than'courtesy prices' were paid for agricultural produce, including dairy and forest products. But the self sufficient economy of villages and their peasantry was not very much disturbed until the emergence of the foreign imperialism of the Mohammadan Rulers of Delhi, Bengal and the Deccan, and the creation of vast imperial standing armies; their cantonenment or camps introduced quite a prominent element of trade and commodity exchanges into the countryside life in ordinary commodities of food and of other every-day necessities. Yet the influence of such disturbing elements was not too much. It only casued a certain amount of readjustment of forces and elements of production, and some movement of artisans from villages to towns, and from towns to cities.

Most of the internal trade and foreign commerce were restricted to towns and cities, and the Kings and Emperors of India, China, Indonesia, Persia and their military chiefs and other feudal lords used to invoke the aid of the rising class of merchants, who specialized in wholesale (internal and external) commerce. Both ancient India and China had some commerce with ancient Rome in the first two centuries of the Christian Era; and, ever since, their foreign trade was quite considerable. But at no time, was the internal life of the self-sufficient economy of most of the village common wealths disturbed or abrogated.

This does not mean that there was no trading between one village and another and between villages and towns, and that there was not much business in the

periodical local markets. It only means that all such exchange transactions were not so considerable as to impose money-economy for the settlement of most of the economic transactions of villages, and that the general tendency of village economic production was for the purpose of local consumption and the like.

Wherever the tribal organization of the African Negroes or American Red Indians or the Indian Village Commonwealths held full sway, the money-lender was very late in making his appearance on the scene, or in gaining any effective power over the economic activities of people. But as trade and industry began to increase in their dimensions and in their influence upon the general economic life of the masses, and as the number and size of towns grew and the dimensions of the State establishments and their expenditure swelled, and as cash economy began to invade the life of the people and cash payments of taxes were insisted upon, he began to emerge as an important and essential economic instrument and play his mischief with those vicious results with which the world has since become familiar. In different countries at different stages and in various ways he began with his operations – hence his lower social status, even in the highly commercialized Roman times. Between the fifteenth century, and the eighteenth century, even villages and peasants of the then civilized East and West had come, through imperceptible degrees, under the influence of the money lender whose business ranged from agricultural finance to lending large sums to Kings and Emperors. Of Course, money lending was an established profession of Indian towns of the Chandragupta Mourya's age and ever after, and the Roman Empire too had its institution. But the African Negroes were immune to this awful institution, until the Arabs and Europeans intruded into their life and introduced their economic vices. Nearly the same was true of the Red Indians of America. Thus by the end of the eighteenth century, a very large proportion of peasants came under the influence of money-lenders.

Wherever land had to be hired from monopolistic large land-owners as in most parts of Europe, rents came to be raised and collected mostly in cash, so that the landlords could more easily purchase their luxuries and pay off their growing debts and interests thereon. Even kings too began to demand the payment of taxes only in cash. All this forced peasants to realize cash and often times it obliged them to seek accommodation with money-lending merchants in order to pay their taxes, rents and tithes which were often demanded when the crops were still in the field. Thus grew, even long before the industrial revolution of England, the hold of the money-

lenders and merchants and their common weapon, the market, upon the peasant economy.

It was however the advent of the industrial revolution of England, whose full impact began to be felt from the close of the Nepoleonic wars that had sounded the war-cry against the self-sufficiency economy of villages and also against the largely effective immunity of World Peasantry from the vicissitudes of World Commerce and Industries. The Dutch and the English East India Companies, which had till then been engaging lakhs of weavers and other artisans of India and Indonesia to manufacture the famous Decca Muslins, Machilipatnam Calicoes etc., and silks for export to European markets, turned the scales suddenly as it were against the oriental artisans and shut up their factories in India and began to import English machine made textiles at dead-cheap prices into the East and rob the livelihood of millions of oriental weavers, spinners, carders and cleaners. Their control of the Governments was fully exploited to dump British goods into oriental markets without having to pay anything more than token import duties, while the export or oriental textiles to the west was made impossible by prohibitive import duties at their end. This extension of state-power into international trade, through the new mechanism of trade tariffs cum imperialist power, set in motion the decline of the self-sufficient economy of agricultural countries. Thus, by 1850, every town and almost one out of every five villages of Persia, Turkey, India, Indonesia, and China had come to feel the first bitter economic impact of their contact – voluntary and often forced with the rejuvenated West with its new weapons of industrialism and commerce and with their crop as well as handmaiden, the new State Power. By say 1870, i.e., the Franco-German War, the hand-spinning and Weaving industry of every village and town of the East, received a crude shock; the millennium-old self-sufficiency economy of villages began to crack up and the sway of world markets securely established itself over the marketing and fixation of the price levels of many of the staple agricultural commodities.

The American Civil War quickened the interest of Great Britain in the schemes of developing Empire self-sufficiency economy, especially for raw materials and particularly cotton, needed for the various growing industries. The launching of the steamship, the opening of the Suez Canal, the re-affirmation of British Imperialism in India after the defeat of the Indian war of Independence and the British triumph over China after the Boxer Revolution, the passing of the Bank of England Act, the

growth in the strength of London Money market and its transformation into the World's Financial Centre after the reform of the British currency and the advantages of machino-facture of British industries have all conspired to firmly establish England's economic imperialism over the whole of the World. Between 1850 and 1900, France and Germany too became industrialized. So when this industrial supremacy of Western Europe came to be reinforced by European political control over the external and financial relations of China, Afghanistan, Persia, and the British Empire in India, most of World's agriculture was left no choice but to fall into the orbit of the world markets.

Let us se what this means : By the end of the last century, other European powers like Russia, France, Germany, Italy and Holland too, entered the lists for the race for the capture of colonies, agricultural areas and markets. Between them, they monopolized the carrying on of trade across the seas of all the colonial countries, including the British Dominions and Latin American States, the financing of the foreign trade of their respective colonies, World's commerce, and processing concerns and the colonial banking which was linked up with the colonial rural money-lending and had gained an effective sway upon the operations in the local and inland markets of the colonial countries. Most of the colonial railways, ship-building yards and repair shops, oil-wells and mines belonged to them. The industrialism of the West, including America, had also succeeded in so disabling the villagers in general and the peasants in particular, as to rob them of all their subsidiary employment in handicrafts and force them to go to the markets with their agricultural produce, in order that they might be able to purchase with the cash so realized, many of the industrial commodities and even some agricultural goods which they had been producing in their own villages not so long ago. Rapidly but without much trumpeting, peasants were induced to give up their former diversified crop economy in preference to single crop economy and to reduce their 'self-sufficiency production' which used to minister to their own needs for consumption throughout the year, in preference to the 'commercial production', which could be sold for tempting prices incidentally, themselves becoming dependent for their own home consumption upon cereals purchased in the markets with the cash thus realized in the same world markets. Thus more and more of agricultural production and other operations had been dragged into the whirlpool of world markets and cash economy, over which the commercial and industrial classes had gained complete control and from which they alone derived the full benefits.

For instance, the textile industry of Europe, U.S.A. and Japan has, by its demand for ever larger quantities of cotton, and silk, converted the cotton crop of India from being a mixed crop, s it had been for centuries, into a plantation or single crop of large areas of the country. Due to the development of mill production of cloth, capitalism found it necessary to seek additional sources of production; and the cultivation of cotton on commercial scale has come to be introduced into new areas of India and many West and East African colonies. The plantation economy of central and south American states devoted to cotton cultivation has been perpetuated by the operations of world markets and the sedulous demand for cotton provided by the textile industry. This modern capitalism, expressing itself through the mill industry contributes to the elimination of the ancient homes of handloom textile. It has also made agricultural masses lose their earlier opportunities of growing their own cotton, spinning it into yarn and getting their cloth woven locally by the local compliment of weavers, and thus obtaining subsidiary employment for themselves, economizing on their clothing budget, and also providing work for their local handloom weavers. Thus millions of cotton growers are made dependent, for their employment and fortunes upon the capitalist manipulations of the textile industry and cotton markets. The production of Jute has also become the main source of living for millions of peasants of Bengal, Bihar and Orissa, so much so that, during the World War II, when food scarcity prevailed, millions of them died of starvation in 1943. the Brazilian peasants paid dearly for their dependence upon coffee plantation, when the pest destroyed the coffee trees. So also, the manufacturers of Sugar have robbed the peasants of their subsidiary work in boiling cane-juice and manufacturing jaggery, and have placed them at the mercy of sugar factories. Mr Woytinsky gives some more interesting facts regarding the development of the influence of merchants and markets in his book 'World Commerce' (1955).

As a check upon the freedom of peasants to vary their crop-economy and the uncertainty and irregularity of their productive operations and also as a supplementary source of supply, Capitalism has interested itself directly in producing a good proportion of some of the important commercial crops, such as chewing-gum, coffee, tea, rubber, cocoa, silk, sugar-cane and their bye-products. Its votaries have acquired large areas of land in different parts of Africa, South America, India, Ceylon, Indonesia and Malaya, by first appropriating large areas from the local landholders by all kinds of forcible means, or by acquiring the hitherto unoccupied

lands on payment of nominal(token) prices to their imperialist governments controlling those areas. This has resulted in a drastic reduction of lands available for the African, Malasian, Indonesian and other local peoples, who already suffered from too small and uneconomic holdings. This 'forced' plantation economy of capitalists needed much local wage labour. And whenever the local peoples, like the freedom-loving Africans or American Red Indians or the art-loving Indonesians, declined to be lured into wage slavery, the planters used their influence with the local European Governments and European officials to force the local peoples to accept wage-slavery, and to work for very low wages under the most inhuman conditions through their cruel, burdensome and hypocritical hut and poll taxes payable only in cash. Actually, the cash demanded by imperialists could be had only by wage-earning and indenture labour contracts. Indians and Chinese were imported into Burma and Malaya to work on rice fields, tea and other plantations and mines. These new manufacturing cum land-holding companies were thus trying to minimize their dependence upon peasant economy and avoid the need to have to pay at any time much higher prices on the contingency of peasants' non-cooperation, by ensuring definite supplies from their own plantations. These new capitalist cum land-lords, with their interest in the associated manufactures, have turned out to be more leisurely local landlords. They have contributed to the complete suppression and downfall of local peasantry, and to the further tightening of the imperialist tentacles such as the commercial safe-guards incorporated by Great Britain in 1935 Indian Constitution and by France in her Agreements with Morocco and Tunisia.

By thus inducing large numbers of peasantry to concentrate upon the cultivation I any one or two neighbouring areas, of one or two commercial crops such as cotton, tobacco, sugar-cane, groundnut, linseed, rape-seed or cocoanut, the modern capitalist system has succeeded in disabling peasants in more than one direction, and making them dependent upon its services for some of their most elementary needs. For instance, the tracts devoted to anyone of these commercial crops cannot produce enough quantities of cereals, green manure, and cattle fodder needed by the local peasantry and so they have to import them from other areas. That means; that the aid of capitalism has to be sought by them in order to supply themselves wit ordinary necessaries of life for themselves and their cattle. Indeed, many a Latin American Country, like Chile, is obliged to depend so largely upon the

imported food grains. Thus did the British and Danish dairy farmers come to depend, with such dire effects during the World War II, upon the imported cattle food. Instead of carrying on their subsistence farming in the first instance, and the raising surplus produce and placing that alone on the markets as was done formerly, millions of peasants of every country are today obliged to depend upon the mercy of markets for the purchase of their daily family and farm necessaries.

The Rural Credit Survey (1954-55) made by the Reserve Bank of India, has also indicated the following processes and stages by which the social economy of Indian villages has come to be impinged and influenced by modern capitalism:-

"Money and the use of money assumed much larger significance than before, even in those' subsistence' areas. As a rule, however, the powerful interests of export succeeded in imposing the cash economy, only without the periphery of their own transactions with the rural economy. In the cities and towns grew up bodies which were ancillary to the main institutions of export trade and finance. These consisted of banks, firms, trading houses and individual agents, financiers etc., representing the indigenous interests....Lower down in the rural area, was the village money-lender, and the village trader (Often the same individual as well as the village money-lender) the small-town trader or the commission agent .... Who aligned themselves to, for indeed they were the necessary instruments of, the new economic system which rapidly invaded the old". Since the banking institutions of the commercialized economy were little interested in these areas, the money-lender, as distinguished from the trader in cash-crops, assumed greater power. In its industrial aspect, rural self-sufficiency had been affected even earlier, since the products of Cottage industries had to compete with those of the organized industry. "There should have been but there was not – a planned –attempt on the part of the State to minimize the socio-economic effects of the new and inevitable forces on the millions of people adversely affected by an unplanned transition from one order to another". (p.123).

The subsidiary earnings of peasants, which they used to gain by carting the local produce to the markets on their bullock carts, are also lost, due to the introduction of railway and motor lorry transport. The manufacture and repairs of agricultural implements, which used to be carried on locally at reasonable prices often paid in kind, are transferred to towns and have to be paid for in cash

at exorbitant prices. Manures, which were being produced on their farms through green-manures, cow-dung and stable-yard manure, have now to be purchased from powerful chemical combines at unreasonably high prices. The high costs of 'Inputs' have become a bugbear even to British farmers. Food for men and cattle, was raised on their own farms has now to be purchased in markets in larger or smaller proportions at prices which are bloated with the loaded profits charged by merchants. Even the comparatively better-off American farmers are obliged to complain about the rising costs of processing and marketing, leaving only a minor share of the consumers' price to themselves.

What was never dreamt of, quite a number of land-lords are being replaced by joint-stock land-holding companies.

To crown all their oppressions, World Capitalism is now trying to rehabilitate. World Markets in order to assure to the industrial classes steady and cheap supplies, and insure them against any future attempts of peasants to limit their supplies and raise the general level of agricultural prices.

Thus, capitalism has been trying with much success to degrade agriculture form its former position of being the center of all other economic and social activities and the arbiter of the mode and scale and temper of national economic planning and activity, into a highly 'cornered' 'quarantined' and 'shackled' industry, hedging it all round by more powerful and numerous specialized economic services which had been, in the earlier times, a part of the social system revolving around agriculture.

Thus, uptill the end of the war in 1945-46, World Captalism fulfilled the anticipation of Marx, that it would gain a stranglehold over rural economy of envelop peasantry within its python-embrace. But, thanks to the operations of the German economy of 'Autaurky' the War-time dependence of the belligerents on local agriculture, and the post-war liberation of India, Ethiopia, Ceylon, Burma, Indonesia, Indochina, Egypt, Sudan and Phillippines, and the growing independence of African countries like Morocco, Tunisia, Gold Coast, Nigeria, capitalism and its main weapon, the World Market, are losing their monopoly, and the World peasantry are emerging again into independence. Even the U.S. businessmen are obliged to accept the inevitability of 'agrarian economic nationalism'. Peasant economy is gaining a new vigour through the co-operative movement, and the ever increasing adoption of 'price-support' policy by more and more countries. Thus a new era is emerging especially since the War.

CHAPTER V

GOVERNMENTS HAVE AIDED CAPITALISM

Governments aid capitalism as against peasants by insisting upon cost economy in its dealings with them – thus helping merchants, money-lenders- Governmental expenditure helps mostly non-rural people – Governmental failure to come to rescue of peasants has helped merchants – inter war period witnessed a change for the better in Governments attitude towards peasants – but it is stepmotherly when contrasted with their solicitude towards industrialists and capitalists especially colonial Governments, helped capitalism by encouraging production of cash-crops under capitalist-ownership through such devices as indentured labour-Forced labour-war time emergency forced, Governments to think of peasants- even post-war international developments are not satisfactory-demands of peasants include determined programme of rural regeneration – on the other hand peasants display commendable spirit of self help, capacity to answer demands of the times.

Governments too have gone out of their way right up to the outbreak of the last world war to load the dice against peasants in their unequal struggle against capitalism.

Various Governments burden peasants with their unjust and unbearable levies of taxation direct and indirect whose incidence is much bigger on them than on the richer classes, especially the commercial and industrial sections. Even English farmers are weighted down by the un-equal tax burdens, especially the onerous local rates. The Indian peasants have had to pay too heavy taxes to Government and ever heavier rents to landlords and that too, just during those months when the harvests are just coming in and prices are bound to be too low. The Indian Taxation Commission (Mathai Commission) has reversed the 20 year trend to public opinion and insisted that peasants must be prepared tobear much heavier burdens of taxation. The Planning Commission is insisting upon the levy of surcharges on land revenue, betterment levies and extension of income tax to agricultural incomes also. The African Governments have gone out of their way in imposing their hut and poll taxes.

The malicious insistence of most of the Governments, especially of the African Governments that peasants should pay their taxes only in cash has had dire

consequences upon peasants. This forces the African peoples to forsake their reserves, engage themselves as wage-slaves to the European , Indian or Arab land-owners or businessmen and earn just enough to pay off these hated taxes. And the merchants are not slow to take advantage of the extreme need of African peasants for cash, created by the State at the instance of the European landlords and businessmen. This obliges a good number of Africans to sell their forest or agricultural produce, such as ivory, hides and skins, honey , at nominal prices. This, thus contributes much to the break up of the tribal hegemony and internal social security of Africans and also to the rapid loss of their 'will tolive'

Such insistene upon the cash payments has such bad effects that the 'depression' of agriculture is either caused or intensified by it. From the beginning of its career, capitalism took the fullest advantage of it and managed to make 'Production under duress' as the hallmark of agriculture. Marx observed in his 'Capital' that 'the desparate proverty of the French peasantry under Loius XIV was due, not only to the gross amount of taxes in money, instead of in kind payment in kind is one of the secrets of the preservatin of the Ottoman Empire. If the foreign trade which the Western powers have forced upon Japan should lead to the payment of land rent there in money, instead of in kind, it will be all up with the model agricultural system of that country".

Marx wrote in Capital Vol.I, page 117: "The class struggle of the ancient world took the form mainly of a struggle between the creditors and debtors, and in Rome, it ended in the ruin of the plebian debtors, who became slaves. In the middle ages, the same struggle ended with the ruin of the feudal debtors, who lost their political power when they lost the economic basis on which it had been built". The British helped the Chettiars of India to grant the lands of Burmese peasants. So also the French Government helped the French capitalists to gain huge plantations in Indo-China. (History of S.E. Asia by Prof. Hall.)

Besides, this need to have to pay taxes, rents etc. in cash has invariably driven peasants into the arms of money lenders most of whom have their finger in the pie of marketing. The rates of interest have varied from 24 to 50% per annum and 30 to 50% for the season. When peasants were unable to repay their debts, the creditors naturally deprived them of their lands and converted them into mere tenants at will, there after in eternal indebtedness, since such rack-rents could never be fully

paid. No wonder many a bitter struggle took place between such debtors and creditors, as for instance the U.S.A. riots between the farmers and the bankers in 1930-33 and also, the Burmese peasants in 1930 and 41-42, revolts against chettiar landlords cum money lenders.

By their public expenditure too, Governments have been favouring the commercial and industrial classes. The Second Five Year Plan of India proves this abundantly. Most of their civil servants and defence, forces especially their highly paid officers are recruited from these classes and their contractors and manufactures of the Defence equipment hail from them. Thus a great per centage of the growing state expenditure on the civil administration and defence services benefits directly or indirectly the urban capitalist classes. The Union Government proposes to spare only Rs.200/- crores for village development (N.G.S.) out of its planned expenditure (including investments) of Rs. 6330 crores, that is 12% on agriculture and community projects out of 4800 crores of public expenditure. Their housing plans indicate that only Rs.200/- crores will be spent on rural housing where millions of houses are needed for the homeless Harijans, other depressed classes, while Rs.160-/ crores are to be spent on urban housing, where only 15% of India's population lives. Especially in colonial countries so little of public expenditure finds its way back to peasants and workers who really contribute most of their tax revenues but so much of it is spent for the benefit of the White Settlers who pay so little. Governments are almost everywhere actually transferring wealth to commercial and industrial and professional classes and from rural to urban masses. This means of grabbing the surplus value produced by the peasants and workers, adopted by the capitalist classes and extracted through the medium of the State, which they control, is in addition to the direct profits, derived by them from their exploitation of peasants and workers in agricultural, industrial and commercial spheres of life.

Legislation too of the Pre-World War I has failed to realize the weakness of peasants and workers vis-à-vis the capitalists and to take the necessary protective steps to raise the bargaining capacity of the weaker party. From the beginning of the history of states-legislation, through its fiction that all contracting parties are equal to each other in their capacity to understand and safeguard and improve their own interests has considered any two or more parties to any business or other transaction as equals and as free individuals, entitkled to dispose of their interests, properties and persons as they please. In this regard, both the Western and Eastern law givers have

committed the same grae worng to the common peples of the World. And the nineteenth century capitalist hegemony of the world and its slogan of "Laissez Faire" had even turned the law definitely hostile towards peasants and workers by creating the presumption in the mind of the bourgeois judges that the masses must be vicious and wrong, every time they come into conflict with the powers that be, that is, the capitalists.

Even by their negative attitude of non-interest in peasants, Governments have invariably aided World Capitalism. They have refused for too long to interfere with what they are pleased to call the even course of the commerce and trade transactions, even in glaring cases of unequal agreements etc. they do not prevent the alienation, at nominal prices of numerous peasants' holdings; their eviction from thei rancestral homes and famrs and the virtual grabbing of lakhs of acres of rich lands by absentee-landlords cum money-lenders and planters. They have not adequately protected peasants during the successive depressions and even wars. They have not cared to protect them effectively from the mischief of banks and money-lenders during such economic crises. They have not yet begun to fix and enforce minimum prices for agricultural produce and their complement minimum wages for rural proletariat in most Asian and African countries, so as to assure minimum standards of decent and endurable life for the peasant masses. The 1954-55 move by Indian Government to support wheat prices was a halting one especially as the price so fixed – was far too low to be economic.

It is true that the Governments of both imperial countries, free countries and colonial regions had begun during the Inter-war period and especially in the wake of the Great Economic depression, to pass some protective legislation and to take administrative measures to afford some protection to the long neglected peasants. Money-lending came t be regulated in some countries, moratorium was declared in some regions and Co-operative Credit was expanded. Legislation to prevent eviction of tenants, to ensure some security of tenure, to reduce rents and also to enable tenants to purchase their lands was also passed in many countries. Some progress was made in regulating markets, and controlling some of the malpractices. But their cumulative effect was not sufficiently protective. The biggest change for the better was witnessed during the Economic Depression when more and more Governments began to shoulder the responsibility to protect their peasants from the terrible effects of depressions and booms caused by world Capitalism and its world markets.

During the War, almost all governments hastened to pass legislation and adopt administrative measures to control agriculture not so much in the interests of peasants, but for the sake of consumers and generally against peasants. But during these postwar years, certainly a better attitude has come to prevail in the counsels of Governments and pro-peasant protective measures have come to be added to the pro-consumers' weapons of the State. Even today, the State hesitates much to take a just and really propeasant attitude, whenever there is a conflict between the interests of peasants and others. On the whole, it is true to say that the State in Democratic or Soviet Sector of the World is not fair to peasantry.

This step-motherly attitude to peasants becomes all the more glaring when contrasted with the extreme solicitude shown by different Governments for the protection of the capitalist classes, when they are faced with similar and even much smaller crises. To mention only a few of the emergent protective steps taken by the Governments in the interests of capitalist classes: Moratorium was declared in 1914 when war was decalred by England and again in 1931 when England went off Gold Standard; in 1932-33 when American Rural Banks were tottering, action was taken to safe-guard the interests of depositors of Banks by many of the continental Governements also. Steps were taken to assure minimum profits Railway companies and many other enterprises started in colonial and semi-colonial countries. Tax burdens, notably the rates of income-tax, and super-tax, were lowered during economic crisis to accommodate the capitalists even when peasants were being forced to pay the same land revenue and other taxes, whose real burdens were rising owing to the fall in agricultural prices.

To protect industries from the same evil effects of the operation of world price levels, caused by free competition between the producers of all countries, the modern state had devised the system of subsidies, tariffs and bilateral treaties, barter exchanges, exchange equalization funds etc., it has facilitated, by various means , the prevalence of different scales of prices for the same commodities not only in different countries, but also in different parts of the same country and also as between the 'Home Conusmers' and the outsiders; often times the former being made to pay higher prices. The home industries of any country lay claim and it is accepted by its Government to preferential treatment at the hands of their Government in the purchase of government stores department. And in certain cases, as in India, 10% preference is given by Government to local manufactures. Even though the Revenue

Duties are levied primarily for tax revenue purposes, capitalist enterprise derives protection. The Elaborate system of barter-exchange as between industrial goods of a capitalist country, restrictions of foreign trade to certain classes of commodities the issue of licenses for the import of any commodity. The export bounties though the offer of free or cheaper railway and shipping facilities or reimbursing any incidental losses and the convenient manipulations with local currency and foreign exchanges and the imperial preferences have been developed not only by the totalitarian powers alone but also by the Democratic powers, with the sole object of protecting, stimulating and developing their local industries, commerce and their multifarious interests. Various trade missions were organized to push up the sales of manufactured goods.

In fact, the latest schemes of the Geneva and Havana World Trade Conferences and the GAAT., and the World Monetary Fund for the "stabilization of the currencies and exchanges of nations" are devised to rehabilitate world capitalism. In pre-war days every nation when denied outside markets, reserved, as far as possible, its internal markets exclusively for itself. By lack of foreign exchange, the smaller and undeveloped nations were unable to purchase the Anglo-American manufacturers. But the World Monetary Fund is really intended to benefit mostly the industrial nations. "the economically advanced nations will lay down the law and benefit therefrom at the expense of the poorer but fast developing nations". While the World Bank, U.S.A. 's Import and Export Bank have been helping the Western nations so largely, the proposal sponsored by India and other under-developed countries fro a special United Nations Fund fro Economic Development (S.U.N.F.E.D.) has not yet been implemented.

Even during and after the Second World War, the stae was trying, especially in countries like India to protect the industrial and commercial classes and urban interests by organsing the Industrial Finance Corporation, Development Corporation etc., and also by controlling and keeping down food prices and introducing rationing of food grains and other essential commodities of everyday use so that the urban professional and proletarian masses could be appeased. All the salaried employees of both Government and private enterprises were granted war allowances in proportion to the raise in price-index. On the other hand the peasants of Bengal, Orissa, Bihar and elsewhere were left to the tender mercies of food famine, while most of the local food surpluses were taken away for war purposes. Government

failed to successfully control the prices of industrial goods and services and to introduce food and cloth rationing in rural areas. Thus the earlier process of invisible drain of rural resources to urban people was intensified and peasants were further impoverished through the wartime price-policy and taxation.

Most of the colonial Governments had gone out of their way, especially during the last two centuries to facilitate the exploitation and subjection of agriculture by capitalism. By their failure to protect the cottage industries and the local industries through the necessary manipulation of the tariffs, and by encouraging the importation of the industrial goods that were bound to destroy local arts and crafts, these colonial governments contributed to the pauperization of the local artisans; the deprivation of the subsidiary employment of peasants and the destruction of that happy blending and harmonization of agriculture and industry of the east which sustained the continued prosperity of the rural masses of the colonies. By directly subsidizing the construction of railways and guaranteeing minimum profits thereon, they have facilitated the speedy and cheap importation of western manufactures and the export of colonial raw produce. By standing by money-lenders and bankers and offering temporarily to imprison their debtors when necessary, (Indian Civil Procedure Code, Sec.60-61) to keep their debtors in perpetual bondage (the gothi bonds) through the so-called fiction of breach of contract, to collect their bad debts and to track down their way-ward debtors and by many other means, Governments have facilitated the task of capitalists in keeping down and exploiting peasants.

The debt-relief legislation, bringing down the burden of old debts has helped to some extent. But owing to the paucity of credit supplies, the grip of money-lenders on peasants is a killing as ever. Land Mortgage and Multipurpose Co-operatives are yet too powerless to liberate peasants from their exploitation. The Forward Contracts , whereby merchants mangage to get at peasants' produce at dead cheap prices are enforced, while no steps are taken either to enforce proper weights and measures or to organize "open markets" inorder to protect peasants from the viles of merchants.

When, however, capitalism needs the development of any aspect of agriculture, when peasants are not so keen to respond to the demands and needs of capitalism; colonial and other Governments have not been slow in throwing to the winds their professions of the slogan of non-interference in economic life of

people and taking special and even coercive steps to force up the production of the desired agricultural produce. The whole history of the barbarous "forced labour" of Africa and the post war pea-nut production campaign organized by the British Socialist Ministry is bound up with this solicitude of colonial Governments towards the needs of European commerce and industry. In India too, the Indigo-planters and the merchants of the Gangetic and Himalayan Valleys, most of whom happened to be Europeans were specially aided in their cruel methods of forcing the Bihar. Champaran etc... peasants to grow indigo under the most onerous conditions, sometimes, even to the exclusion of the production of food and fodder crops. It needed a great Satyagraha movement....the first of its kind in modern world history led by Mahatma Gandhi and Rajendra Prasad to force the Indian Government to liberate the peasants from the vicioius hold of European planters.

Similarly, the much hated "indentured labour" system was devised to draft every year of many thousands of innocent Indians and transport them to Natal and other African areas, Darjeeling and Nilgiri, Assam Hills in India, Burma, Malaya and Ceylon, there to work, virtually as bend slaves, for the contracted five years, without any guarantee of adequate facilities to return to their native country and villages. The Government of India colluded with the other colonial Governments and their European planters in thus capturing the poverty-stricken people of Indian villages and degrading them into indentured slaves. True to British dictum of doing everything in the name of law, the Government of India passed the Indentured Labour Act in 1853; that it, hardly ten years after its formal outlawing of slavery and perpetrated this terrible inhumanity in the interests of capitalism.

One observer remarked in 1860. "It was like buying animals and smacked a good deal like slavery in the U.S.A. The Coolies were put under a five year indenture; the pay for the men being Rs.5/- and for women Rs.4/- per month for a full day's work". These contracts contained "penal provisions and workers who attempted to run away .... Before their term was finished ,were punished with imprisonment". They were virtually imprisoned either on the gardens or in the goals". (The Indian Peasant Uprooted..P132) Through the efforts of Desa Bandhu (Poorman's friend) Mitra and others, many of the evils of this "slave law" of Assam etc., Tea Gardens were mitigated and the Indenture Act was finally repealed after the last war. But the workmen's Breach of Contract Act was not repealed till 1926. So, "hateful cases of fraud, coercion, and kidnapping for securing these

labourers...occasional acts of outrage on men and women" which were noticed upto" 1900 by R.C. Dutt continued to stain the career of Assam Tea Plantations right upto 1920. The Roayl Commission of Indian laboru which reported in 1930 was unable to say how far the practice of private arrest prevails, but that it is exercised they have no doubt". I can say from ny experience of the work in Cental Legislative Assembly between 1935-55 that no special steps have been taken by Government of India and Assam to protect these helpless workers. If such has been the plight of Indian workers on plantations situated in India, what might have been the fate of the earlier indenture Indian workers and their later successor; in distant lands across the seas? R.C. Dutt's criticism made in 1900 holds good even today that"the influence of capitalism is strong and no Government has yet ventured...to abolish the system of semi-slavery (Economic History of India...Vol. II. P.352)

During the American civil war, British Government suddenly discovered that the Lancashire manufacturers were faced with a cotton famine and so, it hastened topress Government of India to take emergent steps to raise long staple cottone in India. Even earlier the House of Commons'Committee had recommended crops for export since her capacity to purchase manufacturers was gong down as a result of the detruction of her own manufacturers.and so, the too-willing-Government of India hastened to start some experimental farms, imported a few American Cotton planters and began to take the special steps, which had later culminated in the development of Sukkur Barrage Irrigation Projects and the foundation of the Indian Central Cotton Committee to ensure the production of long staple cotton in India. The twentieth century concern shown by Government of India, including the enquiries made by Indian Cotton Committee; the researches, finance and the various co-operative seed distribution concerns are all a direct result of that anxiety of Government of England to see that once again Lancashire should not have to suffer from any "cotton famine" as had taken place during that American Civil War and as had again threatened to take place during the last World War.

The first World War persuaded the British Gobernment to further the production of cotton, oil-seeds, coco, rubber, sisal etc., in certain parts of Africa.

Similarly when its protégés, the planters of coffee, tea, rubber, needed special protection, especially in the last war and 1930-35 economic depression, the Imperial Governments, so much dominated by capitalism were not slow in offering to them

all possible emergent assistance- including special legislation – and help them to restrict the areas under those crops, reduce their total production and force up the levels of world price parity and thus ensure the continued prosperitu of their plantations and the payments of fat dividends to their European investors.

We have again witnessed during the Second World War the emergent and speedy steps taken by various Capitalist Governments on both sides in order to stimulate great production of food, commercial and other crops of strategic importance and rubber plantations in India, Brazil etc. From offering special bonus to workers and higher prices for agricultural produce, from the financing of the conversion of grasslands of England into wheat fields, from the waiving of irrigation restrictions of land tax by some Indian Provincial Governments, from the elimination of all middlemen and socialisaton of agricultural marketing in England to the control od middlemen in India, from the fixation of maximum prices of some cereals to the missionary campaign to induce the youth to turn to land, every possible persuasive, coercive step was taken by competent Governments to stimulate and augment the total production of necessary agricultural produce.

Why did they display such sudden interest in this much neglected industry? Because as Lloyd George, Ex-Premier of England, exclaimed in Parliament on 13-3-40 "All the other Great War Governments or those who anticipated was-Mussoloni, Hitler, Stalin-regarded increased food production as about the most important part of their programme of preparation for a war". Because, without food, rubber, oil-seeds, cotton, jute, sisal, hemp,wool, mutton and beef, hides, and skins etc., wars could not be carried on. Because the world markets have broken down and the usual free flow of imports could not be relied upon, and the customery practice of keeping down agricultural prices had to be relaxed. Because "with the drying up of many of the main streams of world trade, most countries and regions were forced to become self-sufficient" (F.A.O. Survery 1955). Because the local peasants did not care to exert themselves specially and bring more land under cultivation and carry on intensive cultivation at the usual depressed and courtesy prices. Because the peasantry everywhere lost their faith in the professions of the capitalist Government. Because the Capitalist Governments realized that in any emergency produce could be serviceable, due to its wasteful and too costly methods.

Nevertheless, these capitalist Governments and their capitalist beneficiaries are unwilling to forget their usual habits of extracting their profits from out of the poor peasants. It was found that on the whole, the agricultural produce were being purchased at prices which were comparatively lower than the industrial prices, if their relative rises are compared with the increase in the currency circulations.

The British Minister for Agriculure stated in Parliament on 25-1-1940 that though some protection would be given to farmers to ease the transition to nomaley after the end of the war, it would be impossible to assure "guranteed prices for a long time beyond the war" but that only during the war " a guaranteed market at reasonable price for the goods which farmers produce" would be given. *By 1954, most of that protectin came to be withdrawn from the farmers.

The New Deal initiative was taken by U.S.A. Government to help peasants to ward off the worst effects of the last economic depression. But that too became possible only under the compelling pressure of the awakened and enraged peasantry. The U.S. Government had at last got the representative Assembly to pass law, assuring to peasants the continuation of agricultural prices at 90% of their war-time level for two years after the end of the war. That protection was continued uptill the 1954 crop season. The Government of India has at long last agreed to prescribe minimum prices for at least wheat, paddy whose price-rises were controlled by uneconomic ceiling rates during the war and right upto 1952.

Even after the World War II and the foundation of the F.A.O. and after all the terrible experiences of food scarcities and famines experienced by the World since 1939, the Capitalistic outlook towards agriculture has not changed very much nor have International Bank and Colombo Plan, marshall Plan etc., realized the primary responsibility of the World towards agriculture,as is evident from a careful perusal of the section entitled "Financing of Agricultural Development" of the F.A.O. Review of a Decade and Out look". For international bank advanced loans to agriculture only upto 233 million dollars out of its total advances of 2274 millions i.e.10.4% . out of the 5081 million dollars of private capital investment flowing from U.S. in 1946-53 only 42 millions (barely 1%) went to agriculture and of this as much as 36 millions went to Latin America. The U.S. Export and Import Bank provided upto the end of 1954, 261 million dollars for agriculture which was only 4% of all the credits advanced by it.

United Kingdom devoted to agriculture only 10% of her foreign investments. Out of the 14,000 million dollars of Marshall Plan assistance, to European Countrics, only 200 millions, that too, in the form of tractors and other agricultural machines have gone to agriculture. The F.A.O. survey admits that 'farmers savings are too small and the sources of credit available to them too inadequate"... A great many countries have realised that internal resources alone would not enable them to reach even moderate targets of development". Can there be a more un-conscionable neglect of the greatest sources of living of the largest percentage of world population?

Mr. Woytinsky has also come to the conclusion that "international agreements-not necessarily of a uniform character- could promote and facilitate foreign productive investments by reconciling the urgent need for foreign capital in under-developed countries with their reluctance to become "economic colonies" of money-lending nations" World Commerce and Governments P.246.

Even in the United States, with their well-deserved reputation for having led the World through their agricultural price-parity scheme and farm credit system, the Conference on Economic Progress charged the Government of partiality towards capitalists and comparative neglect of farm interests. It stated that "the rapid tax mortization program covered portions of about 26 billion dollars worth of projects and about 15.5 billion dollars worth of industrial expansion actually benefited by write-off provisions. The Treasury losses on these transactions – may well reach 2.7 billion by the end of 1955. The termination of World War II defence production contracts, on terms favourable to industry, cost Government 6.8 billion dollars. Government losses on the sale of surplus property alone came to 2.6 billion. 'It observed' there has been no comparable effort to protect the American Farmer against the after-effects of the vast expansion in his production. The net cost to the Government of supporting the (farm) surpluses has been a mere bagatelle" comparatively.(p.64)

"All fo the programs which help to maintain and advance standard of living, old-age-insurance, outlays for education and health and housing and even relief payment have assumed for larger per capita magnitudes in the non-farm sector than in the farmsector(p.64). in fact, it has been calculated that all the contribution made

by the U.S. government towards price supports since its inception comes to "less than one dollar a year for every person in the U.S.

It has become necessary for Massingham to detail the following needs or demands of British farmers even in 1955, "Stabilized prices, access to capital and credit facilities free of interest, an intensive mixed husbandry requiring abundance instead of scarcity of labour; an integrated economy o fsubsistence farming whereby home, family and labour interact; fullness of production based on the fertility of the soil and the sale of surpluses and not on cash-cropping for export, variety and balance of crop and stock, manual work aided by small machines and not total mechanization supplemented by exiguous man-power, regional and co-operative buying and selling, the ladder of apprenticeship between pupil and master...work as a vocation and not as a penance to be mitigated by shorter hours and higher wages; small workshops and machine – shops attached to each community's central control-farm to each settlements; the pooling of resources for larger undertakings, part-time workers producing food on their own plots for their families between day labouring on other farms; decentralization, status and the revival of the tradition of mutual aid". (Prophecy of Famine.P.130.)

Almost the same or same type of needs are experienced and demands are being made by the peasants of most countries in the Democratic world.

If agriculturists are not able to protect their soils from erosion, and if they have filed to build "soil-banks" on their lands and if adequate and proper manures are not supplied to their lands; most suitable and economical implements are not purchased and used, and if the most suitable and profitable subsidiary or joint industries like stock-raising, dairy farming, poultry farming, bee-hiving are not developed, the fault is entirely that of the modern state, which is so much engrossed with the welfare and profit motives of world capitalism. And also, if agriculture is not sufficiently financed with cheap credit; protected from vicissitudes of seasons, and famine and if fire, cattle insurances are not organized, and if diversified, intensive and scientific cultivation is not yet developed, if consolidation of holdings and co-operative cultivation of land are not achieved, if peasants are not educated in scientific farming and their standard of efficiency has not risen, whose fault can it be but that of the modern state. Its failure to prohibit effectively usurous rates of interest, and to develop co-operative marketing, to fully finance agriculture and liquidate its past

indebtedness through co-operative finances, supplemented fully by state advances, and to organize under governmental or co-operative auspices all the industrial processing needed to prepare agricultural produce for markets, is a powerful contributory factor for agricultural depression. Anyone who has studied the financial needs of under-developed countries, to develop all the necessary irrigational and drainage projects and also for the execution of nation-wide anti-erosion, aforestation, soil and river conservancy schemes can realize how impossible it is for millions of impoverished, depressed, illiterate, neglected peasantry to undertake any of these great or small schemes of protection and development. Yet the modern state has pursued, except for the brief spate of special activity during the 1931-33 depression and 1939-45 war, its suicidal policy towards agriculture.

It is estimated by the F.A.O. experts that "to increase agricultural production by 2% a year – would require some 2 billion dollars of investment capital annually, exclusive of Japan. Only about 900 million dollars is available from all sources". (Story of F.A.O. p160 by Gov. Hambridge,1955).

The Reserve Bank of India and its committee on the Rural Credit Survey (1955) have condemned by implication, the failure of the Governments of the first half of this century by making the following plea in their Report for State intervention and help to the Co-operatives.

Stressing the need for "Co-operation in conjuction with the State, they said "the prevailing conditions cannot be transformed by the very persons who are oppressed and rendered weak by their existence".

And likening the poor and middle peasants to the crippled children struck down by infantile paralysis, the survey observed "No one has yet suggested that those children should depend on themselves as much as possible and form themselves into a mutual association for individual rehabilitation".

The Survey asserts "what India most needs today is a comprehensive and determined programme of rural regeneration their traditional crop economy. In fact they have displayed too much haste and too little judgment in exchanging their time honoured and better balanced subsistence cum commercial planning for untrustworthy and dangerous single crop economy of the capitalist age.

For instance, the F.A.O. recorded, after surveying the developments during the decade of its existence that the "World consumption of fertilizers, has almost doubled since before the War. World tractor numbers show a threefold increase over the pre-war level. In the under-developed countries a notable development is the increased attention to basic food crops. New synthetic pesticides and selective to basic food crops. New synthetic pesticides and selective wee killers have made a considerable contribution. In the temperate zones there has been substantial improvement in the management of grasslands and fodder crops". "Considerable progress has been made in the control of animal diseases" and in the "recording of animal yields, artificial insemination, and in the improvement of indigenous breed". "In the United States, for example, production per acre of cropland and per breeding unit of live-stock are both 30% above the 1925-39 average. As a result of the various economic, social and technical measures adopted. World production , excluding the Communist bloc – was 25% greater in 1954 than in 1934-38". The result of this progressive momentum of production by peasants is the "mountainous surpluses" as exclaimed by President Eisenhour of U.S.A. in his Farm Message of 1956. He complained that "for each bushel-equivalent sold, 1 ½ have replaced it in the stock piles".

It is by now clear that once any change is demonstrated, to be more profitable, feasible and suitable to the local soils, seasons and markets, peasants are only too ready to adopt it. Even manufacturers have not shown such readiness to adopt changed and new methods to enterprise, organization and cultivation since their powers to resist changes are greater and their interest in waiting until their costly machinery and other investments are properly and fully worked out is greater than their need to adopt the changed and improved machinery and other methods. Indeed, many a time, the peasants too –great-reliance upon these treacherous tastes of capitalism and its vehicles – the world markets-and their too facile readiness to change their rural economy to suit the while of the markets has landed them in aweful predicaments, as was evidenced during the world crisis of the two World Wars and economic depressions. For instance, large sums were invested during the first War by thousands of peasants in many countries in changing over to indigo cultivation and the associated construction of tubs, but once the War was over, the demand for indigo disappeared. All the agricultural non-European countries were faced with the loss of almost all their export markets for their commercial crops since 1939 and

after the entry of Japan into War, the condition became worse. Almost all the colonial agriculturists are at the sweet will and pleasure of the Anglo-American demand, which can play dregs and drakes with them.

Immediately after the World War II there was great shortage of food stuffs and all agricultural produce. The F.A.O. owed its birth to the World's anxiety to step up agricultural production and save the World from starvation and raise the nutritional levels of its populations; so high pressure propaganda, incentives were blazoned forth throughout the World to induce peasants to put their maximum efforts. During these twelve postwar years, World peasantry have more than fulfilled the demands made on them. For instance, there has been a 30% rise in production between 1946-1955 and 20% between 1934-55. to consider the break-ups of this, there has been the following increases of production since 1934-38 average 100; North America 132, Oceania 113, Western Europe 118; Africa144; Near East 145;Latin America 147 and Far East (excluding China)112. There has been a greater progress, more valuable on the live-stock front too, excepting for the Far East. Yet today the wheat producers of North America, Rice producers of Burma, Thailand are in troubles because of their "surpluses" and the world has not yet adopted any protective or insurance measures to save their peasants from such calamities.

It cannot even be said that peasants are averse to the use of agricultural machinery and electricity, wherever such use can be proved to be profitable. In fact twice as much power is now used to run tractors etc., on farms in U.S. as is used to run all the factories put together. (V.Story of the F.A.O).

Since 1930, tractors in use have multiplied more than 5 times and grain combines and corn pickers about 16 times. Purchases of fertilizers were multiplied about 3 times. In 1955, despite 14% absolute cut in cotton acreage, reducing it further to about 5% of total crop acreage, it was 6% in 1954, the indicated yield per acre is up about 19% above the previous year, Man-hours used for crops have dropped about 47%; cotton alone recorded

A decline of 66% . so the 'Conference on Economic Progress' complained that the farmer has made these adjustments equally well, without comparable recognition or reward

(P. 25) Even the U.S.S.R. peasants have taken to mechanized agriculture.

In having failed so far to help effectively such a progressive-minded credulous peasantry, and in continuing its predatory and one-sided taxation, public expenditure, trade and industrial policies and programmes and in persisting in its methods of transferring through various means, the agricultural wealth to the industrial and commercial classes, the modern State has committed grave social injustice. So long as the State is not liberated fully from the control of the capitalist forces and so long as its partiality towards the urban and capitalist sections continues and so long as the peasantry fail to capture political power and take into their own hands the steering wheel of the modern state and so long as the proletariat do not realize their blunder in having accepted the capitalist-generated prejudices against agriculturists and Marxian misconceptions about Village Commonwealths, this injustice will continue to be perpetrated against peasants in markets, commerce, legislatures and Government and Universities. When such is the social injustice heaped upon peasants by the democratic state, need one detail the utter suppression and wanton injury done do peasants by the totalitarian Communist State, which looks upon peasants as its enemy No.1?

One is however tempted to conclude that a wholesome change seems to be coming over the attitude of the Democratic State in the Free World, judging from the radical legislative and administrative steps that the Government of the United States has been taking during the past 25 years. But, alas, there seems to be such a time-lag between U.S.A. and other countries of the West and so much more time-lag, when we turn to the under-developed countries of the world. Moreover the contrast between the vast resources of the U.S.A. and the want of resources even for providing the primary social and environmental equipment for peasants of the under developed areas is so colossal that one is inclined to give way to despair. Since anyhow, U.S.A. is able to set the standards which other countries do try to follow in a willy nilly fashion within a decade or two, the following exhortation of President Eisenhour to the American Congress in his 1955 January Sixth Address, may be taken as the indication of the dawn of an inspiring era of States' new attitude towards World Peasantry.

Says President Eisenhour-"No group is more fundamental to our national life than our farmers. In successful prosecution of the War, the Nation called for the utmost effort of its farmers. Their response was superb. Their contribution unsurpassed.

"We are-concerned not only with our essential continuing supplies of food and fiber but also with a way of life. Both are indispenable to the well-being and strength of the Nation.

"Our objective must be to help bring production into balance with existing and new markets, at prices that yield farmers a return for their work in life with what other Americans get.

"We must assist our farmers to achieve their fair share of our national income.

"The dimensions of Government responsibility are as broad and complex as the farm problem itself".

CHAPTER VI

CAPITALISTIC EXPLOITATION OF PEASANTRY

Peasants of all countries are being exploited but in varying degrees-those of the rich United States to a smaller extent than those of poor India etc., this is the obverse side of Lenin's Law of Uneven development of Capitalism – in every country, peasants are found in an inferior condition vis-a-vis other classes and as between urban and rural areas, the people of rural areas are in an inferior position- due to the operations of the law of uneven incidence of capitalism and imperialism.

There may be an impression in certain quarters that the great disparities in the income levels of land-owning peasants and wages of the landless section between one country and another, especially between the lands of the coloured people and the continents domiciled by white people can only be due to their respective higher or lower levels of efficiency lad neither capitalism nor imperialism. But in fact, capitalism tries to exploit the peasantry and the proletariat, as its very essence lies in extracting as much out of life-blood of the toilers as possible for the progress of bourgeois civilization. But as with the proletariat, so with the world peasantry its capacity to exploit these toilers varies in direct proportion to the degree of fall in the politico-economic status of the concerned country and its masses from the complete economic and political independence that every country hankers after and that only the imperialist powers have so far enjoyed so fully.

Lenin's law of uneven development of capitalism explains how a country of higher capitalist development can come to dominate over another of lower stage of capitalist development and how it is possible for an imperialist power with a higher capitalist mechanism to exploit a colony of lower-capitalist achievements. Prof. Hall of U.S.A. has had to observe in 1955, in his "History of South East Asia", that in French eyes, the function of a colony was to supply the mother country with raw materials and products which did not compete with her own" (P.654).

Indian economists like P.S. Lokanathan have grasped the importance of this point, but in their own way. They call it the "fundamental dynamic problem posed by differential possible rates of economic development of the various

countries". Why is there such a problem? It is because of the uneven development of capitalism. Because England and U.S.A. have already attained a high state of industrial, commercial efficiency and organiation, their future rate of development will necessarily not to be so high, whereas the hitherto underdeveloped countries like India and China, will try to attain a higher rate of development.

Lenin foresaw that Imperial powers with a higher state of economic development could achieve two objects; one to exploit countries of lower economic strength and the other, to prevent their future development. Our economists had to realize, thanks to their colonial environment, how the Anglo-American currency stabilization schemes tend to arrest, in the name of world harmony and peace, the rapid development of industrialization of colonial countries. (see Eastern Economist 1-10-43).

But it does not seek to account for the varying impact or incidence of capitalist-imperialism upon the economic conditions and especially, upon the peasantry of different countries in the world. That task can be performed by the application of this law of uneven incidence of capitalist exploitation of the masses, especially the world peasantry. This law only means this: that the impact of world capitalism is not the same on all countries and their peasantry and proletariat; that is, it is less disastrous in countries which are completely independent; politically and economically and whose masses are organized, class conscious and revolutionary minded and more in countries, which are subject to the economic imperialism of one or more imperialist countries and whose peasantry and proletariat are less well developed and most in countries which are subject to both economic and political domination by one or more imperialist powers etc. Thus, these two laws, when taken together help us to explain why such and such countries are subject to colonial exploitation and why there are so many discrepancies even in their respective status and why there is so much variation in the politico-economic status of their people, especially the peasantry and the proletariat.

Moreover, this law of uneven incidence of capialist exploitation of the peasantry and the proletariat helps us to understand how, through their efforts to destroy any portion of their political or economic subjection and to achieve greater freedom from the domination of both capitalism and imperialism, the masses of any one country can be escaping from more and more of capitalist exploitation. Conversely it also helps us to understand how world-capitalism is today able to take the maximum advantage of

the many differences existing in economic status of different countries, by pitting their toilers against each other and trying to impose upon all of them, uniform levels of remuneration, treat they have achieved greater immunity from economic and political uncertainities regarding the minimum prices for agricultural produce and minimum wages for their workers.

CHAPTER VII

PARASITIC COSTS OF CULTIVATION

Orthodox economists assumed, but, wrongly that land revenue, rent, usurious interest charges are paid can be paid only out of net incomes of peasants- Actually peasants pay them from out their legitimate remuneration for their services, since they have no alternative source of employment-so these payments are to be treated as parasitic costs of cultivation - capitalism has failed to save peasants from these parasites-peasants' just demand for net incomes to afford them ever higher social and cultural standards – there are conscious parasites like landlords, bankers, governments-unconscious parasites like the proletariat, urban professionals-higher proletarian incomes are in part due to the surplus value extracted from peasants through the imposition of lower prices for agricultural produce- social revolution and socialist reconstruction of the Western democracies will be possible only when their socialists help to stop this invisible drain of peasants resources for the stability of their capitalist regimes.

According to Marshallian economists, who are brought up on the Ricardian traditions, land rents can arise only from net incomes form agriculture and cannot form a part of the costs of cultivation. Similarly the orthodox Marxists maintain that interest on capital can also be taken only from net incomes. The general impression created on one's mind is that all the rents and interest charges paid by peasants arise only out of net incomes from land and do not entrench upon the legitimate costs of cultivation. It is because of such an assumption that the British Land Revenue Settlement officers considered erroneously the lease amounts paid by Indian tenants to their landlords as indicating the minimum net incomes derived by cultivating owners of land.

It is not really the case with the World's agriculture. According to these theories, those lands, which are absolutely on the margin of cultivation do not yield any rents or interest charges. Actually even in the days of Marx, the new settlers in U.S.A. were being obliged to disgorge their former savings or borrowed sums for the purchase of the privilege of taking the marginal lands under cultivation. Even the shifting (fugitive) cultivation on Indian hills and forests is made to pay rent, though it yields even less than marginal lands. Lands worse than marginal regions are allowed to be cultivated only on the share-cropping basis; that is, half the

total produce being handed over to landlords whose only contribution is their claim to the lands. The Indian land tax, which claims to absorb 50% of all the net income and which actually is found to absorb very much more, is levied on all lands under cultivation, whether they are on the margin of profitable cultivation or not. Moreover, the poorer the land, the smaller the chance of good crop and the greater the risk of a failure, the higher the usurious rate of interest that its cultivator is obliged to pay. Therefore it is wrong to entertain the old nations that rent and interest charge do not really entrench upon costs of cultivation. I do not mean to say that they ought to form part of costs of cultivation even under ideal conditions; that is, when land-ownership is not maintained by the force of law and custom, enforced by society and state; when loan of capital can be had freely or cheaply from the society or state and when individuals are provided both work and nourishment, without themselves seeking work, and running the risk of unemployment and starvation, as is the case in the contemporary society. As things are, the primary and preliminary conditions subject to which alone peasants are allowed to cultivate lands are the payment of land revenue and rents and interest on loans and it is only after these are accounted for, can they begin to see if their costs of cultivation are being fully met or not and if there can be any net income. Whether one likes to classify these charges for rents or revenue and interest as costs of cultivation or not they have somehow to be paid for before land can be cultivated. Such is the law of the present capitalist society and we are not concerned with the discernment of the laws of an ideal society, wherever it may come to be established. Even the New Economic Policy as well as that of the later Socialist Construction of Russia stipulated that peasants should pay interest on the capital borrowed and grain payments to the state (though the obnoxious word, rent was avoided)

But thanks to their ostrich-like attitude towards peasants, both capitalists and their economists had felt themselves justified in their theories, once they could assure themselves that barring land revenue or rent and interest; other major costs of cultivation are supposed to be covered by the ruling prices of agricultural produce. And they felt that so long as peasants are able to pay the rent or revenue and interest on debts, their costs of cultivation must have been covered. This is arguing in a circle. But it sufficed their purpose and absolved their conscience. One need only observe the unanimity with which the British Land Revenue Settlement officers of India question with unconscious naivete, how, if really costs of cultivation are not being recovered, peasants could be continuing their cultivation from generation to generation. So great was the influence of

their teaching of economics that even after India has attained Swaraj, Indian Ministers of Food and Agriculture repeated the same wrong argument. That is, Swaraj Ministers too said that their uneconomic procurement prices, imposed upon peasants through coercion, must be covering costs of cultivation as otherwise peasants would not continue to produce.

If we consider the present social dispensation as the most indispensable one which I am sure most capitalists dare not say, then, the land revenue or rent and interest charges must form a part of our supply schedule or costs of cultivation. If on the other hand, we are to view things from the abstract and ideal order of society, then these two charges are superfluous and their collectors parasites, pure and simple. In truth, instead of these charges being paid from out of net incomes, as wrongly assumed by economists, they are paid from out of what ought to go to peasants' maintenance. Thus they entrench upon the very livelihood of peasants, not to speak of the impoverishment of their cattle, soils etc. then what do we mean by costs of cultivation? According to the Marshallian economics, we have to estimate or ascertain the marginal levels of costs of each of the factors of production that go to the development of cultivation. In practice, the prices paid for these factors of production depend very largely, as we have seen in our chapter on the Law of Key Services, not through the aid of enfettered operation of competition which is the very marrow of Marshallian economics, but upon the relative bargaining capacity of the parties to the bargain; the manufacturers, bankers and commercial interests, who supply the various factors of production and the peasants. Since the former are organized nationally as well as internationally and the latter are utterly unorganized and unprotected, the former are able to maintain their marginal price levels at an artificially propped-up higher figures, much higher than their supply schedules and certainly far above their average costs of production. The only factors of production, which are unable to play the same profitable game are the land-owning peasants, tenants and landless agricultural workers. They have a thank their stars if they are able to obtain mere 'subsistence' remuneration amounting to the socially necessary labour value needed to keep their bodies and souls together and in fact in most cases they are unable to obtain even 75% as much. That is one of the main reasons for the wide spread under nourishment and biting poverty of the vast peasant masses.

So, the costs of cultivation as they actually appear to the modern peasant include the bloated and parasitical charges demanded and extracted by landlords, money-lenders, manufacturers, who sell manures, implements and other daily necessaries of

his farm and family; the starvation feeding given to cattle the subsistence protection, and the under manuring of land, the less than subnormal family allowance attained by peasants themselves. Will it be enough, even under the present capitalist dispensation, it these ill-assorted costs of cultivation are covered by agricultural prices? Obvisouly they will not be adequate. Such a state of things is not even safe or economical. The present day problems of growing menace of soil erosion, dwindling efficiency and high incidence of moratlity of cattle, the chronic malnutrition diminishing vitality and longevity and growing ill-health and consequent lassitude of peasants, the alarming spread of epidemics, vanereals and scourges like Malaria; among the world peasantry; the Bengal and Orissa Plague of starvation (1943) and such other social ills are the results of failure of the present economic organization to enable agriculture to meet even these ill assorted inadequate and subnormal costs of cultivation. The short sighted bourgeoisie of the West and imperialists of the world are racing furiously towards the doom of not only themselves but also of the whole of the world and of the vast innocent peasant humanity because of this great, growing cancer. World wars are so much due to this incessant failure of modern capitalism to readjust agricultural budget in such a way that atleast the minimum costs of cultivation are covered as to any other causes. For, what happens when peasants are half-starved? Their purchasing capacity remains too low and the possibility to expand markets for manufactured goods becomes very limited. Growing production of manufactures threaten to glut the markets and bring about temporary collapse of the economic order. But this practice of obtaining raw materials at too low prices by exploiting peasants by thus under-feeding them, their cattle and their lands, though short-sighted policy when viewed from the world's long-term interests, is so exciting that the international rivalry for the possession of such limitless reservoirs of cheap services and goods grows more and more intense and results in world wars.

But who can help peasants to re-arrange their supply schedule in such a way that all those interests, which do not render any essential and useful services such as landlords are liquidated; that all other key interests and services like credit, marketing, communications, which today extract much more than their due share are prevented from indulging in their mischief and that peasants of all cadres are adequately remunerated at least upto their minimum subsistence levels; their cattle are properly fed; their lands are fully protected and enriched and their implements and buildings modernized and kept in good repairs? The present capitalist system has failed to do

this. It is incapable of performing that duty. The modern world peasant alone must undertake this colossal task of self-help. The first step to be taken in essaying such self-help is to properly analyse and understand as to who are all the conscious and unconscious parasites which are sweating and starving him, and which sections of them can be won over as allies and which sections to be fought and vanquished.

Before we proceed to enquire as to the various parasites who wax rich on peasants, we have also to see if there is any need to provide peasants with a net income. Go wherever one may, in this world, one meets with the same universal complaint from peasants that they are unable to obtain any net income. What do they mean by this? They expect that their cultivation to yield them such gross income to cover all their costs of cultivation including their own maintenance, besides covering all other charges and leave some surplus over and above that. Why do they desire it? Because they invoke the memories of the Village Commonwealth and its conservation and social utilization of all their surplus value. They instinctively feel that life is not worth living if they are to go on slaving only for subsistence and that their occupation ought to leave them enough to enable them to enjoy some cultural attainments, to indulge in some harmless social pleasures and holidays, to build healthy homes, lovely villages, and to attain artistic dress and other ornaments and environs. They are not wrong in cherishing such wholesome and human desires for a real existence. Much more than such a humble and decent, reasonable and essential desideratum of peasants, is today being actually attained and enjoyed by large sections of modern bourgeoisie and even by the proletariat. Therefore to wish for a reasonable net income after covering a more adequate and better balanced supply schedule (cultivation budgets) is only to lay claim to the minimum social share from out of the present wealth and income of the people of the world. But to-day though every peasant from the landless to the land-owning one, passionately desires such a net income, only a tiny minority of peasants i.e., quasi-landlords of the favoured few capitalist countries, and independent colonies are able to enjoy that much of satisfaction and the overwhelming majority of World's peasantry have still a long way to go to achieve even a better balanced supply schedule, not to speak of attaining any real net income.

The magnitude of the landlord, banker and Government together create the conditions which the consumer and manufacturer take full advantage of, to force upon

the peasant production under durss. The merchant garners the harvest, just the bee gather honey and the manufacturer and banker and the intellectuals extract their respective but disproportionate shares ostensibly for their services but by using pincers of the merchant and the ultimate consumer. When he sells both the agricultural implements, manures etc and also the ordinary manufactured goods of every day use, the manufacturer is able to extract huge aggregate profits, since his products belonging to the 'B' class among those entering markets are not so much subject to the control of world markets and his bargaining capacity is greater. He again drives a hard bargain with the peasant , but through the medium of merchant, when he buys agricultural produce. Modern commerce is but a willing ally of the merchant and the manufacturer. It is true that all of them do manage to swallow up the major protion of the booty that they extract from peasants but with the backing of the ability of ultimate consumers to shift their demand from one commodity to another, from one consumption habit to another, thanks to their own powerful advertising machinery. Nevertheless, a good portion of such a booty is allowed to drift to the ultimate consumers. Even among such consumers, the urban section gains much more than the rural folk owing to the former's greater ability; education, ability to take advantage of what little competition there may be between manufactures, wholesaler and retailers, their proximity to markets and their flexible habits of consumption, and their possession of ready cash.

Modern Government ranks as one of the most unshamed parasites in the sense that it extracts, under great duress, much more than its proportionate share of the tax burdens from peasants and spends in return so little of public revenues upon the improvement of their life, while getting less from the bourgeoisie and spending more on them. It forces "production under duress" upon peasants and facilitates "production for profit" of the manufacturers and their allies.

We now come to the unconscious beneficiaries of capitalist exploitation of peasants. They are mostly the proletariat and the urban intellectual workers such as clerks, shop assistants, teachers and intellectuals. These people do not wish to exploit peasants. If they can be shown ways and means by which peasants can be assured of better life, higher standard of living and more just and adequate returns and of real immunity from exploitation, without at the same time, lowering their own standards of life, they will be quite willing to lend a helping hand to modern world peasant in his freedom movement. But either many of them are unaware of their invisible absorption of the resources of peasant masses or, if some of them are conscious of it, as must be

the case with a good number of the British, French, American, German and Indian proletariat, they are demoralized by such bribes offered by their local Imperialism or capitalism. It came as a shock to me to see how the Indian labour leaders demanded in 1948 the re-imposition of food controls, claiming that the working classes depended so much on "Cereal Economy". In fact the controls had to be withdrawn in 1952 inspite of the loud protests of Indian Communists and Socialists. But almost all the modern proletariat swallow the obliging capitalist propaganda that their relative higher wages and earnings are the special results of their special skill, efficiency and hard work as compared with the inefficient, unprogressive and lethargic rural folk.

The exercise of a little thought can help them to see through these prejudices and unworthy fears and self-interest, engendered in their minds by the capitalist propaganda and bribes. World production in 1954 was almost 30% greater than in 1946-47 and almost 20% greater than before war. (F.A.O. Review 1955) . Even if the colonial peasants are to be condemned to be specially inefficient and unorganized – a charge that is not so generally applicable – the American peasants are not open to such a charge. Then why is it that their average per capita income is not even one half of the proletariat? The English, Australian, German and Canadian peasants are certainly considered to be working under tolerable conditions of efficiency with modern machinery and manures and more than minimum state protection. In fact, in England, farmers are divided into A,B,C classes, in the order of their efficiency and only 1% of the lowest grade © farmers were found unable and unwilling to cultivate as directed by the Board of Agriculture and Mr. Wentworth Day rightly concludes that it is "a high tribute to the industry"

Yet, why is it, they are unable to enjoy half as good a standard of living as the lowest paid coolies or proletariat even after making allowances for the special troubles of housing etc., experienced by the urban people? Why have the British agricultural workers had to wait till 1938 to obtain unemployment insurance, whereas the proletariat had enjoyed its protection since 1914? Even assuming that the mining of iron-ore, coal and the extraction of kerosene and petrol have given tactical advantages to certain countries, how is one to explain the great disparity prevailing between the wage levels of their respective peasantry? "All of the programmes which help to maintain and advance the standard of living, old age insurance, outlays for education and health and housing and even relief payments have assumed for larger per capita magnitudes in the non-farm sector than in the farm sector" (F.A.O. Review 1955) in 1951, accidents

caused three time as many facilities per 1,00,000 workers on the farm as in manufacturing. Maternal mortality rates are markedly higher in farm regions. Agriculture is excluded by most states from Workmen's Compensation Laws (p.46). These are fields where the idea of parity of treatment of the farmer has lagged seriously (F.A.O. Review 1955 p.64)

Our friends, the proletariat will do well to shed their prejudices and misnomers and recognize the fact that for its own reasons modern capitalism has begun pampering them with a number of concessions such as higher wages and social services and keeping down the great bulk of peasantry of the whole world.

It was indeed a great misfortune that the Western socialists who had been demanding equal pay for equal work, especially with reference to proletarian women, had failed to realize, until after the World War II, the greater urgency and applicability of the same slogan to peasant masses. They fell into the capitalist trap; concentrated upon their own local inequalities of incomes, rewards and wealth and felt satisfied with striving for better conditions for their local proletariat. And when they realized the danger of too great disparities in wage levels of competing cadres of proletariat of different countries, they demanded and obtained some elementary leveling up of international wage levels and the provision of primary social services, through the Conventions of the International Labour Office (I.L.O). But they would not realize that until and unless this most fundamental and sub-terranean injustice is set right, that primary cause for the prop of later inequalities of wealth, as between the proletariat and the bourgeoisie, could not be removed. They were content with the increasing concessions being made by their masters and they would not bother as to how and at whose cost all those new concessions were being made and the newly proposed Beveridge Plans of Social Security were being offered. Hence the failure of their Socialism to make any effective appeal to peasants either of their own countries or of the rest of the world.

The inequality of the present social dispensation is phenomenal. The capitalists of England protested so loudly against the humble demand for factory legislation, limitation of hours of labour, de-casualisation of employment and freedom to combine and form Trade Unions, made by the local proletariat during the first half of last century, when they alone had monopoly of the whole world markets, both for raw materials and manufactured goods, on the plea that they could not afford them. Right up to the end of

that century England was able to hold the premier position in the capitalist world; all other countries coming far behind. Yet, it would not yield any noticeable concessions on the ground that its prosperity would be adversely affected by them. But the twentieth century's competitive and warring capitalism of different countries has been yielding more and more concessions; from minimum wages to unemployment insurances, from old age pensions tó family endowments, from health insurance to housing schemes, from slum clearances to adult educational facilities, from Trade Boards for the protection of sweated workers to Conciliation Boards and profit-sharing and Works Committees. And today there are the social securities organized by the British Labour Government, based on the Beveridge Plans. What is the mystery? Whence have come these additional resources for all these special services for the industrial workers?

Messrs. Bowly and Cole have demonstrated 'through their statistical surveys' that the inequalities of incomes and wealth in capitalist countries have not decreased but on the other hand have worsened; that though the general level of prices, wages and workers' standards of living and the scale of social services have all risen quite appreciably, the wealth, annual income, social standards and cultural opportunities of the bourgeoisie have not shown any signs of falling. Despite the repeated World Economic crises and the last World War, the Capitalists' progress, prosperity and profits are on the up grade.

What is the key to this mystery? For too long a period, the masses were deceived into believing that all this extraordinary and windfall-like prosperity of the western people was due to one of two causes: the Gold production of American continent and Africa, the open looting of accumulated Gold of Latin America, India or the discovery and exploitation of the industrial and commercial use of new sources of power and industrial opportunities. So far as the former is concerned, whatever advantages might have accrued from such unshamed and open grabbing of gold and silver hoards has gone to the building up of the nineteenth century European Wealth. As for the latter source it is true that a certain amount of monopoly advantage accrued to those fortunate countries in which such means of power and resources were discovered. But the history of Latin America, Malaya, Dutch, East Indies, Mogul, and Persia shows that even this advantage did not benefit so much the local people as their imperial masters and capitalist suitors. Once those monopoly advantages came to be equalized to a great extent as between all the competing competing Capitalist countries, the other main sources of continuous

benefit can only be the actual working of all such mineral and other power resources. So far as this goes, it is in no way different from the exploitation of land. In both, returns come only in so far as labour is applied in initial stages, much more than proportionate returns are obtained for every unit of labour applied to it than is generally the case with work on non-agricultural, non-mineral and non-large-scale industries. But as the labour processes become more or less standardised, marginal limits of production are reached or left behind and some of the infirmities of old age afflict both the working of mines, minerals and land. There cannot be very great differences between the respective yields of the successive applications of labour to the extraction and utilization of sources of power of land. Even if industrial labour is considered to be twice as efficient as that of peasants, to make up for that, peasants are working for twice as many hours and with grater zeal, interest and spirit and the members of their family too work with the same tempo and yet, their whole family income is not atleast as much as that of a single industrial worker.

Whence then does the greater income of the proletariat come? In part, it may be due to the advantages arising from large scale industrial organization; that is, the results of the Law of Increasing Returns. But surely there is no ground for thinking that all this great difference in wages of industrial and agricultural workers is due to any of the above-mentioned or other special inherent advantages of 'Co-operative' or Co-ordinated working by large numbers of machino-facture, of large scale production and of monopoly exploitation of mineral and power resources.

A very good portion of this additional imcome derived by the proletariat could only be arising from some other non industrial and mineral sources. The commercial and professional interests are more the beneficiaries and allies of the industrial interests that distribute these higher wages, than their victims. Peasants alone are the major body of people, who do not gain anything noticeable from the operation of either the bourgeoisie or the proletariat. They alone seem to suffer from a number of artifical handicaps: from "production under duress" to the tolls levied by key services and interests, from the onslaught of world markets to the heavy incidence of imperialist exploitation created and engendered by the very capitalism that makes a monopoly of its services to peasants, from manufactures to commerce, from the state to world markets. They indeed are forced by capitalism to part with their produce at too low prices and to purchase the industrial products and services offered by capitalism at too high prices and thus deny themselves of the fruits of much of their own labour. It is from this source

that every day from every part of the World, an ever swelling stream of wealth has been flowing into the veins of world capitalism and it is from this un-earned increment of wealth that capitalism has been providing even more costly social services, and even more costly higher wages for the proletariat.

"MARX AND ENGELS ON INDIA" Marx's expectations of the collapse of capitalism have not yet materialized because of this constant flow of unearned income, extracted under duress from an ever expanding source of wealth. Lenin realized it and observed that the British Working Class, who had been expected by Marx to rise first and most successfully against capitalism and achieve socialism, had failed to develop even a revolutionary movement and had embraced Fabianism and Parliamentary methods because it had come to be bribed by the capitalists with a partial sharing in the British Colonial Exploitation. "Hence the need for a stubborn, incessant, effective struggle against the Jingoism of the so-called socialists in the ruling nations (Britain, France, the United States, Italy, Japan etc.) who, in each country are unwilling to put up a genuine fight against 'their own ' Imperialist Government, or to support attempts of the exploited and oppressed in their own colonies to throw off the imperialist yoke and to establish Independent States" said Stalin.

Even today fortunately for them all the colonial resources in men and minerals have not yet been fully tapped. More and more slices of colonial peasants are being won over for being exploited by Capitalism through the treacherous world markets and recently by the more trickish imperial preferential system. There are still vast areas of unoccupied, virgin and highly fertile lands in Canada, Australia, New-Zealand, Argentina, Brazil, Mexico, Kenya and even in China and India and Indonesian areas and also large numbers of peasants who are yet to adopt the average efficient standards of cultivation and many crops whose improved varieties have yet to be adopted. Therefore the imperialists' opportunity to exploit fully colonies, their people and resources are not yet exhausted and their rivals in the game of imperialist exploitation are stimulated by their desire and prospects of further development of colonies.

There is thus much possibility for world's capitalism to go on, for some time longer, making further concessions to their proletariat and thus negotiate with their urge towards revolutionary action, by continuing to exploit the peasantry

and by exploiting and exhausting all the vast agricultural resources that yet await full exploitation. It is wrong for Western Socialists or their colonial pupils to expect a spontaneous and historic movement of the proletariat against capitalist system as such as long as these un-explored and virgin agricultural resources, and avenues of progress are available. The greater probability is that the proletariat may turn round to economism and parlimentarianism, since it is possible to wring more and more favours from capitalism for some more decades if the peasantry do not upset their common apple-cart. All present indications are that even if an isolated cases as in England, Australia, the labour does come into power from time to time, it is not so willing to give up its un-earned income drawn from their colonies, as a result of the capitalist exploitation of agriculturists.

Unless the proletariat and their Socialist leaders manage to re-orientate their politico-economic conceptions so as to really and fully understand their place in the present Capitalist cum Imperialist World Order and to realize the need for them to support and strengthen the struggle of peasants to stop this safety valve of Capitalism by making it impossible to go on exploiting the colonial people and especially peasants, they cannot really hope to have an early chance of achieving their own social revolution in their respective countries.

'The New Statesman and Nation ' of London has sounded a timely warning that "if the British Labour Party is to go forward, it must become the champion of these millions of industry-hungry colonial peoples who demand equality today just as British workers did in 1906" (18-2-1956)

Whereas in the days of the old Village Common Wealths of India and China, much the most important portion of the surplus value produced by peasantry was sought to be utilised according to their well thought out plans; today a number of people, such as money-lenders, bankers, merchants, public services, commercial and industrial classes and their partners and dependents share in the appropriation of not only the surplus value but also in many cases, a good portion of the agricultural wealth that properly stands for the "Socially necessary labour" that ought to go to maintain the peasants and their lands and soil in their minimum health and efficiency. The question of the day is whether or not the proletariat will join hands with peasants in crying a halt to this unconscionable misappropriation of peasants' surplus value and to their own share in it. As long as they continue to cherish the Marxian prejudices against peasants, peasants' culture, cultivation and village life and their

movement for liberation from their economic and political shackles and demand that peasants ought to accept their leadership, in the hope of finding some emancipation at their hands in their dictatorship, they are likely to be suspected. The reaction of world peasants to the dreadful treatment of Russian peasants by the U.S.S.R. both before and after the achievement of collectivization of agriculture, of the suppression of peasant parties in all the S.E. Soviet countries does not re-assure them that proletarian dictatorship is likely to treat them much better than capitalist dictatorship. They can be really encouraged to strike against their masters in alliance with the proletariat only when they can feel sure that the latter are prepared to champion their cause, which may immediately, though temporarily, mean the stoppage of the capitalists' bribes that are flowing into their wages, social services and other opportunities. Are the proletariat ready for this?

CHAPTER VIII

IS AGRICULTURE A DEPRESSED INDUSTRY ?

"THE HISTORY OF MAN AND OF NATIONS, IS THE HISTORY OF AGRICULTURE AND STOCK-RAISING"

The so called "Depression in Agriculture" that is reflected in its low productivity, prices and per capita is not a natural one. It is not brought about by the inherent defects of the peasantry or by any mal-allocation of factors of production or by any bad organization. It is only an artificially engendered depression. The exploitation of the peasantry by feudal lords in Feudalism "Key-services" especially merchants in Capitalism, Imperialistic agents in colonialism – The World Economic Crisis – The periodical loss of capital invested in cultivation owing to frequent failure of crops – Lack of any credit institutions and the natural calamities like famines, floods, droughts, cyclones, soil erosions – The factors that artificially created this situation in this industry.

Marx has rightly observed that "Labour with white skin cannot emanicipate itself where labour with black skin is branded," (Capital, Vol. I, p. 309) and it applies equally to the white and the dark, the emanicipated and the slave, the land holding and the landless peasantry. H.G. Wells writes; "But whether the peasant was getting a greater or lesser share out of his total yield, whether he was serf or debtor or free and prosperous, small farmer with no master above him, did not in the least alter the fact that the economy of the community was entirely based on him. This applied as much to most of the contemporary world as it applied to the whole of it in the eighteenth century. Not only then but also at present, majority of "the human world" is one of "small localized cultivator, and its towns, industries and monasteries, courts and armies, such as they were all resting in the last resort on the indefatigable toil of the man with the plough and spade, working in the vicinity". And it is this man who has been kept, in large areas of the world, as a slave, semi-slave or a depressed untouchable or peon, and the character and economic status and political position of agriculture and peasantry in general have consequently been depressed.

Our contention is that the depression in agriculture is not a natural one; that is, it is not brought about by any inherent defects in our peasantry as such, by any irreparable consequences of bad organization or of wrong application of factors of production or of wasteful utilization of agricultural resources. Anyhow it is not due to any irrecoverable loss of vitality in our peasantry, not is it caused by any irresistible advance of a better means of obtaining all the needed agricultural produce. It is the legacy of a number of horrible social injustices, indignities, and suppressions that have been heaped upon world peasantry for centuries, and which are being perpetuated even today though in an attenuated form. Even today the 120 millions of Africans, the 12 million Negroes of U.S.A., all the Indian and Negroes of South America, the eighty millions of Harijans and other "Scheduled castes" and tribes of India and a host of Malayans, Burmese, Phillippines and the lower cadres of people in a number of other Asiatic and Pacific lands are forced to live a wretched life, with little food and clothing, in huts and hovels. They work until their bones are worn out for the mere privilege of living. It is this horrible, depressing and degrading foundation of world's economic life that prevents the emancipation of peasants from the clutches of Capitalism and frustrates their efforts to achieve a better and juster social order.

It is an artificially engendered depression. There can never be a real and permanent depression for agriculture even if it can set in for manufacturers. That this baggy that "agriculture is a depressed industry" is raised by some politicians and economists of the imperialist persuasion will become evident to any impartial observer of the praiseworthy attempts made by world peasantry to meet the growing and varied needs of modern world.

This depressed state of agriculture cannot be due to any slackening in the work of peasants, for while there is a limitation of hours of work of industrial workers there is no such limit for their work and indeed, a great number of peasants over-work themselves to the limit of exhaustion. It can not be because peasants are unwilling to take to new crops or new methods of cultivation, for they have been rising equal to the demands made on them. It can not even be so, because there is so much of small-scale farming, as it has been shown over and over again by the experience of many a country from Holland and Denmark to Japan that though peasants do overwork on such

farming, their per capita and per acre production compares favourably with that of large-scale farming. And also because, wherever large-scale farming has been demonstrated to be more profitable, peasants have not been found to be unwilling to develop co-operative farming. It is due mostly, if not wholly, to the fact that agriculture has not yet had an opportunity to fully emancipate itself from the disabilities which it has inherited from the feudal era and the new shackles that have been fastened on to it by Capitalism from its very commencement*.

In feudal times, peasants were mere serfs, forced to live from hand to mouth, to be content with the lowest social life and environment and to put up with the greatest social indignities, economic grievances and helplessness. The only person who wished to and could purchase anything in markets, under those conditions, were either the landlords or urban merchants, professional classes and merchants. So the feudal lords had plenty of surplus grain and other agricultural produce on their hands for which they had little use; thanks to the exploitation of their peasants. But they needed a number of luxuries; they wanted to indulge in many extravagances and they could obtain them only from merchants hailing from towns and demanding money in exchange. So, the feudal chiefs had to part with enormous quantities of their agricultural produce, at nominal prices as it were in order to obtain the wherewithal (cash) with which to purchase the luxuries needed so badly by them, owing to their anxiety to be in fashion that was being set by the Kings and Emperors. Gradually it was found more convenient for those Chiefs to demand from their quasi-independent peasants only cash rents to minimize their need to indulge in market transactions in selling. Their estates were so large and rich and their peasants, serfs and slaves were so numerous and hand working that they never found it necessary to be careful in marketing their grain and thus obtaining proper and economic prices for their grain and thus obtaining proper and economic prices for their grain or to be economical in their purchases and indulgences. So they were prepared to part with their grain etc. at extremely

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"It is no good looking for a fertile, well husbanded and so productive soil from a peasantry either exploited for a purely commercial ends or victimized by the latest edition of the slave-making Empire nor where the peasant – is deprived of land to work, tools to work with and even a minimum of necessary capital" – Massingham's Prophecy of Famine" p. 120.

low prices – which can be better termed as "Courtesy Prices" – and to pay fabulous prices for their purchases of luxuries and conventional necessaries. Leontiev too observes "the merchant capitalist furnished the serf-owning landlords with all kinds of luxuries, making much profit thereby. Part of the tribute which the land-lords squeezed out of their serfs thus found its way into the pockets of the merchant – the representative of commercial capital". Similarly the usurer too has got his share by "lending money to the feudal lords at exorbitant interest" and also with the growth of commerce "the exploitation of the serfs by the land-lords grew stronger". (Political Economy, p. 61-62). On the other hand this growing fascination of feudal chiefs for international goods, luxuries and urban pleasures and life has meant the payment of higher rents by free peasants and greater work by serfs and worse treatment to slaves. And once the "courtesy prices" accepted by landlords came to be the rule, the poor peasants who were obliged to pay their rents in cash, had to sell their produce also at these "courtesy prices". Thus commened the tradition of unduly low prices for agricultural produce and comparatively higher prices for industrial and luxury goods and commercial services. This was more so in Europe and South America and the Oriental Countries of feudal regimes than in the Chinese and Indian village common-wealth's; for while the former depended upon urban manufactures and international commerce for the satisfaction of their increasing number of needs, the latter tried to develop the self-sufficiency in their economy, with its rich variegated cultural life and activities. Nevertheless, slowly the "courtesy prices" began to assert themselves even in such villages, as and when they desired to approach the urban markets.

Even in the case of African Tribes, their dealings with world markets are forced, in that they are obliged either to sell their forest and farm produce at dead cheap prices and realize the cash needed to pay the hut or poll taxes and thus continue to live in their reserves or to accept virtual serfdom on the European plantations. Naturally they prefer to sell their produce at dead cheap prices and realize enough money to pay the hated taxes to their white masters and remain free to live in their reserves. Since their standard of luxuries and conventional necessaries is not so high as that of others and since they are only anxious somehow to realize enough money to pay off the taxes and also

since they are completely ignorant of world prices for their produce, they often part with valuable skins, hides, furs, bones and cocoa and other agricultural and forest produce at prices which are much lower than even the "courtesy prices". Many a European company had earned millions of pounds by exchanging worthless glass beads and poisonous rum for the valuable African produce offered in return.

Almost from the beginning of European History, there has grown up the tradition of Governments trying their best to afford cheap and adequate supplies of grain and other food stuffs to their urban people. But there are not many instances in which Governments of ancients times and middle ages had tried to protect peasants from the rapacity of merchants and urban peoples by fixing any minimum prices. There were however such instances as the Roman Consuls and Emperors, Chandra Gupta and Kautilya of Ancient India, Alla-Uddin of Medieval India fixing maximum as well as reasonable levels of prices for various food commodities and others and going to the length of purchasing huge quantities of grain and selling it at lower prices. This tendency of even the present-day Governments has also had not a little to do in depressing agricultural prices to the level of 'courtesy prices'. During the second world war most of the Governments tried to keep down agricultural prices, to subsidize the food needed by urban, industrial and commercial classes and to prevent any adequate rise in prices of agricultural produce at least to the same extent as that of industrial goods.

When feudalism gave place to free peasantry, its heritage of these 'courtesy prices' was passed on as a 'millstone' to its successor, the free peasantry. Guilds and their artisans gave place to modern industries and their proletariat. But they have started with their initial advantage of comparatively better prices for their commodities and 'courtesy prices', for their food, which had to be purchased. The so-called laissez-faire policy of Government which came to be advocated since the days of Adam Smith and adopted as an article of faith by most European Governments in the eighteenth and nineteenth centuries, was responsible for giving full opportunity to European merchants and employers to rob the local peasants and proletariat and to loot, prosecute and enslave those of their dependencies. In their empires, European merchants

forced the colonial peasants to part with their goods for a song that is, such prices as were much lower than even the 'courtesy prices' paid in Europe.

As per the village common wealth's of the East, the Dutch, French and British Imperialists set about destroying their great immunity from the ravages of their merchants and international commerce by demanding the payment of land-tax only in cash. By dumping the European textiles at favourable rates and by killing local manufactures through the imposition of heavy taxes on looms, and other trades, and through the prevention of their exports to Europe they forced peasants to buy imported textiles by paying in cash. This forced them to part with their grain at dead cheap prices in order to realize enough cash to purchase cloth etc. Thus, by the end of the nineteenth century the Village Commonwealth's comparative immunity from Western exploitation was destroyed and even their peasants were forced to accept the "courtesy prices". There is little wonder then, in all over the world, in that the so-called "world price parity" for agricultural goods has come to be very low and relatively much lower than that of the industrial goods. Unit for unit of human labour and skill is embodied in them and the agricultural work is paid much less than the industrial and commercial work.

The very existence or semi-slavery of immense masses of the landless peasants of both the hemispheres depresses the other peasants terribly. Everyone is so anxious to rise above that miserable state and never to fall back again into it. So, the peasants are constantly struggling hard in almost every country to gain freedom from feudalism, first by obtaining a few statutory rights such as fixity of tenure, permanency of occupation, stabilized rents, and then to become full-pledged free owner of their holdings. Once they make their deubut into a market as owners of their own grain, they feel such a sense of relief and freedom that they are prepared to welcome even the present "courtesy prices" as a tempting offer; for, -when they had been struggling under the destructive wings of their feudal lords, they were offered even much lower prices for their surplus produce, if any. The local merchants are not slow to see their advantage. They begin to take advantage of the ignorance and the elation of these newly emancipated peasants and impose a number of deductions in the "courtesy prices", thus defrauding them. So great is their passion for the initial instalment of economic freedom that these passion for

the initial instalment of economic freedom that thse peasants rush to pay the extreme possible price for monumission and commutation of the feudal services like forced labour, the fixity of tenure and rent. They can do this only by parting with all their surplus value to the merchant who plies his terrible trade in the markets. They thus hasten to escape from the clutches of one devil only to fall into those of another. And this process is going on even under our very nose in large areas of the world.

The plantation economy of South and Central America, Indonesia, Ceylon, Malaya and even the slave States of U.S.A., had also contributed to the initiation and perpetuation of the "courtesy prices", since the planters could make huge incomes, even after accepting too low prices, and since they had to pay so little to their serfs and slaves and had so much land and so many slaves to produce vast quantities of grain etc. It was of no serious consequence to these planters if per capita income per worker engaged was so low. They only cared for their aggregate profits from their plantations as a whole.

Apart from the ancient feudalism of the Old World, the capitalist age has extended slavery or semi-slavery on most of Africa and on the greatest section of the American peasantry. The Indian and Chinese agricultural masses await researches into their national and economic history. It is necessary to study whether and in what respects the social and economic degradation of large sections of them was caused by the Western methods, that had been utilized to enslave free people to expropriate their lands and national wealth, turn them into slaves, peons and segregate them, and treat them as vagabonds and vagrants in their countries or in their new lands, force them to work for nominal wages after being emancipated in law, and hunted them down like wild animals if they chose to be free or intended to have social and sexual relations with the dominant races, and taxed for the privilege of being allowed to live in their huts and live in the circumscribed and notified reserves. From what little we know, we can safely say that the present day Harijans and the various so-called aboriginal people and tribes of India and the agricultural workers and large sections of small holders of China, whose numbers exceed a hundred million had been reduced to their present unenviable position through various methods of suppression that are usually adopted by conquerors, but tempered by the normal Oriental's cultured and humane way of dealing with different races and peoples.

The level of efficiency of agriculture and rural economy and also their capacity to progress and achieve parity with industry and commerce depend so largely upon the nature and degree of social and political freedom and economic status enjoyed by the peasantry all over the world. How can the White peasants achieve real and effective political emancipation and economic progress and freedom, as long as there are huge masses of colonial and dependent peasants to dump the world markets with their products, and get together through their survile labour ? And how can the White, Brown and Yellow free peasants achieve parity with the industrial and commercial classes within the present system as long as the very base of the agricultural masses consists of the half submerged, de-humanised, and starving survile peons, tribes and other depressed classes ? How can peasants ever hope to gain and retain their due land adequate share of power and freedom in a revolutionary society that is to come into existence on the fall of the capitalistic society, unless this great mass of semi-slaves are freed from their political, economic and social bondage ?

Famine is another factor that contributes so much to continued 'depression' in agriculture as compared with other industries. Agriculture is subject to the unforeseeable and almost uncontrollable vicissitudes of seasons such as floods, cyclones, draughts, and frosts. Changes in weather and the flow of rivers, bring in the rain, floods, famines and pestilences. These, in their turn, jeopardize the whole rural economy of vast tracts of land affected for months and sometimes for years together, prevent the sowing of seeds or the growth and harvesting of crops, waste the whole of the field-work and investments made by the peasants and throw them and their cattle into unemployment and want of food, fodder and even water. Deaths due to hunger and pestilences, caused by such calamities are being minimized in India. Nevertheless, Bengal has had to sacrifice 3.5 millions at the altar of starvation in 1943. Even when famine relief works are organized, as in India, the loss of seed and labour, costs of maintaining cattle and peasants and their farm servants and also the shock to the morale of rural population and the loss of their physical strength, are so colossal a burden on the rural economy. There is little wonder if peasants go under such an unbearable calamity. But in countries like Afghanistan, Iran, China, even this far too inadequate system of famine relief is unavailable. So the dependence of peasants upon money-lenders is made a permanent feature of rural economy because a fresh flood or draught, causing scarcity or famine visits peasants before they have time to recover from the dire effects of the previous calamity.

The wolf of famine is never too far away from peasants. "Famine is not usually the result of one dry year. The worst famines have been the result of two or even three dry years in succession... Famine weakens the resisting power of the people, affected by it and the malaria that breaks out after the rains, which end the famine, finds easy victims. So also cholera. In the three years draught that visited Rajaputana (1938-40) thousands of cattle perished". Writes Sir T. Vijia Raghavacharya in his Land and its Problems'. Rayalaseema in India is an area within the famine zone. It has had four famines and two years of scarcity between 1934-43, and taking that for every famine year there were two years of poor yields, those peasants had normal crops and harvests only for three years in a period of nine years. Thus four million peasants out of total population of five million were exposed to the wasting effects of vicissitudes of seasons for 6 out of nine years. There was a continuous state of famine for 4 years between 1948-52. The magnitude of their sufferings and economic losses can be understood from the fact that there were more than half-a-million unemployed on Government relief works even after the most onerous conditions were imposed for opening a relief work in order to minimize their number. Who can adequately imagine the troubles and sufferings of all these more numerous peasants who, out of shame, do not go to public relief works and who are yet unable to maintain themselves on the small loans contracted by them ? And during one year of war i.e. 1943, Midnapore in Bengal and Orissa Province and several districts in Tamilnadu suffered from Cyclone; Malabar from the outbreak of cholera, Rajaputana and Ajmer from floods, Bizapur in Bombay province from a terrible famine, Malabar and Travancore from food scarcity and cholera, and the whole of Bengal from food scarcity, Cholera and malariea caused by mal-nutrition. In 1954 alone, floods affected U.P, Bihar, Bengal, Assam and Orissa and the drought damaged Rajasthan, Tamilnad, and the floods and Cyclone hurt Andhra and Orissa. Millions of peasants lost all their crops, working capital and became easy victims of the mone-lenders. What else, but a chronic state of indebtedness, under-nourishment, pessimism, loss of morale and depletion of material resources, can result from such calamities ? The extreme helplessness of peasants, caused by these famines is indicated by the necessity felt by Government to supply even seed for the next sowing season, since all available grains had already been consumed, and there was not even money to buy it. Even the fairly large-scale farming of U.S.A, Argentina, Australia, find these vicissitudes of seasons to be too great a burden.

In addition, there are cattle epedimics, crop pests, migrations of locusts which cause incalculable damage to the peasant economy. In 1942-43 famines, cyclones and Bengal Tragedy, more than ¼ cattle and 35 lakhs of peasants died; in the 1945 East Coast (India) cyclone, peasants' losses were estimated at 4 to 6 crores. India has been experiencing during all these post-war years, floods in some states, draughts in others, cyclones and locust-visitations, and famine; their consequence is dogging the steps of our peasants in some part or the other of our country.

To fight against any or all these great calamities, only national and international insurance schemes can succeed in providing adequate protection to the peasants. The F.A.O. has also recognized this need. But even a beginning has not been made to initiate any such scheme. Until such a sharing-out of the colossal losses caused by them is devised and adopted, it is the duty of consumers to bear their share of these burdens in the shape of paying higher prices and of national Governments to organize insurance schemes. Instead, all conspire to condemn agriculture to a chronic state of depression by forcing it to bear the full brunt of these calamities.

Even while peasants are being daily impoverished through the enforced "depression" their lands are being progressively denuded of their fertility through erosion, and the inability of the peasants to provide their lands with bunds or other antierosion measures and to supply the much needed manures. Land, like a mine is likely to be exhausted over a few generations' use, unless it is constantly fertilized, cleansed, aired, watered, drained and bunded or otherwise, carefully tended. The Chinese peasants have understood this and have, therefore, been replenishing the fertility of their lands by assiduously applying all the manure they could get, including cow-dung and night-soil. The Japanese have also adopted this Chinese soil-conservancy policy. Hence the protection of the fertility of their soils, despite their most intensive cultivation for thousands of years. Not so was the case with the short-sighted and impatient and improvident Americans, Brazilians and Australians. In their over-anxiety to quickly get rich they have exhausted so much of their soils. Indian peasants have committed almost the same crime by their diversion of valuable cow-dung for fuel and by their failure to use night-soil as manures. The Rajputana, Gobi, Sahara and other deserts are spreading, many areas, hithergo fertile are becoming too poor to bear heavy crops. Large areas are being wasted away or destroyed by the floods and river-erosion. Even the sheet erosion washes away quickly and quietly six times as much

fertility of the soil as what crops absorb in any one year. Thus peasants have been working on their lands for all these millenniums, not knowing why their crops are yielding less and less. Blind disafforestation, podu or shifting cultivation, destruction of trees and leaving large plains unprotected from the ravages of winds in summer and frosts in winter have added their quota of destruction of the fertility of soil. Only recently, an awareness of the need for taking national and international steps to prevent such destruction of the fertility of soils has been growing. This growing calamity can not be put down to the account of the peasants, but ought to be tackled by the Governments. But as things are, it also contribute its share to the "depressed state of agriculture". It is only in the wake of 1951-56 agricultural depression caused by mounting surpluses that the U.S. Government is talking about building up deposits in `Soil Bank', i.e. giving rest to land by not growing crops thereupon for a few years.

As if these contributory factors are not enough, world economic crises have come to disable agriculture further during the last one hundred years. Though they are common to both manufacturing industries and agriculture, agriculture is unable to recover from their shocks as quickly as industries and their votaries. Peasants are more easily crushed than the richer and powerful capitalists and industrialists. We shall have occasion later on to notice in some detail, the effects of these crises – booms and depressions – upon agriculture as contrasted with manufactures etc. We have, however, to observe in this connection that there is a big and disastrous drain of rural wealth from peasants to industrial and commercial classes during every economic depression and to a less extent even during a boom.

To give only a few stray instances of the disastrous effects of economic depression upon such helpless people as Negroes of Africa : -

In Tanganyka, "although a total of sisal exports actually increased from 36,000 to 60,500 tons, the value fell from @ 1,500,000 to @ 698,000. The total of cotton exported increased from 72,000 to 1,00,000 centrals – but the value fell from @ 500,000 to $ 180,000." Kenya's experience was that 1,132,000 Cwt. of Maize was sold in 1931 for $ 213,000 when compared to 892,000 Cwts., sold for 306,000 five years previously. Sisals story was worse, for while 16,516 tons fetched $ 496,000 five years previously, 19,850 tons fetched in 1931 only $ 250,000.

So Mr. Campbell exclaims that "because' of her dependence on eight primary products, modern Africa has been exposed to violent fluctuations in World Prices and Africans depending on export crops or "who abandoned their subsistence farming for paid employment" are now exposed to "starving" and the modern disease – unemployment" (p. 14 and 27).

Industrialists are able to organize their cartels, combines or trusts to minimize their losses due to any precipitate and prolonged fall of prices but peasants are unable to do that. Even Governments have done much, on many an occasion, to bolster up public faith in the crashing industrial systems, even going to the extent of manipulating their currency systems, but have done little to protect the peasants. And when we remember that these crises are world-wide and that they have been recurring once every five or six years, we can easily see how colossal rural resources have been transferred periodically in an invisible but effective manner to industrial and commercial classes. What wonder is there then if agriculture gets deeper into the artificially created and unjustly and callously perpetuated "depressed state".

Another important disability of agriculture has been the periodical loss of capital, invested in cultivation owing to frequent failures of crops. What with their need to maintain themselves and their cattle from one year to another, it has not been possible for peasants to build up enough savings to adequately finance the agricultural development. As the F.A.O. survey of the Postwar Decade admits, almost the whole of the investments in agriculture have had to come from the tiny savings of the tens of millions of poor peasants; because the private capital would not venture into agriculture due to "the less remunerative character of the agricultural enterprise compared with other economic activities". (P. 36). Capitalism has placed funds at the disposal of industries and commerce but neglected the financing of agriculture. The only institutional credit made available to the Co-operative credit and it could account for only 3 % of all the loan-capital needed by the Indian peasants. Even in the most advanced countries including U.K. and U.S.A., `existing credit facilties did not quite meet the requirements of the low income farmers especially with regard to intermediate and long term credit (P. 38). No wonder, the rates of interest have been unconscionably high, ranging upto 100 and 150 % and the power of the money-lender-cum-merchant to bring down the prices of the agricultural products and to keep the peasant ever in subsistence level, has remained on the whole unchallenged.

It is only in the postwar years, the American, European and Oceanic farmers have come to gain substantial funds from their own savings, from national and international credit institutions to finance agricultural development. The various international Financing Institutions have not been able to level up the investment opportunities for the agricultural development purposes in the under-developed areas and hence the growing demand of SUNFED. In the meanwhile, it is as well for the world to recognize its own responsibility of this contributing factor of lack of finance for agriculture to the continually depressed condition of agriculture.

EVOLUTION OF THE ROLE OF MERCHANT AS THE AGENT OF URBAN CIVILISATION

Then comes the arch agent of the 'agricultural depression' and exploitation, the merchant who is the visible symbol of the power of world capitalism, the agent of the world markets and of the industrial and commercial classes. It is he, who helps capitalism, to perpetuate the relative depression of agriculture as compared with the vaunted 'progressive nature' of manufactures and commerce. He is understood or expected to be impartial and to perform his duties only as middleman between supply and demand. But actually he is found to be serving more the interest of the consumers of agricultural produce than those of the peasants.

Why does he behave like this, to the perversion of his classical functions ? For a satisfactory answer, one has to go into economic history. From the earliest times of commercial activities between distant lands and people, it was the towns and military camps of the feudal lords and kings that had to import food and other agricultural produce from the neighbouring villages or distant countryside. Villages were mostly self-sufficient and had little or no need to go in search of any commercial dealings with other places especially towns, to get on with their own normal economic existence. Thus was given by towns the first prominent impetus to the trade. To obtain food grains from the peasants, town's –men had to manufacture some useful, interesting and essential commodities and render cultural services, and offer them in exchange for agricultural produce. Both the merchants and artisans had to exercise all their wits, for the sake of self-preservation, in order to persuade the peasants and also feudal chiefs and their dependents to part with their cereals in exchange for the industrial goods and urban services. So merchants sprang up from towns as agents of their commercial dealings, in answer primarily to the needs of the towns.

For, then more than now was it true that 'no labour but agricultural labour is productive (Capital, Vol. I. p. 185) to borrow the physiocrats' slogan. He was himself a co-partner in the fortunes of his fellow townsmen.

Later on, this urban genesis of the merchant and the urban initiative in creating trade with agricultural peoples became much and more manifest and prominent. Columbus and Vasco De Gama, Cortez and a host of other adventurers, down t the time of American Stanley went in search of India, America and Africa; discovered America and the sea routes to India and Indonesia, China and Japan, explored Africa and helped the European countries to win vast Empires in both the Hemispheres, mostly in order to obtain the agricultural produce and the industrial products of the orient such as silk, spices, cotton. It was by a chance that they stumbled upon America and later on realized the utility of colonizing it. Their main pre-occupation at the beginning was the lucrative trade with India.

After the first outburst of curiosity, interest in explorations, which yielded no immediate return of treasure, died down. It was the stream of silver coming from America into Spain that excited the interest of England in explorations". (R.H. Tawney : Religion and Rise of Capitalism. p. 129).

The Western nations had then no industries which could bear comparison with the oriental arts and crafts and so, they had to export their gold and silver to the east in order to purchase the tropical produce. Later on luck favoured them so much that gold could be looted from the Mayas and Aztecs of South America and gold and silver were also mined in America and South Africa. And what proved to be even more valuable, the British Cotton Textile manufacturers came handy. Which them all, The Westerners could trade with the east with gold, silver and textiles as their assets on a footing of commercial equality. It was the Merchants as typified by the East India Company and the organized adventurers of England and Holland who acted as the agents, wealth-diviners and food providers and who went in search of agricultural produce and industrial goods and their producers, the peasants and weavers and not the later who went in search of the former.

The truth of our proposition that such Key Services as money-lending and marketing are able to dictate their own terms and rob peasants of their legitimate fruits of labour, was known to medium level schoolmen, and they had

tried their best but in vain to control money-lenders and merchants through their teachings and decisions of their church councils. The following extracts from – Tawney's "Religion and Rise of Capitalism" give us an idea of their knowledge of the power of these key services and their vain attempts to control them. They held that middleman who "buys in order that he may sell dearer turns what should be a means into an end and his occupation.... is justly condemned. "The unpardonable sin is that of the speculator or the middleman who snatches private gain by the exploitation of public necessities. (p 48-49). They were even harsher towards monopolists who corner supplies. "There is a passionate popular sentiment against the engrosser who holds a town to ransom, the monoplist who brings the livings of many into hands of one, the money-lender who takes advantage of his neighbours' necessities to get a claim on their land and foreclose (p. 51). Did not the war-time activities of Anglo-American Governments in these spheres of social life, give legislative and administrative shape to these schoolmen's sentiments and injunctions?

In "De conscienta" of Ames, a popular treatise of those times, certain maxims were indicated for guidance of merchants and people and they indicate the awareness of the thinkers of those days to the evils of the commercial system that necessitated the formulation of that advice : -

"No interest was to be charged on loans given to the poor. But money-lending transaction would be for creditors to share the risks of debtors; that by a share-holder and not a debenture-holder. He maintained that "to wish to by cheap and to sell dear is a common voice". Men must not sell above the maximum fixed by public to protect the buyer... They must not take advantage of the necessities of individual buyers must not take advantage of the necessities of individual buyers, must not over-praise their wares (p. 196). Ames, and Calvin, whose disciple he was, had already departed from the antipathy of schoolmen and Luther to money-lending and profit making commerce and they both were busy indicating certain rules of the game that merchants and money-lenders were to observe, after having given them permission to ply their trades. This was Calvin's justification of money-lenders in their rebellion against schoolmen's prohibitions. Bwxton the teacher, preacher and one of the leaders of the New Model party of Cromwell also taught certain maxims. He said "It is not lawful to take up or keep up any oppressing monopoly or trade which tends to enrich you by the loss of the Common-wealth or

of many. A Christian must not only eschew the obvious extortion practiced by the monopolist, the engrosser, the organizer of a corner or a combine. He must carry on his business in the spirit of public service. He must not desire to get another's goods or labour for his own wares by extortion working upon men's ignorance, error or necessity. If the seller foresees that in the future prices are likely to fall he must not make profit out of his neighbour's but must tell him so. If he foresees that they will rise, be may hold his wares back but only if it be not to who is so much hated and feared by the West was very unwilling to enter into any contacts with commercial-minded westerners and that it was an American Commadore, Perry, who in 1854 forced her to deal with the rest of the World and accept his proposals for trade. China too was not enthusisastic to enter into trade with the West but had to be forced into International Commerce by England at the point of the bayonet. To India came the emissaries of England in the 17th Century who did many acrobatics before the haughty and non-commercial-minded Moghul Emperores to beg for the previlege of trading with India.

Having started with such a non-agrarian and pro-industrial bias and background and propelled by the increasing need of the growing ubran and industrial peoples for agricultural products the merchants' class and their hangers-on have naturally continued to cater mainly to the interests of the bourgeoisie. In their view peasants exist only to enrich them and their principals. Exchange dealings are resorted to only to defraud peasants. Markets are utilized only to ensure and enslave them to world markets. They were assuring regular supplies of all essential food and other raw materials to industrial and commercial classes. Banking has been manipulated in such a way as to force peasants to yield their crops at the lowest prices. Governments have been captured or controlled in order to oblige them to grow various products for world markets and to sell at the lowest possible prices to themselves and their industrialists. Numerous agents are placed in villages, country markets and town markets, the better to entice peasants into their coils and drain all their resources. This is how England which has been importing 2/3 of her food, most of the raw products needed by her textiles, jute and other manufacturers and which has a huge adverse balance of trade, has been able to grow so prosperous and amass her wealth. One of her admiring economists, had put it "producing little of her raw materials and of her own food,

she has become the great commercial specialist among nations. By opening her ports freely to the trade of the world (this has been seriously altered into protective tariffs since 1931-Ed.) putting heavy energies into the carrying trade and into the manufacturing and into the mechanizing of the goods of foreign origin, she has become the world's great commercial entrepot" (Book of Popular Science, p. 402). And now U.S.A. and U.S.S.R. threaten the world with their quotas of commercial and industrial exploitation thanks to their new international investment policies with their political strings. Thus have the commercial classes and their medium of world markets conspired to (or managed during all these past three centuries especially) induce agricultural produce to enter world market and also to gain a strangle-hold over all the marketing processes and facilities available for the agricultural produce. They have thus imposed and perpetuated an uneconomic, unprofitable, unfair low-level of agricultural prices. That such a policy was consciously pursued in very many cases, by merchants and their principles, the bankers and industrialist becomes more than evident to anyone who studies the history of economic exploitation of the orient, including Africa and especially of India and China. That in several other cases such has been the cumulative effect of the pieces and activities of Western imperliast powers is writ large on the cemeteries of colonial arts and crafts, and on the emaciated and impoverished colonials.

It is wrong therefore to compare the present depressed conditions of agriculture with that of such British industries as the Lancashire Textiles and Welsh Coal-mining, because while the former's "depression" is an artificial creation engendered by commercial and industrial classes of the world, the latter's depression is due to the fact that the artificial factors that had favoured their former prosperity no longer continue to prevail. Agricultural produce, especially the staples have everywhere to our one." (p. 53). Such is the unconscionable and unhistorical Marshallian case for the permanency of depression in agriculture.

But a number of questions strike one. It is not a fact that even today, the majority of the people of the world, even in the highly industrialized countries, are found to be hopelessly under-fed and suffer from lower state of fitness for army and other defence forces ? Is that not an additional reason why there must be a much greater present and future demand for the production of food stuffs ? Where is the-guarantee, if we are to judge from the past and present experience of continued

unemployment in most industrial and commercial occupations, that industries and commerce can provide employment for the displaced peasants also, in addition to absorbing the present unemployed people and the natural increase of urban population ? Mr. Harrod himself says that a relatively high rate of reward for any factor in any occupation is justified so long as there is a shortage of the factor there". Then which is the industrial or commercial occupation whose "relatively high rate of reward" can be said to be due to any considerable or equivalent "shortage of the factor?" Therefore it is wrong to generalize for the whole world from their experience of a permanent shift over from agriculture to industry of one or two industrial powers which are subject to exceptional circumstances. No one denies that quite a large number of rural folk do go to towns for temporary or permanent residence owing to the higher wages prevailing there and the artificially maintained depression of agriculture. But that is no reason to justify the conclusion that the higher rewards available in towns and industries are an indiation of permanent depression of agriculture. Since these discrepancies arise out of that artificial and enforced depression. And our whole contention is that agriculture must be freed from the clutches of this depression. In a truly orthodox manner, so characteristic of communists dogmatis, Mr. Harrod says, "If the shift away from agriculture required for the proper distribution of productive resources in the world becomes larger, the discrepancy between rewards in agriculture and those elsewhere will increase also". But is it just to allow such a blind inequality to take place ?", since these discrepancies arise out of that artificial and enforced depression. And our whole contention is that agriculture. What is the justification for such fatalism ? He says "a crisis in agriculture and a collapse in agricultural prices may be expected to be regular feature of the downward phase of the trade cycle. "But this trade cycle itself has to be eliminated, together with the individualist order of social organization. We question the rationale of the prevalence of the present unequal rewards for equal efforts made with equal efficiency between agriculture and industrial and commercial occupations. We also question the accuracy of the assumption that this inequality of incomes and rewards is due to any permanent and irremediable depression in agriculture. We have tried to answer in this chapter, this unreasoning anti-peasant attitude and to show the real reasons for the present plight of peasants and the pessimism of orthodox economists about agriculture and also the present plight of peasants and agriculture.

CHAPTER IX

INVISIBLE TRANSFERENCE OF WEALTH

Forced labour, colonial tax-burdens, tariffs and bounties given to colonial industries currency manipulations, inflation, deflation, economic depression, money-lenders, infrastructure of colonial countries have been the means for invisible transference of peasants' wealth to the industrial, professional and urban peoples. The New Deal of the United States has indicated the possibility of arresting this invisible drain and transference of peasants' wealth – Colonial bourgeoisie extract a share in this drain from imperialist power – world markets strengthen non-agricultural classes in obtaining such a share in peasant's 'surplus value' – Retail trader also levies his toll on peasants – There is a law of invisible transference of wealth from peasant and proletarian masses to the urban classes, - which explains the present great disparities in their respective income – levels – the F.A.O. ideals recognize need for doing justice to peasantry and eliminating this drain.

So far as the arbitrary confiscation of lands of the Africans and the looting of Indian Rajahs and Nawabs by British imperial masters and the wholesale transference of Aztee Gold to Europe are concerned, the world is easily able to ascertain the broad facts and quickly condemn their injustice. People are on the whole unanimous in abhorring such colossal wrongs done to the conqurered or deceived people. Even the conversion of people into slavery and latterly into 'forced labour' which rob people of their personal freedom, political status and subject them to much economic loss have come to be recognized as unadultereated immoral acts and condemned as such. Even to demand reparations for war damage caused by Germans and Japanese is considered wrong by liberal public opinion.

We have seen how under some pretext or the other, forced labour is being extracted from large sections of people of Africa, Asia, and even South America. We have also to recognize that such forced labour is really an invisible transference of wealth of colonial people to their political and economic masters. There are many other services of invisible but large-scale transfers of wealth from the masses to the classes of every country as from colonials to their imperialist masters. Generally they escape the attention of the man in the street. Indeed, a British worker will be

shocked, if he is told by an Indian meeting him in London, that a portion of his wage is the result of the British exploitation of the colonies. Similarly an Indian Industrial worker of Bombay, Calcutta, Cawnpore or Coimbatore, Jamshedpur (Tatanagar) or Nagpur will be surprised to be told that even his wage smacks of exploitation of agricultural masses by Capitalism. The American citizen who prides himself upon his passion for "Four Freedoms" will swear loudly if he is assured that he is a beneficiary of colonial and agricultural exploitation. Nevertheless it is true that there is much invisible slice of unearned increment coming into the relatively swollen earnings of almost all urban people; that is, industrial, commercial, and professional people from out of the earnings of their own local agricultural masses and also from the wealth of their colonial peoples, if any. In this way, the industrial and commercial nations of Europe and America and Capitalist classes of all countries, including even the colonies are deriving through various means, large quantities of wealth from the agricultural masses.

The state happens to be the biggest agency to create, and continue a dreadful process of impoverishing the toiling masses for the benefit of the capitalist cum feudal classes; especially it is so in the colonial and predominantly agrarian European countries. Its tax-burdens are laid too heavily upon the masses, whose tax-paying capacity is either nil or a negative quantity, thus allowing the rich to get off by making much less contribution to tax-revenues than their due share. Its public expenditure is mostly calculated to enrich the capitalist class, preserve, the feudal and professional sections, improve the social life of towns and increase the economic conditions of the urban middle classes. And certainly much less than what the masses contribute by way of direct or indirect taxation is spent upon the improvement of their lot, although in all fairness, much more than what they can be asked to pay in taxes ought to be spent for their betterment. Similarly the urban and especially, industrial proletariat and middle classes of some of the colonial countries may also be enjoying similar "bribes" but of smaller dimensions.

The tariffs and bounties given to some of the colonial industries cost so much to their masses, without seeking to make any immediate return to them. Both the peasants and proletariat are made to suffer by this invisible levy, extracted through higher prices charged for local manufactures. The American, Australian and Indian peasants have thus suffered very much from their local tariffs.

Then come the currency manipulations. Generally those are made by or on the initiative or support of the State but on the inestigation and for the benefit of capitalist

interests. Even when they are made by the State without much instigation from the commercial classes, their effects are generally not in favour of the masses and often go against them. Colonial people have particular need to fear them, for they are made almost invariably by the imperialist power primarily in its own interests. The effects of currency manipulations, whether they produce inflation or deflation of currency in circulations, are not the same on all classes of any one country and when such currency changes envelope the whole world different countries are affected in various ways. Countries, like India have known to their bitter cost how every phase of deflation of the value of Indian currency (i.e., appreciation of the value of the local currency) has meant an awful transference of wealth 'from peasants to banks and money-lenders and land-lords and Government in view of the rise in the burden of peasants' monetary obligations.

That inflation of currency need not necessarily mean greater advantage to peasants than to industrial and commercial classes is seen from the experience of many countries like India, Japan. (War and Inflation by Gadgil etc.) When during last depression, Japan inflated herd currency and raised her internal level of prices and facilitated the increase of her exports by lowering the exchange ratio of Yen, while herd exporters derived much benefit, peasants continued to suffer since they were forced to sell their produce at low world price parities, owing to their exposure to competition of world markets. That is one of the principal reasons why "World Economic Depression speeded up the development of the Japanese Economic System and caused a more for reaching change in the distribution of income than would have been produced by a special revolution" (Woytinsky, p. 208). During the 1922-26 American boom and during this post-war world inflation, peasants have actually lost much by way of paying more for industrial goods and getting less for their own because of the uneven effect of the inflation of currency. Prof. P.J. Thomas, writes that "inflation is an inequitable system of regressive taxation". Truly has it placed the burdens of War on the "weaker-shoulders of the poor classes and gives inordinate profits to the business community" from `war time prices' (Oxford Pamphlet, No. 18). An inflation of currency on the otherhand can lighten the burdens of taxation, debts and rents and may appear to be toning up peasants. But in view of the Government's concern over the burden of its foreign debts, over the possible discontent among the better organized industrial labour and also over the great possibility of upsetting imperial imports of manufactures into the colonies, imperialist powers do not so easily allow any rise in agricultural prices.

But whenever and wherever agricultural prices rise, without a corresponding rise in the cash wages of industrial and agricultural workers the middle and upper classes are able to shift the incidence of such a rise to these unfortunate people. But wherever agricultural wages are paid only in kind, they become partners in the good or bad fortunes of landed peasants.

Apart from its effects upon different classes of people within the same country, deflation of currency, helps the suppression of colonial people as well as the agriculturists and proletariat of the capitalist countries. The stream of imports is quickened while that of exports slowed down and the colony is obliged either to export gold or silver or especially lower the prices of its exports so as to stimulate their sales abroad. Thus both ways, foreigners are benefited. True, for the time being the burden of foreign debts is seemingly reduced but since the colony is no position to pay off its debts but only meet the interest demands, the gain accruing there from is not much. The currency history of India is replete with such malicious currency manoeuvres made by England and when such deflation period is super-imposed upon an economic depression, as had happened in India in 1929-35, the economic drain from a colony to the imperialist country is intensified. Hence the colossal flight of Indian peasants' "distress gold" to England to prop up the sterling exchange. The evil does not stop with the enrichment of the imperialist country alone; but every other industrial country, including the local colonial industrial section, come in for their respective shares of this extra-ordinary loot. Even as long ago as 1900, R.C. Dutt raised his powerful voice in protest against this invisible drain of agriculture's resources to capitalist classes.

Economic depression has proved to be as great a catastrophe as war to undermine the economic status of peasants and proletariat, to transfer a considerable portion of their wealth to the capitalist classes and countries and to increase the total disabilities of the masses. During every depression and particularly during the last world depression, peasants have had to produce more and more in the hope of making enough to meet at least the demands made by the Key-services, including money-lenders and the tax-payments to local government and so, they had to accept whatever prices were offered to them. It has been admitted by the Marshallian economists themselves that industrialists proved to be in less unfavourable a position than peasants and that they suffered much less than the latter. We have seen from the exracts of the I.L.O's 'Survey of Social Consequences of Economic Depression, that industrial countries had actually succeeded in warding off most of the evil consequences of the depression by getting at dead cheap

prices all the agricultural goods they needed, though the demand for their own manufactures had gone down greatly. Actually industrial countries like England received immense but invisible bounties from agricultural countries like China, India and Argentina.

Even within the same country, like Japan, Bulgaria, "the decline in the income of the farmers sometimes counter-balanced the decline in the total national income available for consumption, so that the fraction of that income received by the non-agricultural sections remained unchanged or even increased. This is one of the paradoxes of the depression; "depression in industrial countries causes distress in the villages of agricultural countries, but at first it brings unexpected gain to the industry of these countries". Mr. Woytinsky found that in Japan "the income of farmers was thus reduced by 43 % while the income of other sections of the population increased by 44 % (p. 238). And while the depression raged in India, there was a considerable transference of agricultural wealth to the urban classes; that is, all the professional salaried classes and even the proletariat were able to get agricultural produce at dead cheap prices and could therefore utilize their resulting savings to purchase other things; hence the great boom in the house-building industry of Indian towns just when rural India was going through the worst economic blizzard.

At least in America, Government had tried to do something to minimize the worst effects of the depression on peasants through the New Deal. This has become known as the price-support economics. But the dependent colonial governments did practically nothing. The Indian Peasant Movement had to go on crying in wilderness from 1930 to 1937 and it was only when the National Congress assumed ministerial responsibility in 8 out of 11 provinces of India in 1937-39, that moratorium was declared in some provinces and agricultural debts were scaled down. The other colonies did not fare at least as well as India.

Having once gone down so badly, agriculture of any country and of the world could not recover just as rapidly or to the same extent as industries have done. There were all the banks, currency authorities and Government to stimulate industries into new life and the industrial concerns themselves had enough reserve strength to swing themselves into their old stride but not so was the case with the disabled agriculture which did not have any of these allies or stimulants. Once down, agriculture takes a very long time to spring into action. And capitalism makes the fullest possible use of this tactical advantage once it succeeds in keeping agricultural prices at a low level. Thus,

agricultural prices which had always been at a lower level than those of industrial prices came down to a much lower level during depression and could not even recover half the leaway by the time industrial prices were catching up to their predepression prices and continues to lag behind.

Economic imperialism seeks to develop modern communications and processing industries and harbours and accessory workshops in various colonies known as 'intra-structure', since they are needed as the pre-requisities for the operations of its capitalist machinery. However, it makes the colonies pay for all these conveniences, though colonies derive very little direct advantage. This also acts as an indirect drain.

Contrary to the true and future interests of colonies, their mineral and agricultural resources are exploited by the imperialists either directly through their own mining and planters' concerns as in Kenya or indirectly through the Negro small holders of Gold Coast and Nigeria but with the aid of their monopolies of marketing and processing. Very little of the fruits of such industrial and agricultural development accrue to the colonials and most of the advantage is derived by the imperialists. The result is that the colonies' future interests are very much jeopardized and their resources are wasted away or exported even while their people are hardly in a position to derive the best advantage from them and develop their local industries for their total utilisatioin. The amount of this drain is immense.

In countries like India, China, Egypt where the imperialists found a strong and self-conscious local bourgeoisie, bent upon developing the local manufactures already strongly entrenched in their growing industries, they tried their best to undermine their progress. As long as it was possible they enforced a free trade policy so that their own highly priced imports of manufactured goods could enter those colonies either free of duty or at a preferential rate and they could purchase much of the local raw materials at low prices and thus rob the colonies of all the employment, which their later processing etc. would be capable of yielding. Thus gaining the opportunities the imperialist powers gained many invisible advantages from their economic dealings with their colonies.

If and when and where the local nationalism is so strong and the growing bourgeoisie is too jealous of its present and future prospects, imperialists find it prudent to pursue one or the other or both tactics : they offer to lend large sums of money to develop the local industries and communications etc; and they also start their own industrial and commercial concerns in the concerned colonies.

They earn interest on their loans and high dividends from their concerns and they insure themselves from the aggressive parochialism of local nationalism, by pretending to do homage to local patriotism. Thus they do succeed in levying their quota of invisible transferences of local wealth-especially that of peasants to their respective imperialist peoples.

World markets strengthen the attempts of industrial and commercial peoples to gain an unearned income, which is a large slice of the annual wealth of those people who produce mostly raw materials and who are in a hurry to find an early sale. Since manufacturing industries escape the grip of world markets and can obtain prices which generally exceed costs and do manage to impose their own standards of prices on markets; that is, including their 'super profits' while agricultural commodities are very much at the mercy of world market, the former obtain higher prices and the latter only lower prices than their respective costs. And when manufacturers and peasants are there on either side, the former gain an unmistakable but invisible advantage over the latter; i.e. the former got a bounty or un-earned income, as it were, from the later owing to the uneven play of competition and staying power as between the parties to the exchange transaction.

Then there is the toll levied by those, who provide finance for agriculturists. If the rates of interest charged by bankers or money-lenders or land-lords are only as much higher than those charged to industrialists, as can cover the legitimate risks of agriculture, we may feel that there is no undue transference of peasants' wealth into the coffers of non-agricultures. But what actually happens is that exhorbitant rates of interest ranging from 30 to 150 % are being charged in so many countries of all continents. Naturally it helps all those who trade in agricultural finance to drain away the cream out of the earning of peasants.

Even as consumers, both peasants and proletariat are being fleeced by Capitalism. Much more than what is needed for mere transport, packing and marketing is charged for the simple function of retailing various commodities ranging from the sale of agricultural implements to the sale of different consumers goods such as wheat flour, rice, bread, cloth. In fact, in modern society retailing has become a key service and it extracts a monopoly price. It is to prevent this drain, that in many countries, Consumers' Co-operative Stores are started, especially by workers and middle classes. The key position of those who sell commodities of every day necessity and use to those who can not pay

ready cash was recognized by the farmers of the British Truck Act by which employers are prohibited to pay their workers in grain etc., and also to maintain general stores and oblige their workers to make their purchases from them. Though employers are thus mostly precluded from this source of undue profits, another agency of capitalism, the retail-trader who is not quite so unrelated to the employer in his local interest, levies his toll and helps Capitalism to convey to it, a share in the wealth of the poor, defenceless and unorganized consumers. Even in U.S.A. the farmer was able to get only 39 cents for the food grains supplied out of a dollar paid by the consumer, so great is the exploitation carried on by the key-services even in November 1955 and this was the lowest ever secured by farmers since 1940 (AKL-CIO New Year News, 1956).

Thus there is a law of invisible transference of wealth from masses to the urban classes, which is a special characteristic of capitalist system. The relative bargaining capacities of these two sections of people of the world are highly un-balanced. Capitalists seem to be going from strength to strength, thanks to this continued, absorption of invisible transference of wealth from the masses, while the latter appear to be growing weaker. As the colonial people are likely to become stronger in their organization and resistance powers and gain mere political independence and achieve an increasing degree of local manufacturing resources and economic self-sufficiency, the nature, variety and extent of this transference of wealth or drain of local resources from one country to another may go on diminishing. This tendency has gained some strength in the past-war decade. But it is difficult to say when such a drain can be fully stopped either from one country to another or from masses to classes of anyone country, unless imperialism is abolished and capitalism is replaced by co-operative socialism.

It would be a mistake to think that the non-agricultural ruling classes within anyone country, independent or colonial, capitalist or communist would not utilize the same mechanism to exploit the local peasantry. In fact, even in Soviet countries, agriculturists are being impoverished for the benefit of the urban people, more especially the proletariat and professionals through the 'price squeeze' or 'Price-scissors' policies. The War-time needs of England forced their Governments to accept the responsibility of paying remunerative and decent prices for agricultural goods and that policy is continued in these post-war times. In this sense, the war time dependence of most of the Western countries on local farmers proved a blessing to peasants. But, during this post-war decade, this principles of having to pay remunerative prices and thus accept the supremacy of principle of parity between industrial and agricultural goods is not accepted

either by the Soviet Governments or by the capitalist interests all over the world or even by the Planners of India and its Government.

One of the principal reasons for the prevalence and continuation of the colossal inequality of incomes and wealth between masses and classes is the operation of this vicious law of invisible transference of wealth from the rural masses to the urban classes. Unless, therefore it is put out of action, that is the world markets are disabled from acting only in favour of the manufacturers and commercial interests, the various key services needed by agricultural people are nationalized or co-operaised, the control of international communications are wrested from the hold of imperialists, the economic development of colonies is harmonized with the true and long-time needs of the colonials, currency manipulations are made only in the interests of the respective countries and their agricultural masses, the public finances and tariff and trade policies of Governments are re-oriented, there can be no real emancipated masses, nor can there be any beginning for their progress.

This applies to the present Soviet Economy also. The charges made for the services of tractors, fertilizers, transport, processing and retailing are so heavy, and the prices paid for agricultural products are so low and the prices charged for industrial and consumers' goods are so high and the operations of 'purchase taxes' or turn-over taxes are so much against peasants that almost all the 'cream' out of agricultural production is taken away by the Soviet masters, leaving only the skimned milk to the peasants. Hence the specially depressed condition of agriculturists in Soviet countries.

This law of invisible transference (or drain) of wealth from masses to classes affects the proletariat also. They too are obliged to part, with fresh instalments of wealth produced by them every year, every time they do business with capitalism, as apart from their labouring for it as workers. This truth has been made abundantly clear by so many Western Socialists. But, in the Soviet lands where the proletariat have had the chance of laying down the law and preventing its operations they have failed to do justice to peasants. They have, on the other-hand taken up the role of capitalists of other countries and begun to exploit peasants even more rigorously.

Since the United Nations Organisation has come into existence and has founded the various associated international institutions, notably the F.A.O., a noticeable change for the better has come over the World attitude towards peasants,

basic occupational needs, thanks to the wartime re-orientation of national policies regarding agriculture and post-war food scarcities. In most countries efforts are being made, through legislation and administrative action, to organize co-operative processing factories and marketing societies, ware-houses and organized statutory markets. Efforts are made to regulate the money lending business and prevent the mischief of money lenders and control interest rates and organize co-operative credit societies. But peasants have not as yet succeeded in mastering the key-services in most of the countries.

CHAPTER X

IMPERIALIST EXPLOITATION OF COLONIAL PEOPLES

An Imperialist power takes into partnership in exploiting colonial masses (Colonial bourgeoisie) its own home proletariat and bourgeoisie-also some other fellow Imperialist country. Soviet politico-economic hegemony has close resemblances to the traditional capitalistic-imperialism – both indulge in merciless exploitation of peasants.

The impact of Imperialism upon different classes of colonies varies in proportion to their respective strengths – the imperialist body consists of not only direct and open looting of the 'know-how', precious metals and other colonial properties but also invisible drain of their resources – rivalry between Imperialist powers is due mostly to their passion for exploiting colonial peasantry and their agricultural wealth – Second World War was fought; seeds for the next are being sown because of this rivalry in capturing control over agricultural countries.

The unhappy experiences of India, Africa, Malaya, Arabia caused by Imperialist powers.

The uneven exploitation of colonial people by Imperialism – some semi-colonial people obtain some relief by setting up one Imperialist power against another – British dominions and Latin American countries suffer less – the mischief of Western Imperialism in disrupting China's social and economic life – rivalry between Japanese and the Western Imperialism gave some relief to China – put an end to extra – Territorialism – Latin American almost succumbed under the impact of economic imperialism – the dependence of colonial agriculture upon export markets – which was fostered by world markets and intensified by imperialism has almost ruined them during World Economic Depression and Second World War.

Consumers of the Imperialist countries, also of the industrially advanced countries and to a lesser degree, of semi-colonial countries become part-sharers in the Imperialist booty – this process and extent of sharing in the booty is dependent upon the balancing of forces between conflicting interests in the imperialist and industrial countries and regions-

Two worlds emerge – during nineteenth century; the one Imperialist and the other Colonial – the conclusions of the studies of Imperialism made by some socialists are quoted.

Bertrand Russell's timely warning of the possibility of Socialistic Imperialism – demands of colonial people stated briefly – The traditional imperialism is losing its grip but colonial people should beware of Soviet or Socialist Imperialism.

Lenin had helped through his indication of the laws of uneven economic development to understand some of the basic economic issues that help Imperialism to grow and prosper. We learn that modern imperialism is specially economic in its long-term effects and that it takes advantage of the lower economic development of colonial countries and their people, when compared to what prevails in the imperialist country and also in all other countries which are in alliance with the imperialist country which holds the colonies concerned through its political over-lordship.

If we are to understand the real causes for the artificially conjured up 'depression' of agriculture and also for the prevailing inequalities of incomes and wealth between the agricultural people and industrial and commercial classes and also those between predominantly agricultural countries on one side and predominantly industrial and commercial countries on the other, we have to look into this matter in some detail.

We have found from our study of the recruitment, utilization and effects of 'Forced Labour' in colonies that it has assumed its modern obnoxious form mostly because of the impatience of the imperial powers to develop their colonies, exploit their economic resources and raise the capacity of their peoples to produce greater per capita surplus value and thus to enrich themselves and their nationals. Imperialism manifests itself in a few clearly marked directions which can be distinguished in accordance with their general effects upon the colonial peoples.

It is a long story why Imperialism has come in at all. Since the beginning of history, aggressions have taken place, at first on a small scale by one Tribe over another, later on by one people on another, and gradually the dimensions of such aggressions have come to reach the stage when a number of countries are against another group of countries and today we are faced with World Wars. Many have been the causes for these Wars; the economic needs, ambitions or greed being compelling causes, racial hatred, sheer cussedness, bellicose ambitions and periodical irrational out-bursts of pent up wild passions and energy being some other reasons. Almost always, Wars ended in the subjection of some peoples by other and the exploitation of

the defeated. From blind decimation of the conquered to more economical but bestial enslavement of them : from the confiscation of all the property of the conquered to their degradation as serfs, from the recognition of existing rights of property and economic life while gaining stranglehold over them through more insidious methods to letting them fatten so as to draw all the oil out of their fat, all the more effectively and profitably, different methods have been used by the conquering peoples. It is a mistake to think that modern conquerors have progressed so much as to pick and choose only more humane, less disastrous methods of treating their conquered. Indeed, the same general tendency has run through all the methods or dealing with the unfortunate people and that is, the exploitation of the conquered by the conquerors. This exploitation can be of different kinds, ranging from religious domination to racial predominance but the most important aspects of such exploitation have been political and economic, which are often so indistinguishably intermingled.

We have to examine the politico-economic exploitation of Empires by Imperialist powers. If the Imperialist power exploits its colony or colonies, primarily in its own interests, we can call it "the unilateral imperialist exploitation". Such exploitation is met with in the relations between British Colonies on one side and Great Britain on the other since the British Empire is economically so developed as not to have to share her booty with any other power. If however, the Imperialist power like Holland or Portugal is not so highly developed or powerful economically as to be able to suck her own imperialist melon by herself, then she may share her exploitation of her colonies with friendly but more powerful imperialist power or powers, like England, France, U.S.A. Such exploitation can be called "Multilateral Imperialist exploitation".

Generally an imperialist power finds it necessary safe and profitable to win partner and allies both inside and outside the unfortunate colonies. For instance, Great Britain used to take into subordinate partnership Indian Capitalists, so that her general economic domination over Indian life could be prolonged much longer; as witnessed by the Anglo-Indian pacts between the Textile and Steel magnates concerned and the division of shipping operations between the British and Indian shipping concerns. It may also welcome the partnership of other imperial and growing powers in world's system of exploitation.

Also, an imperialist power may be discreet enough to take into conscious or unconscious partnership or co-operation of its home proletariat and industrialists in

sharing its imperialist's loot to afford greater profits and also costly social services, as has been happening in England, Holland, Belgium, France etc.

She may find it politic to invite the co-operation of some foreign capitalists, politicians and press; the better to win and retain international support for its imperialist machinations; as had happened with Belgium's domination over Congo. Thus there are three kinds of partners of Imperialism; Colonial partners; Home Partners and Foreign Partners.

It is quite possible that the shares from out of the booty gained by Imperialism by one or the other of these partners goes on varying from time to time. For instance, as the local industrialists gain more political indulgence and economic strength, their share goes on rising. As the Dutch and Portuguese Governments came to depend more and more upon the naval protection afforded by Great Britain, the latter's share increased. Since such powers as Great Britain and France come to be financially and militarily weakened, they may be obliged to invite U.S.A's assistance and share with her their imperial booty. Also, as the internal social struggle becomes grimmer, as in England the share of the local proletariat may rise as indicated by the institution of the Family Allowances and the Beveridge's "Social Services" estimated to cost $ 800,000,000 per annum i.e. equal to the once peace-time total budget of England.

A new type of ideological cum Economic – Socio hegemony of Soviet Countries has come to take political shape, since 1945-47 domination of South East European Countries by the U.S.S.R's Red Army and the reincornation of the old Comintern in the shape of the Cominform. The triumph of the Chinese Communists over the Koumintang and the emergence of the Peoples China have increased the economic strength and significance of the Soviet powers. This is a dacade of growth and consolidation of the Soviets into a powerful World Phenomenon since the end of the World War II. There is much resemblance between the pre-war British, French and German imperial systems and this growing new World force of Sovietism. Many thinkers are inclined to consider this as the new Soviet type of Imperialism; especially because of the imperialistic spread of U.S.S.R.'s political sway over South East European Countries after the end of the World War. It is true that some of the satellite countries like Czechoslovakia, Rumania are much more industrialised than any set of colonial countries in the traditional Empires. It is also true

that for all outward appearances, all these Soviet satellites seem to be politically independent and self-governing countries. At the same time the bitter wrangles that arose out of Yugoslavia's refusal to accept the ideological dictation of the Cominform (which is said to be dissolved in April 1956) and U.S.S.R.'s supremacy, which were quickly followed by the economic blockade of Yugoslavia by all the Soviet Countries have opened the eyes of the rest of the World to the power and potentialities of this new hegemony of nations, which has close resemblances to the Holy Roman Empire, with the Catholic Church as its ideological motive power. The Pope of this new Empire was situated in Moscow, headed by the U.S.S.R.'s Communist Party and dominating the Cominform. It is necessary for all students of post-war social development of the world to make a careful study of the international trade and other economic relations between all these Soviet Nations. So far as the present study is concerned, it is clear that the Communists, who weild all powers in these Soviet dictatorships consider peasants as their most powerful enemies, who must be liquidated. They have proceeded, as soon as they gained political power, to liquidate the former peasant parties, killed, imprisoned or drove into exile all the self respecting and independent peasant leaders. They split up the ranks of peasants into the poor, middle-class and rich sections and liquidated the rich sections in some countries and the rich and the middle-class peasants in other countries and coaxed or forced the rest of pesants into the Government dominated Collectives or into the Government owned and managed, State Farms. The Soviet rulers have adopted the capitalistic mechanism of exploiting peasants through the manipulation of relative prices of agricultural and industrial and professional goods and services and also of taxation. The result is not different from the evil impacts of Capitalist Imperialism on peasants. What are known as the "scissors" of prices and "price-squeeze", which have been invented by World Capitalism to obtain the fruits of peasants' labour at comparatively lower prices and to make it inevitable for peasants to purchase manufactured goods and professional services at much higher prices and to tax peasants more highly and devote larger State funds for the benefit of the urban peoples, are utilized most ruthlessly by the Soviet rulers to defraud and degrade their Peasantry. Therefore, it we try to understand the manner and degree of exploitation of the colonial peasantry, that has come to be developed by the traditional imperial powers, we can prepare ourselves better to realize the manner and magnitude of the Soviet engine of exploitation of peasants behind the Iron and Bamboo Curtains.

For a correct understanding of the evils of Imperialism, it is necessary to distinguish its relative impact upon important classes of the colonial peoples, say the industrial and

commercial and professional sections, the proletariate and the peasantry. All of them do not suffer alike and to the same extent. Assuredly it is the peasants who suffer most and gain little. The upper classes suffer least. They may even go into full or partial alliance for shorter or longer periods with the imperialist power. They continue, nevertheless to chafe at the restrictions and obstacles thrown up by Imperialism in the way of their progress. But they do not actually lose very much.

Are the proletariate free from this sin ?" They too share though to a much less extent, in that part of the colonial booty that flows into the profits of the local industries. They have to struggle hard but there have been the I.L.O. and the International Trade Union Movement and their strategic or key position in their respective industries to aid them in gaining a slice of the imperialist booty.

Writing about the attitude of the British worker towards the poor and enslaved Irish worker, Marx observed in 1870 "The Ordinary English Worker hates the Irish worker as a competitor who lowers his standard of life ". (the same attitude is displayed even today by the white proletariate of South Africa, Australia, America towards the coloured proletariat – Ed.) "In relation to the Irish worker, he feels himself a member of the ruling nation and so turns himself into a tool of the aristocrats and capitalists against Ireland, thus strengthening the domination over himself". Even Marx noted the fact that "HIS attitude towards him is much the same as that of the 'poor whites' to the `niggers' in the former slave states of the U.S.A." . (`Marx and Engels on India' – pages 115-116).

Even H.N. Brailsford, who is one of the most eminent and honest English Socialists said in 1939, "Industry, with its allied financial system, is perpetually exploiting agriculture, INDUSTRIAL WORK EARNS A HIGHER REWARD IN INCOME AND LEISURE THAN AGRICULTURE WORK, WHETHER WE RECKON BY SKILL OR BY EFFORT. The two wage levels and the two price levels tend to LOSE THEIR PROPER RATIO. This is true within England or the United States, but it is even more painfully, evident when we contrast the levels of remuneration for equally onerous and skilful work in Birmingham or Pittasburgh with those that prevail in Kenya or Java" (Why Capitalism Means War ? P. 91).

Prof. Black of U.S.A. stated that the American farm worker obtained in dollars an annual income of 5561, 2063, 2260 in 1940, 1950, 1954 respectively as against similar income of 1547, 3639, 4508 of non-farm Worker (American Economic Journal, March, 1956).

In the Soviet countries, the proletariat are the governing class and so, they have everything to gain from the exploitation and suppression of their peasantry. It is so yet too early to know what relatively equal or unequal economic and social exchanges have come to prevail as between the big and the small, the industrially developed, the predominantly agricultural countries. The quarrel between Soviet Russia and Yugoslavia has warned us that the spirit of Nazism and traditional Imperialism may be capturing the minds of Soviet Leaders.

It is however the peasants who are fleeced most and who are deprived of both political and economic freedom and who are positively suppressed and on whose living and hot flesh and blood, the "sheltered sections of colonials" and the favoured Soviet proletariat enjoy their comparative prosperity. This is the only rational explanation of the wide disparity in the wages and incomes of landless and landed peasants on one side and industrial unskilled and skilled workers on the other, not to speak of the professional, commercial and industrial sections who are the most prosperous and best sheltered people, as colonials go.

This analysis has a great bearing on our later examination as to what sections of the colonial people have the most urgent need for revolting against Imperialism.

Again it is a mistake to think, as the communist colonial thesis does, that when Imperialism is forced to forsake its alliance with feudalism at least to some extent so as to recognize the permanency of tenure of millions of peasants, it is only "to establish a narrow stratum of Kulak-peasants". For in countries like China and India the land-owning but poor peasants number hundreds of millions and the achievement by them of an improvement in their status and a statutory recognition of their traditional rights in land, ought to be considered as a desirable and progressive move. And such an achievement can only whet their appetite for more revolutionary achievements and can never turn them into reaction.

It is however true that the bigger land-holders also gain a share-however small – in this invisible exploitation of the colonial people, because they retain a share of the 'surplus labour' yielded to them by their landless agricultural labour.

It is necessary to realize the nature of this imperialistic booty itself. A portion or the whole of the wealth of the present and future generations may be declared forfeit to the conquerors. About the same thing happened in most of the African countries, Latin

America and at the time of the Norman Conquest of England. The conquering people may divide it up as between their favouries, including military chiefs, members of Royal families, and a number of specially floated concessionaries like those of the French, Belgian British Imperialists. The foreign trade as well as internal trade may be declared the monopoly of the new Imperialist Government and license to deal in such trade may be sold to a limited number of people hailing from the imperial country or any other country which is within the orbit of its empire or in friendly relations with it. For instance, the British have been sharing this monopoly with Indian merchants in some African colonies, with Arabs in some other colonies, with both in yet other colonies and with the Indians and Chinese in Malasia. By the sale of the land thus confiscated or leasing them out colonial wealth may be robbed. Poll taxes, hut taxes, professional taxes are levied upon both the colonial peoples and non-colonial allies plying their trades in the colonies. Shipping, banking, trading, exchange currency and all other facilities needed for the commercial activity of any people are all monopolized by the imperial power and much direct and indirect profit is derived therefrom. Then there is the employment provided for the imperial people in the colonial services. The conquerors may find that the conqured are more advanced in arts and crafts and posses a highly skilled labour as well as the industrial equipment and they may conscript such labour as Timur, the Lame, Mohemmeds of Ghazni and Ghori had treatd Indian crafts men and as the present Soviet Statemen have taken over millions of German, Czech, Rumanian skilled workers as well as their industrial equipment as retribution for similar German exploitation of Soviet territories.

Viewing only a small section of these channels of profits and revenues, some Imperialists of the 'Chatham House Persuasion' (i.e. Institute of International Affairs) headed by Lord Hailey, try to prove to their own satisfaction that the African Colonies do not at all pay and that instead of the imperial nations deriving any surplus profits, they are obliged to advance loans for balancing the almost chronic deficit budgets of the colonies. But they conveniently ignore four most important invisible but effective sources of strength and income to the Imperialist powers, that is, the profit derived in obtaining the colonial agricultural produce at dead cheap prices; and in selling manufactured goods and industrial and commercial services at too high prices; the strategic war insurance provided by the agricultural development and man-power of the colonial peoples; the long range estimate of the future profits derivable from the present slow growth of colonial resources and the large tax-revenues derived by British Treasury through taxing the incomes of British investors drawn from the colonial industrial and

mining concerns. We have seen, how surplus value produced by the agricultural masses is being taken away from them by the industrial and commercial classes. We have come to the conclusion that whoever is in charge of the 'Key-Services' which are badly needed by the agriculturists is able to extract all or most of the 'surplus value' of the peasantry. If in addition, an industrial or commercial nation gains either political sway or economic control or both over the life of another, then it is in a position to draw, as a part of its imperial booty, all that surplus value of the colonial peasantry. Because either political or economic Imperialism (even better if both are combined) can practically shut out all in international competition between different national capitalists to undermine the imperialist monopoly over any or all the key services and thus more securely suck al the surplus value produced by the peasant masses, the exploitation of the colonial peasants forms the most important portion of the Imperialist booty. Colonial commerce and industry are often able to win for themselves a good portion of the total booty garnered by the imperial power. So they succeed in minimizing their own liability to be exploited. But not so with colonial peasantry. The position of peasants in an independent country like U.S.A. is depressed enough; it is worse in the ultra-imperialist country like Great Britain and it is the worst in the colonial countries. The colonial peasants are least able to withstand the combined on slaught of imperialist powers and their capitalist machine. Hence the concentration and care displayed by the Imperialist powers to gain more and more agricultural countries for their empires.

The importance of the colonial agriculture has come into special lime-light because of the two World Wars. It was realized by both England and Germany, how great was the strategic importance of adequate supplies of food products and other raw materials. England nearly came to the brink of starvation in 1917 due to German submarine menace and Germany was in its turn starved into submission as it were. Ever since, all the great powers have been on the watch for the ensuring of adequate sources of supplies of food. Hence the 20th century demand for colonies and living space, known as 'Libenshraum' made so insistently by Germany and Japan before the World War II and the resistance offered so equally stoutly by France and Britain, owning the two biggest empires.

In all the Imperialist rivalries and international schemes and counter—schemes, there has been one phenomenon common to them. That is their feverish attempt to gain control over as many agricultural areas and agricultural and mineral supplies as possible, and also to develop their natural resources and productive capacities and speedy communications to prevent their rival powers from grabbing or reaching such advantages, even if they can not get at them.

As long as the Imperial and Socialist powers were tolerably sure of peace, they were rivaling with each other in capturing them. Their struggle has contributed to exacerbate their mutual tempers and relations. It also kept down the industrial development of colonial countries. But so soon as these powers began to fear that War alone could be expected to break the tangle of their confused commercial and imperialistic rivalries and conflicts they began to look at all the agricultural countries and peoples as of great strategic importance, which must be either retained or gained at all costs"*. That it is quite possible that these two tendencies might have been over-lapping for a pretty long period before the Second World War had actually broken out, is made clear by Hitler's plans for the capture of Ukraine and Poland, Britain's special efforts to develop the agricultural and mineral resources of her African possessions; America's "good neighbour's" policy towards Latin America and covetous designs on West and North Africa, and Japan's co-prosperity scheme to capture the whole of East Asia, Russia's eyes on the Baltic States and Bulgaria, Austria, Hungary, Poland, Rumania, Sinkiang, Tibet and Inner Mongolia.

One of the aims of the Fascist powers was for expansion. As Brailsford said "The peculiarity of this ambition, whether it reveals itself in Abssynia, in China, or in Spain is that it CONCENTRATES RATHER ON RAW MATERIALS THAN ON MARKETS OR CAPITAL INVESTMENTS". (Why Capitalism means War ? – p. 66).

In order that the Hitlerite Germany and Fascist Italy might be successfully opposed and the Western European Imperial powers kept off, the U.S.S.R. was hard put to it to develop her Siberian Steppes and console her peasant millions to take to better methods of cultivation and work enthusiastically and thus make her economy self-sufficient. Inspite of all her efforts, when she lost her Ukraine and White Russia, she had found herself faced with food shortage. Similarly Japan which was in as vulunerable a position as England in regard to her insufficiency of local agricultural production, cast covetous eyes on China, Manchuko, Dutch East Indies (Indonesia), Malaya, Phillippines, Indo-

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* "Self-sufficiency in the supply of essential food-stuffs and raw materials is an element of military strength which no power can afford to neglect. This element in military strength counts no less in peace than in War." (Why Capitalism means War ?' – p. 67).

ii. Julian Huxley poses the Capitalists dilemma ''Food can not be bought because the country is preparing to go to War; the country must go to War because food can not be enough" (Ends and Means, p. 44).

china, Burma, Australia and she risked a war with the powerful Anglo-American Imperialism in order to capture them. Post-Macarthurian Japan has raised the demand that "the nations which own too much should be generous enough to leave their land at the disposal of nations which own too little " (Yasaburo-Shimonaka, 1952). Prof. Chandra Sekhar sees a part solution for world's population problem in opening the Prairie lands of Australia, New Zealand, Canada, Brazil. But will their white settlers allow such immigration of Asians ? Both Truman and Eisenhour were obliged to be soft towards the French imperialists during these ten post-war years of challenge to their Imperialism in Africa by the colonial peoples. Seeds for future Anglo-American rivalries and conflicts were sown in Africa, and middle East, thanks to Israel's presence and Bagdad Pact. And the real cause for it all is the unexplored and un-exploited agricultural and mineral resources of those areas. England is so unwilling to part with Arabia, Australia, New Zealand, Africa and is so unhappy at having lost so much of her East Asian Empire because she has come to depend so largely upon them for the feeding of her people and for the progress and functioning of her manufactures and commerce. The Second World War was fought as much for the mastery over agricultural countries and their peoples as for markets for their manufactures and for the racial, ideological grounds and objectives. This post-war decade has witnessed the Cold War between U.S.A. and USSR Blocs and the strategic importance of agricultural countries and their resources has played as prominent a role as the psychological trends of their peoples.

In order that they may fight each other with some assurance of success, the rival powers need so many agricultural countries as their dominions or satellites. They venture to fight with each other for the capture of their agricultural areas and peoples so that they may become stronger and better equipped for future wars. So there must be something specially valuable in the nature of agricultural countries and peoples which they all covet so much and for which they are prepared to rush into such periodical blood-baths. What is it ? If they are willing to pay fully for what they get from agricultural countries and peoples, this struggle need not be so catastrophic. If they have nothing to gain, over and above the quid-pro-quo they have to receive for their manufactures and commercial services and pay fully for the agricultural and mineral produce of the agricultural countries, these wars may not be so wide-spread and so frequent.

Indeed there is the vast booty of "surplus value" produced by agricultural masses and grabbed by these imperial masters through their control of the world markets,

mechanism of exchange and currency, the key services needed by agriculture and land their suzerainty over the local Governments. The manufacturing countries do not give real quid-pro-quo for the value they receive in the shape of agricultural commodities and services rendered to them. All unknown to them, the agricultural masses of the colonies are being forced to part with much of their annual-wealth, under the mistaken notion that they are being paid in return in the shape of manufactured goods and commercial and other services. In actual fact, much higher prices than necessary are being extracted from them for the manufactured goods. Much lower prices are received for their own agricultural commodities*.

Here lies the secret of Imperialistic economic exploitation. It is agriculture and its peasants who provide most of the Imperialist booty. It is for the possession of this booty that the great powers are prepared to indulge in Wars.

To take for instance the Imperialist exploitation of India by Britain, Great Britain gained without saying so a practical monopoly of shipping needed by most of her Dominions, colonies and India. Her Exchange Banks controlled the foreign trade of India and other dependencies. Her exporting and importing firms held a practical monopoly in the marketing of most Indian agricultural goods. Her control of the Indian Currency, through various means, including the keeping of Indian Gold and Silver in the Bank of England, the linking up Rupee with the Pound sterling, the vast operations of Government of Indian in London Money Market, the conscription of all of the dollar securities held by Indians and her `blocking' India's sterling securities in which India was being paid for all her war-supplies and the consequent infliction of War-inflation

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*`` Modern times have shown that there is no absolute relation between high wages and efficiency as was commonly supposed ''.

"How much the World owes to unjust wages to Producers of raw materials can be easily realized from the failure of the attempted tea industry in the U.S.A. The climate and soil of the U.S.A is as good as that of China for tea but the decent wages of the Americans do not permit its development in the country. Possibly the World would have to go without some of the essential commodities, if decent wages are to be paid, for instance to the tea and jute workers".

(Eastern Economist – page 665, dated 24th, Sept. 1943).

A bottle of rum costing 4 ½ d could buy in Gambia of British West Africa a bushal of ground-nuts worth 27 d". (Empire in Africa. Page 25).

"Natives are paid so little that it is always possible to make a profit out of their labour "(Empire in Africa. Page. 24).

upon Indian masses – all gave the British a more or less complete control over the economic structure of India, especially of Rural India. Through her manipulations with the Indian tariffs and the scheme of Imperial preferences, the British Government was able to win the co-operation of Indian industrialists for their joint exploitation of Indian peasantry. Thus the cream of labour of the extremely intelligent, industrious and able Indian peasants who numbered nearly 200 millions was being extracted for the benefit of the British and their Indian and other allies. During the Wars, Americans and Australians were also taken into partnership of the British.

Worse is the plight of the less developed African colonies where even the best lands are taken away by white Planters while Negroes are forced to confine themselves inadequate and infertile reserves and pay their hut and poll-taxes for the benefit of the European planters etc., by working for less than subsistence wages. Their whole-sale and retail trade and inland and foreign markets are all controlled by the imperialist Governments and foreigners.

There is one other great difference between such advanced colonies as India and the less developed African colonies. Indian industrialists and commercial interests were sufficiently organized, awakened and powerful to force British Imperialism to part with quite an appreciable portion of the booty that it extracted from the 200 millions of Indian peasants. Unfortunately even that advantage is not gained by any section of the Negroes, for their trade is organized either by Europeans or by Indian or Arabs and their infant industries, which are confined to the processing of agricultural commodities such as ginning, cleaning and pressing of cotton, extracting fibres from sisal are also run by foreigners and so, 'not a bit of booty extracted from the Negro labour on land goes to their nationals.

Moreover while almost all the land in India belongs to Indians, just the reverse is the case in Africa, so much so most of the wealth extracted from African soils through European ownership and exploitation is derived by foreigners.

How Imperialism has queered the pitch, complecated the local affairs, drove people into an unenviable poverty and exploited their national resources is exemplified by the British treatment of MALAYA. All are agreed that a Malay is unlike almost everyone else in the modern world and that "he is not obsessed with the need to exert himself more than will provide for his quite modest needs. He never cringes. He will always meet you on your own ground". Because of these great qualities of his, he did

not make it possible for the British imperialist and planter to pursue their methods of forced labour, vagrancy laws. So the imperialist pursued the easier method of importing the Chinese and Indians to help them to exploit the land and mines and otherwise imperialistically develop the colony, so that they need not "deny the world the peninsula's economic resources". What a spacious plea and what hypocrisy. The kindly imperialist, Mr. G.S. Rawlings concludes his survey of this miserable behaviour of the British with the remark "the unhappy truth for the Malay is that the world has not waited for him hitherto, and these seems little reason to suppose that it will henceforeth (Oxford Pamphlet on Malaya).

And what did Britain do in return for this opening of the riches of Malaya to the World ? A Trade Commission reported in 1933 that the much lauded Ottawa Imperial preference "did not benefit" Malaya and Rawlings concludes "there is little doubt that in this instance **the narrow interest of the Malayan** peoples went by the board when Commonwealth and particularly British advantage was at stake".

And there has been the complaint from 1880 onwards that "nothing that we have done so far has taught them (Malayans) to govern themselves". Thanks to the ten years of Communist revolt and the national struggle, the British are obliged to promise to recognize Malayan National Independence by 1957, in spite of much-exploited minority problem of the Indian and Chinese immigrants.

In French Moroco, out of its 7 millions population, there are five millions of Arabs and only 200,000 Europeans, and 100,000 Jews a very large number of primitive Berber people, living near the Atlas Mountains. On the borders of Spanish Morocco, there is 'the fertile costal belt' of black earth, with here and there a tractor plough crawling across it, stretches away to the horizon on either side of the (railway) line and every few miles there is a neat cluster of lime washed cottages and agricultural buildings". This produces ` a million tons of wheat annually'. But 'the Arabs do not own an inch of it. It is owned by a French syndicate which works it with gang labour. What of the fate of the Arabs ? "The vast majority of them are small peasants". They – cultivate a dried-up, tree-less soil on which they grow barley and various fruits and vegetables. They live chiefly on barley and the milk of miserable goats". No wonder "the general poverty of the country is startling. Beggars are as common as rifles ? The only things left untouched so far are the Moroccan pottery and blankets" which are some of the finest in the World and that too because ' of the miserable wages' paid to Moroccans (quoted from the Tribune's Article by George Orwell, 1943).

The helplessness of French African subjects is indicated by the following extract of a letter from Negro parents to their sons, conscripted for European plantations: "Send thirty francs for taxes at once. They (tax-gatherers) have taken all our animals and millet and we are starving". (`Africa Dances', p. 71). Even these Moroccans, Algerians and Tunisians are atlong last emerging as Independent peoples, with their National Home Rule, mostly because of their great scarifies and repeated struggles and also because of the postwar tension between the democratic and Soviet blocs.

Mr. Leonard Barnes asserts in his ' Soviet Light on the Colonies' that "coloies are valued precisely because colonial trade can offer the imperial participant a wider margin of advantage and can offer it continuously over a longer period than can trade with soverign, independent and one may add, well armed countries" (p. 51-1944).

Vincent Harlow admits in his Oxford Pamphlet The British Colonies that the "establishment of private commercial enterprise among weaker races frequently does involve injurious exploitation". The prolonged absence of large numbers of Negroes or other local peoples from their villages and farms owing to their necessity to work in the mines or on the plantations of Europeans and the too low wages paid for them when compared to those paid to Europeans are admitted by him to be doing incalculable harm. He also concedes that the "commercial companies operating in the colonies inevitably exercise great influence over the well-being of the native workers whom they employ or whose cash crops they purchase". (p. 19-23 1944).

Thus the less developed colonies are denuded of their resource to a greater extent and more rapidly than the more highly developed dependencies.

In another sense too, imperialist powers and their manufacturing allies impoverish their colonial people. They use all their powers in every possible manner to undermine and destroy the cottage industries of the colonial peoples, deprive them of their economic independence and rob their villages of their self-sufficiency economy and force them to become dependent upon the supplies of their own high prieed manufactured commodities. Thus were the hand-spinning and hand-loom weaving of India almost destroyed and Indian peasants' subsidiary employment robbed and Indian rural economy disrupted as a consequence. The same had been the miserable experience of Turkey, China and Africa under the imperialist exploitation.

There are then the favoured Dominions, such as Australia, Canada, New Zealand of the British, Algieria of France and Phillippines of U.S.A. Even they have to do duty

at the shrine of economic imperialism. By borrowing British, French or American capital to develop their internal communications and some industries, by depending upon their imperial masters for their shipping, international commerce and currency operations and what is even more important, by leaning too much on the demand offered by their imperial powers for their agricultural and mineral products, even those countries which enjoy political autonomy of a sort have come to suffer from most of the evils of economic imperialism.

They can only try to obtain some relief from the grip of this craven imperialism by exercising their right to set up one imperialist power and people against the other group; as, for instance, Canada does by inviting both Great Britain and U.S.A. to pour their capitals and develop her industries, communications and commerce. They are also free to pick and choose the supplies of their manufacturing needs. They have a certain amount of freedom in searching for and finding alternative markets for their exports in return for the bait of offering to purchase their exports. Thus, to some extent, they are able to force their imperialist masters to be satisfied with a gradually decreasing portion of the usual imperial booty that is extracted from colonies as such. Such was also the condition of the pre war Balkan States vis-à-vis the Western European industrial countries.

But to the extent that they also form part and parcel of the same imperial currency bloc and deal with the rest of the world through the London Money Market and its manipulations and the sterling standard, they have to heed the demands, convenience and needs of Britain.

We next come to the other politically independent countries out-side the Commonwealth, like Latin American States, a number of Asiatic countries like Afghanistan, Iran, Turkey. They enjoy all the advantages of the British Dominions and in addition they are free to pick and choose their own currency standards and world money market and international monetary standard, though it is true that even this privilege is there more in name than in practice since they had to make their choice mostly as between the American dollar and British pound sterling and since they are so heavily indebted to one or the other of the great powers. To take pre-war China, her "communications and much of her mineral wealth was mortgaged to foreign financers. The Railways or concessions were in the hands of different groups of bitter competitors. Every possible source of Chinese revenue ws mortgaged to secure the interest on those

foreign loans". The Chinese "saw that this policy of exploitation was openly supported by the bayonets and fleets of the imperialist powers, " with whom Japan joined forces since the beginning of the twentieth century. (Economic Imperialism by Leonard Woolf – page 94). Hence the Boxer Revolution cost China £ 67 million indemnity to be paid to the Imperialist powers, including U.S.A. Not being satisfied with all this and the extra-territorial rights that seriously encroached upon the political freedom and independence of China, the imperialist powers took hold of the Chinese customs, obtained the right to decide what import and export duties were to be charged, of course, almost always in their own interests and thus ensured the payment of interest on their loans to China.

Brailsford writes : "China became for the British trade `a home from home'. A Britisher carried the British Empire with him in the soles of his shoes. – he paid none of the direct taxes (to the land that he inhabited); over his person, his property and his enterprises the empire stretched its arm". This system of extra-territorialty ``was in origin and intention a method of private, capitalistic trade by means of the armed power and prestige of the state". The `unequal treaties' as the Chinese aptly call them, were imposed and maintained by force, since the British and other gun-boats patrolled not merely the coasts but the rivers. The same system prevailed with variations in Turkey, Egypt, Siam and for a time in Japan". (Why Capitalism means War ?" p. 41.)

Dr. Sun Yat Sen himself summed up China's enforced contribution to world imperialism in the following words : -

"In money value of stolen rights and privileges, we lose every year, first through invasion of foreign goods Dollars 500 millions; second through the invasion of foreign paper money into our money market, along with foreign bank discounts on exchange and interest on our deposits about 100 millions, third through freight charges on our exports and imports upto 100 millions; fourth, through taxes, rents and land sales in the settlements and ceded areas at least upto 400 or 500 millions; fifth, through special privileges and private business of foreigners 100 millions; sixth, through the speculation business and various other fleecing games hundreds of millions. These six kinds of economic domination cost us an annual loss of not less than 1200 millions". (His 2nd Lecture on Feb. 3rd., 1923 on Nationalism).

Not content with all this, they 'fomented and fostered' Civil War by the loans made to the warring war-lords. Thus Civil War was made endemic. By the time Sun Yet Sen, Wang Chiang-Wei and Chiang Kai Sheik brought about some semblance of national unity the nation was so much weakened that Japan was tempted to drive away all other imperialist powers and to wield in her own right the big rod of Imperialism.

Thanks to the rivalry between the Japanese and the Anglo-Americans and their anxiety to bolster up the respective puppet Governments of Nanking and Chungking, during the World War II and after they abandoned their extra-territorial rights and concessions. The capture of power by the Communists helped China to liquidate this Imperialism. But even now, Great Britain is unwilling to waive her claims over Hong Kong.

Turning to Latin America, we find that though the peoples of Banana Republics, Dominico, Brazil, Argentina, Peru, Chili, Mexico, flatter themselves that they are politically independent 'they are no less subject to the considerable economic control of U.S.A. and her Export and Import Bank and her United Fruit Company and a number of steel, petrol, railway and other concerns. England too had a very considerable hold over Argentina in particular and a number of smaller states. In pre-war days, both Germany and Italy had very powerful interests in many states. We gather from the Oxford pamphlet on Latin America that it sold abroad in 1937 one third of the value of its primary production. It accounted for more than ¾ of the world's exports of coffee and bananas, nearly ¾ of its maize, nearly a half of its sugar and more than a quarter of its wheat, cocoa and copper".

In Argentina, the British alone had £ 400 millions investments and controlled railways, shipping and refrigerators. "Fifty per cent of the meat Britain eats comes from Argentina" and Argentina is the leading world producer and exporter of beef and world's first exporter of maize, linseed and second exporter of wheat, wool and mutton. But of what avail ? Since the beginning of the World War II, Argentina came more and more under the sway of U.S.A. Like most of the other South American States she had to seek the assistance of U.S.A's Export and Import Banks.

Brzil's Chief export is Coffee and she is able to assure her planters and peasants only subsistence incomes by borrowing £ 9 millions from U.S.A., keeping as against it 9 million bags of coffee as collacteral securities and destroying 15 % of the annual production at a cost of £ 200,000 a year.

Last but not the least is Mexico. Thanks to the policy pursued by President-dictator Diaz who dominated her life between 1876 to 1911, and who "practically gave his country away" to his clique and foreign interest, the British and American oil companies built their own towns and armies and "never paid one cent of royalty or even the taxes to the Mexican Government right upto 1917". They got their oil absolutely free.

But a change has come over the economic thought of Latin America. It no longer wishes that its problem of disposing of agricultural surpluses shall await the pleasure of Europe and the United States. "Having been mined for three centuries and milked for one, the Republics are determined to do a bit of the mining and milking themselves".

The Second World War demonstrated the helplessness of the colonial peoples because of their dependence upon export markets for their agricultural and mineral products whose production was stimulated by various means by their imperial masters. It is no exaggeration to say that today, most states of Latin America are as helplessly dependent upon U.S.A and her capacity to lend large sums and absorb their agricultural produce as India used to be before attaining Swaraj.

We see how various colonial crops are being raised in ever larger quantities to satisfy the demand preferred by the manufactures of the imperial powers. We also notice how whenever local peasants are not keen on entering world markets by producing commercial crops, capitalists take a direct hand in undertaking their production. At every stage, an imperial power holding political sway upon any colony goes out of its way, in all such circumstances, to aid the capitalist concerns of its own country to obtain land either freely or cheaply, to secure labour and communications and otherwise to make their agricultural operations possible and profitable for Capitalism. Even cheap credit is offered to them and all the political influence of the local governments is placed at their disposal. Thus, the colonial governments are more truly the administrative committee of imperial capitalists than even those of the imperial countries.

R.C. Dutt observed as long ago as 1900, that the British imperialist exploitation of India had two-fold objects; that is, the production of raw materials in India for British industries and the consumption of British manufactures in India.

The British manufacturer – employed "the arm of political in justice to keep down and ultimately strangle a competitor with whom he could not have contended on equal terms". India has been converted, like other colonies into "a vaster estate or

plantation" of England and "60 % of the population are sunk in abject poverty and under-nourshiment". (p. 611, Economic History of India – Victorian Age).

Marx observed "speaking only of the **value** of the commodities Indians have gratuitously and annually to send over to England – it amounts to **more than the total sum of sixty millions of agricultural and industrial labourers of India**. This is a bleeding process with vengeance". (Marx and Engels on India, p. 93.).

In answer to the boasts of imperialists that they have given the Eastern peoples peace and prosperity the following quotation from a decree of the Chinese Emperor dated 5th January, 1853, taken from 'Marx and Engels on India', and typical of the Orient rule, shows that after all the much abused oriental rulers of the pre-European imperialist age, was not so heartless or unconcerned about peoples' welfare.

He gave orders to all his Viceroys etc., to remit and defer payment of taxes and especially not in any case to exact more than the regular amount, for otherwise, says the decree, ``**how will the poor people be able to bear it**? And thus perhaps – will my people in a period of general hardship and distress, be exempted from the evils of being pursued and worried by the tax-gatherers" (p. 101) (Italics ours. – Ed). "Have we ever come across as much sympathy and consideration from the British Imperialists".

The colonial thesis of the sixth World Congress of Communists has correctly characterized the cultural role of the imperialistic states in the colonies as that of " an executioner." It also recognizes that the imperialists' control of trade and commerce results in the "Bleeding "or national wealth of colonial countries." And it also realizes how the "transference to the metropolis (of the imperial powers) of the greater portion of the surplus value extorted from the labour power of colonial slaves retards to a correspondingly enormous degree the upward growth of the economy of the colonial countries."

But it **loses sight of the very important fact that the most considerable and direct result of imperialist exploitation is the surplus value produced by colonial peasants**. Whether working in their reserves, communes or small holdings – by forcing them to part with their produce at such low prices as will yield to them not even subsistence incomes but as will pass on the imperialist masters and their agents all the "cream from out of" their labour.

Anyhow the fact remains that Imperialism's first and most important task, once it establishes its political or economic or combined politico-economic supremacy over any area and people is to extract as much of the surplus value produced by the colonial peoples as possible and thus grow rich. This extraction of surplus value may be made through any or all such means as monopoly charges made for transport, processing, marketing and also by the payment of the lowest possible prices. Generally, since the imperialists gain more or less monopolistic control of all the trading, commercial, financing and processing services, they are able to quote directly to peasants the lowest prices.

For instance "trade goods for African consumption such as calico, cotton blankets, and shoes, are charged railway freights four, six or even ten times the rates charged on European plantation products for exports".

Yet another novel way of exploiting Negro peasants to benefit the European settlers is to adopt the policy of differential price lists for the agricultural produce of European and Negro producers. "The Kenya subsidies to European farmers work the same way : they make the food of the natives dearer, by manipulating the internal price in favour of the white farmer" – (Empire in Africa – page.82.)

In Southern Rhodesia, first of all "the demand for maize was divided between Europeans and native producers in the proportion of three to one" and the "Europeans should get a higher price for their maizes and since most of the natives do not produce enough for their own consumption they are forced to purchase maize from Europeans at the artificially high domestic price" (p.92) The same injustice is heaped on them by the South African price manipulations.

CONSUMERS TO SHARE IN THE BOOTY

It is not only the workers, professionals, technicians and intellectuals, engaged in providing all these accessory services who derive their share of the "surplus value" extracted from the colonial peasantry but also the consumers served by the imperialist powers. Since there is always a considerable amount of rivalry and competition for markets as between the various imperialist-cum-industrial powers- and also, since they are anxious to pamper their home citizen with the benefits of their imperialism, the imperialist powers and their capitalists see to it that a good proportion of the "colonial booty" extracted from the colonia peoples especially peasants... is passed on to the consumers in the shape of lower prices .... charged for the finished goods. Thus the industrialists and commercial classes and the proletariat of the imperial nations are

benefited in two ways; first, as the recipients of the employment provided by the colonial raw produce and next, as the consumers of the cheap finished goods.

It is true that there are constant conflicts between the imperial upper classes and the proletariat. But such class struggle is over their respective shares of their national wealth, which is the aggregate of both what they all produce in a legitimate manner and also what they drive, in an indirect manner, from their imperialism. But as far as the colonial peoples are concerned, they stand as exploiters and partners in colonial looting. "The upper classes have all the power and greater share of the loot."

Similarly there are conflicts between the growing industrial and commercial classes and interests of colonial countries and similar classes as well as the governing sections of the imperial nations over their respective shares of the 'surplus value' extracted from the colonial peasantry. Indeed it is this conflict that provides the initial momentum to colonial national freedom movements. But they tool like the imperial proletariat, are partners in exploiting their own local peasantry.

Further the industrial and commercial classes and their proletariat all over the world, have their share – in larger or smaller degrees – in the colonial 'drain' extracted by the imperialists. Only the imperialist powers are able to absorb much of it and those which are not directly dominating over any of the colonies have to be content with smaller shares of the loot; that is, in so far as they are able to gain more or less hold over the various accessory industrial or commercial or transport equipment needed by the concerned colony; command the markets for any of the colonial commodities and later on, share in the consumption of the final commodities, made out of colonial raw produce.

But even in this direction, there may be conflicts. For instance, British Empire is so strong financially, industrially and militarily that she can and does monopolies the supply of all the accessory equipment needed by most of her colonies; she therefore purchases, almost all her colonial raw products, converts them into consumers' goods like the Rowntrees Cocoa and Rowntrees and Cadbury's and port Sunlight chocolates and also Ovaltine and sells them to world consumers. Then it is only as consumers that the other industrial or imperial people can come in to nibble at the "colonial loot." They are unable to share in the enormous profits made through the first phase of money-lending, selling manures, charging merchants' commission etc., when the raw produce is purchased, by paying the lowest prices and then distributing shares of it to the railways,

shipping, banking, manufacturing and finishing (processing etc.,) interests. Hence the constant internecine friction, jealousy and rivalry between the imperialist powers as well as the other powerful industrial nations, which are "have not" in the sphere of empires. Unless we realize the prevalence of these cross currents i.e., forces keeping them together for their common exploitation of the colonial peasantry and other masses and those placing them at loggerheads because of their conflict of interests in sharing their "colonial loot." We cannot understand the otherwise surprising substrata of agreement between all the industrial nations and imperial powers in keeping down the colonial peoples, in demanding an open door to all colonies for all of them, in singing the praises of the modern cult of freedom for all to exploit the natural resources of all countries wherever and whenever they need development, despite all their protestations of irreconcilable ideological and institutional differences, from Sovietism to Fascism via British Democratic Imperialism and American "Four Freedoms "; professions of Democratic "Good Neighbourliness" – all embodied in that Atlantic Charter.

AMERGENCE OF TWO WORLDS – THE IMPERIALIST AND THE COLONIAL.

MARX : Marx wrote in 1853 "The profound hypocrisy and inherent barbarism of bourgeois civilization lies unveiled before our eyes, turning from its home, where it assumes respectable forms, to the colonies where it goes naked. They are these defenders of property but did any evolutionary party ever originate agrarian revolutions like those in Bengal, in Madras, and in Bombay? Did they not in India, to borrow expression of that great robber Lord Clive himself, resort to atrocious extortion when simple corruption could not keep pace with their capacity? While they prated in Europe about these inviolable sanctity of these national debt, did they not confiscate in India these dividends of these RAJAHS who had invested their private savings in these Company's funds – not to speak of Warren Hastings' robbery of Oudh Begum's palaces etc." (Marx and Engles on India –p.64.) Marx wrote in 'Capital' – Vol. I – p. 484, "There now arises a new international division of labour, so that while parts of these world become these main seats of machino-facture, other parts are transformed into predominantly agricultural fields of production. This revolution is associated with revolutionary changes in agriculture."

STALIN: Stalin said "Imperialism means these most shameless exploitation and these most inhuman oppression of hundreds of millions of these population of vast

colonies and dependent countries." (Quoted by Leontiev – p.348). Leontiev himself write : "These fierce struggle for sales markets, for raw material markets, markets for capital investments led to these division of these entire world among a few robbers – (p. 317) – of these 1750 millions of people of these world, about 600 millions "live in oppressed colonies and 400 millions in semi-colonies." "Thus more than half of these human race are in these power of these great robber-nations." (political Economy – Page 316.)

The millions of tyrannical races are "still trying by in human methods and military force to subjugate the other" 1250 millions.

Dr. SUN YAT SEN : Although these former group is in Dr. SUN YAT SEN a minority they hold these most powerful positions on these globe and their political and economic strength is immense."

J.A. HOBSON : these author of that epoch making book 'Imperialism', said as to these real nature of modern imperialism "civilized western world is coming more consciously to mould practical policy, political and economic and its

HOBSON : sentiments and theories upon a white exploitation of these lower and backward peoples. Imperialism is displacing or at present is crossing CLASS supremacy, and is involving an intellectualism and morals accommodated to these needs of this new social cleavage. It is moving towards a not distant epoch in these life of Western White Nations, as regard these means of their livelihood, to be mainly dependent upon these labour of regimented lower peoples in various distant portions of these globe." Those who have seen at close quarters how even these so-called lower classes of these western imperial nations live a luxurious life when compared to that of these colonies and how they assume a supercilious sense of their moral and cultural superiority and are conscious of their racial and colour snobbery can agree with Hobson's characterizati9on of these White Man's Imperialism.

During these inter-war years, Japan entered these ranks of imperialists. Since these end of these World War II, Soviet Russia and China have developed their circles of satellites, soviet countries. It is feared that their treatment is as bad as these capitalistic imperialists. No doubt, colour and race do play an important role in Wars, and imperialist domination. But these basic cause for these growth of imperialism to its modern dimensions is these greed of these imperialist powers to gain control over

agricultural countries and their peasantry. Like Hobson, Leontiev too gives prominence to such subsidiary cause as these haunt for markets for capital and industrial goods. These most fundamental cause is these search of imperialist powers for these sources of raw materials and their producers, these peasantry. Associated with it are these search for markets for manufactured goods, capital and these professional unemployed persons; but as Hobson put it these consequence of all this imperialist exploitation has come to be that less than a half of these world's population is fattening on these other half of the depressed and suppressed peoples.

Let H.N. Brailsford : answer these experts of these Chatham House who maintain that an Empire is not such a paying concern; "These inequality …between the Have s and Have-nots" of great powers "is one of the key facts of BRAILSFORD modern life. Why? Because (i) in their mutual diplomatic discussions, Empire confers a marked superiority on the "Haves", (ii) it assures to them a rich source of profit denied to their rivals and this, be it remembered, is only one of the several major streams of profit that flow from Empire; (iii) gains that accrue from closed or preferential markets to the industry of the metropolis and from investments unconnected with raw materials; (iv) all the dependent colonies including the mandated areas, are fields of profitable employment reserved for the upper strata of the imperial peoples." (Why Capitalism means War ? – P.76.)

Here is the European self-justification of this horrible exploitation of Africa and desecration of Negroes' social life and their communal economy offered by the guilded imperialist, Lord Lugard :- "there are the urgencies

LORD LUGARD: arising out of the idea of a modern world economy, using all the natural products of the earth, freely and thoroughly for power and plenty. (Who can enjoy that power and plenty as the world is now situated but the imperialists? – Ed.) To that economy the distinctive products of every region of the earth must contribute and it is necessary that in unsettled or socially and politically backward lands, where the local population is living under an ancient traditional savage or barbarous regime, some methods of exploitation should be adopted to bring the natural products into the new world system culture.(of the imperialists; - ED.). Some invasion of the indigenous culture is inevitable, if the new system cannot work and cannot balance itself without the products in abundance." Can anything

beat this in international immorality, brazenness and hypocrisy : (quoted by H.G. Wells in his 'Work, Wealth and Happiness' – P. 675.)

Moreover, the colonies which are not officially classified as such are also very many and very important and their position cannot be improved by any democratic reforms which may come to be accepted by imperial powers in their treatment of their direct colonies. But their fate hangs on whether they succeed in defeating this dangerous Clause Four of the Atlantic Character or not and whether they are able to adopt suitable protective measures to safe-guard their national resources and production and other economic life.

Coming to consider how a Socialist or Communist or Anarchist community might govern an African region, Bertrand Russell had the foresight to administer a warning to Socialists:

RUSSELL'S WARNING AGAINST SOCIALISTIC IMPERIALISM : "Unless great precautions were taken, the white community under the circumstances, would acquire the position and the instincts of a slave owner. It would tend to keep the Negroes down to the bare level of subsistence, while using the produce of their country to increase the comfort and splendour of the Communist Community. It would do this with that careful unconsciousness which now characterizes all the worst acts of nations ... No doubt in the first generous enthusiasm , accompanying the establishment of the new regime at home, there would be every intention of making the natives happy , but gradually they would be remembered... I say only that – these evils will not be avoided unless they are foreseen and a deliberate conscious effort is made to prevent their realization. If the white communities should ever reach the point wishing to carry out as far as possible the principles underlying the revolt against capitalism, they will have to find a way of establishing an absolute disinterestedness in their dealings with subject races. ('Roads to Freedom' –p. 161-162.) Unfortunately the British Socialists have not yet been able to fully emancipate themselves from their imperialistic prejudices, as has been evidenced by the abortive African Pea Nut Plantation Scheme.

JAWHARLAL NEHRU: Pandit Nehru also said in 1945 that "wisdom demands that the colonial problem of Asia be dealt with not in bits and patches but fundamentally, by ending colonialism and Empire. This is the only alternative

to unceasing conflict leading to another War." Continuing he declares that "the fire of freedom which has been lit in Asia will not be extinguished till it has consumed the whole imperialist machinery".

DECLARE COLONIAL MASSES AS INDEPENDENT PEOPLES : Then, what is it that has to be demanded? Contrary to the general but interested attitude, whether consciously or unconsciously developed, of the Western thinkers, the colonial and coloured peoples Freedom Front has been demanding that the very first thing to be aimed at is the declaration by the world at large, that all the colonial peoples should be free and independent of every kind of domination. Many of them may not be able to take charge of their Governments immediately and run them efficiently and for their own goodness. But that is no reason why they must be handed over to any one or more so-called mandatory powers to be exploited, and suppressed by them. Once their national independence is recognized, freedom respected, the kind of governance, they have to be provided with by the United Nations, can be settled. Such an internationally guided government is bound to be entirely different from the present colonial Governments, which are created on the basis of the dependence of the colonies and subjection of their peoples.

CLEAN THE ECONOMIC SLATE: But such an international regime cannot make any real head-way in setting the colonial peoples on their own feet unless it starts with the initial advantage of canceling all the previous confiscations or alienations of tribal lands, abrogating all the so-called long-term leases of lands and returning them to the tribal peoples. It has also a to protect the natural resources in men, and minerals of the colonies, cancel if necessary any licenses given to companies and shut down any mines, if such action is called for, in the interests of local peoples.

This economic development has to be planned and carried out in such a way that it will be in harmony with the tribal and psychological conditions and abilities of the people, concerned. The United Nations will have to provide adequate economic and technical assistance to the people and help to raise capacity for work, organization, and management of the concerned peoples. Rapid strides will have to be made in developing their general, vocational and specialized education.

Any capital, that may be needed, for the development of local communications, processing and other industries, irrigation and flood protection and hydel projects, public health and sanitation schemes, will have to be borrowed not from any one or two countries separately but only from an International development Fund, that is, the SUNFED.

Every one of the colonies to be liberated thus must be admitted as full-pledged member of the United Nations from the very out-set. The admission of Sudan into the U.N. a few months after she has become independent has created a healthy precedent.

CONSTITUTE SOCIAL SERVICE CROPS : The public servants, Engineers and other technical experts who have to work in the initial years in running their various public institutions and governmental operations will have to be chosen as members of the International Social Services Crops, to be organized by the United Nations. They have to be selected only for a . specified period of not more than ten years. Every effort has to be made to train and appoint the local intellectuals to all these positions which fall vacant, as the foreign experts retire. (For a more detailed study of Aspects, a perusal of the author's book 'Colonial and Coloured People' (1946) is recommended).

Thanks to the weakening of the imperialist powers and the awakening of the colonial peoples; caused by the Second World War and the Post-war's Cold war, many a colonial country has won either self-government or Independence. The French colonies of Syria, Indo-China, Tunisia, Morocco, the British Colonies of Nigeria, Gold Coast, Egypt and Sudan have gained effective freedom from the strange-hold of imperialism. So, their example is bound to inspire the other peoples of Africa. Similarly India, Pakistan, Ceylon, Burma, Indonesia, and Phillippines have emerged as indcpendent countries and Malaya is soon to be free. China has already become a great communist power, challenging U.S.A. No wonder, the Bandung Conference of Afro-Asian nations sounded the death-knell of the traditional Imperialism. Therefore the achievement of national independence of the other colonial peoples rests entirely with themselves. Not much can be expected from the servants and saints pf the imperialist powers. The proposed unilateral or multilateral mandates can only postpone their liberation and hasten their impoverishment. And until and unless they achieve their political freedom and economic emancipation, their agricultural masses cannot hope for a fair deal at the hands of the Capitalist Classes.

At the same time, the predominantly agricultural countries, which happen to have suffered from colonialism and imperialist exploitation have to take special care not to fall into the embraces of the post-war Soviet Imperialism, because the Soviets are as much bent upon exploiting and suppressing agricultural people as the worst of the traditional imperialists. The Communists have no qualms of conscience in their merciless exploitation of peasants, that is, the peasant proprietors as well as the members of their collectivist Co-operatives. Hence the warning sounded by the leaders of some of the Asian countries at the Bandung Conference held in Indonesia in 1955. Thank God, the traditional imperialism is being liquidated. But let not the new Soviet Imperialism be welcomed. The lesson of history is that the capitalistic cum communistic exploitation of peasants ought not to be allowed a footing anywhere in the World.

CHAPTER XI

WORLD MARKETS

The development of Capitalism dethroned Agriculture from its former position of predominance and degraded it to a state of dependency. The emergency of world market is the primary factor that contributed to this development. These markets have weighted the scales mostly against peasants, though in theory they are supposed to serve equally all who resort to them. The unrestricted international competition because of the international unity of the market for these primary goods made this disorganized industry specially amenable for exploitation by the merchant class. What the entrepreneurs are to the proletariat, so the merchant and the market are to the peasant. Hence his need for protection from this world market is not unlike the need of proletariat for protection from the uncontrolled exploitation of the enterprises. The second World War did some unexpected good to the peasant and it was a culminating point in this protection. Hence there should be no return to the unrestricted world market.

The emergence and development of Capitalism and its achievements, industrialism and modern commerce have dethroned agriculture from its former position of predominance and degraded it to such a state of dependency that Mr. Harrod of Cambridge can feel sure in his "International Economics" that agriculture is definitely on the downward grade and steps ought to be taken to specially stimulate industries in order to encourage peasants to drift into towns and work in manufactures in much larger number than at present. Prof. Black of U.S.A. agrees with him. Instead of various industries being organized, developed and remunerated in relation to and dependent upon the prosperity of agriculture as in the pre-industrial and village commonwealths' times, industries and commerce have come to dictate the nature, manner and extent of crops to be raised in different countries, the agricultural methods (large or small scale cultivation, plantation or peasant economy, single crop or diversified crop-planning) the kind and amount of labour to be employed, the seasons of employment, under-employment etc, the nature of the credit and marketing facilities and the kind of communications provided etc. Industrial activities have come to

dominate agriculture and the earlier self-sufficiency of rural populations has been torn to pieces.

The development of mechanical, rapid and cheap means of communications, from railways to motors, from steamships to airways, from telegraph to cables, from telephones to trunk- telephones has aided Capitalism's offensive- against agriculture. Since these modern means of communications have sprung from the initiative of capitalists, they have in their turn helped capitalists to gain a monopolist hold over all the contacts that agriculture may be expected to seek with the main live-wires of the modern economic world. The progress of the modern banking and its control of the traditional institutions and modern manufactures and commerce has also contributed its share to this degradation of the world's agriculture. As we have seen in our chapter on 'Key- Services', they all conspire to levy their heavy toll on agriculture. To buttress their activities and deal periodically stunning blows to agricultural economy and to effect transfusion of economic resources from the weaker agriculture to overfed industries and commerce, the modern currency system is being manipulated.

But all these would have been powerless, if Capitalism had not achieved the organisation of the world markets for primary raw materials. It is through the world markets, that the peasants of every country have been coaxed or stimulated or coerced to send their products into the general stream of goods that is constantly flowing into the capitalist world. It is because of the assurance of ever swelling streams of raw products, like rice, wheat, corn, cotton, silk, rayon, wood, jute, coffee, cocoa, tea, rubber, tin, oil, sugarcane or beet root, oil seeds, produced mostly in tropical countries and the possibility of conveying them over vast distances through quick, cheap and sure means of modern communications, that may of the European Nations, Japan and U.S.A. have been able to concentrate so much upon industries that feed on foreign raw materials and commerce that prosper on the world trade. This constant mobility of agricultural produce and their free flow into the world's industries are facilitated by the development and activities of world markets.

Once peasants have been to step into this stage of Capitalism and their economy has come to be refashioned in accordance with the opportunities offered and dictates made by Capitalism, they naturally come to be interested in the

quality and extent of services offered by its various agencies, Thus, they have a legitimate complaint that the moneylenders and banks do not advance sufficient credit at reasonably low rates of interest; that the railways and roads and canal transport facilities are not fully developed with a view to provide cheaper services; that there are not adequate number of markets; that most of the present markets are 'closed' and are centers of many malpractices such as wrong weights, adulteration; that there is no public elevators and smaller warehouses; that there is no proper system of processing, grading, dehydration, cold storage etc., at economical prices and in short, that Capitalism has taken advantage of its control over al the 'Key-Services, needed by agriculture and is sucking, like leech, the very life blood of peasants without appearing to be causing any apparent pain or injury. All this is being prepared mainly through the medium of world markets.

These markets have weighted the scales against peasants, through in theory they are supposed to serve equally all who resort to them. The merchants, who operate in them have acted more consumers- ranging from manufactures to ultimate housewives than for produces. It is wrong, however, to think that the impacts of these markets and merchants is the same on all the producers, who have to sell their products. The power of markets and merchants to extract maximum profits for themselves and confer greatest benefits to consumers, whom they serve, depends upon the class of goods that seek markets.

There are three classes of goods and services, as classified by orthodox Marshallian economists:- 'A' Class goods, which are the staple goods of homogenous character and capable of entering into foreign trade; consisting of "in the main of raw materials and food stuffs"; 'B' Class goods, into which "much labour is embodied in the working up of raw materials", and which therefore come to have some specialised demand and 'C' Class goods, such as houses, fixed plant, railway services, public utility services and domestic services, which are "incapable of entering into international trade".

On the other hand, for the various factors of production or 'inputs' like agricultural implements, cattle fee, industrial and commercial products such as kerosine and those already mentioned in our chapter on 'Key-Services' which have such a coercive power over agriculture, "there is no world price." (International Economics - p.80) . It is admitted by orthodox economists that "if one of the

factors, such as labour (in the case of agriculture, peasants themselves vis-a-vis the powerful key - services-Ed.) is not well organized to raise its claim for a rise in the reward due to it when occasion offers, it may, in certain circumstances (it is generally so with peasants# Ed.) continue to be paid a reward. which is low in relation to the productive capacity of the country, it may continue, so to say, to be exploited'; the certain circumstances may be defined as those in which employers (key-services etc., in agriculture) are in a quasi-monopolistic condition vis -a-vis labour" (P.74). Thus, while agriculture has to stand all the consequences of its unrestricted exposure to world markets, the very key-services, which are so indispensable to it, are mostly sheltered and are generally able to dictate their own terms and extract monopolistic profits. Thus agriculture is subject to cross-fire and is turned into a permanent cindrella of modern economic life.

The power of world markets over 'A' class goods is the greatest. " The rates at which such goods exchange for each other are, with due allowance for the costs of transport, common throughout the world- these goods have a single international market: prices of rubber, tea etc., are telegraphed from market to market and if the prices of an ounce of silver in London differs from its price in New York by more than the cost of transporting that ounce of silver one way plus that of transporting its price in gold, that difference is at once corrected by an arbitrage operation. The same is true of all staple goods for which an organized market exists in the important commercial centers through out the world". (International Economics - P.60)

"An International unity of market is not achieved for 'B' class goods since they "are apt to be somewhat specialised in character, differing in quality and detail of design according to the place in which the manufacturing process is carried out. These differences destroy the unity of the world market." There is a tendency towards a common international prices level. But over long periods, there may be considerable differences between prices of similar 'B' class goods of different national origin".

There is no international price level for 'C' class goods. The price levels of these goods in different countries are related to each other only through the relation of each to the 'A ' and 'B' class goods.

Therefore, 'A' class goods are completely exposed to the incalculable international competition; 'B' goods are less exposed and 'C' goods are not at all exposed and therefore considered to be sheltered. In addition to this, "the idea of competition tends to be realized in the case of completely standardized commodities, in which the market is fully organized and the individual producers many and unorganized", as is generally the case with the "A" class goods. So the prices of 'A' class goods cannot long remain higher than their costs and are very often, very much lower than the marginal costs. Mr. Harrod and other economists of the West are unable to discern this unfortunate possibility because they do not sufficiently appreciate the helplessness of peasants, the relatively greater strength of capitalism and the unfavourable juxt aposition of inelastic supply of agricultural supply vis-a-vis the elastic demand for them etc.

The Marshallian economists recognize that it is possible for the price of "B" class goods to "stand above the cost of production" owing to the lessening competition between the producers with in any country, the want of pressure of international competition and the possibly of manipulating production with reference to the lesser elasticity of demand. The position of "C" class goods is even better entrenched since there can be very little or no international competition and even within the concerned country, the consumers are not so well organized and powerful.

Now those countries which are predominantly agricultural and there fore, depend for their incomes upon the marketing of "A" class goods are at great disadvantage when compared to the predominantly industrial countries. The latter group of countries are able to take advantage of international competition that batters down the agricultural prices and depress their levels and thus provide themselves with comparatively cheaper food. But, because the former (agricultural countries) are obliged to purchase the products of partly sheltered ("B" class goods) fully sheltered goods, ("C" class goods), whose prices are generally much higher than their costs, they have to pay proportionately more for their purchases of manufactured goods.

We come back again to our good old friends, the relative elasticity of demand and the bargaining capacities of different parties who face each other in the marke and the relative economic strength of different countries. As we find them every where, agriculturists are too many, too much unorganized and too little

helped by their respective governments and too greatly hemmed in by the various "key- services and interests" who do homage to the industrial nations and commercial and manufacturing interests. Their need is so great to rush to the markets and throw their "produce on the market in the confident expectation that" they "will get the ruling price for it" and their combined efforts are so weak, either over the whole of the world or on their national-Scale and their national and international bargaining capacity vis-a-vis the capitalist interests, who cater to the ultimate consumers is extremely poor. On the other hand, they are obliged to compete among themselves in a blind and suicidal manner owing to the operation of the law of 'agricultural production under duress" and also owing to the fact that "producers will often fail to act in their true interest" - a fact which applies most truly to peasants than to other producers. And so, even without much pressure from capitalist classes, agricultural prices are kept low automatically as it were by the unorganized world peasants. Besides, the "law of key services and interests" too works against them. Thus, the orthodox economists dream of unfettered and full competition between producers, to the advantage of consumers is best realized in agriculture, but to the detriment and forced depression of peasantry.

Not so is the case with industrial production. In it, there is no production under duress. The heaviest tax - income tax - falls on the net incomes of manufacturers. Banks are their partners. All the other key services and interests serve them loyally and are controlled in the display of predatoriness by the great staying and striking power of manufacturers. There in much greater and very much effective combination to eliminate competition among manufacturers, to keep up or raise the price levels, to corner production, to control markets and to bend demand to be reasonably stable. Although the orthodox economists, who are apologetic about capitalism are anxious to show that there are really no fool-proof monopolies, there are effective and powerful monopoly interests for all practical purposes in most of the industries and in those countries, which count most.

The very first section of consumers, who purchase agricultural produce are manufactures and their agents, whose bargaining powers are very great, while those who demand manufactured goods are either the unorganized consumers or the powerless, poor and unorganized peasants. The former are often assisted

by the state, while the latter are not. While there is much competition in the grain and other markets from among agricultural producers, there is not so much competition among industrialists, producing manufactured goods. There is not so much scope for national spheres of price-levels for different broad classes of agricultural produce, and the international uniform price levels for different broad classes of agricultural produce decide the fate of prices of commodities of all countries, whereas, for many - if not the most - of manufactured goods, owing to their different "makes" and specifications and patents national levels of prices are most prevalent. Tariffs are not so many, and so high for the protection of the former as they are for the latter. Therefore, markets act mostly in favour of manufacturers, both when they buy raw produce and when they sell their finished goods and agriculture is the easiest and greatest prey of world markets.

In addition to all this, in the colonial countries most of which are predominantly agricultural, agricultural goods are even more depressed, since the imperialist power and its merchants can and do manage to see that even when there are any advantages accruing from any temporary rise in prices, they do not accure either fully or even partially to the colonial people. But the imperialists enjoy practical monopoly advantages in selling their manufactures and commercial services to their colonial people. The enforced membership of colonial countries in the concerned imperial currency and commercial zollverein further disables them, both in obtaining good enough prices for their agricultural prices even within the too low world price parities and in purchasing the needed manufactures in the cheapest markets. Dr. Marshall observed, speaking of British International Trade Policies, the British "Crown colonies and India are not in equally strong positions" as contrasted with the Dominions and he deplored the loss that agricultural countries sustain through not being able to derive any benefits from the operation of law of increasing returns by working their own local manufactures. (Industry and Trade' - pp. 563 and 672).

R.C. Dutt also warned in 1900 against the superficial appearances of prosperity of the countryside merely because of their new activities of world markets. He said "India presents a busy scene to the winter globe trotter, when these transactions take place in every large town and market, but under the cheering appearances of a brisk grain trade lies concealed the fact that the homes and villages of a cultivating nation are denuded of their food to a fatal extent, in order to meet that annual

tribute, which England demands from India." A good portion of this tribute, is derived from land revenue, excise and other tax-burdens, to pay which the cultivators are compelled to sell their gain (R.C. Dutt, Vol. II - PP. 348,349).

And since 1930, the economic position of agricultural countries has been made speciall intolerable. More and more European countries began to develop an increasing degree of self-sufficiency in agriculture; the most important reasons being military strategy and their economic need for obtaining foreign exchange credits. The production of synthetic goods, like jute, rayon which has been stimulated by the war time scarcities, has come to be a new threat to peasants. So, the demand for the products of colonial countries began to shrink and coming as it did on top of the economic depression, it depressed prices too much and kept them more or less permanently low. All this further reinforced the destructive influences of world market upon agricultural prices. On the other hand 'B' class goods began to be protected through the raising of prohibitive tariff walls and were assured of protected markets within the imperial zollverein at the cost of colonial people.

Though the second world war has further worsened the position of colonial peasants so far as their purchases of manufactured goods are concerned. It has done them some unexpected good; that is, it has relieved them from the crushing influences of the world markets so far as their agriculture is concerned and shifted their produce from the category of 'A' class goods into 'B' class goods. Even within anyone belligerent but agrarian nation like India, the shortage of wagon and locomotive supplies and the congestion of traffic on railways and canals have conspired to transform such of the agricultural produce into 'C' class goods in particular areas and thus conferred upon them some of the advantages of sheltered markets. This applies mostly to cereals. Despite these advantages, the Indian peasants are still getting much less than industrial and commercial classes. Strangely enough the same is true of U.S. Farmers.

Krause concludes that most underdeveloped countries have specialised in the production of certain raw materials needed by manufacturers but their levels of income are not high but that "an abandonment of specialization - resort to diversification - may however serve to promote a more stable level of income". ('The International Economy' - p.276.)

How can anyone contemplate with any sense of equanimity, the return of

pre-war conditions; the re-exposure of agriculture to the merciless and unfair and enforced and one-side international competition with all its evil but familiar consequences? "Today, talking of an international market, while discriminating freight rates, customs, duties, national control of currencies etc., are rampant, is an absurdity". ('Why the Village Movement?'- p.84.) Until and unless conditions of competition governing the fixation of prices of these three classes of goods are more evenly and justly balanced; the great disparities between their respective price-levels are reduced in harmony with their costs and also their mutual exchange relations and the advantages or disadvantages of being either an exposed or sheltered production are more justly adjusted in relation to the costs of production of different classes of goods and there is a more just international currency system and more reliable money markets, the return of world markets and unfettered free trade between agricultural, industrial and commercial concerns and agricultural holdings will spell ruin to the peasants and workers who are obliged to work under their directions*. World markets can be had only when there is no fear of our agriculturists being unduly depressed and deceived and when there is a hope of garnering for the benefit of its votaries, most of the fruits of their labour and enterprise and the additional advantages gained by the maximum use of machino-facture, large scale production and improved agriculture etc. Under the stress of communist challenge to the leadership of World Democracy, the Western Countries have been obliged, under the guidance of the United States to accept the need for planned economy, social securities and the elaborate and growing system of international assistance to most of the Western nations and all the underdeveloped countries, almost without a quid-pro- quo or outside the traditional price and exchange economics. This politico-economic behaviour of the West has come to be interpreted as "relative bargaining powers, and income flows, priorities and time element" and this reorientation of economic theory is styled as the "General Theory of Economic Process" by Prof. Neil W. Chamberlain of Columbia University, Prof. Pigov

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* J.C. Kumarappa also maintains that our peasants who grow many crops for international markets "do not possess the economic reserve to step into speculative business with impunity. It will be time enough for us to consider production for international markets when exchange policies and prices in international markets are controlled for the benefit of all and not merely in the interests of a few who are powerful enough to make their voices heard." (Why the Village Movement? P. 34.)

called this approach the 'Welfare Economics'. So Chamberlain maintains that "price falls into perspective as only one manipulable variable affecting relative bargaining powers and thereby income flows. Flows assume their proper importance in view of the emphasis on the time element. Flows are affected by bargains and bargains are influenced by prices, but it is the income stream, not price which is the theoretical nexus for economic relationship (P.362.). This new orientation of economic theory i.e. re-incarnation of Political Economy can possibly embrace and comprehend the world peasantry's demand that their demands should be viewed from the 'income-flow' angle i.e. adequate standard of living.

Only when industries and commerce cease to obtain their special protection form the State either directly or indirectly, either on the plea of their infancy or on that of safeguarding the national security, because of their greater bargaining capacity and political power , the world markets may be less harmful to peasants. But the industrialists are resisting every effort of agriculture to obtain similar but more truly and greatly needed protection. They are preventing the emergence of equality in the .....relative bargaining capacity as between agriculturists and capitalist classes.

Inspite of all the professions of the U.N.O. and its associate organizations, which have come to be established since 1945, we are still unable to achieve social justice as between the predominantly agricultural and industrial countries.

The Parliamentary Group for World Government 1947-55 has had to observe in July 1955 that 'whatever efforts the nations, individually or cooperatively have been able to make, either through such things as the Colombo Plan, United Nations Technical Assistance, or other forms of economic aid, has, however, as yet hardly begun to scratch the surface of this problem. A much more ambitious comprehensive scheme commanding support from all nations financed from some international fund - is required if the lot of many nations is to be improved to enable them to take their place among the brotherhood of nations". ("Parliamentary path to Peace"). "The F.A.O. Review of a Decade' also observed that "the use of foreign capital for agricultural development has been relatively small and in the private sector, almost negligible"(P.24.)

But as things are today, the return of world markets can merely strengthen the capitalistic instruments created and sustained by capitalism to extract the major

portion of the wealth produced by the hundreds of crores of peasants all over the world and distribute it in varying proportions between all its profit sharers, the industrial and commercial and professional classes and their dependents.

The world can liberate itself from this unjust social order only when peasants and proletariat gain their due share of political power in the State and when colonies are liberated, in short, when political and economic imperialism is abolished and Capitalism is replaced by Socialistic Co- operative Common Wealth. The development of diversified crop and industrial economy, the stabilization of agricultural prices and incomes and the organisation of co-operative processing industries and state-controlled markets and the provision of 'ways and means, credit as well as developmental credit to agriculturists and artisans and their co-ops are the interim measures needed to salvage peasants and artisans from the mischief of National and International Markets.

II

We are now in a position to see in what realm and through what means, the process of impoverishing peasants and extracting most of the 'surplus value' continually produced by them are brought about. The Capitalist system is generally on the look-out for one or two means, through which it can derive all the profit that is possible from its victims, so that, its various and nefarious processes of exploitation and taking undue advantage of a weaker party may not be so easily understood or spotted. In the case of the proletariat, it is the entrepreneur and his industrial or commercial concern that act as the main representative - shall we say hangman - of the whole capitalist class to extract the surplus value; produced by workers and then to distribute it in various proportions between different partners of the capitalist system. The same role is played in regard to peasantry by the merchant and the market. Just as the consumers, commercial and professional classes do not have much direct relationship with the proletariat, so also industrial entrepreneurs, commercial concerns, professional and urban interests, do not have very much directly to do with peasants. Nevertheless, like the former, the latter too derive their respective bigger or larger shares of the surplus value produced by the proletariat and peasantry respectively. But let it not be forgotten that like the entrepreneur in the case of the proletariat, the merchant in the case of peasantry is only a medium and

need not necessarily be either the sole or even the main agent of exploitation. But like the former, the latter too is indispensable if capitalism is to suck the surplus value from out of the proletariat or the peasant.

Like the modern industrial or commercial enterprises, world markets have been the products as well as the engineers of economic progress and prosperity as designed and desired by capitalism. Both have helped each other . Much of the present-day prosperity of capitalist classes is due to their combined operations. But the net results of all their brilliant activities and possibilities are the impoverished peasantry and proletariat, the enslaved colonial world and the suppressed coloured masses. Marx wrote quite truly that "the most powerful instrument for shortening labour time, machine - facture proved to be the most unfailing means for placing every moment of the workers' time and that of his family at the disposal of the capitalist, for the purpose of bringing about the accumulation of Capital" (capital, Vol. 1.P. 434) In the same way, world markets, which are supposed to be bringing the demand of the whole of the world for peasants' produce prove '' to be the unfailing means" for placing the peasants' resources at the disposal of the capitalist for the same purpose. For all outward purposes, like the employer and his enterprise, vis-a-vis the worker, the merchant and market seem to be dealing on a par with the peasant quite in the open . But the actual truth is otherwise. What Marx wrote about the proletariat applies to the peasants' plight in his own respective field:

'Worker' went into the market as the owner of the commodity 'labour power' to confront there the owner of other commodities; he was one commodity owner facing another commodity owner... But when the bargain has been struck, it is discovered the he is "not a free agent" that the time for which he is forced to sell it; that in fact the creature sucking his blood will not lose its hold " so long as there is a muscle, a nerve, a drop of blood to be exploited. ('Capital', Vol- I, P. 310-311). We have seen in our discussions in the chapters on the 'The Law of Key Services' and 'Is Agriculture a Depressed Industry', how peasants too have no free choice in their dealings in world markets, how they are forced to sell, with little or no chance of waiting for a more profitable opportunity and with almost no capacity to withstand the pressure of various capitalist forces of exploitation and their allies, the Feudal and Government agencies. Even the Modern Capitalist Governments are obliged to recognize the fact that the "Forward

Contracts" into which peasants are drawn are unequal contracts and must therefore be either prohibited or strictly controlled. Similarly various Provincial Governments of India, having recognized the helplessness of peasants vis-a-vis money lenders and their unequal bargaining powers, have passed special legislation to control and regulate money lending and even to ban usurious loans and to fix rates of interest etc. Neither the peasant nor the Proletariat is in a position to deal with the merchant or entrepreneur respectively on a par or with any chance of assurance of coming out of the bargain without being severely mauled and disabled .

That the parties to market transactions are not properly matched is recognized even by the Royal Commission on Indian Agriculture (1928) and that on Labour (1930) and the All India Credit Survey made by the Reserve Bank of India(1954). The peasant "is an infinitely small unit as compared with distributors and with the consumers of his produce who in their respective fields, become every year more highly organized and more strongly consolidated". While he is inadequately financed and that too grudgingly and at usurious rates of interest , the merchant is accommodated readily and fully and cheaply. While he has very little ware-housing capacity, the latter has plenty of it. While his knowledge of world prices is meagre and defective, that of the latter is the latest and the fullest. High pressure salesmanship and the artful ways of modern marketing methods make the farmer part with his purchasing power for that which does not satisfy." (J.C. Kumarappa's 'why the Village Movement?'-p.83). Similarly Albert Londres mentions regarding the conditions in Africa "the weighing machine of a cotton buyer on which a man weighed 70 kilos before the market opened and 50 kilos after." ('Africa Dances' - p. 106)

While he has little or no organisation on his side to back him up, the latter is an effective and conscious link in the strong chain of world trade. While he is unable to refuse to go to the market and sell his produce for any length of time in any year, the latter can get on without going to the market for years and his clientele, the consumers, can be kept going with two years' stocks of food already in their stores and refrigerators. The one is obliged to sell in the 'closed market' of the merchant, while the other is not only able to prevent the emergence of an 'open market' or prevent the peasant from resorting to it, if one exists.

While he obtains little or no effective assistance from his Government, the latter has it at his beek and call; while he has no ally on the side of the merchant to sympathise with him or on his own side to back him up, the latter derives much support from his landowner, who is supposed to be interested in agriculture, as he draws his rents, through the pressure he brings to bear upon the peasant for the timely payment of his rent and also rent arrears. If any, and also from the money -lenders transport agencies etc., and also the Government concerned through their unavoidable and heavy demands for their respective pounds of flesh. While capacity of a peasant to try his luck in more than any two local markets is extremely circumscribed, that of the merchant to purchase other grains that can serve as good substitutes is almost unlimited. It is admitted that "The Negro cannot even always buy where he likes" ('Africa Dances' p. 107). While the former may not be able to change over from one crop to another, the latter can always shift his business from one commodity to another.

Crop failures or cattle plagues that may ruin the cultivator, inflict no mortal hurt on the business of the middleman. Indeed, periods of agricultural depression are not uncommonly those in which distributors prosper most. "In the main, distributors are tolerably secure in the enjoyment of their profit margins, merchants being as a rule in a position, by adjusting prices, to pass on to the consumer any rise in costs, while commission agents are concerned mainly with obtaining their commission over the largest turn-over". (Royal Commission on Agriculture - p. 383.)

Moreover, if we view the merchant as the mere symbol of capitalism, specially of all those 'key-services' and consumers, we can well realize his impregnable position. The Reserve Bank's Survey of Rural Credit (1954) observed truly that in view of the village leaders, playing the role of financiers, traders, patels and panchayatdars "being a part of the channel of power and finance, they are also the recipients of power and finance from sources and reservoirs higher up the channel. Sometimes two or more of these are one and the same person. This set-up is a part of the financial and trading machinery, which operates in order to supply urban demand." (p. 124 -125.)

To have to deal with such a formidable agent of modern capitalism is a task that is beyond the capacity of the unorganized peasant and naturally he is worsted at every turn in every way.

The 'Reserve Bank of India's Rural Credit Survey observed (1954) that " it required the conditions created by the last World War to induce some recognition of the political, social and economic necessity of State intervention- for the benefit of classes and areas less favourably situated than the rest"

The complaint of agriculturists that they do not obtain a fair share of the value of their roduce in the market is worldwide.

"A seller of plantains has not the same bargaining power as the metal (coins) and so, he has to come to terms quickly. But the money owner can afford to wait as he can hold on to money any length of time". ('Why Village Movement?' by J.C. Kumarappa. P.80)

Several economists and Governments make the mistake of considering the merchant as a separate, single entity, facing the peasant, ignoring completely the most important fact, that he is only the unconscious but effective agent of the whole capitalist system cum feudalism. Owing to this initial blunder, they proceed to consider, whether after all there is any truth in the loud and general complaint made by the uninformed but suffering peasants, and generally conclude, in the same way as the Royal Commission on Indian Agriculture has done that is, "barring the many avoidable defects in the present marketing methods such as too many middlemen, bad communications, absence of proper weights, measures, grading cleaning, packing, storage facilities, that "on the whole it cannot be said that the remuneration the distributor receives, especially in these days of increasing competition, is an unduly heavy one." Even if it were true and the Reports on the Marketing of Wheat, Rice, Oilseeds, Eggs, Cotton etc., issued by the Indian Council of Agricultural Research and the Marketing experts belie this facile and inaccurate certificate given to merchants, it does not mean that the merchant who acts as the unconscious collector of all the undue profits derived by various bankers, processing agencies, manufactures and ultimately the consumers and even the landlords and Governments, is not playing the same horrible role in the life of a peasant as an entrepreneur does in that of a worker. It is true that the relationship between a merchant and all others is one of mutuality, that is, unless the landlord, tax-gatherer, money-lender force the peasant to go to the market with his produce, the merchant and all the other agents of capitalism cannot extract their quotas of profits from out of the peasant.

Therefore peasants' instinctive complaint against the merchant and the world market is based upon an incontrovertible fact. It is no adequate answer simply to say that the distributors or merchants are not making such exorbitant profits and that the position of the peasant can be bettered by suitable improvement in the efficiency of agriculture processing, marketing, communications, and agricultural finance. For, the core of the trouble lies much deeper and spreads over much greater field than the merchant. It is the key services and interests including the merchant, who are responsible for so much of the exploitation of the peasant, through their ability to force "cultivation under duress" upon peasants and oblige them to accept whatever the market yields.

When a peasant "buys goods from foreign countries, there is no guarantee he gets a square deal. The frontiers are studded with hurdles, he has to leap and as he is not accustomed to these feats, he falls a prey to the better- equipped. Farmers are as a rule in debt and money economy increases such burdens. With fall in prices - money crops are "totally speculative to those who have no resources. In time they are reduced to the position of slaves to supply raw material to factories owned by capitalist. 'Why the village Movement?' by J.C. Kumarappa (P.83)).

It is most unfortunate that Marx should have failed to understand and unravel the mystery of how all the surplus value - produced and accumulated by peasants and incorporated in their services and agricultural produce is being squeezed out of them for well nigh two millenniums and of course to the greatest and most disastrous extent during the last three centuries. Yasaburo Shimonaka, Japanese leader of the Union for World Federation, has rightly observed in 1954 that Marx neglected the study of the working of economic forces in the production of agricultural commodities and concentrated only on the study of economic forces in relation to their processing and manufacturing stages. ('World Land Planning'.)

Marx missed the point that there can be and there are wide disparities over prolonged periods between the values and prices of commodities. He could not visualize the possibility of what has now come to be a frequent occurrence that it is not 'equivalents' of values that are exchanged in any market transactions between peasants and merchants and that such market transactions are unequal. He assumed wrongly as latter economic experience shows, that it is not

possible in the long run for one section of producer to overreach another; for, say, manufacturers, to sell their commodities at a permanently higher level than what peasants are able to do and that the farmers are thus able to get more than equivalent values in return for their own manufactures, although on the face of it, exchange proprieties are satisfied by exchange between equivalent total prices. We have seen from our study of the 'Consequences of Economic Depression and Wars', how peasants as a class are being over reached by manufactures and commercial classes as a whole in most parts of the world. (See Marx discussion on this topic. 'Capital', Vol-I, p.147-150).

Marx's delineation of the 'Sucked' and 'bled' worker who is thrown on the garbage heap of modern economic life by capitalism, after it has had its fill of his life-blood, in the shape of surplus labour, applies equally and with grater poignancy to the modern peasant, as he emerges from the third degree experiences of the Market:

"We seem to note a change in the physiognomy of our persons of the drama. The one who come to the market as the owner of money, leaves it striding forward as a Capitalist; the one who came to market as the owner of labour power (We can as well read, agricultural produce for 'labour power ' - Ed.) brings up the rear as a worker (as well , a peasant). One of them, self-important, self-satisfied , with a keen eye to business; the other timid, reluctant, like a man, who is bringing his own skin to the market, and has nothing to expect but a tanning." ('Capital', Vol-I, p.165.) Do not our peasants recognize themselves to be in an even worse plight than this industrial worker vis-a-vis the merchant, market and all their other capitalist agents."

When and where peasants had no need to negotiate with these key services and interest and to pay taxes or rents in cash and could depend for their clothing upon their domestic hand-spinning and village weaving industry and for their implements upon the local carpenters and black-smiths and potters, they did not have to approach markets at all, except on very rare occasions. Such was the condition of most of the Tribes of Africa before the European trades and imperialists penetrated into that Continent. Then they could not persuade the African peasants to think of any exchange of equivalents in the pure Marxian manner, for those peasants had no interest in such trade transactions. So the Europeans found that their familiar weapon of markets could not be used as suction pump to extract surplus value produced by African peasants.

The methods adopted by Europeans to extract profits from the existence and activities of the African were socially inhuman, economically exploitative, politically unjust and coercive. The European merchants found it necessary to create such political and economic conditions as would oblige the Africans to go to markets with the fruits of their labour. Hence the demand of their colonical Governments for the payment of poll and hut taxes. When even this did not force sufficiently large numbers of Africans either to bring ivory, hides and skins, rubber, cotton, sisal, groundnut in large enough quantities or to engage themselves as wage-earners on European plantations etc. in order to pay their taxes, the Belgian and French methods of utilizing the Police and the Military to capture their women and children as hostages and to force them to bring their agricultural and forest produce, as a ransom for their release and the French - British devices of introducing first indentured labour and later on forced labour came to be adopted. When the European reformers' outcry against such open methods of exploitation became too powerful and the financial aspect of those methods began to prove rather doubtful imperialists adopted ostensibly legal means of forcing Negroes to resort to markets through confining them to insufficient reserves, obliging all those who emerged out of the Reserves in search of employment to get themselves registered by paying heavy fee, by dubbing all others as vagrants and handing them over to private employers and latterly to enslave them to the evil habit of drinking rum to an excess and thus tie them tightly to their wheel of exploitation. When even their own plantations failed to yield sufficient profits, the British Imperialists found their haven of profits in the development of African peasant agriculture on the West (Gold) Coast of Africa, of course coupled with the European-inspired drink habit and missionaries' contribution of clothing etc. Does not this show how merchants and markets have had to fight a bitter, prolonged, and frightful battle against peasants in order to force them to allow themselves to be exploited through the means of markets? In the face of all these experiences and the boxer - opium Wars against China, waged in order to let England enter Chinese markets, sell opium and thus force the Chinese to smoke themselves into semi-slavery, how can any one maintain that markets are as much needed by peasants as by merchants?

III

AGRICULTURAL PROTECTIONISM

We are now in a position to see how the volume of external trade of any country cannot be true criterion for judging the degree of economic progress and prosperity.

Agricultural countries may be - and actually do - bartering away their valuable, but under-priced raw produce in exchange for over priced manufactured goods and commercial services. It has unfortunately become necessary for the former to go on exporting more and more of their mineral and agricultural produce in order to pay for the over priced imports and also to pay up the usurious interest on their external debts. But such activities are no signs of progress of prosperity. On the other hand, they display the special weakness of the country. So the British imperialists like Sir Theodore Morrison (see his Economic Transition of India) have misled many Indian economists into thinking that the economic prosperity of India was rising in view of the increasing figures of India's external trade.

R.C. Dutt noticed, as long ago as 1901, the unwisdom of judging the condition of the people of India by the volume of her foreign trade. "Englishmen find this a fairly correct test in their own country and make the natural mistake of applying it to India. The external trade is carried on by foreign merchants with foreign capital. The profits of the trade come to Europe and do not remain in India. In the year 1881-82- of comparative prosperity, the total imports and exports were 83 millions sterling. In 1900-1901, a year of famines and distress, the total imports and exports were 122 millions. Who will say that India earned more or was better fed and was more prosperous in 1900-1901 than in 1881-82? - in India- foreign trade is forced, not natural. The excise imposed on cotton manufacture restricts the production of Indian mill textiles. And the land revenue system of India as well as the home charge forces the export of food grains, much of which the country needs for its own populations. Thus large imports of cotton goods- are secured by restrictions on the Indian industry. And large exports of food are compelled by a heavy land tax and a heavy tribute." (Economic History of India', Vol. II.P.356) These observations apply equally well to every colonial country and its foreign trade.

It is natural for the economists and imperialists of industrial countries to extol the virtues of World Markets and free trade all over the world since they need them for furtherance of their prosperity. But even they insist upon the acceptance of free trade and world markets with great mental reservations. That is, they pretend to accept the theory of protecting infant industry as adumbrated by F List and thus excuse the tariff systems of the western European and other industrial nations but persist in demanding complete exposure of agricultural produce to the unfettered operations of world markets. Unfortunately most of the colonial economists go to the other extreme of demanding and justifying complete protection for their national industries but like their imperial masters, completely ignore the special needs of their peasant masses for protection from world markets. Until the out break of the Second World War, it is largely true to say that most of the manufactures of dependent colonies were sheltered from the merciless operations of world markets and from the international competition that expresses itself in those markets but that, most of the staple crops were still exposed to the onslaught of the international competition, as was raging in world markets. So, the theoretical support given by imperialist economists to free trade and world markets has served the purpose of misleading colonial intellectuals, of exposing colonial and other agricultural countries to the ravages of industrial and commercial machinations of imperialist powers and industrial nations, of killing the cottage industries and of robbing the peasants of their subsidiary work, while actually their own countries and their industries have come to be securely protected under one pretext or the other.

World markets can be of great use, like machines provided the parties concerned are well balanced and are equally capable of looking after each other. Like machines, markets too can do immense harm to weaker parities. But this does not mean to say that all agricultural countries shall forthwith withdraw all their agricultural and other raw materials from world markets and concentrate entirely on national self-sufficiency. That both extremes are bad and harmful is shown by the Asiatic and African experiences. The Asiatic people have been rushed head long into the embraces of world markets under the pre arranged aegis of 'free trade' for the sale and export of their produce and for the purchase and import of foreign manufactures, on the other hand the African people have tried their best not to have anything to do with such productive activities that may

enslave them to these markets and have therefore withdrawn themselves and shrunk into their shriveling tribal reserves and their extremely simple self-sufficiency economy. The industrial peoples and imperialist powers have been the beneficiaries of both the blunders.

That protection is needed for peasants from the uncontrolled operations of world markets for raw materials is now admitted on all sides, thanks to the last 1930-35 economic depression. Prof. G.D.H.Cole, British Socialist, observed that " the New Deal of U.S.A. , undoubtedly succeeded to some extent - in narrowing the margin between the prices at which farmers had to buy and sell. And also it ill assuredly not be possible to leave American agriculture to adjust itself to the consequences of attraction of purely economic forces. No president, however powerful, dare leave the farmers at the mercy of the economic blizzard which such a decision would necessarily unloosen upon them" .

This need of peasants for protection from the unrestricted operations of world markets is not unlike the need of proletariat for protection from the uncontrolled exploitation of enterprises.

Hear what Marx says :- "For protection against the worm gnawing at their vitals, the workers must put their heads together and must, as a class, compel the passing of a law, the erection of an all powerful law which will forbid the workers themselves from entering into a free contract with capital when by the terms of that contract they and their race are condemned to death or sold into slavery." ('Capital- p.311)

In the absence of such protection from the State Mahatma Gandhi's solution of village self-sufficiency ranging up to The National self-sufficiency is offered as a means of self-help for the peasantry. We will have occasion to examine in some detail the various steps that are necessary and possible to take to protect agricultural peoples from the ravages of World Markets and to check their capacity to act as the media for the whole capitalist cum feudal classes, to extract all the surplus value that they produce and accumulate and incorporate into their products. Suffice it here to say that while the Marshallian Economists and orthodox Marxists have some how failed to recognize the specially weak position of peasants in World Markets and realize their need for protection, Mahatma Gandhi and his disciples have boldly put their finger on the really sore spot of modern economic life and warned peasants against the World Markets.

After all the proof of the pudding is in the eating. If really World Markets have acted for the benefit of peasants, as is alleged by Marshallian economists, then the evil effects of depression should have been equally felt by both agriculturists and manufacturers, since the depression had emanated from industrial countries and as a result of capitalist operations and it was a common disaster for all including agricultural and industrial peoples. Even if the pre-1929 price disparities between the prices of agricultural and industrial goods and commercial services were to be accepted as a starting point, the incidence of that depression should have been only in proportion to that 'status –quo'. But that the agricultural peoples suffered much more is proved by the detailed study made by Mr. Wladinix Woytinsky of the International Labour Office. His findings only confirm the experience of peasants all over the world and the results of the studies made by the Indian Peasants Institute.

This was made possible through the operations of world markets and the currency manipulations and activities of key services which have also worked their mischief through these very same world markets.

Mr. Woytinsky guardedly remarks : "It certainly cannot be asserted that the relation of the volume of agricultural produce to the volume of manufactured goods exchanged for each other before the depression in 1929 was just or reasonable. It did, however, maintain a position of unstable equilibrium between the production and sale of products. But how could the relation of these volumes remain the same during the depression when industrial output fell by more than 30% and agriculture continued to place the same quantity of produce on the market as formerly? (Social Consequences of the Economic Depression, published by I.L.O. 1946 -p.36

Prof. Schunacher who was so keen on persuading countries to aim at a balanced international trade and to resort to world markets enthusiastically and without any impediments of tariffs etc., failed to take note of the following observations of Mr. Woytinsky, regarding the unequal effect upon different countries of balanced international trade dealings: " In exchange for the same quantity of its produce, an agricultural country receives less in the way of goods and services during a depression. An industrial country, on the other hand by transferring a fraction of its losses to foreign countries ought to gain more than formerly on its exchange- in other words, the ration of its imports to its exports calculated at stable prices should rise. In the industrial countries the volume of exports fell to a greater extent than the volume of during the depression, although the ***balance of payments of these countries shows that***

the ratio of exports to imports increased. In agricultural countries, on the other had *the decrease in imports was more marked than that of exports but nevertheless their balance of payments was not thereby improved.*"

Then he examined the foreign trade of Great Britain and Yugoslavia and concluded:

"If the 1929 prices are taken as a basis, the surplus imports of Britain in 1932 amounted to 2.542 million gold dollars. The difference of almost 1500 millions was not gain for Great Britain; As for Yugoslavia, on the same basis" the excess of exports in 1932 should have been 44 million dollars instead of 1932 actuals of 4 million; of that amount, 40 millions simply disappeared representing yugoslavia's fraction of *the sacrifice involved for the agricultural countries by the divergence between industrial and agricultural prices(p.40).*

"The divergence in prices would enable the industrial country to *make a profit on its international exchanges whereas the agricultural country would suffer further losses from the same cause.*" (p.42)

The industrial countries "reduced their import of raw materials only slightly but paid for them with a much smaller quantity of their national products, their balance of payments not being adversely affected by the difference." Hence "the direct consumption did not contract in Great Britain to any appreciable extent during the depression." (p.81)

Mr. Every year is quoted to have written "The much lower level of food prices compared with the prices of manufactured goods has been one of the principal reasons for the comparatively happy position of England." Well may we wonder "what might have happened in some of the depressed areas of Great Britain, had this cheap food not been available." (P.82) G.D.H Cole also agrees with this view. (Practical Economics/ p.236-37)

"So also Germany and France gained and improved their balance of trade and reduced their deficit during the depression" (P.68). But how could it thus happen? Because "a fraction of the losses caused by the depression in an industrial country has to be borne by the agricultural countries".(p.39)

The following extracts will be quite edifying to those who persist in their fascination for the continuation of the control of World Markets, over agricultural produce.

U.S.A.'s agriculture too suffered terribly from the last economic depression. Since she produces much exportable agricultural produce , she too, feels the impact of a depression. Even before the last depression, the share of National income received by agriculture fell from 14.0% in 1913 to 10.4% in 1926, showing that even despite the pre-war and post-war booms, American farmer's position had definitely been worsened. The economic depression hit agriculture all the more severely because it had not profited to the same extent as industry during the period of prosperity.

"In the industrial branch, the depression showed itself mainly in contraction in production. The fall in prices being less violent than in agriculture". (P.116) But, says Mr. Woytinsky " the shock would certainly have been more violent if the United States had taken as large a part in international exchanges as they did in world production".(p.105) what a poor compliment to world market!.

The position of those countries which tried to protect their peasantry from the operation of world market, at least to some extent, if not to the extent as their manufactures were protected is found to have been much better than that of countries which were completely exposed to the effects of world Markets and the economic depression that expressed itself through these markets.

Agricultural protectionism "was widely applied- in the industrial countries with considerable volume of agriculture, such as Germany, France, Italy, Czechoslovakia etc. In these countries the prices of wheat and other agricultural produce fluctuated quite independently of price movements on the world market". (P.196)

The Indian peasants who resembled the French peasants in their "cooked holding, their machineless agriculture, their tireless hand-labour" and in their inability to "stand against the competition of machine faming in America", weresuffering terribly because the state gave them no protection. But "the dust storm of depression that devastates a western farm, leaves the French peasant snug behind his headges, "*as he was enabled to sell his wheat at reasonable price, irrespective of the so called world Prices.*" ('Our British Empire' by Stephen Leacock . P.106).

Agricultural protection apart from its effects on the *world economic system* successfully achieved its immediate aim which was to protect national agriculture against the consequences of the *dis-equilibrium* between industrial production and agricultural production. "When one knows that this *world economic system*" is of the Lord Lugard's predatory type, need one wonder that its paralysis-in-part was not regretted by at least some sections of the world peasantry? This protected sector amounted to 15% of agricultural production of the world and constituted "islands of artificially stabilized prices in the middle of the world market, where the prices of agricultural produce bad fallen to an unprecedented extent".(P. 227)

It is true that the position of the peasants of unprotected areas grew worse, since all the surplus agricultural produce that was shut out of the "protected sector of the world had to compete for the remaining markets". Can we on that account say that even the peasants of the 'protected sector' should have been exposed to all those horrors of the depression? It was indeed the duty of their respective government to have provided as much protection as was possible under circumstances for their peasantry through tariffs, building up the collective -stocks, reducing productions etc. The U.S.A., tried to do something in this direction with some noticeable good results. As for the other peasants, they needed some such terrible shock to make them realize the utter futility of depending for their continued earnings on their agricultural exports in this world of anticipated or actual wars and the consequent actual or potential need of every country to develop as much of self -sufficient agricultural economy as possible for strategic purpose.

One of the lessons drawn by peasants from the last economic depression was that subsistence faming would be the best life-buoy during such crises. They tried to withdraw them-selves as much as possible from markets. Woytinsky says: "By reversing the century -old trend of evolution and withdrawing as far as possible from the market, agricultural small holders were better able to survive the depression than their non-wealthy neighbours. This is equally true of important countries and of countries that is equally true of important countries and of countries that exported agricultural products" (p.197). In 1955, Prof. Hall observed that the "Indonesians" suffered less than the Dutch (farmers) as they did not concentrate so much on export crops". (History of S.E.Asia.) Is this not a terrible condemnation, made so instinctively by the untutored tortured but long-suffering world peasants upon the one-sidedness of the present world economic system and its trap, the World Market?

Need any peasant shed any tears over the following obituary notice passed by Stephen Leacock, the Imperialist Economist ....?

While the Great War smashed the previous fagade of world trade into pieces, "the peace(1918-39) brought the great crash that pulverized even fragments. The broad-paved highways of international trade are now broken stones and mud".("Our British Empire "-p.222).

That peasants have ever to be coaxed, forced or deceived into using markets was demonstrated in the War times when Governments were begging and even coercing peasants to produce more, to bring all their surplus produce to markets and thus feed the urban, professional, commercial and industrial classes. In various countries, like India, England, peasants have abstained from rushing their produce, especially cereals, into markets as feverishly as formerly, while the dislocation of world markets and the consequent rise in the dependence of people upon their national supplies in the first instance has produced a piquant shortage of food supplies. Prices began to rise but Government took stringent price control measures to prevent any steep rise in agricultural prices. The industrial prices could not be control leads firmly and so, peasants found that the earlier unequal market transactions were not only being perpetuated but even worsened to their detriment. So they began quietly but spontaneously with little or no concerted action, to supply as little as possible to markets and to store most of their produce or to turn it to some other use. Black markets sparang up to offer extra control prices sufficiently high to induce peasants to release their stocks. As usual even in this direction, merchants reaped more than their usual share of profits. So in England; Government took over the total marketing operations for a number of commodities, including milk and agreed to pay some what higher rices to peasants.

In India, the wheat price control had to be abandoned by Government and peasants were allowed for a time to secure what price they could get in the markets. But from 1944 till 1951, price control and coercive food gains procurement were enforced and prices which were un-economical were imposed upon the producers of all food grains. Again, in regard to rice, the Government of India sent its purchasing officers, empowered to purchase compulsorily any stocks of rice that they could espy at obviously unremunerative prescribed prices and then sell it in towns at prices as could keep the good will of capitalist classes and even the proletariat. All this

mischief of compulsory State machine of procurement of food grains at controlled and often uneconomic prices is being inflicted even now in all the Soviet Countries. Enough has been said to indicate how the resort to market made by peasants is not voluntary and always there is - as throughout the course of history of civilized society - in the background the coercive power of the State to enforce such an entry of peasants into these markets and that the present level of prices of agricultural commodities is only a 'courtesy price' level and that at the slightest chance of success, peasants are willing to fight to obtain more reasonable price levels and to achieve freedom from the grip of capitalist agencies.

But how have peasants achieved even this much of strength as to threaten the capitalist classes with almost starvation and to oblige them to yield a little more than they are, otherwise inclined to offer? What has happened to the laws of "production under Duress" and Key services and Interests? The highest advantage the wheat producers of England, rice producers of India, have gained on the outbreak of the World War II, and especially since December, 1941 is the freedom form the fear of imports of foreign wheat, rice etc. The rise in prices of their produce helped them to more easily pay off the taxes, rents and interest on debts and thus gain some relief from their grip. As they have seen that merchants have demonstrably turned their production into a "Key service",. They were not slow in trying to take sack in and to demand and obtain higher and higher prices. Every additional success at this game and every new rise in prices has added to their strength and they have been seeing their piles of debts slowly dwindling, the incidence of their taxes and rents going down and the grip of "Key services" weakening. Thus the laws of production under duress has become weakened and consequently the rise in bargaining capacity of peasants has increased to noticeable degree.

Alas, their complete release from the iron clasp of law of production under duress and "Key services and interest" cannot be achieved in the short duration of a War or an economic boom, even if the are world-wide. While yielding in one direction, Capitalism has been trying with so much success and with the collusion in some directions and active assistance in other directions from local Governments to keep the peasants in as subordinate and depressed a condition as possible and to maintain the operations of the Law of' Invisible transference of Wealth' between different classes. That is, while the rise in agricultural prices was being controlled either directly or indirectly, most of the industrial prices have remained more or less

uncontrolled. And while the level of industrial prices has been higher than the rise in inflation, the price level of agricultural produce is hardly equal to or more than what can make up for the depreciation in the value of currency. Every unjust means was reorted to by the State in Colonies in order to keep down agricultural prices. First unjust and one-sided price controls, next absence of price controls on industrial goods, then inflation and its unequal incidence on peasants have all been utilized to increase inequalities of income and wealth between agricultural and industrial cum commercial classes, thanks to the latter's control over the State. That the most powerful, and best organized American farmers are also victims of the World-wide process of (Whether it be Capitalistic or communistic) exploitation can be seen from following facts; Corporation profits of 1955 were the highest in U.S. history; being 44 billion dollars or 3 billions above those of 1951. 6 out of every 7 Corporations showed higher net profits than in 1954. Food processors and Farm machinery firms were also record-making profiteers; Industrial labour to shared in widely-acclaimed business boom. The Peoples' Capitalism Exhibition held at Washington in February 1956 showed that "while working hours per week for various workers in America declined from 52 hours in 1910 to 38 hours in 1955, wages increased from dollars 25 in 1910 to dollars 57 in 1955". But the "farm people are left outside of the general prosperity". (N.F.U's Washington letter, November,1955). " The total income of the entire (U.S.) farm population including non-farm sources of income, has declined 21% since 1951. In contrast, total national income also measured in uniform dollars, has risen 13% since 1951. (p.1.) There is a farm depression in the midst of general prosperity because the gains in economic thought and action in other areas of the economy are not being applied with appropriate variations to agriculture itself and also, because of the *Farmer's intrinsic weakness in the market place*" (U.S. Conference on Economic Progress'- p.4-5). In India the producers share of the consumer price paid for rice was only 67% in 1951, even when the food controls are said to have put down marketing costs. But in U.S.A., it ranged between 40 and 5)% and fell as low as 35.8% in 1953 and 32% in depression years 1932-35 ('F.A.O. review of Decade'- PP. 121-123).

The F.A.O Survey of the postwar decade concluded. That since before the war "farm incomes hardly anywhere, however kept pace with the general rise in national incomes. (p.22) Inspite of all these disadvantages and injustices still being heaped upon them, the War and its consequents dislocation of World Markets and the coming

to the surface of the fundamental truth, which had been kept submerged and unrevealed for so long, that agriculture is the greatest and most potent' Key service' needed by Society have helped peasants to keep under partial-suspension the various antagonistic forces that have so far suppressed them and gain some foothold on the modern economic edifice.

"The F.A.O. Review of a Decade' observe that the 'most striking feature of international trade in agricultural products in the period since World War II has perhaps been its relative stagnation" reaching its pre war level only in 1951 and not rising higher, while it has , in pre-war level only in 1951 and not rising higher, while it has in general, developed by 1954 upto 55% more than the pre-war level.(p.84) The review concluded that "production for export is becoming a smaller sector of agricultural production as a whole". Because "its stagnant condition contrasts with the steady expansion of agricultural production "(p.85). Is not this a welcome answer to the mischievous operations of the pre-war World Markets?

CHAPTER XII

INTERNATIONAL TRADE-NATIONAL PRICES LEVELS

With the emergence of the 'New Deal' and the Second World War, the days of the unrestricted World Market have gone. In its place, there arose the system of Tariff walls and the German system of strict controls by way of barter exchanges through Quota Agreements and the devices of issuing licenses both for exports and imports. Yet these two systems are not calculated to sufficiently help the Agricultural people. They are only devised specially for industrial development and supremacy and against the Agricultural Countries, both independent and dependent.

Against this strong tendency for states to go into Zollovere in, our problem is to evolve ways and means by which equal bargaining capacity can be attained by the Agricultural Countries vis-a-vis Industrialized Countries and by the Peasantry vis-a-vis Industrial and Commercial classes in each country. The best course would be to adopt a method which is quite anologous to Panama Locks or Volga-Don Canal Locks were the boats both on the higher and lower gradients are enabled to cross each other and go their own way without coming in to clash. It means that every country must developed the maximum amount of profitable self sufficiency and must fix the minimum levels of Agricultural prices to ensures the minimum justice to the peasantry relatively to other classes. Then all countries can negotiate international bilateral agreements with one or more or all competing agrarian countries, as to the total quantities of different agrarian products to be supplied to the world market, the quotes to be granted to each country and the prices at which they are to sold. By utilizing this double process i.e., rich countries abstaining from dumping their surplus stocks for countries avoiding their present practice of constantly depressing world price levels, peasants all over the world can help themselves, though living in different economic circumstances. By

suitable apportionment of acreages and total production as between crops, the total supply of any commodity and its substitutes can be regulated. At least, agricultural Countries must go ahead and minimize the zone on which world market can play its mischief.

I

We have already seen how the World Markets, imposed as they have been upon peasants, have come to cause so much ruin to the world peasantry. It is made clear how, though the world markets have come to facilitate the evil mission of Capitalism to exploit the toilers, World inter-dependence has come to benefit only capitalists and not the peasants and proletariat; World Government, the most essential pre-requisite to humanize world markets etc., has yet no prospects of being orgainsed and established. We have also seen that, if at least the principles of New Deal ideal, inadequate and unsatisfactory as they are, come to be accepted by a world state, world markets may come to be less of an evil and more of an advantage to peasantry, but that there is not a ghost of a chance for such a world state to be established and such a New Deal to be adopted. Under such circumstances the champions of the toilers can only breath a sigh of relief that the last economic depression and the Second World War have more or less dislocated the world markets and that in the post -war years most countries are obliged to search and win markets for their produce, not as in the past in an automatic and well established world markets but through bilateral and barter agreements and licensing of foreign trade. This means that Great Britain will have to come to separate trade agreements with each one of the foreign countries, agreeing to purchase from them, their products in certain specified quantities in return for their purchases from her, of her manufactures in certain agreed quantities. She will then be allowing imports of such and such commodities in such and such quantities as per the licensing quotas granted to various authorized concerns, in pursuance of her decisions as the total quantity of imports of specified commodities to be permitted and paid for.

What will then be the fate of most of the agricultural countries? As between the industrial nations international trade may come to be regulated through bilateral agreements; the balance of relative advantage in such negotiations weighing more on the side of the stronger party to the bargain; in its essential economics strengths and also in its need for the commodities desired.

The position is more complicated in case of agricultural countries. Even among them, too, those which are politically independent are in a more favourable position than those which are dependent. We shall consider the former first. During the World War II, they were in a peculiar position. In the first years, they have suffered terribly owing to the loss of their usual external markets, since some have gone into the areas of the belligerents. But slowly they have recovered from the shock, adjusted their crop economy to changed conditions and then, have begun to improve their bargaining position vis-a-vis the friendly countries which are parties to the war, on either side.Those countries like Argentina, Turkey, which have remained neutral gained more than those like Australia, Canada, Denmark, which here joined the war on either side. But both have been able to demand and obtain fairly reasonable prices for their agricultural produce, since all the belligerents were badly in need of there produce.

At the end of the war and after, when there was a shift from seller's market into buyers' market, they have to face special problems of adjustment to the changed conditions of world competition between the agricultural producers of the whole world. Especially is it so, as Governments are getting more and more involved through "export monopolies, export subsidies, cut-rate export prices, equalization funds etc., in the business of foreign trade in agricultural products."

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*Sir Purushottamdas Thakurdas, one of the biggest and most influential Indian capitalists, gives in his minority minute on the report of "Food Grains Policy Committee of Government of India', certain interesting facts. The control price arbitrarily fixed by Government of India, for maund of wheat was Rs. 5/- and all the protests of the Punjab Government were of no avail. But when this control failed, as the people tried to hoard their wheat and open markets were permitted, the price jumped up to Rs. 12/- maund. And during the control period, government was glad to pay the higher prices and purchase wheat from the black-markets. The wheat of the Punjab was requisitioned at ridiculously low prices, then exported abroad to feed foreign civil populaitons and sold to them at `unheared of margins' through an English monopoly. Even while the Bengal lists of deaths from Calcutta starvation alone were running up into lakhs, European merchants were allowed to profiteer int he sale of wheat, sent from the Punjab. It is a terrible admission, coming as it does from him that India is a country "which has been living on the border lines of starvation" and the rationing actually rendered" the rural areas destitute and utterly helpless".

(I.F.A.P. 1956.) But that will be a problem facing alike all the agricultural peoples and independent countries will be in a better position to negotiate and obtain better terms than the dependent countries. Almost all the industrial nations were so keen on importing up till 1953 larger quantities of food, fibres and oil-seeds to make up for their war time under-nourishment and under clothing and on exporting their manufactured goods that these independent agricultural nations were able to strike better bargains than had been the case in the pre-war days. Taking the dependent agricultural countries, they were not able to improve so well their position during the war, because their imperial powers i.e., the Nazis on the European continent, the Japanese in China and Malasia etc., the British and the Americans in the countries in four continents under their influence; effectively pre vented them from taking advantage of their key position*. In India, for instance, Government requisitioned wheat, rice, cotton, jute at prices fixed to suit its own convenience and offered no commensurate supply of industrial goods at reasonable prices. On the other hand, so much food was taken away for war purposes, at such a low price that the peasants also were reduced to starvation, when later in the year they found themselves unable to purchase food at the swollen prices in the bazaars or black markets.

And since the end of the war, their enlarged food production and that of cotton, oil-seeds, and fibres are rushing into the world markets and causing a slump in prices. Some of the Governments are building surplus stocks and maintaining the prices for their produce. Will they be willing to take suitable steps to control and restrict imports in such a way that bilateral agreements can be reached with industrial nations in profitable manner in order that assured markets can be obtained for their own agricultural produce and only the most essential and productive manufactured goods are allowed to be imported? Will they try to see that reasonable prices are obtained for their produce? England, which is the biggest single importer of food products refuses to co-operate with agricultural countries. She did not become a member of the International Wheat Agreement. Neither herself nor U.S.A. agreed to sponsor the proposal for World Food Board.

The Hot Springs World Food Conference (1943), opined that food scarcity would be likely to prevail at the end of the War. The F.A.O., tried to ensure, if possible, abundant supplied of food. Hence its anxiety to bind the food producing countries to the agreement that would put down "speculation and ciolent fluctuations in prices of food under conditions of scarcity that appear certain to

prevail after the War." There is now an over-supply of food and a glut in the market lawful fall in prices of food producing countries.

The Secretary of the Research Institute of America also infers that "the trend toward industrialization in former agricultural areas such as China, India, Maxico and Brazil will be hastened at the end of the War." ('Hindustan Times'-24-9-13).

In one respect, the international economic position of a very large number of agricultural countries, whether they be independent or dependent has been better since the end of the War than it had been at its beginning. Countries like India Argentina, Brazil, Mexico, Turkey, Egypt, Burma, Ceylon which had been debtors to the Anglo-American Imperialism have put off all or most of their external debts. Some like India, Argentina, Brazil have grown into important creditor countries. In that extent, their bargaining power has increased. Some of them like Canada, Australia, have built up a considerable variety of industrial plants and they have developed a good amount of self-sufficiency regarding manufacturers and their bargaining capacity is naturally much higher than those with lower manufacturing development. Almost all of them anyhow find themselves, ten years after the end of the War in a much less dependent condition, so far as the supply of manufactured goods are concerned.

In another respect, they are hit in the eye. The total world's capacity as well as actual production of various agricultural commodities have grown so inordinately, due to the high pressure demand of the War - and postwar periods. The wartime self-sufficiency programmes of belligerents and their anxiety to restrict their consuming capacity for food grains had reduced their effective demand so greatly owing to the awful destruction caused by war and the loss of most of their foreign investments and the conversion of many of them into debtor countries. The world has now come to be faced with very serious over-supply of various agricultural produce. One need not be surprised, if as a result, peasants may once again come to be plunged in hopeless and large-scale bankruptcy. Such a development may lead to the beginning of an economic depression similar to that of 1929-34. Hence, the warning of the policy committee of the I.F.A.P. Populations and sold to them at 'unheard of margins' through an English monopoly. Even while the Bengal lists of deaths from Calcutta starvation alone were running up into lakhs, European

merchants were allowed to profiteer in the sale of wheat, sent from the Punjab. It is a terrible admission, coming as it does from him that India is a country "which has been living on the border lines of starvation" and the rationing actually 'rendered' the rural areas destitute and utterly helpless". development may lead to the beginning of an economic depression similar to that of 1929-34. Hence, the warning of the policy Committee of the I.F.A.P. that "a slowing down in the rate of economic expansion is altogether possibly". (1955 Nov.) The optimistic forecasts of many U.S.A. economists have not been fulfilled. Mr. Leo Cherne, Secretary of the Research Institute of America, opines that "the need for raw materials for the growing industrial capacity will also increase, despite the growth of synthetics. The fact is too frequently overlooked that synthetics and substitutes them selves depend on and consume great quantities of raw materials". In support of this, be says, " the industrial capacity of the world is being enlarged tremendously, despite the destructiveness of the war". He thinks that the " economic power that will flow from war-time advance in air transportation may yet become a compelling force behind low tariffs". But , had nothing to say about what may, happen in the years immediately after the war, especially to peasants. The F.A.O. has recorded that "since 1952-53, the rate of growth of world agricultural production has been ever stripping the rate of growth of the world's population. Therefore, the I.F.A.P. has had to say in December 1955 that "in the last few years, there has been a persistent decline in the ratio of prices received by Farmers of their products to the prices paid for things they need both as agricultural requisites and family consumption."(1955).

Our agricultural peoples will have to devise their ways and means for protecting themselves from this crisis. Naturally world capitalism would like to reimpose the sway of its world markets and take full advantage of the special predicaments of peasants. What are the agricultural peoples to do? What can they do?

Situated as they are in their political or economic conditions, they have to avoid being drawn again into the world markets. They have to try and achieve only bilateral trade agreements, and reciprocal trade agreements, as the Americans put it, with just those foreign peoples who have as great need for their produce as they have for the latter's industrial goods had services. Since not all industrial nations are in too over-bearing and in such rich condition, some of the agricultural countries may be able to strike fairly good bargains with them. But to most of

them, the prospects are not quite so bright. Those of them who managed to develop crop-planning and industrial schemes during the war so that they could reduce their acreages under production or their exportable crops and turn their agriculture to the production of goods needed for internal consumption and at the same time go ahead in the production of as many consumer's manufactured goods as possible and which could also manipulate their foreign policy in such a way as not to allow the imports of any country which did not offer to purchase a commensurate quantity of agricultural produce, have certainly managed to wade through the inevitable post-war crisis. But, their number was very small. By a fortunate turn of events, many of the colonies have come to find themselves in a tolerable state of independence, political and economic independence - so as to be able to take necessary steps to protect their national economy and to ensure their progress and prosperity.

We mean by world markets, what have the capacity to influence the supply and demand and the prices of commodities produced and sold anywhere in the world. But, bilateral or negotiated trade and results in exchange of commodities as per formal agreements between any two or more countries, without much reference to or dependence upon what happens in the market of the same commodities as between other sets of countries. The trade that takes place in world markets embraces bilateral or negotiated trade also, whereas the latter need not depend for its operations upon the prevalence of a world market.

Owing to our post-war ideas of economics, propagated through the Atlantic and Havana Charters, I.T.O. and conferences, we are apt to think that an effort that may be made by any country to win independence from the operations of the World markets and world trade is a flight from progress and a reversion to protection policies. But, that is a wrong attitude. World markets and world trade can be progressive only when their operations are carried on , *under just conditions*,

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* N.B. :- That the past transactions were not quite equitable is implied by the admission of the Research Institute of America that 'a number of separate war-time developments are coming to magnify the need for a larger and more equitable post-war interchange of goods'. But, is there the slightest evidence to show that in these post-war times, the victorious allies and especially the Anglo-Americans are trying to accept equitable standards of 'Post-war' interchange of goods between themselves and colonial peasant?

between equally matched parties to the transactions and the results of their operations are conducive to the benefit and progress of all concerned. *As has been demonstrated earlier, both world markets and world trade have so far resulted only in the worsening of the conditions of broad peasant and proletarian masses and in the one-sided benefit to the Capitalist classes. They are the two pincers of a Capitalist scissors which have been squeezing the very life-blood out of the toiling masses.

II

NATIONAL SELF - SUFFICIENCY ECONOMY

The most progressive need of the hour is to create such conditions wher eby both the parties that enter into exchange dealings through world markets and world trade will be equally matched and as a result of their exchange operations and the productive activities of peoples, the economic progress of all peoples can be assured to the fullest degree. But, what are those conditions? How are we to create them?.

An ordinary student of Marshallian Economics will immediately think that the only solution lies in the adoption of protective duties and the raising of tariff walls or of bounties. But, he must remember that such economic instruments were devised, on the basis of Ferderic List's theory of protection of infant industries. According to it, only infant industries, for the development of which the country concerned is eminently fitted, having the necessary raw materials, producing a good proportion of factors of production and having a good market for its products but which are only lacking in one or two necessary elements and which have started rather late in the race of production and which are therefore unable to stand the world competition of similar industries of other countries, have to be provided with necessary protection , either in the shape of bounty or tariff walls or both. But, such assistance is to continue only for so long as the industries concerned are still at a disadvantage when compared to similar industries abroad. Once the degree of protection thus given will have its effect in developing that industry the special protection becomes unnecessary and is, therefore, withdrawn. It is, in pursuance of this theory, which seeks to protect the immediate interests of producers and ultimate interests of national consumers, that the Indian fiscal policy of discriminate protection has been evolved and enforced.

Mr. Woytinsky admits that "the protectionist argument, as developed by Alexander Hamilton and Ferderic List is valid when it is used by underdeveloped countries attempting to establish new industries, especially designed to process local raw materials for the domestic market and for export". ('World Commerce' - p.300.)

Of course, in actual practice, protection, once given to any industry has the knock of sticking on and so far, most of the tariffs raised have managed to be prolonged for an unduly long period.

In regard to the world markets and world trade and the fate of agricultural produce therein, we are dealing with an entirely different and more comprehensive problem. We are here not concerned with one or two small key or ancient industries, as in England under her system of safeguarding of industries scheme. We have here to tackle the big problem of raising the bargaining capacity of peasants and their agricultural production, two of the most ancient, fundamental and highly strategic forces in the whole field of economic operations of all nations and also of raising the very level at which, uptill now, industrial goods have been exchanged with agricultural commodities. We have, therefore, to search for laws, other than those which have so far been mooted by economists who have been concerned with other problems and who have neglected somehow this most fundamental problem. It is only since last war, agricultural countries have come in for some attention at the hands of economists. But, like the currency pundits who hankered after pre-war Gold Standard as international currency, the economists too flirted with the idea that the war time national self-sufficiency economy was only a passing phase and the problems of world trade and world market alone needed and deserved their study as being the permanent features of world economy; So the flight of the world away from world trade and markets, just like its flight from gold standard during the great world depression of 1929-35 came upon them as too unpleasant and sudden a shock. It naturally found them napping.

Germany, which had her very valuable experience of self-sufficiency economy in 1914-18 went ahead in 1933-39 with the reorganization of her total national economy on the basis of self-sufficiency, thanks to the genius and courage of her great bankers, like the President of the Reich Bank, that she found herself in an impregnable position when she entered the war in 1939, and England suddenly woke up to the realization of her own extreme vulnerability to economic blockade

and of Germany's invulnerability to it, despite the ingenuity of her socialist - economist minister for economic war-fare Dr. Hugh Dalton and liberal - economist Lord Keynes. Indian orthodox economists have not begun to study, even after the experiences of the war, the economic importance of national self-sufficiency economy as one of the most potent politico-economic problems, confronting them and demanding their serious study and researches. Mahatma Gandhi had begun studying this since 1919, if not 1908, and recommending its adoption, not for the purpose of warfare, as in the case of Germany, not with the help of a great banker, not even for the inspiration of politicians but solely for the sake of protecting the colonial peoples from the ravages of Capitalism and saving the peasantry from the clutches of industrial nations and Imperialism.

Like the New Deal in U.S.A., the A.I.V.I.A. movement in India has recognized the fact that peasants are paid much less than what is due to them for their commodities, while much more than their due is being extracted from both peasants, proletariat and the people in general for all industrial and commercial goods and services. But, neither of them has gone to the very root of the problem and discovered, what has now become apparent in this study, that from the very beginning of relations of trade between agriculturists and others, peasants have been exploited by capitalist classes by paying only 'courtesy prices' for agricultural goods; that the causes for present lower prices paid for agricultural produce are deep seated, embracing their political subjection, economic disability, weakness of national financial and industrial organizations, etc., and that, even if a new and better scale of exchange is to be achieved as between agricultural and industrial goods, as aimed at by the New Deal or a National self-sufficiency economy, as desired by Gandhijee, unless the basic disabilities of peasants are removed, agriculturists are bound to continue to be at a disadvantage vis-a-vis capitalist.

The further development of self-sufficiency economy is inevitable. Even more so than during the last war, and the previous economic depression, the various nations are brought to realize its inevitability, necessity and utility for the proper safeguarding of their present national or imperial economy and the balanced development of different aspects of their agrarian and industrial system so as to make it as comprehensive and self-contained as possible, thanks to their realization during the war of the strategic importance of agriculture. The British Common Wealth Zollverein is based upon the same realization. Even U.S.A., the most

highly developed industrial power of contemporary world, has been obliged since the last depression to think of national self-sufficiency. During the war, she had to work on the basis of hemispherical economic self-sufficiency. Her present programmes and policies for the development of her comprehensive and all round defence forces and her anxiety to maintain their strength at a high level, during the cold war of 1948-55, are based upon her determination to further develop the hemispherical economic self-sufficiency through a zoliverein. Japan too worked during the war towards the same ends in her East Asian Empire, through her East Asia Co-prosperity scheme, with the continental China as her main granary and industrial pivot, Japan as the commercial center and Malasia, Burma and Pacific Islands as the supply centers. Soviet Russia has also been aiming at a similar self-sufficiency in her trans-continental Soviet Lands, more especially since the beginning of the Cold War. Actually the Soviet Lands of Europe has been trying with much success to become self-sufficient both in agriculture and industries. Speaking of the whole World, the I.F.A.P. Survey rightly observes " there are vast opportunities for larger consumption on a commercial basis, within their respective domestic market." (1955).

Stalin said what the statesmen of other groups of countries have been saying in relation to their capitalistic organizations and needs. He declared "we must build our economic system in such a way- that (it) should not develop as an auxiliary enterprise of world capitalism but as an independent economic unit, one relying mainly on the home-market, on the bond between industry and peasant farming in our country". He proceeded to say " the purpose of industrialization is not only to increase the relative importance of industry in our national economy, but also in the course of the development, to ensure economic independence, for our country surrounded as it is by capitalists and prevent it from being converted into an appendage of world capitalism". (Stalin by Kalinin P. 100-113).

Writing about the disintegration of the single, all embracing world market as the economic sequel of Second World War, Stalin said "the communist countries have joined together economically and established economic cooperation and mutual assistance. It will soon come to pass that these countries will not be in need of imports from capitalist countries". (quoted by Eastern Economist Dec. 1955).

It is in the light of this very strong tendency for one or more states to go into an official or unofficial zollverein and seed to achieve self-sufficiency, that we have to

consider the ways and means by which the world peasantry, especially of the colonies and former colonies are to safeguard their interests and overcome as many of their disabilities as possible and attain greater bargaining strength vis-à-vis the industrial and commercial countries.

Hitherto, economists have thought of barrages, in the shape of tariffs, being placed in the way of free flow of waters of international trade. And whatever international trade there may be has to be gathered only from out of the over flow of trade over the barrages of tariffs. This is too cumbersome and rigid an analogy and system of regulation of international trade.

The Germans devised a better system during the Inter-War period by way of barter exchanges, through quota agreements between any tow or more states and the device of issuing licenses both for exports and imports. During the war, every other billigerent country has been obliged to similarly regulate her foreign trade, in order to control economise and regulate the use of foreign exchange assets and liabilities; to utilize the shipping facilities and the foreign exchange assets available only for the most essential items of foreign trade.

This system of strict control of foreign trade and exchange has come to be accepted as being very convenient, economical and useful; so much as, that the international exchange and trade schemes of both Lord Keynes and Morgentheau were based upon the assumption that in future each country would be able to have a much better control of her foreign exchanges and trade than had been the case in the pre-war and pre-economic depression days.

The German system had this advantage over the pre-1920 tariffs system; that is its flexibility; it could vary the total quantities of any commodity from the whole world and from anyone of the countries from month to month or season to season or year to year in accordance with the national and international political and economic prospects, whereas the tariffs, once imposed at the beginning of the budget year, could so easily be altered, as and when the occasion demanded it, at the discretion of the Government. Moreover tariffs could so readily be stipulated in accordance with the conditions of each importing country. An approach towards this war sought to be made by the British Imperial preference but it could approach the German system in its flexibility, strict season-to-season control of foreign trade by the state and adjustment of foreign trade to the local needs, as and when occasion demanded it.

But so far, the barrages of tariffs, the German system of licenses for entry into foreign trade, the British system of mutual preferential entry into their respective foreign trades of the contracting parties in the zollverein are not calculated to sufficiently help the agriculture people. They were devised specially for the purpose of fostering the industrial development of the high contracting parties and to sustain their industrial supremacy and also to assure markets for their manufactured goods. So long as Germany was industrially strong and capable of exporting some key industrial goods like dyes, other chemicals, highly technical machinery and as long as England was a creditor country and could also command the supply of a number of key industrial goods such as loco-motives, machinery for the production of instruments of production and an efficient international money market, they were in a position to stipulate more or less unilateral conditions for the entry of foreign supplies, especially agricultural produce into their countries. The extreme helplessness of politically dependent and independent colonies and their dependence upon their exports of agricultural produce for the payment of the debt charges, and the imports of manufactured machinery and consumers' goods had also helped the industrial powers; as they have had no other choice but to accept the conditions stipulated by the importing industries people and supply their commodities at prices dictated by the manufactures.

But the war and the later emergence of a number of colonies into independence has changed their relative positions. Most of the industrial countries are no longer creditor countries, U.S.A., being a brilliant exception; nor are most of the agrarian countries debtor countries. "The grip of foreign capital over these areas was weakened and their drive for economic independence gained momentum" (p.90.of 'World Commerce and Governments' by Woytinsky 1955). The industrial nations are too anxious and obliged to sell their manufactured goods as from the end of the war, in order to pay for their purchases of agricultural produce, since they can no longer depend upon their interest receipts to pay for such imports. On the other hand, the agricultural countries have learnt to get on without many of their pre-war luxuries or to manufacture a good number of consumers' necessaries by the newly developed manufactures and through the renovated cottage industries. Therefore, if they play their cards well, agricultural countries will fare much better than in pre-war, as compared to those of the industrial countries.

Under such circumstances, different systems of regulating international trade as between the agricultural and industrial nations have to be devised. That is why, the I.F.A.P. and F.A.O. have recognized the fact that "free competition among exporters

for the available market no longer exists", and "it cannot be said that a free world market for most of the major commodities any longer exists."

As we have already seem, the American agricultural production costs per acre are higher than those of Australia; the per capita income of peasants (known as farmers in both those countries) also is higher in Australia than in America, because, the farmers are bigger, peasants fewer and agricultural implements more mechanized in Australia than in America. So, even if a lower price per unit of wheat, beef or fruit is accepted, a higher per capita income can be realised by an Australian than what is possible for an America farmer. Both naturally have a much larger income than what can be had by a peasant in Egypt, India or China owing to the too many peasants and too small holdings and too little use of mechanized implements etc.

As things are, the same world price is being paid for their agricultural produce, at which any one or group or all of them are capable of and willing to supply all the commodities needed by the industrial countries. Consequently, one or more countries and their peasants are affected adversely by such an indiscriminate competition between them and often all of them are worsted in the bargain by the better organised and more self-conscious industrialists.

But how are we to get out of this mess? The American 'New Deal' indicated a part of the solution. Irrespective of world prices, the Roosveltian Government proceeded to impose a processing tax upon all the home production of various agricultural produce sometimes amounting to 100% imposition upon the current market price of the product concerned. Only after paying this tax (something like the Indian excise duty on sugar) could the processors or marketing agencies concerned place their produce in the market. As for the distribution of the incidence of this processing tax, some times, the marketing agencies including processing and other manufacturers and sometimes, the ultimate consumers or sometimes both, had to bear it. Anyhow the market price of the home consumption of the concerned agricultural produce, was raised to that extent at the stage of processing and peasants were paid higher prices. This is not unlike the operation of the Panama Locks or Volga-Don canal Locks.

As is well-known in any system of locks on a canal, there are two locks, shutting off two Belts of water-tight gates, at some distance from each other, separating waters flowing at different levels in the same canal. That is, on one side of the canal, upto one lock, the bed of the canal is on a higher level than that of the other, although through the

canal as a whole, the general or average depth of water may be the same, say, six or seven feet deep. These locks are intended to ease the movement of ships through the canal as a whole, the general or average depth of water may be the same, say, six or seven feet deep. These locks are intended to ease the movement of ships through the canal, as if there is no difference in the gradient of the bed of the canal, though the level of the bed upto one lock may be two or three or more feet higher than that upto (or from) the other lock.

If the international prices of any agricultural commodities which are thus to be regulated are found to be lower than the proposed home prices, that is, if there is the danger of the boat of exchanges flowing from the side of higher gradient to that of lower gradient, then immediately the boat will be stopped at the gate that is situated at the gradient; the level of the water as between the next gate and this will be sought to be raised upto the higher gradients level, that is, through an import duty or license restrictions of imports at the prices allowed to be ruling in the country, so that the boat of exchanges passes through the even course of water as between the two gradients. This device too is provided under the New Deal.

That is, so far as any country's effort to raise its internal level of prices upto to level prevailing in the rest of the world is concerned. Such an effort is possible to be made on a large scale and very large proportion of peasants can thus helped effectively and considerable minimisation of inequalities of incomes between the agricultural and industrial peoples in possible only in such highly industrialised countries like U.S.A., Germany and Japan because their local classes can bear such resultant higher prices for their food etc.

But such is not the case with most of the predominantly agricultural countries as India, China, Argentina, Egypt, Brazil, Mexico, Australia. What then are they to do, to raise their agricultural price level? Their local industries and capitalist classes are not so numerous and prosperous as to be able to afford a much higher standard of living for their much larger agrarian populations by themselves agreeing to pay higher prices for their consumption of local agricultural produce.

For such people, there is no escape from either of two courses. That is, they can go ahead with development of their national self-sufficiency programmes, minimise their need for imports and thus raise their bargaining capacity with the industrial nations and agree to export only such quantities of their food grains, oil-seeds etc., at such prices as

are considered to be adequate and reasonable, in relation to the internal prices paid for such commodities in other countries and then get into bilateral agreements with some of the industrial nations for the barter exchanges between their agricultural and industrial commodities. The F.A.O. report on the prospects for Agricultural Development in Latin America (1955) stated that "many Governments followed the policy withholding supplies when the export prices were not considered satisfactory, i.e., Argentina and Uruguay were reluctant to sell their wool and linseed, Brazil its Cotton, and Chile its copper." Or they can negotiate after having (or even while achieving) developed the maximum amount of profitable national self-sufficiency economy, international agreements with one or more all competing agrarian countries, as to the total quantities of different agrarian products to be supplied to the world markets, the quotas to be granted to each country and the prices at which they are to be sold. The International Sugar Agreement and the pre-war Tea Agreement exemplify this. The former adjustments are not unlike the operation of the 'Panama Locks' on those portions of the canal, where there is only one way flow of water and where within a short span and over a low gradient, the boat of exchanges has to be helped to rise on the controlled rising level of water (low internal prices) upto the higher level of water (high controlled exchange prices to be achieved.) The latter adjustments are very much like the 'Panama Locks operations' or Volga-Don canal locks on those portions of the canal, where there is two way flow or cross currents, not of a high speed and where, by suitable manipulation of the locks, the boats on the higher gradient and those on the lower gradient are enabled to cross each other and go their own way without coming into clash.

Now these doors of the locks can be linked to the adjustments to be made from time to time in the national price levels that each country has to maintain or many fix for the protection of its local peasants. Before the 'New Delhi' has familiarised the world, with the fact that the home prices of any commodity can be fixed at a much higher level than what would prevail, if the usual capitalist market transactions were allowed to play their usual capitalist market transactions were allowed to play their usual mischief, without any detriment to the nation as a whole, economists were loathe to agree that any such artificial national control of prices could be made with benefit to all concerned. Now they have to admit the underlying fact, that is, that the present market transactions are a gloss over a continuous process of exploitation of one party to the bargain i.e., peasants by the other class, that is, the capitalists. Even Prof. Colin Clark, is obliged to admit that if food imports were to be freely allowed into England, the farmers would have to lose

all their net incomes. The I.F.A.P. observed in December 1955 that "although the level of farm incomes has increased in comparison with pre-war levels, agricultural incomes in most countries are still well below the average of those in other occupations." We know now that it could be remedied by a nation-wide State, action, by eliminating the inequality between the prices of agricultural and industrial goods. Thus the 'New Deal' has let out the secret of capitalist exploitation and has also shown the way out. Hence, so many countries have come to establish different levels of support and are carried out though different means, including import quotas, export subsidies, Government monopolies.

We now know that each country has to and can decide upon what price levels are to be fixed for the sale of its commodities. They ought not to be so high, that the local people cannot afford to pay for their share of the national consumption nor so low as to leave not enough margin for the maintenance of peasants and workers concerned on a decent and progressive standard of living. They are at the same time to be so fixed as not to be too greatly varying from the price levels prevailing in the competing countries. To turn to our analogy again, if the gates are so high on the side of the higher gradient and greater flow of water, as not allow any over flow, then either the gates will be destroyed or the surrounding country will be over-flooded. If they are too low, on the side of the lower gradient, then the boat of exchanges cannot be raised sufficiently high so as to easily pass into the higher gradient without any mishap.

Mr. Harrod, said, in his 'International Economics' that "the best that a particular country can do for herself is to make her own price structure correspond to her own cost structure and to enter into so much foreign trade as is consistent with that condition and with the prevailing world price structure." (pp. 47-48). As we have seen, such a procedure will be more profitable and possible for highly industrialised countries than for agricultural countries. But in the post-war days such discrepancies are coming to be reduced to some extent.

The Panama Locks analogy also helps us to understand the possibility of yet another economic manoeuver. Even while the gates are kept locked up, there are weirs kept on either side through which regulated quantities of surplus water are let off, in order to ease the tension of water on the higher gradient. Similarly, the present practice of any country, dumping all its surplus produce on other countries and thus spoiling the general conditions of trade for the commodity, can be abandoned in preference to

regulated export of all such surpluses but at prices, controlled by an international agreement between all the producing countries concerned. Thus the American cotton growers can be assured of a higher price for local sales and allowed to sell abroad as much of their surplus stocks as possible, at a lower price which will at the same time be in harmony with the outer world's price, so that, the less fortunate producers in the rest of the world need not be affected adversely by the sale of American cotton at to low prices. The difference between the internal and external prices ought not to be so great as to make the eventual adjustment between the world price and the local price too difficult and dangerous. For instance, if the home price is kept too high, the local consumers may rebel and get the whole scheme of price fixation cancelled or insist upon larger imports of the concerned commodities.

Countries like India can afford to sell their agricultural produce at lower prices to their own nationals and at the higher world prices to the foreigners, if this proposed regulation of international trade is agreed upon. In that way, the present danger of their too great readiness to accept too low prices for their foreign sales, owing to their need for making interest payments on foreign loans etc., can be circumvented. Thus, one of the biggest menaces to the price levels, facing peasants especially of countries like U.S.A. in world markets can be eliminated. By utilising this double process, that is, rich countries abstaining from dumping their surplus stocks as exemplified by the U.S. refusal to release her vast wheat and cotton holdings, poor countries avoiding their present practice of constantly depressing world price levels, peasants all over the world can help themselves, though they may be living in different economic circumstances (gradients) in their respective countries.

By suitable apportionment of acreages and total production as between different crops, the total world supply of any one of the commodities and all its possible substitutes, say, cotton, silk, rayon, can be regulated. National schemes for the storage of surplus stocks, their disposal within their respective countries by subsidized sales to the poorer classes of people, and for the proper preservation at different stages of a commodity's journey from the producer to the ultimate consumers can be developed with or without legislative and administrative initiative and help of local Governments. The total areas under different crops can be strictly controlled. Necessary concession may be made to enable the poorer and undeveloped or partially developed countries to extend the areas according to an international plan for different crops, even while the bigger and richer countries are busy reducing their acreage under the same crops. Steps may be

taken to provide necessary credit for those undeveloped agricultural countries so as to enable them to purchase the requisite machinery to develop local processing enterprises to service their agricultural commodities.

Even if such international production and sale agreements cannot be achieved on a world scale, attempts can be made with much success, to bring about a few international zollvereins embracing a good number of smaller, weaker agricultural countries. Such zollvereins will be able, because of their combined economic bargaining strength, to persuade the other better producers to come to reasonable agreement and also the consumers to pay higher and more reasonable prices.

The Economic Commission for Latin America (ECLA) stressed the need for immediate joint action, because "isolated efforts by individual countries could not effectively overcome the basic obstacles to development, such a limited market".

The Asian and Far East Countries and the Bandung Afro-Asian Countries and the Colombo Conference countries are all thinking of working out schemes of regional self-sufficiency trade-economy, in order to supplement their respective national self-sufficiency economics with the main purpose of cushioning their respective domestic farmers and other producers from the fluctuations and vicissitudes of international markets and their uncertain waves of price –levels (See the F.A.O. Reports on the surveys of "Development and Outlook" being the results of the Regional Conferences in Asia, Near East, Latin America etc) The BEEC group of countries have made great strides towards intra-regional trade. The French union and British Common wealth and Soviet group have also strengthened this trend towards Intra-regional self-sufficiency. The F.A.O. Survey concluded in 1955 that "the influence of the newer country grouping was less than the elder association".

Ofcourse, care has to be taken to see that countries or international zollvereins do not attend to help the attempts of the better developed partners to squeeze all the surplus value from the less favoured partners. For instance, in the United States themselves, the agricultural States are being exploited by the industrial states; in the Nazi continental Europe not only the industrial peoples but also the agricultural masses of Germany exploited the peasants of other countries. Similarly U.S.S.R. exploits S.E. Europe. Such injustices have to avoided by necessary safeguards.

The independent agricultural countries at least must go ahead minimise the zone on which world markets and capitalism can play their mischief. As for the dependent

colonies their people have to insist upon fiscal freedom the prescription and maintenance of National Minimum Price levels.

Thus each agricultural country has to work out its own National Minimum Price-levels for all its major agricultural commodities and their actual and possible substitutes. The income levels for peasants have also to be worked out based on their minimum needs. Then it has to try to relate them to corresponding price and income levels of other countries, especially those countries which generally compete with it, in their common markets. To strengthen its bargaining capacity, it has to minimise its need to export so much of its commodities and it must be able to restrict its acreages and production as well as the total quantities it will make available for export. It must be prepared also, to make its local non-agricultural classes pay their proper and full contribution to the development of local peasants by suitably raising the local price levels.

The effect of such a well-built system of national or supra-national organisations of agricultural production, fixation of National Minimum levels of prices and workable adjustment of national claims and appointment of quotas of total production, total exports and even shares in different markets will bring about a more just, evenly balanced and progressive commerce between all nations, in the same way as the flow of waters between the Atlantic and Pacific Oceans helped the speedy and safe communications between them through the help of the various Panama Locks at different levels which ease the flow and confluence of waters of these oceans across so many gradients of canal bottom. Without these locks, the canal does contact the two oceans. But the boats that sail on them will be either land-locked or broken to pieces but can never steam up and down the canal, as at present, so safely and speedily. It is these locks which ease the varying levels of the water, flowing on the different gradients of bottom. Similarly, countries at different levels of economic development and varying fortunes need the help of such "Panama Locks of National Price Levels" to regulate the wholesale and progressive international trade, through the very dangerous canals of World Markets. These locks of 'National Price Levels' cannot be of much use, unless they are aided by the accompanying National Self-Sufficiency and International regulation of production of various crops and their marketing according to plan.

Some may fear that our scheme of stabilising prices of principal agricultural goods on the basis of 'National Income Price Level's' is entirely unorthodox and un-workable.

I can assure them it is nothing of the kind. In these days of growing uncertainty as to the monetary practices of different t countries and also as to the prospects of a democratic, flexible and progressive World Monetary system despite the operations of the World Monetary Fund the best that best any country can do is to work out a system of schedules of costs of living of different classes of peasantry, proletariat and the professionals, leaving sufficient margin for their economic progress, technical equipment and training and cultural advancement and then adjust her costs-schedules for the production and marketing of her local product agricultural and industrial, and then regulate her total circulation of money in accordance with such schedules, so that her total economic life, in its productive and distributive aspects, can be fully served by easy money. As Mr. Robertson has admitted in his 'Money' and as the Brussels' Conference Memorandum has made it clear, the purchasing power parity is a fairly workable basis for any country to settle the total quantity of its own circulation and also its exchange rates with other countries' currencies. If only the National Income and price Levels are carefully worked out, the purchasing power parity can be more safely attained with profit for the country concerned. It leaves enough margins for the necessary manipulation of the total quantity of money in circulation in any country, so that the toiling masses may be enabled to avoid unemployment, attain higher income and standard of living.

In order to be able to achieve such a healthy balance between her total productive activates and standards of living of her toilers, intellectual and manual, and her total volume of currency in circulation, a country has to gain control over its banking, foreign trade, industrial organisation, financing and marketing of agriculture. It may be possible that such a state control may come to be reconciled with private enterprise, say in deposit banks, insurance schemes, retail and internal trade and industrial enterprises of less than a prescribed maximum productive capacity in non-key spheres. Such a State control was aimed at by U.S.A. under her New Deal and recommended by the Oxford Economists who are not even as Socialistic as the revolutionary-minded Socialist, G.D.H. Cole.

I admit that our scheme may, in the beginning, lessen the total quantity of world trade. According to us, much of the international trade of the present day is unnecessary and wasteful. Colonial countries ought to try to convert their 'A' class goods into 'B' class goods, i.e., from agricultural and raw products into partially or fully manufactured goods, and export only such portions of their production as are found unnecessary or surplus after satisfying the local demand. We are keen on achieving as much of

international agreement as possible in regulating the production, internal distribution (consumption) and exports to the maximum degree, so that a good proportion of what now passes off as unregulated international trade will become a regulated sector of World Trade but such regulation, emanating from the producers and their countries, is to be harmonised with the legitimate interests of consumers.

A very large number of luxury items and non-essentials need not find a place in the future international trade. Each country will be attempting, for the benefit of all, to manufacture most of consumers' goods, needed by its local people especially those which can be made in cottage industrial concerns, aided by electrical power and small-scale machinery. Only the machinery needed for basic industries for the manufacture of instruments of production, minerals which are locally unavailable, such metals as iron, steel, tin, copper, such strategic commodities as rubber, oil and the services of technical experts have necessarily to be imported by colonies. In fact Indian expert opinion is quite unanimous in warning, against the imports of any luxury or consumers commodities. The industrial countries will still be importing quite a good number of agricultural commodities, whether partially or fully processes or manufactured from what now happen to be colonies.

Any how one very great prejudice has to be shed by economists as well as politicians: that only an increasing volume of international trade as between different countries of the World can be a sure sign of economic progress of the World. The world has experienced extreme need, poverty and unmerited and un-

Limited suffering of its peasant and proletarian sections and colonial sectors during the periods of boom in world trade and so a rise in world trade is no sure sign of material well-being of the toilers. For instance, Woytinsky testifies in his 'World Commerce and Governments' (1955) that "colonial areas with a total population of 160 millions – less than 7% of the world population accounted for 10% of the world total exports and had a higher per capita export than the rest of the World"; $ 48 for colonies against $ 30 for independent nations. "This relationship in per capita export values contrasts with the disparity in national in-come" (p.666). It is even more possible for the masses to be happier, richer and any how well above the level of starvation and suffering, even while the world trade goes on shrinking just because almost all countries or supra-national states of various but similarly situated international zones become self-sufficing in most of the modern industries and their production. It is just this

awareness that lies at the core of Gandhiji's revolt against the present day imperialist world trade. The New Deal of America was a challenge against the international hegemony of Capitalist Imperialism of Britain and the national self-sufficiency programmes of pre-war Germany and Japan. It was also a reaction against the disastrous effects of pre-war operations of World Traders.

That such an attitude is in conformity with the monetary theory, mooted by a number of British economists is indicated by the conclusions reached by Mr.G.F.M.Burbin, author of 'Purchasing Power and Trade Depression' in his study on 'Money and Prices'. He says: "A policy which would stabilize prices could have helped the Colonies in pre-war days but their imperial masters will not allow it to be adopted," Durbin proceeds to say: "The policy which stabilizes the effective quantity of money will cause the appearance of unemployment in the presence of contract frictions." This was exactly the disastrous policy pursued by their imperial masters in all the colonies; so much so, foreign goods become cheaper to import while home products became costlier to export, resulting in adverse balances of trade and export of distress gold or accumulation of foreign debts. So Mr.Durbin says: "this leaves the stabilization of incomes as the object of a credit policy. Such a policy will secure monetary equilibrium in a self-contained system." ('What every man wants to know about Money.' P.344.) The Planning Commission of India has decided upon a regulated policy of currency expansion and deficit finance in order to help the rapid economic progress of India. This policy has yielded good results since 1951, without leading to inflation.

Mr. Durbin observes "In order to execute this proposal in a world economy, it is economy, it is necessary to divide up the world system into a number of separate constant income systems, the relations between which are determined by slowly fluctuating exchanges." It means there can be an exchange – zollverin between China, India and Africa minus South Africa as they are all on about the same economic level of poverty and want of development; a similar zollverein between all the Indo – American States ; another between England, U.S.A., Canada and so on. So Mr. Durbin warns "that this would involve some reduction in world trade, it would be silly to deny, (Italics, mine. Ed.) but against such a reduction it is necessary to set the growth in world production and the world standard of living which would follow upon the elimination of the terrible internal monetary crisis from which all peoples have suffered in the last ten years." Though this was written in 1933, it is still true of the present day events. So he concludes "to conceive and to ensure it would..... rid the world of one of the most

potent sources of its distresses and open the way to a steady, an appreciable and a most necessary increase in the standard of human life." Even the Western European countries which were so keen on developing international trade during the 19th century have themselves come to give priority to the post-economic depression policy of securing "farmers an adequate income – whatever the trade of world prices" (FAO Commodity policy Studies. No.2 – 1953). This is what the Asian nations which have met a Bangolore in February 1956 under the agencies of the ECAFE, have proposed; that is , that their mutual trade should be specially fostered, their inter-shipping facilities and concessional freight-schedules should be developed, leading eventually to an approach towards their regional zone of internationally self-sufficient trade.

I must admit that neither Mr.Durbnin nor his editor Mr.Cole was thinking of the National Price and Income Levels for different Colonies that we are proposing. But they did think of the stabilisation of incomes and that, if properly worked out, in the interests of Colonial peoples, and Ex-colonial peoples with special reference to their agricultural production and their need for independence of action, can but lead to some such scheme as our present proposals. I must also sound another note of warning; that I do not mean a static income and price levels, when I quote the earlier idea of stabilisation of incomes, for, the agricultural prices and incomes can be helped to continually rise but in an origanised and planned manner, until they reach parity with industrial and commercial prices and income levels Indeed, even the latter, i.e., industrial and commercial prices and income levels cannot either be static or rigidly stabilised, for there is much scope, even within the present ambit of industrial progress, in technological work on instruments of production, in the technical efficiency of toilers, in the total productive capacity of the whole people for addition to the incomes of all classes of toiling masses. High as the U.S. wage levels are, the A.F.L.-C.I.O. are demanding even higher levels.

Even apart from the development of such National Income and Price-levels, most of the agricultural countries will be obliged to supplement and sustain such National Price, Levels. Actually "96% of the world's 1954-55 wheat crop was produced and marketed under price support policies". (I.F.A.P. World Agriculture,1955). The plea that every country must be content to concentrate only on its specalisties in the production of which it has most advantages and to import other commodities from other countries which are similarly most advantageously situated in regard to their production has become antiquated and abandoned for many reasons, not the least of which are the needs of defence strategy, the rising political and economic strength of agricultural masses of

most countries, the leveling up of technical efficiency in most countries the modern transport system facilitating easy Krause of U.S.A. observed in his book "The International Economy" (1955) that though "most underdeveloped countries are specailised, the average level of incomes is neither high nor stable ." P.275.

These agricultural countries have both their infant industries to be protected and the internal wage levels or agricultural prices to be maintained, if need be, at higher levels than what would be made possible by the world's price parities and to make up the difference between the external and internal prices, tariffs are needed. So, Mr. Krasue rightly say that "the people of underdeveloped countries question the results of specialization".

Soviet Russia and her familiarised the world with the utility of planning over long periods of five years and even look further ahead. It is no longer possible for economists to fail to realize the need for various countries to build up their favourable balances out of their international trade transactions in anticipation of their huge developmental programmes. If any country is able to get into bilateral or reciprocal pacts or multilateral pacts with groups of three or more countries, it may be able to spread its balances in such a way that over two or three or four years they can all agree to allow their deficits or surpluses to accumulate, to be liquidated through respective developmental programmes within, the period mutually agreed upon. This is almost the policy which has come to be pursued by the instance, Polant was granted Roubles 550 million credit in 1950, for "machinery and materials- with the provision for repayment over a 10 year period, " and a short-term credit was given to Eastern Germany to enable imports of food and raw materials worth of 121.5 million Roubles repayable in a two-year period and China obtained in 1950 a credit of Roubles 300 million repayable in 10 years from 1954. By pursuing similar policies, the U.S.S.R. tries to balance her trade with all other Soviet Countries in the Communist Bloc. "The total Soviet trade is about 7% of World Trade (or nearly 2 ½ times the foreign trade of India.)" ('Eastern Economist'-Dec. 1955). Surely this has not weakened the economy or slowed down the progress of either U.S.S.R. or the rest of the Soviet Countries. This zollverein has "promoted inter-dependence to a very great degree" and the Eastern Economist concludes that "it is probable that future development of trade with outside areas would not be allowed to prejudice this inter-dependence but only supplements it." There is thus great possibility of international trade being developed through conscious state efforts and bilateral trade agreements as between those countries which group themselves according to their

economic or political or continental interests and to a smaller degree as between these various groups, instead of their being any reversion to the pre-ear anarchic conditions.

"The safest foundation for international economic integration would be an international policy of stabilization of raw material prices.

One way of attaining stable raw material prices may be a set of separate 'commodity agreements' i.e., agreements on schedules to regulate trade, if necessary, stocking and even production of a number of individual commodities ." (Prof. J. Tinbergen (1955) International Economic Integration." Page. 118).

III

I do recognize the awful difficulty experience by the post-war world in working out hundreds of bilateral trade agreements and to put with the great inconveniences that resulted there from. Prof. E.F. Shumacher, the German Economist, is not the only one who recognised the need for every country to aim, not at hoarding of assets and unspent international surplus foreign balance but at balancing her international trade transactions, so that she is prepared to spend as much as she sells. His slogan "Spend all you earn" is also the slogan of Lord Keynes. But the point is, the undeveloped agricultural countries have either to borrow huge sums to be immediately spend on machinery and construction in advance of their future surplus production to be placed at the disposal for he rest of the world or the creditors concerned, or go on accumulating foreign exchange balances, for say, five years at a time, to spend on their developmental programmes. As at present outlined, neither Prof. Shumacher nor Lord Keynes nor Morgantheau's schemes give such an assurance of easy absorption by the industrially advanced countries of the gradually increasing surplus production and export to colonial produce, over and above their current purchases from the international markets, in order to enable them to pay off their debts.

In the absence on such a assurance, there has been no escape for colonial countries from their necessity to bid for surplus international trade balances in the Post-war years, or from borrowing heavily from U.S., U.K. etc., or obtaining T.CA., point four or grants-in-Aid assistance, if they are to be able to purchase the costly foreign machinery and import expert technicians, including engineers, in order to develop their basic industries and other manufacturing concerns.

Mr. Krause, who has reviewed the world development and trend of opinion regarding world trade observed that "there is no uniformity of opinion concerning the over all principles which should govern the conduct of international trade. Not every one shares the view that the principles of free multilateral trade is in itself a worthy goal" (p.414). "In consequence there exists in the world a series of unco-ordinated national policies, some of which are in basic conflict with one another. International agreement on matters of basic policy and practice is difficult to secure." (p.414).

"It has taken seven years to reach the General Agreement on Trade and Tariffs (G.A.T.T.) and its limitation are more eloquent of present day needs than its repetition of the multilateral trading principles of the pre-war period. A precedent was established by the G.A.T.T. in permitting in connection with agricultural price supports operation 'an exception' in favour of agricultural exports, even when they are subsidized, provided the subsidy on a particular products does not obtain for the country more than an equitable share of World Trade in the product" (quoted by I.F.A.P. Annual Report 1955 and discussed in the F.A.O. Survey. 1955).

Actually, the most of agricultural and semi-industrialized countries have had to import much more because of their dire need for manufactured goods as well as capital goods during the decade after the war. They could not pay for these imports by their exports, because of the shrinkage of their production and also because of the un-willingness of industrial countries to absorb their goods. So, they had to borrow heavily from U.S.A. and U.K., and exhaust all their dollar and sterling accumulation of the war period.

Every student of economics has been tutored well in the Western view- point of economics to realize the advantages of multi-lateral trade. Lord Keyne's name is being attached to this traditional policy of England only to make it appear as if it is a new and reform measure. As long as the London Money Market was able to dictate its terms to the world, it worked and prospered only on the basis of the principle of multi-lateral trading. It was the growing power of U.S.A., the shattering effects of continental interwar inflation, reparation payments, the great economic depression and the new National self-sufficiency economics of more and more continental countries, that have brought the new device of bilateral or reciprocal trade pacts to the fore, even before U.S.A as forced into the War.

But what Keynes had not done was to watch its disastrous effects upon the colonies economy. As long as the great industrial powers of the World-European, American powers- were able to force the colonies, to play the second fiddle to their tune, set by the London's Overseas Investments and Political Imperialism and American Export and Import Bank investments and her unseen participation in the Internal Politics of Indo-American States, they had only to concern themselves with the multi-lateral trading between themselves. It was not such an impossible task so long as they had agreed in their shares of world hegemony and their quotas in the booty emanating from their political or economic colonies.

"Soon after the War, China, India, Egypt, Australia etc., have begum to confront them with very tricky problems. They are no longer such helpless debtor-countries as formerly. Their need for importing manufactured goods, right downs to trivial dolls and patent medicines is much less, thanks to their growing industrial equipment. The efficiency of their workers is no longer so low, thanks to the fillip given by War to the development of their technical training. They therefore, refuse to be dictated to, as formerly by the Western Capitalism." ('World Commerce and Governments', By Woytinsky.)

Mr. Krause observes that 'a widely-held belief in under-developed countries is that their raw-material production is relatively low-income production (as compared to manufacturing) and that this type of production leads, in turn, to foreign trade in a form which involves" selling cheaply" and 'buying dearly' P.406. He concludes "International agreement on matters of basic policy and practice is difficult to secure". This has become evident in the unsuccessful attempt made "to secure acceptance of the charter for the propose I.T.C. (International Economy P.414.). Mr. Micheel Hoffman, the economist of American big business confessed in August 1955 "no real check has been found for agricultural economic nationalism. The trend is towards more restrictions on agricultural products in international trade". (quoted in Eastern Economist 24-2-1956). The Anglo-American Governments and Financiers have sensed this and therefore seem to be anxious to weaken their newly won fiscal freedom by some means or other. They are hard put to it to convince or delude the world into believing that reciprocal trade agreements, are all, too bad.

Woytinsky remarks (1955) in his monumental work 'World Commerce and Governments' that "Multilateral trade with a circular flow of goods as in 1913 or 1928 has no been restored since World War II and its restoration in the near future is not in

sight." (p.90). Why? At that time, "the underdeveloped countries were an important link" of the Multi-lateral trade. But, during and since the World War II, their drive for economic independence gained momentum" and they have all been trying to achieve maximum degree of self-sufficiency, because they are convinced, as Mr. Krause admits in his book. 'The International Economy' that "an abandonment of specialization and resort to diversification in marking a country more nearly self-contained, can reduce the extent of vulnerability to economic repercussions arising abroad." (p.276). Yet, Mr. Wheeler of the I.F.A.P. felt obliged to repeat the traditional Western Capitalist dogma that "such national government intervention on behalf of agriculture does impede the workings of the law of comparative advantage that things should be produced in those places which have to greater advantages in their production." (I.F.A.P., Feb., 1956).

Since the end of the World War II, many efforts have been made by Western Statesmen Economists to re-establish the pre-war supremacy of World Markets and International trade and money economy over which both London and New York had such an effective power. So far they have failed in this; The Havana Charter and the G.A.T.T. are all their achievements. These have laid down many general principles of mutual goodness-will, non-discrimination and equal consideration for each other's interests but they are all hedged in or qualified by so many 'ifs' and 'buts' that they can be of be very little practical use:

In the meanwhile, the World has come to be split up into the Democratic Section and the Totalitarian Section. We do not have full information as to how the international trade is being carried on as between the different Soviet countries within the Iron and Bamboo Curtains. For instance, we do not know how the agricultural products of some of the S.E. European Soviet Countries are valued vis-a-vis the similar agricultural products of the two major partners, the U.S.S.R. and Peoples China, nor do we know the degree of discrimination shown against agricultural goods and in favour of industrial products; that is, their relative terms of trade.

We know, however, that in the Democratic section of the World, the terms of trade are still against agricultural goods. The Policy Committee of the I.F.A.P. quoted in September, 1955 from the F.A.O. Review of the 'Post-war Decade and Outlook' that "agricultural incomes in most countries are still well below the average of those in other occupations, often less than half. In many countries the position of the farmer in relation to other sectors of the community has recently become worse." The F.A.O. Review (1955) observed that "in the United States the average income in

1938 of all persons engaged in agriculture (including both farm operators and farm workers) was estimated to be only about 37% of the average earnings of an industrial worker. As a result of increased output and higher farm prices, average per caput farm incomes rose in 1947 to a peak of 80% of average earnings of workers in industry but by 1953 had again declined to only 50%. (p. 121). No wonder, there has come to be an accentuated movement of farm people to the City".

This is happening inspite of the fact, that "production as a whole of crop and livestock products apparently reached the highest level in history in 1954" – due to basic improvements in yields per acre, owing to more efficient cultural practices" as for instance, the adoption of the Japanese method of Rice cultivation and extensive use of Chemical and Organic fertilizers in India. With what results? The Indian Market has not absorbed the additional production nor has it assured our peasants remunerative prices. The F.A.O, Commodity Policy Studies No. 6. observed in June 1955 "with the better Crops, Price fell sharply in many regions in the first half of 1954, then stated falling again in late 1954 and early 1955 with a total decline at local wholesale markets ranging from 20% for food-grains upto 40% for pulses and even 50% for oilseeds. Stocks accumulated in the hands of dealers in local warehouses; extreme local declines in prices followed where local markets in many cases in excess of the capacity of local market were glutted. Wholesale prices of non-agricultural products were firm, with little or no change, and *prices for farm products compared to prices of other products are apparently well below* long-time average relations, especially in certain centers. With prices declining by much more than production or even saleable quantities had increased, farmer's net income and real buying power declined sharply. Wages of agricultural labour also fell. Despite the continual expansion of public expenditures and employment on development projects under the Five Year Plan, the decline in rural buying power and employment has had a depressing effect upon the whole economy" (P. 44). It is thus clear that Indian peasants have lost heavily because of their patriotic and progressive efforts to produce more and also because of the failure of Government to make the terms of trade justly balanced between themselves and the other social sectors. This is exactly the warning given by Prof. Ganguly of The Delhi School of Economics, regarding the prevalence of unequal terms of trade between under-developed and developed regions, between rural and urban centers within our own country.

From the United States, we get even more detailed information about this

unjust treatment meted out to peasants. Thanks to their better statistical information. The United States Conference on Economic Progress had made the following observations in its report (1955):

"The farmer has received a relatively low and unfair income share of American product during all phases of the so-called 'business cycle' in peace and in war. This has not been due primarily to 'overproduction', or to 'inefficiency' from 1947 to 1955, non-farm productivity showed a total increase of about 28% and non-farm per capita income increased almost 15% in real terms. But while farm productivity showed a total increase of about 28% and non-farm per capita income increased almost 15% in real terms. But while farm productivity increased more than 40% farm per capita income derived from all sources decreased by about 9% and farm per capita income derived from farm sources decreased by 19%. (p. 580).

The total farm product was just as large a portion of the total national product in 1954 as in 1951 – about 6% when both are measured in constant 1954 prices. But the income derived by farmers from farm sources declined from about 6.5% to about 4.8% of total national income a drop of about 26% in the ratio.

"Farm per capita income derived from farm sources , was 741 in 1947, rose to $ 762 in 1951 and then dropped to an estimated $ 600 by 1955." Whereas, per capita national income rose substantially from 1644 in 1947 to an estimated $ 1955 by 1955. (U.S. Conference on Economic Progress, 1955 – p. 39.)

This problem of balancing of the terms of trade on an equitable basis is vitally bound up with the world-wide problem of evaluating the services rendered by different sections of people in any trade or occupation, in any country and as between one country and another. The past history of the World has already queered the pitch for rural and more particularly the agricultural and artisan classes by tilting the terms of trade too much against them. Imperialism on one side and local feudalism on the other have created the 'long standing problems of unequal rates of progress among different regions', that is, among urban and rural areas within every county, among some fairly developed rural areas and other developed rural areas and between the rural and urban areas of different countries respectively. To get over these disabilities, the mechanism of 'tariffs' was resorted to during the last century, as between different countries; especially concerning the development of industries. The last great economic depression has yielded the U.S. mechanism of Price-supports for agriculture in order

to maintain its solvency. Ever since, this device has come to be adopted by country after country, so that, by now, it has come to be the basic and dominant feature of national trade relations and also of the terms of trade on the national economic front. We have already seen how the basis on which this system of 'parity prices' or 'support prices' for agriculture was founded has not done full justice to agriculturists, because the prices prevailing in any year, taken as the basis were themselves built upon the original level of 'courtesy prices'. every country to work out, afresh, the level of prices for the main agricultural products, based upon the more or less accurate and economic costs of production and the fairly comparable standard of living for both peasants and their families and agricultural workers. As a matter of fact, the World War II, has done more for peasants than anything or any statesman or party during this century to persuade the respective nations and their leadership to yield to the peasant's demand for protection from the hitherto all powerful mechanism of 'Prices-squeeze' or 'Scissors of prices'. The F.A.O. Survey of National Measures For Controlling Farm Prices in Western European Countries, of April 1953 (Commodity Policy Studies No.2) details how almost all the countries of the Western Europe have come to adopt the policy of price-supports, based upon their more or less rule of thumb calculations of costs of production on "an economically justified and efficiently managed farm" (P. 5) and the result of the negotiations between the Government and Farmers' Unions and Agricultural Co-operatives. The F.A.O. note on the 'International Effects of National Policies for Grains' (April 1955) concludes its survey thus: "Protection of producers' prices and incomes is no longer limited to importing countries but is maintained also in exporting countries. It takes different forms in different countries but all of them affect, in one way or another, the competitive conditions in international trade." Now that the shortages have been overcome, "the gap between prices in the international and domestic markets has made the effective levels of protection higher than in previous years".

"As a result, in some exporting countries, prices have been maintained at a level inconsistent with existing competition for the World Market." The same thing holds good with a number of importing countries too, especially with United Kingdom prior to 1954. Both Colin Clark and Nash complain that this position holds good even today. ('Economic Digest', January, 1956). This "almost universal adoption of government price support policies" has made international trade "static at about the level established prior to World War II", while "world trade has been expanding in

recent years", says the Policy Committee of the I.F.A.P. (1955). The F.A.O. Report on "The Stabilisation of the International Trade in Rice" (1955) says that "a number of rice-importing countries are aiming at greater self sufficiency in rice;" and that as a result "the volume of international trade will tend to contract as time goes on." In fact, the same tendency is noticed in World Trade in wheat etc. But is it such an unmixed evil? Yet this development haunts some important countries like U.S.A., Canada, New Zealand, Australia whose economies are geared to their production for exports and so their leaders are aggrieved that their agricultural surpluses are not so much in demand in other countries. Why? Because of "the development of domestic price policies; the increased controls on foreign trade" instituted to safeguard the "stabilization of domestic markets", independently and apart from world trade. The experts of the U.S. Department of Agriculture reported that in 1954-55, "96% of the World's wheat crop was produced and marketed under price support policies. (World Agriculture, July, 1955.) Actually the U.S. wheat stock, held by the C.C.E. helped to stabilize the prices of wheat all over the world. It is more in this direction than in that of inducing the producers in respective countries, as happens in Canada and Australian marketing systems, to bear the brunt of "downward price adjustments in the World Market," that the prosperity, progress and safety of not only world peasants but also the consuming masses can be said to be lying ". (F.A.O., C.C.E., 55/6, 1955 April.)

There is also the need for the surplus countries to reorganize their production programmes so as to minimize their unwanted surpluses and divert their land to the production of other crops needed by the domestic market, or divert their surplus produce to other domestic purposes or to make it available, as grant in-aid to under-developed countries to enable them to provide work to their unemployed or under-employed masses on their developmental works. Indeed countries like U.S, A., Canada, New Zealand have begun to pay special attention to live stock breeding because of its capacity to consume more and more grain and wait for a number of years before any need arises for the marketing of its products. How else can the major exporters deal with their surplus stocks which have grown 17 to 45 million tons in the last four years (1951-55).

Another solution lies in the 'disposal of surpluses in the under-developed countries, not by way of competition with their own local production through under-selling or by running the risk of further depressing the already low standards of living

of their farm-folk but by enabling their Governments to utilize these surplus grains, milk, milk-powder etc., to feed the millions of their hitherto unemployed or under-employed people who are today underfed and are condemned to sub-human existence. They come to be employed, under the inducement of such an offer, by their governments on new developmental or rehabilitation projects. The Pilot study in India made on the uses of "Agricultural Surpluses to finance economic development in under-developed countries" (June, 55) concerned itself with three methods of using surpluses: (1) in aid of additional economic development in under-developed countries; (2) to improve the nutritional position through direct feeding programmes for special under-privileged or vulnerable groups and (3) to help relieve famine conditions". It has rightly observed that the "recipient – country would be better off both through the higher level of employment and consumption and through additional real capital having been created by the additional development projects", without in anyway worsening its internal position regarding marketable supplies. The queer position of the present day economy of the democratic part of the world is that while peasants are ready to produce all the food products demanded and their "supplies are pressing on the market", and there are hundreds of millions of potential consumers especially in Asia, Africa, Latin America who are suffering from malnutrition, there is not the needed financial mechanism and social scheme of distribution of World's wealth to assure peasants a rising standard of living and to ensure adequate supplies of food to the under – fed masses of the world. "World consumption of food would need to rise by 15 to 50% for various items, to achieve by 1960 even a moderate improvement in the dangerously poor diets of the 'hungry' countries,. (U.S. Conference on Economic Progress.)

The system of the so-called free International Trade of the pre-war times has failed to provide a solution. This new mechanism, proposed by the F.A.O. for disposal of surpluses bids fair to pave the way for the development of a peaceful and progressive solution to this hitherto knotty problem. The Secretary General of the IFAP has rightly hailed this scheme as 'showing the way to' speed up investment without endangering the stability of the national economy; to improve simultaneously the level of nutrition and to achieve those ends while fully protecting and even strengthening the economic position of domestic food producers". (World Agriculture July 1955).

The World War II and the years preparation for it with their stock-pilling of food grains and the post-war decade of food shortages and intensive food production activities have enabled the world to get out of the mischief of the World Markets. International Trade and their mechanism of World Price parities and its dictatorship over the national economics of different countries, especially outside North America and Australia and United Kingdom. "Argentina and Turkey have segregated domestic prices from world market levels and are subsidizing exports." The United States has had to maintain the domestic price of Wheat "above the price obtainable in the export market". Even the Western European Countries "practice policies of insulation of domestic markets from foreign markets". These steps have 'a more permanent character' than those of thirties "since most Governments have accepted some responsibility for maintaining farmer's returns". (F.A.O. 55/4/2434). Indeed several countries have segregated their domestic price levels of their food grains.

Mr. L.A. Wheeler, the I.F.A.P. Commodity consultant warns the farmers that thought world trade as a whole will "in the course of the next 10 or 20 years, rise far above the all-time records established in recent years", world trade in farm products, which since World War II has lagged behind trade in non-farm products, will continue to lag behind". Why? He says that "Governments every where in the Free World are determined to see that their farmers get reasonable returns for their efforts, sufficient to make it possible for them to take advantage of the many new and more efficient production techniques". (IFAP Feb. 1956).

This is a great triumph for the modern world peasantry whose voice can no longer be ignored or smothered. It is a great pity that some farm-leaders of North America should be bewailing the failure of "the automatic working of the market", since import – export market is not allowed to affect domestic markets to a significant extent owing to the separation of the two markets resulting from domestic price policies, (F.A.O., 55/4/2434) forgetting the history of recovery of U.S. Farm Economy since the passage of the A.A.A. under the New Deal Economy and the implementation of price-parities policy. They have urged, at the I.F.A.P. session (Rome – 1955) the "removal of barriers to international trade." They warned against "dependence on governmental interference in marketing and production." But surely theirs is "not the way to improve or to protect farm income" to borrow their own words. (Quoted from Nations Agriculture of A.F.B.F., November, 1955). The adoption of their advice would enable Governments and their capitalistic leadership, in most countries

of the Democratic Sector of the World, to repeat the experience of England of the first half of the last century. As Lord Boyd Orr has warned "because food was the biggest item in the cost of living of the industrial worker – agriculture was sacrificed for industrial expansion." Let it not be forgotten tat the great economic depression was so dreadful and prolonged because of the capitalist faith in cheap food which "came from the exploitation of the cultivator of the soil" the fall in whose purchasing capacity led to the loss of markets for industrial products of capitalist economy. ('Farming Around the World' by the National Farmers Union, 1952.) The remarks of Lord Boyd Orr, first Director General of the F.A.O., provide the answer to these North American farm leaders. British "farmers are given what all the farmers of the world need, a guaranteed market at a remunerative price for the main agricultural products. The result has been a rapid increase in the efficiency of British agriculture: the poorest family gets a fair supply of the protective goods needed for health (thanks to the food subsidies to cheapen the price of bread to consumers). Both political parties, the Conservative and the Labour, claim credit for this new policy. The National Farmers Union played an important part both in evolving this food policy and in running it." ('Farming Around the World' –p. 107). Mr. R.W. Evely, I.C.A. Economic Research Department also observed in 1952 that "the value of agricultural price support programmes, not only to the farmers but to the whole community, has been recognized by individual governments throughout the World." ('World Agriculture', Nov. 1952).

It is not all progressive move on the part of world farm leaders to try to play the same role in this second half of the twentieth century as the capitalists and their manufacturers and economists had done during the same half of the nineteenth century, unmindful of its disastrous results for the whole world and more particularly for the world's farm populations. Unfortunately, the North American farmers have begun to back all so unconsciously, the Stalinist or Soviet cap of farm – factory of farming approach, engrossed as they have become with mechanized farming, and highly proud, as they have grown of their machines which save them from "stoop labour and bent-back" labour. It may be because, their leaders have also begun to feel, like the 'Monetary Times' of Quebec has felt in December 1955, that "it will not be too long, even on this continent, before the little landholder will have to give way before the big, impersonal land development concern just as in Russia individual land owners had to cede their properties to state organizations. "Any how, they have made

themselves responsible for the passing of the Agricultural Trade Development and Assistance Act of 1952 and they take pride that nearly half a billion dollars worth of agricultural products of U.S.A. were sold abroad upto June 1955. No wonder the GATT, which owed its original inspiration and initiation to USA's anxiety, immediately after the World War II to recapture the inspiration of World Markets and unfettered international Trade in addition to her privileged position arising from her bilateral and multilateral agreements, and prevent other countries from raising their tariffs or adopting less ostentatious means to protect their internal economics, has come to make some exceptions in favour of countries like U.S.A. One of the exceptions is to allow U.S.A. or any other country to prevent imports by suitable tariffs when the local levels of prices supported by state measures happen to be higher than world price-levels. The other one is to permit U.S.A. or any other country to export her surpluses, notably wheat, cotton, milk-products-at prices lower than the internal price-levels but only upto certain limits. Is it not then too much for American leaders, whether of industries or of farms, to expect the peoples and especially the unprotected and unorganized peasants of under-developed and other countries to give up their demands for Governmental interference in marketing and production? Many of the experts of the F.A.C., I.F.A.P., G.A.T.T., ECAFL and E.C.O.S.O.C. who hail from North America or who have been brought up under the influence of Western Economic Theories of the pre-depression era are even today genuinely yearning for the return of the 'liberal trade policies' and therefore, they find it too difficult to realize the truly progressive and path-breaking significance of the almost universal adoption of the policy of stabilization of domestic markets, not only for consumer's goods as had been the case in the West uptill 1930, but also for agricultural products from 1938 onwards. They therefore deplore this new development independently in individual countries, rather than through international co-operation. The Hindustan Times of New Delhi, while willing to advise India to subscribe to the continuation of the World Wheat Agreement has observed in its editorial that "the wheat export trade has become Government-controlled monopoly, functioning as a subservient tool of the big producer's domestic agricultural policies. Technological advances in agriculture has boosted production in the United States and elsewhere without entailing any increase in acreage." (25-2-'56). Therefore, the leaders of underdeveloped are areas naturally afraid that the U.S.A. which has pursued for over a century its protectionist, self-sufficient policy and which has now become the biggest exporter of not only manufactured goods but also swelling agricultural surpluses has become

the champion of the doctrine of multi-lateral trade and the "law of relative costs of production" or the "law of comparative advantage." The main change is that whereas in the last century it was the manufacturers who championed this law, it has now become the turn of U.S. Farmers in this second half of the twentieth century. Even the F.A.O. Report of the Committee on Commodity Problems (C.C.P., 55/6) has remarked that though the "increasing pressure of surpluses is likely to result in a further intensification of the conflict between national policies, the necessary adjustments, however, are not likely to come about through the automatic working of the market."

Therefore, Mr. Wheeler, the Commodity Consultant of the I.F.A.P, is obliged to conclude, that, since the 'free enterprise system' as dreamt of by some of the North American farm leaders is already obstructed by numerous nationalistic agricultural programmes, "the best chance of avoiding recurrency of serious economic warfare, would be a positive and practical programme for international co-operation on a commodity by commodity basis." ('World Agriculture', July 1955). But the chances are that such agreements as the World Wheat Agreement which was originally concluded in 1950 become less and less attractive, in view of the emergence of food surpluses in countries like India, which has been prominent importers. The real significance of such an international agreement is that the "producing countries help consuming countries when they are low". Unfortunately the capacity to insure each other is not equal as between these two sets of countries. (C.P.S., 1955). Therefore, all that the U.N. Sponsored World specialized Organisations are hoping for, is the agreement between all or most of the countries in the Democratic sector to exchange information, to review periodically their respective crop-planning economics and to help each other by building up their 'buffer-stocks' for price stabilizing purposes. Mr. Wheeler hopes for 'greater world production' and also for 'greater stability in prices' on a world scale, through international agreements. He realizes however that "Governments are not prepared to turn over to an international body the authority and responsibility for distributing large quantities of staple products, in which they are either interested as producers or as consumers or both." (World Agriculture, Nov. 1952)

It is as well that we recognize certain basic tendencies of this second half of this century; that the old system of 'World Markets' can no longer be rehabilitated; that the pre-war liberal trade and free enterprise economy is dead for good; that the

new economy of stabilization of national price levels has come to stay. That the conception of parity prices, price supports for agricultural products and protection of living standards of peasants has become fundamental to our economy. That diversified economy is preferred to specialized economy, based on international Capitalism. That agricultural workers should be assured of progressive and decent standards of working and living conditions. That peasant-proprietorship is a source of employement, economic freedom, enterprise and initiative and ensure the safety of domestic decentralization and co-operative efficiency, and it has therefore become the primary duty of both developed and under-developed countries to provide some protection for them from the ravages of uncontrolled and unconscionable international competition. That terms of trade between urban and rural areas should be equalized. That the emergence of the Soviet bloc, with all its industrial and ideological challenges has become a threat to the much boosted 'open system of free world' of American conception.

CHAPTER XIII

CAPITALISM AND COMMUNISM FAILTO SWALLOW PEASANTRY

Both Capitalists and Communists confidently expected the peasantry to disappear in the process of industrialization. But, in practice, the core of Agriculture is still defying the all conquering finance capital. Peasants kept off the inroads of Capitalism by the display of their powers of resistance, enterprise and adaptability to more than meet the increasing needs of industrial and commercial classes. And capitalists found the exploitation of peasantry by their 'Key services' more profitable than to invest in and run the Agriculture as an economic enterprise. Even Communists, who are out to dissolve peasantry, ultimately found it worthwhile to reconcile with them to meet their widespread sabotage, non-co-operation and go-slow moves. Hence the moderate policies towards them to meet their widespread sabotage, non-co-operation and go-slow moves, Hence the moderate polices towards them in China, thus, all through their own history and that of the World, peasants had exercised the trick of bowing before an unmanageable storm but sticking on firmly to their roots and continued their 'will to live' because of their rural environment.

Peasants are an independent progressive class. They are as much a product of and destined to liquidate capitalism as the proletariat are. Their love of small holdings is not against the spirit of modern age as that resulted in decentralization of Economic life and power. Democracy is their main strength and Co-operatives are their main weapons in their struggle for survival and progress.

We propose first to consider Capitalisms failure and then take up the growing failure of Communism. On first thoughts, it may look rather extra-ordinary how modern capitalism, which has triumphed over so many formidable economic forces, hallowed by history, has failed to subvert agriculture and squeeze out the hundreds of crores of peasants, who are still eking out their livelihood from it. As a matter of fact, most capitalists, the Anglo-American economists and European historians not to speak of Communists confidently expected till the end of the last War, that the agriculture's primary activities too would come fully under the direct sway of capitalism

and that they would be mechanized in about the same way as the largescale manufacturing industries. They had dreams of complete mechanization of agriculture. They built their factories, manufacturing the agricultural machinery on that anticipation. Indeed, all that, has lately come to be the order of the day with most of Russian Agriculture. Writing of the historical tendency of capitalist accumulation, Marx confidently declared that peasant agriculture which he classed as "petty industry" would effect its own destruction. Thence-forward there stir within the womb of society forces and passions feel this method of production to be a fetter. It must be destroyed, it is destroyed. The expropriation of the great masses of the people from the land, from the means of subsistence and from the instruments of labour comprise a series of forcible measures. He knew that such a transformation had taken place in England, Ireland "with ruthless vandalism; and under the stimulus of the most infamous, the basest and the meanest and the most odious of passion." (Capital Vol.II. 844-845.) But he thought that world's agriculture would have to pass through that inpvitable, thought painful transformation, because, "there stir within the womb of society forces and passions would feel this method of production to be a fetter."

But so far, excepting in the U.S.S.R. and also in other Soviet lands where dictatorial and proletarian force was utilized to liquidate not only the real 'kulaks' but also all the genuine peasants and in Australia where there were no peasant populations, agriculture still remains the one great and growing 'petty industry' with its hundreds of crores – thousands of millions of peasants, staring modern capitalism in its face and defying its terrible erosive and frontal attacks, levelled at it for the last three and a half centuries. The core of agriculture is still defying the all conquering finance capital, backed as it so powerfully is by economic and political imperialism. Before its enormous staying powers, the capacity of its votaries for sacrifice and their loyalty and love of mother earth, the dividend-yielding and luxury-producing capitalism stands vanquished. As more and more of their erstwhile activities are being encroached upon by capitalism, and even as their cottage or hand industries are being smothered, peasants have been withdrawing themselves into the yet remaining and essentially agricultural fields of work and by sheer loyalty to land. Through the display of their capacity to answer every additional call made by the modern world for new products and increased quantities of food and commercial produce, they have continued to retain complete mastery over the core of agriculture and eke out a living, however, inadequate and dwindling, which is, nevertheless, sweetened by the touch of their

initiative and enterprise and by their exercise of freedom from wage slavery of the modern soul-less type.

In one important direction, peasants have had to modify their socio-economic institutions. Their former joint-family and tribal co-operative or communal methods of cultivation have been largely abandoned in preference to peasant proprietorship of their holdings created by splitting the ancient collective holdings into as many separate holdings as there are adult male members in their respective families and tribes. This is a great sacrifice. For, while formerly, the weak and the infirm, the old and the disabled were being looked after by the whole family and could be allotted only those tasks, either social or economic as were within their capacity, now each one of them has to shift for himself as best as he may, with little or no assistance from others. But this new social disintegration had to be resorted to in order to avoid the former methods of production of lower tempo and withstand the challenge of Capitalism.

We have already seen how in the economic sphere too the earlier self-sufficiency farming economy, which insured peasants against such blizzards as economic crisis and the capitalist manipulations with currency and markets have to give way to the "single crop" and "Commercial crop" economy and "specialized agriculture" in order that higher money incomes, offered by World Capitalism through its temptor, the world market, may be earned. The short-sightedness of this process became clear to an increasing section of peasants' because of their sufferings during the last economic depression. (1929-33).

Peasants have also displayed their capacity to overcome their traditional immobility and to migrate from one part of their respective countries to other parts or from one country to another. Inter-continental migrations have taken place on a very large scale throughout the last century. For instance, as many as 19 million European peasants and workers emigrated to other areas. It is only during the last fifty years, "Racialism" and the knew Isolationism of the traditional imperialists and Americanism have placed restrictions upon these peasant migrations: Australia, United States, Canada and South Africa and Kenya Highlands etc., which have benefited so much from European immigrant peasants and which have such large tracts of undeveloped, uncultivated rich lands refuse to take any more immigrants from Europe, except on certain conditions. Actually they ban any large scale Asiatic immigration.

That even these countries are coming to realize the virtues of welcoming large numbers of Europeans, especially those of the Norman and Scandinavian races is indicated by the propaganda of Stephen Leacock in his "Our British Empire." Transformation of agriculture economy from extensive to intensive, from diversified to single crop economy and vice-versa; from shifting (jungle) to plantation agriculture, (the process of rapid transformation of agriculture) from the less paying to the more paying, from the labour excluding to the labour absorbing agricultural operations has been going on almost on a nation-wide scale in every important agricultural belt of the world. Their latest move – almost world-wide: to develop livestock economy and utilize course grains as feed. Peasants have been trying their best by the display of their powers of resistance, enterprise, and adaptability, to more than meet the increasing needs of industrial and commercial classes and their manufacturing industries with their ever diversifying production and tastes. Thus they kept off the inroads of Capitalism.

During the last economic depression, peasants displayed their great staying power. When markets failed, prices tumbled down upon their heads, peasants simply reverted to subsistence farming, reduced their establishment and withdrew from as much of money-economy as possible and thus largely stayed off the worst part of the crisis. Truly did they exemplify Stephen Leacock's present exhortation to prospective settlers from among European immigrants: "If we cannot sell the food, suppose we eat; if we cannot sell the fish, let us cook it; if we cannot export lumber, let us make it into houses and sit in them." Of course there are clear limits to this kind of self-sufficiency especially where peasants had hitherto concentrated on single commercial crop economy. But that it contains a part of the secret of peasants' success was shown by the fact, that considerable numbers of urban unemployed workers drifted to American countryside to eke out atleast food from subsistence farming. For after all, "in the mass and in the long run, nations live on the ground under their feet, from what is in, on under the soil." (Stephen Leacock: 'Our British Empire' – p.237-239),

Capitalists would certainly not be the people to be kept away from any source of profit or employment for their methods, operations and resources. In fact in various directions, as we have already noticed, they have started their own large plantations in many of the colonies, including some South American States, Malaya, Indo-china, Ceylon for the production of rubber, tea coffee, cocoa, sugarcane,

banana and ran them with the help of the indentured or forced labour, so obligingly placed at their disposal by the local agents of imperialist governments. They have found, however, that except in a few cases an to an inconsiderable degree, their investments in plantations did not yield to them any larger profits than what they got from their investments in the manufactures and commerce catering to the accessory and processing services needed by agriculture, they found that slave-labour and semi-slave-labour, ' fo labour' or indentured labour did not work half as efficiently as peasants, and that it would be best to leave the actual production of raw materials to peasants themselves. Hence increasing efforts are being made by the Uropean land-owners of Assam, Malaya, Kenya, West Africa, West Indies to induce the local people or the erstwhile plantation labour to take up peasant holdings on payment of fixed rents and raise the commercial crops on the former plantation lands. Thus, on the whole , the plantation method of cultivation has not made nay marked progress during the twentieth century, despite all the artificial support rendered to it by capitalism and its handmaid, imperialism. ("Histroy of South East Asia' by Prof. D. G. E. Hall.)

Agriculture does not yield half as high profits as industry and commerce, while it absorbs huge quantities of capital. Unlike manufacturers and commercial concerns, agriculture locks up greater proportion of capital for prolonged periods. Moreover, while capital invested in the former is easily negotiable in the market and their temporary holders can almost always realize their money when needed; the capital sunk in agriculture cannot be so easily and readily realized when needed. Modern Capitalism has got used to quickly revolving turn-over of capital and the consequent greater aggregate profits per annum and can understand non-agricultural i.e., industrial and commercial activities much better. Naturally capitalists have been chary about trusting their luck to agriculture. Further more, the industrial crisis – with all their almost cyclical recurrence – are bad enough risks but the unforeseeable vicissitudes of seasons attendant on agriculture with all their incalculable and uncontrolable losses, are simply forbidding for the capitalists who generally seek easier, surer and more manageable venues of investment and means of profits.

What need is there for capitalism to brave all the risks, the inconveniences and additional costs of undertaking direct responsibility for agricultural production also? It has found it possible to make all possible profits by supplying key-services and costly credit, and by forcing the great masses of peasants to be content with an inhumanly low remuneration and standard of living. It did not meet with too much

resistance till 1950 for these in-roads into peasants' livelihood, thanks to the capitalist minded Governemnts. Even its over-priced manufactured goods and commercial services have been accepted by peasants. While they refused to work on plantations, under coercive conditions of wage slavery, peasants have shown themselves extremely hardworking enterprising and patient, when at work on their own fields or in their own villages and in familiar surroundings. So, why should Capitalism face the same predicament of having to extract unwilling work from even much larger numbers of peasants than had been the case in the past and talking the risk of depending entirely upon their 'forced' or 'plantation' labour and its uncertain production in quality or quantity? The bitter Russian experience of forty years of colossal repression of peasants, their phenomenal non-co-operation and sabotage and their cumulative disastrous effect upon the whole national economy has also served as a warning to capitalists. In short Capitalism has not been forced to pay the necessary price-forbidding as it appears-for agricultural production by itself undertaking the fullest responsibilities. So far, it has fought shy of it, because it has not found it necessary and has realized its incompetence to shoulder it.

On the other side, why have the peasants been content with their unhappy and unenviable plight?. True, quite large numbers do try to migrate to other countries but talking the whole population of various countries and the world as a whole, the total agricultural populations of various countries and the world as a whole, the total agricultural populations are either stationary that is, when compared to the usual rise in populations from census to census. Considerable numbers do drift into towns and manufactures etc. as "hunger-driven men would accept jobs at any wage" ('U.S. Conference on Economic Progress' 1955.) But thanks to the specially higher birth-rate and greater stamina of rural peoples, peasants do not as yet appear to be on any downward grade, in their "will to live", as compared with the urban or industrial and commercial and professional classes. What is the secret of it all?.

It is only now that sociologists and medical men are getting an idea of the influence on people's health and morale of rural environment as well as on the "Live" contract with the soil. Peasant's love of land is something that is very tangible and stands for much greater satisfaction to them than what can be derived by much money and noises of the towns. So, it seems, they are prepared to get on with much lower incomes and much fewer pleasures and even necessaries if only they are allowed the privilege of working on their own lands. Hence the fluid character of

oriental proletariat from the Mediterranean Africa to Japan whose main ambition is to earn enough to retain their ancestral lands or to purchase some lands and thus gain some stake in their native districts or villages and make it possible for their children to start life without debts and with their own holdings, however tiny they may be. For generations, Indian peasants have been going to Indian towns and to many outlying parts of the British empire, working hard and wearing out their own bones, as it were, with only one great ambition, not of settling down in their new abodes but of returning to their Indian rural homes or surroundings and raising their freer peasant families and homes. It is this marvelous love of land and rural life which has kept up the light of life burning in the hearts of the emaciated and exploited millions of oriental and African peasantry. In its presence, capitalism had to bow vanquished.

All through their own history and that of the world, peasants had exercised the trick of bowing before any unmanageable storm but sticking on firmly to their roots. Whether it was the tyranny of successive dynasties of Kings, while they were living in their village commonwealths or troubles caused by tribal chiefs, or the invasions or aggressions from neighboring and over-bearing and predatory tribes, peasants offered the most heroic and maximum possible resistance. (See the author's "Revolutionary Peasant".) But when vanquished, they made just the necessary obeisance to the intolerable but inexorable dictates of the situationally indispensable contact with land. To some shortsighted historians, this loyalty to land and rural life at such awful cost may appear to be mendacious but in the profounder view of history of humanity, it is bound to be considered to be the wisest and best preservatory principle of life, race and civilization, especially as one remembers how many weaker and less tenacious peoples and tribes such as Red Indians, Australians, Phillippensese, Fizians and other tribes have almost given up the will to live.

The tyranny of primitive tribal chiefs and witch doctors' was succeeded by tyrants and their feudal lords and their constitutional regime or otherwise. When ancient democracies were dethroned by tyrants and later on as kings or emperors and through such other mad succession of exploiters, peasants held on to their land, even while they were degraded as slaves, serfs, forced labour or untouchables and went on waiting for their chance. When once they saw the slightest chance of over-throwing their masters as during the medieval struggles of Europe between the church and the protestants, and also during the French and Russian Revolutions they did explode, with of course varying dangers of success. Therefore it is not true to say

that at any time peasants have come to accept their fate lying down and that the super structure of riches and happiness built up by the Governing classes is either immune from gradual erosion or sudden earthquakes that are caused by the occasional tremors and convulsions of their very foundation, the peasantry. The immortal heroism of Chinese peasants in keeping at bay the incomparably more powerful Japanese Imperialism for six long years during the World War II owes its origin to their undying love for their land. Pearl Buck express their spirit quite nicely in her "Dragon Seed". The hero of the novel, Ling Tan says in his letter to his son "when I die, he is to hold it (land) with his son until such time as the enemy leaves our county". (p. 211.) In this manner, peasants had stuck on to their land even when, for all outward appearances, there was no sign of hope and defeated their enemy in the end. When his wife complained about the absence of any glory or excitement in hanging on to the land in the occupied territory, Ling Tan's second son says "But this is our way of making war-to stay". It may be, that some day, shall be given glory for this too. "What does it matter if there is no glory, so long as we hold the land". What a beautiful and heroic sentiment and how eventually triumphant:

Lin Yutang translates the Chinese 'Guerilla' – song: "We are all raised up on this land. Every inch of it belongs to us, whoever dares take it away from us, we will fight them to the end!" Such has been the fighting spirit of both patriots of the town and peasants of the village.

And the fate of modern Capitalism and Sovietism vis-a-vis peasantry can be no exception. Everywhere peasants have found youthful forces of Capitalism and Sovietism too powerful and over-bearing and so they have been bowing before this new storm. They are once again unfortunate in that, as they have been emerging from the demoralizing hold of feudalism and hoping to breathe free air of a new political, economic and social existence, they are overtaken, stealthily in some places and tempestuously in other places, slowly in some and suddenly on other occasions, by new octopus, the Capitalist and Soviet systems which are much stronger, better organized and more resourceful than either kings and tyrants or feudal lords or the victors priests and loyal to their obnoxious duty of blessing always the and lending their great prestige to their nefarious methods of exploitation. When thus, Capitalism or Sovietism is establishing itself as their new master, peasants have once again shown themselves capable of looking after themselves by lying low, appearing to be doing duty at the new altar and nevertheless sticking to their inseparable *niche*,

whose inviolability they guard so strenuously.

The Government of India, which is controlled by the Congress Party, has come forward at long last in answer to our 30 year-long demand to protect peasants from the money lenders; traders and manufacturers by establishing the "Central National Co-operative Development and Ware-housing Board" with a net work of local Boards at State levels "to plan, and promote programmes for the production, processing, marketing, storage, ware-housing and import and export of agricultural produce through Co-operative Societies." The Board will be financed by the Central Governement. There will be a "Central Ware - housing Corporation". Its main functions are "to acquire and build godowns and ware-houses for the storage of the agricultural produce at places of all-India importance, to run ware-houses for the storage of agricultural produce and to arrange the facilities for the transport of agricultural produce." Thus, a big almost a revolutionary beginning is being made, under the pressure of the awakened peasants of India to break the vicious circle of Capitalism around peasantry. According to the Second Five Year Plan, there will come to be constructed 100 ware-houses by the Central Corporation and 250 by the State Board with a total capacity of 2 to 2.5 million tons. This is expected to inspire the peasants and Governments of other under developed Asian and African Countries to develop similar protective armoury for their peasantry against the tentacles of Capitalism.

The African tribal system has resisted, with considerable success the capitalist temptations, such as high cash wages held out by European planters; thanks to its self-sufficing economy, social hegemony, the innate love of its people for social equality within their own tribes, their dislike of wage-slavery and their martial spirit of independence. With all their politico-economic powers of unjust tax burdens laid on the shoulders of coloured people, the better to subdue tribal peoples into wage slavery, their high wages, demoralizing but almost irresistible temptations of drink, urban vices and license and freedom from all restraining tribal standards of Social morality, the Europen masters have failed miserably in developing their plantations economy and in "getting rich quick" from their ill-gotten vast possessions of lands. Neither the most efficient and brutal European (Belgian and French) methods of repression and wholesale campaigns of mass mutilations and murders, nor the introduction of horrible Western Social Vices could subdue the bulk of Negroes to accept wage-salvery on European plantation or to take to European plantation economy.

Hence the campaign of peasant sabotage – mostly successful of the plantation economy of capitalists and their complementary race to produce, more than what is demanded by Capitalism, on their own farms, whether it be production of food or commercial crops, at whatever cost it may be to themselves. They have starved their lands, and their cattle, and have even putting up with under feeding and loss of many of their former varied social pleasures, precious cultural avocations and invaluable and indispensable leisure and national holidays, only with the object of retaining their beloved land and their privilege of working on it as free men and through their own free-will.

This is indeed very pathetic. The pathos of it is best seen in the Russian Peasants' resistance to the impatient, inconsiderate and dictatorial proletarian offensive between 1920-36 against their very freedom of utilization of land, for which they had over-thrown the Czar and finished the task of the Novemeber Revolution by liquidating land-lordism and defeating counter-revolution. Their eventual triumph though only partial in making Stalin yield the right of each one of them to own from half to two acres of land has given them some freedom from Collective or Solkhoz regimentation. The State Farms (Solkhoz) had to be given up in many parts of the country. It is to avoid these Russian failures, the Chinese Communists are going slow in their equally insidious policy of regimenting and dispossessing peasants.

Even the Royal Commission on Indian Labour (1930) has observed this passion of peasants for land. It said "Indian Labour of the Tea Industry is more concerned with the improvement of status than in the improvement of the standard of living", and that social status will come only to those who own some land so that they can be "their own masters".

Sir John Lawrence was quoted by R.C. Dutt as having said "the love for their lands has still greater" influence on Indian peasants. Thousands, probably millions of the people of Nothern India, the most war-like of all its races, are descended from ancestors who "struggled hard to preserve their lands." Geoffery Gorer writes that for the primitive Negro himself his land and his ancestors are all facets of the same unity, (Africa Dances. P.13)

President Cardenaz of Mexico said "Indian conception of life depends on his having his own land. For the Indian, land is life." – Ownership of land produces the harmony with environment which is essential to live in Mexico.

J.Alvarz. Del Vayo, Foreign Minister of the Spanish Republic, bears witness to the love of freedom and independence of the Spanish peasants who replied to an offer of heavy price for his vote, if given to a Fascist "Thank you, sir, but in hunger, I am my own master." ('Freedom's Battle' –p. 180.)

When asked, even the highly sophisticated American town dwellers, with all their unrivalled civic conveniences voted by a majority of 65% in favour of Country-living. Why? They have given the following preferences. "It is being your own boss. It is living close to nature…. It is watching plants grow and helping live stock develop….It is the security of belonging when you reach retirement age. So says the 1955 Farm-Ranch-Home Almanac; Edited by John Strohm.

Marx knew that the liquidation of the peasantry would be a very difficult problem. He said that "transformation of scattered private property based upon individual labour into capitalist property is, of course, a far more protracted process, a far more violent and difficult process, than the transformation of capitalist private property-into social property". (Captial Vol.II p. 846-847.) Capitalism also knows that it derives much higher returns on the capital advanced to peasants, carrying usurious rates of interest than it can ever hope to get through its own direct management. It has learnt the trick of making peasants pay dearly for the name-sake privilege of cultivating their land on their own. It is aware that through its ever contracting python ring of key-services for which it charges exorbitant prices, it is able to extract far more from peasants than it can ever hope to gain through its own direct management. Thus both parties have so managed themselves as to leave agriculture "mostly under the direct control and management of peasants".

But, how long will this dreadful truce last? For how long will peasants be content to be fleeced like this by the capitalist class? The experience of peasantry of different countries, the Second World War and its result, the Bengal and Orissa starvation have shown that the breaking point for the truce is being reached.

Let us hear the sober but severe conclusion drawn by Mr.W.Woytinsky who has made a very careful study of the social consequences of the last economic depression:-

"Industry was not only the starting point of the depression but was also held to be mainly responsible for the disaster against the farmer no such accusations could

be made. He continued to work as usual in his fields and to draw produce from the land that had belonged to his fathers. He did not feel himself super fulvous or an outcast, as did the unemployed man who had abandoned the towns and come begging employment and food in the country. When the farmer found in turn himself faced with the possibility of ruin, he revolted whereas the industrial unemployed *had become incapable of revolt.* The depression tended to produce discord within the ranks of wage-earners in industry, to cut down their strength and to turn one against the other. In agriculture, on the other hand, the depression united the farmers, stimulated their activity and taught them to use various political weaposn. (p. 230.) This latent and unlimited capacity of peasants to "revolt" when their lands were touched and when their devotion to land was discredited and their employment on lands was threatened, has saved them from being swallowed up by capitalism. The 1931. Indian peasants "demand for declaration of moratorium for all agricultural debts and arrears of land revenue and rents" and my presidential speech at its inaugural conference were based on just the theme that Woytinsky voiced in 1936 after his brilliant and honest survey.

The 1929-35 Economic Depression and the World War II are the biggest offensives made by World Capitalism against peasant agriculture and on both occasions, it has failed to swallow up agriculture and degrade peasants, contrary to Marxist's faith in their early liquidation. They have shown through their 'subsistence farming' and 'revolts' during the last economic depression that they are well capable of looking after themselves, not in a defeatist and reformist manner, as was assumed by the Communist manifesto but in an aggressive, organized and revolutionary manner; not in the interests of reaction but progress. Large scale capitalist farming is vanquished before peasant farming and no longer has Capitalism the chance or power to win any greater triumphs over peasants. Day after day peasants are growing relatively stronger and becoming more emancipated. But what next, if capitalist efficiency is not to prevail?

World peasantry have achieved phenomenal triumphs since the last World Economic Depression over both Capitalism and Sovietism. The peasants of most of the European countries, Australasia and North America and Latin America forced their Governments to take emergent and exceptional steps to protect them. The World Markets were abandoned and most countries withdraw from the coils of nineteenth century multilateral world trade. The American example of insulating national

economy from the World Markets, stabilizing agricultural prices by establishing price-parity economy was followed by most countries. The F.A.O. Review of a Decade (1944-45) and Out-look makes the following observations over the post-war developments:- "State and Co-operative Marketing Agencies are being established." There is a greater trend toward 'agricultural self-sufficiency' and 'stagnation of world trade in agricultural products'. The result is that by now the peasants of almost all countries of the West, including America, Australasia and some important countries of Asia have gained practical immunity from the mischief of World Markets and International Trade and have thus begun to vanquish Capitalism.

Almost as great a victory has been won by the peasants in the Soviet part of the World.

The most unfortunate development of Post-war World is that even as the awakened peasants of S.E. Europe were emerging triumphant over the Nazi and feudal forces and were gaining effective political control over their states, thanks to their well developed peasant parties and their leadership, Soviet Red Armies marched into their lands, avowedly as liberating forces and overthrew their Peasant Governments, weakened their parties by splitting them up and bolstered up the Mascow-hatched Communist parties, killed, imprisoned or exiled the peasant leader and thus deprived peasants of their chance of achieving democratic governance in that part of the World, in alliance with the professionals and proletariat. World Communism did the same thing that capitalism had done; that is, to smother the resurgent peasantry, as it was emerging into freedom. In this unholy manner, communist control has come to destroy the social economy of so many South East European countries, besides U.S.S.R. When China too fell under the Soviet sway, it looked as if the fate of the encircled peasants was doomed. But their peasants achieved the almost unbelievable triumph over the cruel Soviet tyranny, thanks to earlier success of Yugoslav Peasants. This triumph was achieved by their on-cooperation, campaign of sabotage, of open revolts and partly by a timely partnership with communist partly by a timely partnership with communist party and utilization of their influence to see that an attenuated policy of cooperation with peasants came to be adopted by the Mao's Government. In Yugoslavia, Tito gave permission to local peasants to leave the co-operatives. The upshot of it all was that a large number of state farms were broken up and the peasants concerned were allowed to form themselves into Co-operatives. In many cases, peasants were given freedom either to remain co-operatives

or to work as independent peasants. In Yugoslavia, majority of members of Co-ops also preferred to remain outside Co-operative Farming. Peoples China became wiser in view of the failure of European Communism in its relations with peasants and so adopted a milder and less unfriendly and less coercive policy towards peasants. Every where, peasants are allowed to possess small holdings of half an acre to two acres, even when they are members of State Farms or Collective Farms in their neighbourhood. Millions of Chinese peasants who were domestic or wage-slaves have now become peasant proprietors. Their Communist Party follows the policies of transformation, instead of violent replacement. Their Co-operatives have not yet lost their initiative, as in the U.S.S.R. Besides, the wages, paid in cash or grain, were raised. The price-squeeze was lessened and the disparity in prices of agricultural and manufactured goods was being reduced. Though they still suffer from many disabilities and though their services are not valued as yet as highly as those of the proletariat, their bargaining power is improving and their stakes are increasing, even as the communist party is trying to subvert peasant economy and achieve socialization of land. That even now the collectives are not people is shown by their abandonment on a large scale by peasants of Yugoslavia. That even today the peasants of S.E. European Soviet countries are restless under their Soviet regimes is shown by the continued failure of their agricultural operations. Thus, it is clear that peasants cannot be suppressed for long and have not been declassed either by Capitalism or by Communism.

In India too, the planners of the Swaraj Government started with the confident notion that they could subvert our peasant economy and establish co-operative agricultural production but through compulsion after the Chinese Communist fashion. They professed democracy and yet they hoped to transform agriculture through compulsory co-operation. They imagined that because the War-time controls, coercive procurement of foodgrains and arbitrarily fixed prices at uneconomic levels passed muster, their fanciful schemes could triumph over peasants. But the defeat of the Congress Party in Madras, Andhra and Travancore-Cochin States in the first General Elections held under adult franchise in 1951-52 demonstrated the hatred of peasants to their coercive and anti-peasant policies and programmes. So the Swaraj Government made a handsome and timely retreat just as Stalin had done previously. The planners have given up their demand for compulsory co-operation. In the "Draft Outline of the Second Five Year Plan", the Indian Planners have agreed that, "even when a

larger area of the village as a whole is the unit of management, for many years, the common unit of operation will be the peasant holding" (p.69), and such a "Co-operative village management implies, in the first place, that the ownership of land belongs to peasants." This is indeed a triuph for peasants. Both the planners and Government have accepted the responsibility of maintaining price supports for wheat, rice, and other grains. The latest triumph of Indian peasants is that even the Communist Party, their inveterate enemy, has plumped for the economy of small-holdings as being capable of providing largest employment. Therefore, World Peasantry can be trusted to progress towards more effective political and economic power, in a growing democracy with the help of Co-oprative Movement.

It is certainly amazing that the crores of peasants who have been under the hegemony of the U.S.S.R. for these forty years should have succeeded in remaining as peasant and refusing to lose their identify as a class in the midst of overwhelmingly more powerful proletarian dictatorship. Such is their invincible spirit and permanence of the psychological influence of agriculture, the foremost and most basic of all occupations of World.

They have also admitted that none of the 200 and more Co-operative Farms organized and managed by the State Governments, has succeeded in yielding either higher per capita income or higher per acre crop-returns. In the pilot investigation made in Baroda District, individual peasant cultivation and management was found to yield the best results, tenant-farming coming next; Co-operative farming being the least productive. Under such circumstances Government of India is naturally hesitant about adopting as is urged by its urban advisers, co-operative farming on a large scale, of Peasant Economy. The Indian peasant movement is urging, on the other hand, that experiments in co-operative farming should be made on the Government-owned lands with the landless agricultural labour admitted as their members. This movement is convinced that peasant economy is far superior to Collective or Co-operative Farming; that it is capable of yielding higher per acre production and per capita income under Indian conditions.

The organized strength of the American farmers' has prevented even the enemies of the New Delhi from dropping the price-support and parity-price policies, even after the Rooseveltians have vacated the White House to the ascendant Republicans.

Once the world peasantry had recovered from the stunning blows of modern imperialism and the unholy alliance between this wretched trinity of feudalism, capitalism and imperialism, they have shown no signs of decay. They have successfully sabotaged the plantain economy of the Europeans, They have liquidated feudalism in many countries of Europe; split up so many Estates and forced Governments to adopt a policy of peasantisation of their rural economy of more than one continent. They are waging relentless battles against Soviet terrorism of the Communist Regimes. Therefore it is wrong for anyone to repeat the mid-nineteenth century misnomer that the modern peasantry is a "Decaying Class".

Even under the Nazi regimes, the peasants of inter-war period obtained protection from the ravages of world markets. During the War-time periods and areas of food scarcities peasants demanded and obtained somewhat reasonable prices. During the first decade after the World War II, they have forced their governments in more and more countries to stabilize agricultural prices, to adopt and implement the policy of parity-prices and to accept the responsibility of assuring minimum prices and minimum wages. The Indian Peasant Movement obliged British Government to appoint the Committee on Stabilisation of Prices in 1946 and also the Government of Independent India to accept the responsibility of maintaining prices of principal food crops at a reasonable level. These are triumphs achieved by the awakened peasantry. So, the I.F.A.P. survey declared in 1955 that "Free competition among exporters no longer exists" and "a free world market for most of the major commodities" does not anylonger exist because of the "almost universal adoption of Government price support policies".

Yet a considerable minority of them have still to be emancipated from the disabilities of feudalism and most of them have to obtain freedom from the world markets. For instance, "in Chile only ¼ of the farm population are either owners or renters". Ninty percent % of the land in Venezuela is in the hands of 5% of the people. Twenty five men own a fourth of the land in Paraguavy. ('Farming Around the World' –p. 65.)

It is hazardous, however, to assure, that because Swaraj India has decided in favour of establishing Socialistic pattern of Society, fortunes of peasants and rural people would be safe in the custody of the present Government. Let us remember that as per the Second Five Year Plan, the contribution to be made by the services

of seventy percent of our population, who happen to be peasants is estimated to be only Rs. 4885 crores, as compared to Rs.7265 crores at which the contribution of the rest of population is rated. While the per capita income of an Indian is to be Rs.330/-, the annual income of peasants' family of five persons, owning as much as the basic holding (3 acres) – easily 40% peasant proprietors own much less – is to be only Rs.1200/- or Rs.240/- per person; that is, the agricultural workers who comprise more than 30% of the agricultural people and 80% of the land owning and cultivating peasants are to be converted into or continue to remain as the *neveau* depressed class by 1961. How can we therefore feel confident of progress and a fair deal in the preferred Socialistic pattern of Society? (See also Peasant Institute's pamphlet "The Plan and the Peasant.") Peasants have to guard against this unjust approach to their needs and aspirations. Dr. Dimitorov of the I.P.U. also complains that "there is disparity in the social positions and standards of living of the rural and urban strata in addition to the merciless exploitation currently carried on by the unjust and unfavorable terms of trade, imposed upon them by the urban interests".

Indeed what has been happening since the partition of Africa is the further enslavement of millions, deprivation of their ancestral lands, the dragooning of their families into European plantations and the sequestering and desecration of their customary self-sufficient social and economic life.

It is only when they all regain elementary political and economic freedom in the capitalist countries of Europe and America, in the free agrarian but colonial countries of Asia and Latin Indo-America and the Sovietised Balkans and in the dependent colonial countries of Asia and Africa that we can say that peasants are in the same free (conditional thought that freedom is) condition as the modern proletariat is to deal with capitalism in atleast the same way as the proletariat do today. Till then, there is no justification for anyone to say that the peasantry are incapable of standing up to Capitalism. But if one is to judge from their twentieth century revolutionary efforts alone, one cannot but say that they have displayed as much self-reliance, organized resistance and anti-capitalist and anti-imperialist spirit and strength as the proletariat.

What we have to ask ourselves, in order to satisfy ourselves as to the character of the peasantry vis-à-vis capitalism, is whether they have shown sufficient resistance, resilience and resource in their dealings with Capitalism. And we have no doubt

whatsoever that their reaction to Capitalism is as vigorous, powerful, spirited and revolutionary as that of the proletariat. The Balkan and Russian peasants, the Indian peasant Satyagrahis, the Latin American revolutions of 1911, especially in Mexico, the Chinese peasant revolts and their mass-resistance to the Japanese aggressors and their latest achievement of power, the Irish peasants' freedom struggle and Co-operative movement, the Danish peasants' folk-schools and Co-operative Commonwealth, the American peasants' revolts against the threatened fore-closures of their farms-all indicate that world peasantry is not a played-out force.

Furthermore, instead of being swallowed up by capitalist farming, as anticipated by Marx and by so many orthodox communists, or of succumbing to the combined offensive made by vicious alliance achieved between Feudalism and Capitalism, under 'the guidance of modern imperialism, world peasantry have been striking a series of blows; some staggering explosions against the modern feudal-cum capitalist dispensation.

Marx himself noted that Capitalism might give rise to both "small scale peasants agriculture and independent handicrafts" for they were both "to some extent the foundations of the feudal method of production and in part made their appearance side by with the capitalist production after the break-up of the feudal system." (Capital Vol. I.)

Indeed Capitalism can be said, in one sense, to have given a phillip to the development of free-peasantry in the same way as free proletariat have been helped to arise. Just as industrialism could not make such headway towards machinofacture and large-scale production unless more and more people of Europe were first of all given sufficient freedom from their feudal obligations so as to engage themselves as wage-workers in the modern factories, so also, up to a limit, modern commerce and its weapon, the world market and its principal industrialism could not make much progress, unless peasants were freed sufficiently so as to produce various commercial crops in adequate quantities, with the needed regularity and efficiency. Hence the initial steps taken though faltering, in the Eastern colonies, to assure some fixity of tenure and rent. One need only peruse the proceedings of the various Parliamentary Commissions and Committees from the British House of Commons' Committee on cotton in 1844 to the latest Royal Commission of Indian Agriculture (1926-28) to be convinced of this fact. How anxious the Lancashire cloth manufacturers and the

London merchants and others were that India's capacity to produce various commercial crops, to repay her loans, to provide expanding markets for British manufactures, should not be in any way limited or curtailed by the system of land-tenures and money-lending. Thus 'free peasantry' has come to be assisted in the same way as the 'free proletariat' of the nineteenth' century England, of course, for the spespecial benefit of our 'mutual friend' capitalism.

When capitalists have discovered that their plantation system would not yield any tangible profits, they have yielded in part, to the Negroes of Gold Coast and Nigeria and initiated the system of small holdings and peasant cultivation on the West Coast of Africa in order to stimulate the production of Coca, Cotton, Sisal and other commercial crops. Similarly 'forced labour' and 'indentured labour' are also being given up. So, Capitalism is likely to give up, in its own interest, its alliance with feudalism either local or imperial and to sponsor the development of 'free peasantry' and small holdings. Thus instead of there being only one product of capitalism facing it as its inevitable successor, in truth, there two products, the modern peasantry and proletariat, brought into being in the very nature of its activity, by capitalism but destined to liquidate it. I am aware that this conclusion goes against the grain of our orthodox communist, who has been nurtured upon his monism of proletarian economics, that the proletariat alone are the special product of as well as the their to Capitalism. But facts must be the arbiters both for him and for us.

The irresistible and irretrievable tendency is for more and more peasants to become more free from the control of feudalism and capitalism. The last economic depression and the World Wars No. I and II have shaken world peasantry from out of their traditional parochialism , apathy and helplessness, when faced with the gigantic issues posed by the modern world cankers of capitalism and imperialism. They have begun to organize themselves and formulate their demands, as witnessed by the American farmers and Indian Peasants' Movements and by the Chinese Reds and Sun Yet Sen's three principles, President Cardenaz's Mexican Land Reforms, Dr. Penalo's Argentinian Trade Schemes.* They are realizing the main reason for their present plight, as being their exploitation by the capitalist classes in the Free World and by their demand for parity between industrial and agricultural price levels;

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*Inside Latin America': John Gunther.

recognized as it has been by most of the democratic countries. Just as the workers' welfare cannot be fully achieved and ensured until and unless the present capitalist dispensation is vanquished and the state machinery is captured by the toilers, so also full satisfaction cannot be attained by peasants for their demand of equal rewards for their toil as is being obtained for similar toil by the commercial, industrial and professional classes, until they too overcome capitalist domination, imperialist control and defeat Soviet tyranny and gain their full share political and economic power. To think that proletariat alone need the abolition of capitalism in order to attain freedom from exploitation or that they alone can continue to feel the need for revolution or that they alone have revolutionary demands to make and to continue to neglect the equally great and pressing need of peasants for revolution and to attain emancipation from capitalism as well as imperialism is to live in a fools' paradise and to ignore inescapable facts of modern social life.

The days have gone by when it could be thought that peasants have no future and that they would be striving only to save themselves from being liquidated by capitalism. We have so far seen reason to realize that so far as capitalism's fight against the peasants concerned, the verdict of history has gone against capitalism and that peasants are still making greater inroads into the preserves of both feudalism and capitalism and no power on earth can stem this on-rush of peasants' progress towards real , effective and full freedom from exploitation. In the sense that any class has to save itself from being unjustly exploited, peasants do make that legitimate and necessary effort with increasing success. In the sense that having been proved to be indispensable for the prosperity of the present social dispensation it aims at adequate and just desserts; So peasants certainly demand release from the morbid brakes and spurs put on them by capitalism as well as sovietism. They also demand their share of the political and economic power so as to gain as effective voice in the reorganization of the productive resources of the society and the redistribution of social wealth and income as between different cadres in accordance with their efforts, toils and creative contributions.

In fact the new spirit that is galvanizing more and more of the great peasant of the world is indicated by the confident, aggressive and optimistic tones, tingling in every word and breath of their peasant literature, poetry and songs that the Andhra and Chinese peasants have been producing since 1934 and 1937 respectively. The famous songs of Settipalli (a peasant youth) have set Indian peasants on fire. The

old pathetic tunes, breathing the century-old sorrow, disappointment and musty sentimentalism, mingled with splendid expressions of love and devotion are today no longer in vogue. As much in China as in India, as much in Mexico as in the Balkans, this is the age of adventures, hopes, dreams, revolutionary aspirations and activities in the realm of peasants. The Russian revolution and its collectivisation an ill-treatment of peasants have both been a beacon and warning. The old dependence of villages upon towns, inferiority complex of rural people vis-a-vis the urban culture, the peasants whisperings of awe, with bated breath at the sight of the proletariat, invested as he was by no less an authority than Marx with the historic mission of succeeding Capitalism are giving place to the new peasants' confidence in their noble mission and crusade for the achievement of society that will ensure fuller democratic rights of the masses than the 1937 Soviet Constitution, that will enthrone not the proletariat alone as in Russia and other Sovietised countries but the peasantry, proletariat, professionals, artisans and all other people as a whole so that all the toilers can have an equal and real say in the social life of any nation or continent.

PEASANTS ARE AN INDEPENDENT CLASS

It is said by some short sighted socialists that peasants are not a class.

Lenin himself said "What is meant by classes in general? If one part of society appropriates all the land, we have the classes of landlords and peasants. If one part of society owns the plant – while the other part works for them, we have the classes of capitalist and proletarians." (Quoted by Leontiev)

But where both the exploiting classes, the land-lords and capitalists operate side by side and exploit their victims, the peasants and the proletariat, we have two classes of exploiters as opposed to two classes of the exploited. To try to resolve them by some self-delusive dialectics into one predominant class on one side and another on the other, as the orthodox communists try to do, is to ignore facts and to make facts fit into their theories.

Just as proletariat have their common experience of working together in factories and for wages, peasants too labour from morning till evening upon their common Mother-Earth. Just as the proletariat employed in a factory are able to commune with each other, discern the common cause for their sufferings and realize the need for organizing themselves, so also, peasants who go to the various processing factories, and to markets to sell their produce are also able to realize the need for their

organization. Capitalism through its factories helps not only workers but also peasants to organize themselves in self-defence. They, like the proletariat, are the victims of capitalist exploitation and in the measure in which either of them realize the nature and extent of that awful exploitation and see their way out, their resistance too becomes common, unified and effective. Corresponding to the control exercised by the industrial employers etc., over proletariat, peasants are subjected to the common ravages of the same kind of land-lords, money-lenders, tax-gatherers, bankers, manufacturers, merchants, imperialists, in short by all the different instruments of exploitation which do duty at the altar of Capitalism.

The world capitalism and its world markets and imperialism are the dominant instruments causing their degradation and economic and political subjection. Peasants are thus able to realize the great urgent and inescapable need for all the peasantry to feel and realize the same sense of unity in distress and agree to work together for their common emancipation. They are bound to be forced and they are actually obliged to realize more and more need for combining, marshalling all their resources and fighting against their common and merciless exploiter and enemy. They have to attempt to stop, as soon as possible, through their unified and disciplined all round effort, made on a national and international scale, (either by themselves or) preferably in alliance with all other victims of Capitalism, this rot that has eaten into their very vitals and prevent this daily drain of invisible but vast transference of their wealth into the swollen offers of the bourgeoisie.

Thus peasants of all countries and especially those of the colonial countries are a distinct class with the same terrible sufferings to be ended, awful misery to be overcome, powerful enemies to be vanquished and great revolutionary movement to be organized and the same social reconstruction to be achieved. Whoever neglects these broad features of unity and onensess of interests, their revolutionary needs and ways and their unappeasable hostility to the capitalist exploitation that saps their strength to a much greater degree than that of other classes, including the proletariat, will be playing a definitely counter revolutionary and reactionary role.

We are now in a position to see how one-sided is the declaration of Marx in the communist Manifesto that "Its (capitalism) downfall and the victory of the proletariat are equally inevitable." Modern peasants do not accept this blind concentration upon the proletariat alone. Again Marx declares "among all the classes that confront the

bourgeoisie today the proletariat alone is really revolutionary." But the subsequent history of the world has not justified this singling-out the "proletariat alone" and it has demonstrated that the "proletariat alone" are not such a sure and reliable and steady guide or vanguard towards revolution.

Here is yet another unjustified generalization. "The lower middle classes – handicraftman, peasant proprietors – one and all fight the bourgeoisie in the hope of safe-guarding their existence as sections of the middle class". Having thus laid the foundation for the present prejudices of orthodox communists against peasants and handicraftsmen, Marx proceeded to declare that "they are reactionary, for they are trying to make the wheel of history turn backwards", thus warning all communists against trusting peasants ever to achieve a social revolution. Thus has raisen the modern communists' inveterate hostility to and distrust and neglect of peasantry and the consequent natural distrust displayed by peasants towards such a dangerous and doubtful friend. Yet Marx protested against Lassals equally unequivocal declaration that barring the proletariat, all other classes are reactionary and his protest which is much more realistic than his declaration in the manifesto did not attract much attention of his later disciples. Having thus once blundred so woefully against peasants, the orthodox Marxists from Marx himself as he did in the days of French Commune to Stalin via Lenin, has been naively expecting peasants to loyally rally round the banner of the proletariat, to help the proletariat into power, to defend the proletariat dictatorship, to meekly bow to the dictation of military levies made on their crops and to be rushed into collectives for the sake of feeding their new masters.

They have counted without their host. The modern world peasant is getting wide awake. He has learnt his lesson from Russian proletariat's dictatorship harsh treatment of his brothern. He knows how the peasant democracies of S.E. Europe were suppressed by the Red Army and communist followers of the USSR. He knows that all this forced talk of united front between all toilers, that is indulged in by the orthodox communists is underlined by Marx's prejudices and castigation of them as "reactionary" and Soviets' totalitarianism of the proletariat. Therefore, it is time for all socialists in the world to take heed of the mood, temper, revolutionary urge, historical position, ideas and ideals of the awakening modern peasant.

There is absolutely no justification for the orthodox communist's charge that peasants are reactionary and that they wish to turn back the hands of clock of

progress. That causes of progress can no longer be served by capitalism is becoming everyday evident to more and more people and so, to oppose such a capitalist system is not at all a reactionary move but a revolutionary one. Since it has all along displayed "the most infamous, the basest, the meanest and the most odious of passions" and it is "oozing blood from every pore" (Capital- Vol. II PP. 843-845) and its triumph could have only meant untold misery to the whole humanity as indicated by the horrors of Congo, Latin and Central American slave-driving. And whenever it has introduced what is said to be its own more efficient and better organized large-scale agriculture with bigger and better motorized implements, as on the Assam, Nilgiri, Kenya heights, Malayan, Indo-China, and West Indies plantations and Brazilian, Argentinian and U.S.A. farms, its activity has left behind a terrible and inhuman trail of blood, suffering, mutilation of life and murders. The world has been so sick of its experiments and its own votaries are so ashamed of their own doings and its share-holders are so shy of the profits that reek with the blood of many unknown and helpless victims that capitalism itself is yielding place to peasant-agriculture.

To free oneself from such an incubus is not to "make the wheels of history turn backwards". To continue to cultivate lands, to produce all the additional and varied crops demanded by all the growing capitalist industries and commerce in record time and yet, to prevent capitalism to further degrade the conditions of life of the great majority of world populations is itself a glorious revolutionary achievement and the peasant masses of the world have all that and more to their credit.

Hence our inability to accept Marx's too sweeping declaration that peasant economy "must be destroyed, it is destroyed" and "any desire to perpetuate the existence of it would be to pass a decree for perpetuation of universal mediocrity". Truly does Mr. C.C. Taylor observe "the fact that they carried their responsibilities well, and exercised them faithfully, has been the one self-perpetuating element in their societies and cultures over the centuries."

Marxists alleged in their so-called first conference of the Red Peasant International in 1923 that "Nowhere has a state ever been ruled by peasants. They always fought and were always beaten". (quoted in the I.P.U Journal August 1955). Could there be a more false and foolish accusation than this? They ignored the existence of the revolutionary peasant regime of Stamboliski in Bulgaria even as that

unrepresentative conference was being held in Moscow. Even Vanga, the Hungarian Communist informed that conference that "the class consciousness of the peasant has considerably increased of late years. In central and eastern Europe they have organized themselves into political parties and either together with the upper middle classes or without them,have tried to seize power". (I.P.U. 1955, August.) From 1922 to 1938, the Republican Peasants Party headed by Antonin Svehta and Milan Hodza provided leaders who became Prime Ministers and Ministers in Czechoslovakia. The Peasant Party of Sweden provided ministers for the coalition ministers for nearly twenty years uptill 1950. Denmark also had a peasant cabinet with a peasant Premier. The Farmer's parties of Australia and New Zealand have provided alternate ministries to their respective countries, in competition with the labour parties.

Marxists and their camp followers, that is, some of the socialists also alleged, that peasants' love of small holdings goes against the spirit of the modern age, i.e., farming organizations of greater and larger units of production and distribution. They fail to recognize, because of their love of centralized power and tyrannical organization, the dynamic and progressive nature of the wide distribution of economic strength, as represented by the peasant economy, and its tendency towards egalitarianism and distribution of power, political and economic and decentralized and democratic political impact upon modern society. They think of peasant economy merely as pulversation of agricultural production but fail to realize the revolutionary significance of the great agricultural co-operative movemment which is "securing all the advantages of quantity production and wasteless distribution". When however they come to link peasantry with co-operatives', they fail to display the true spirit of co-operation and turn every co-operative into a compulsory organization, as they have done in all their Sovietised Countries. (I.P.U. June 1951.)

From time to time, false accusations have been made against peasant parties and peasant unions and peasant statesmen that they want to capture power, all by themselves, ignoring the need for comradeship with other toiling classes. We, in India, have made fit abundantly clear, through the coining of our slogan of Kisan, Kalakar, Mazdoor, Buddhijeevi Praja Raj, that we wish to gain political and economic power for all the toiling masses, and even if we, the peasants are allowed by others to take the lead or to be in the vanguard, we do so, only with the full and free comradeship of all other toiling classes and masses. It is in this freely democratic and progressive spirit that Mahatma Gandhi has blessed our ideal of democratic Kisan

Mazdoor, Praja Raj in November, 1944. Similarly the International peasant Union, that is, the Green International, has also declared that "in assessing the interests of the peasants, The Peasants International is not after narrow solutions which are incompatible with those effecting the other productive strata, best of all with the interests of industrial labour and the free professions. On the contrary, above all, it assumes the solidarity of the interests of these strata on the basis of peaceful progress and human welfare". But the whole approach of the Communists has been inspired as the First Congress of the abortive Red Peasant International had made it clear, by their contempt distrust and hatred of peasants and their machinations against the very unity of peasants. It is because of this anti-peasant ideology and political attitude of communists, as were displayed in their brutal treatment meted out to the Russian peasants that the great peasant parties of the South East European states offered such stanuch opposition to the upstart communist governments, which were ushered in by the USSR's leaders. Ever since the communist capture of power over the governments of these countries , the Communists have been busy destroying the free peasant co-operatives and political parties and imposing their own Sovietised collectives on the agricultural economy.No wonder peasants revolted against their tyranny.The result is a widespread campaign of sabotage,non-co-operation,go-slow moves by peasants.Thus,peasants in Soviet lands are demonstrating their capacity to fight against this new tyranny just as the peasants elsewhere fight against the capitalist tyranny.

Peasants are everywhere loves of freedom and they will go on struggling either continuously or intermittently against all systems of exploitation and tyranny.Dr.Dimitrov has rightly hailed these great champions of progress and freedom who are "engaged in a desparate struggle against treacherous and brutal eliques which by force and fraud aim to destroy them as free individuals and reduce them to the status of regimented and wholly subservient mass."(I.P.U.1951.)

The World-War II helped a very large section of peasants of the East and the West to become class conscious and realize their world-wide importance.They could see how great was their strategic contribution to the economic well-being of their respective nations.

So, at the end of the War, the First World Conference of Agriculturists was held in London in May 1946 and Indian Peasant Congress was also represented ir

it. The International Federation of Agricutural Producers(IFAP) was founded by that conference. The watch -words of the IFAP have been greater, better production and parity in prices and equality in distribution of national income and wealth between all classes of toilers. The IFAP is thus trying to bring into world social arena,the world peasantry with all the import of their organizational strength. Its latest move is to persuade peasants to develop diversified economy. Unfortunately the S.E.European peasant democracies have come to be suppressed by Communist regimes with the help of the U.S.S.R.'s armies. Peasants have not however given up their struggle the against this new enemy; and that is why they have re-incarnated the International Peasant Union ,-the Green International, and it is providing revolutionary political leadership to democratic peasants.

The modern peasant sees that democracy is his main strength and dictatorship his worst enemy in these post-war years. He realizes that Sovietism has come to take up the role of Capitalism, in its machinations against his class. So he become aware of the need to fight at once, both Capitalism and Sovietism. He has consequently seen with greater clarity that his future prosperity lies in the co-operative movement. He is keen on developing political strength in order to ward off the mischief of Capitalism, and Sovietism and to develop Co-operative Movement and gain the requisite organizational strength in all their economic activities and thus achieve his political triumph over his class enemies – the old and the new. Hence his growing activities on the world front.

So the Peasant Movement is spreading all over the world. Peasant Unions are gaining more support among rank and file of peasants in all countries. Everywhere there is a new activity and awakening in world peasantry. Hence their enthusiastic support to the World Food and Agriculture Organisation, Human Rights Charter of the U.N.O. and their conscious work for the achievement of democratic Kisan Mazdoor, Kalakar, Buddijeevi Raj.

CHAPTER XIV

PEASANTS CONTRIBUTION TO SOCIAL JUSTICE THROUGH VILLAGE COMMONWEALTH

An impression had been created by Marx that peasants had never been the architects of any progressive society. But the historical facts prove the contrary. Peasants demonstrated in the past their love of Democracy, planned economic organization and progressive spirit of social equality through their discovery, development and management of the Village commonwealth. They were able to build a fine civilization based on non-exploitative Co-operative institutions which provided full employment and social insurance for all and which could utilize the wealth created by the surplus labour and surplus value of people for the benefit of all.

An impression has been created on the mind of Communists and Socialists by the prejudiced writings of Marx that peasants had never been the architects of any progressive society and social and economic planning. The leaders of the first Congress of the Red Peasant International held in Moscow in 1923 made bold to say that peasants had never captured power not had they ruled in any State. Because of the writings of Marx, against the nature, workings and achievements of Village Commonwealths which were indeed the peasants' achievements in social democracy from the earliest times, Socialists have ignored the achievements in State-crafts, economic planning and social securities and approach towards social justice as are embodied in the great structure of Village Commonwealths. Unlike all other classes of toilers, peasants and artisans demonstrated their love of democracy, planned economic organisation and progressive spirit of social equality through their discovery, development and management of the Village Commonwealth. They were able to build a fine civilization, based on non-exploitative and Co-operative economic relations and social institutions. Their civilization provided full employment for all the able bodied people, social insurances for all, provision of cultural amenities for all the old; education and vocational training for the young and achieved opportunities for all for the enjoyment of full, varied and non-competitive opportunities for Social pleasures, befitting a progressive and civilized people. Theirs was a highly successful attempt at utilizing the wealth created by the surplus labour and surplus value of people for the

benefit of all and for the construction of a highly prosperous society.

It is against this background of millennium-old peasant led democracy that the pitiful achievements of the tyrants and emperors and the Indian Chakravarties and Mughal and Mongol Badushas and the great Khans and the aggressive and arrogant capitalistic manufacturers and the impatient and tyrannical Soviet satraps have to be judged. It is to place, in its proper perspective that we propose to give a bird's-eye-view of the general characteristic and achievements of the oldest and most all-embracing social democracy, which prevailed over much larger area and which was embraced by more peoples and which lasted for more than two thousand years; and which is known by the generic term "Village Commonwealth".

The 'Confluence' of the symposium on the 'Peasant way and view of life' organized by Professors all over the world with its Centre in Arkansas, U.S.A. has likened in 1956, the achievements of the Village Communities to that of a "poem with its economy of words with each word implying more than its literal meaning."

VILLAGE COMMONWEALTHS – THEIR USE OF SURPLUS VALUE FOR THE MASSES

Surplus Labour of Peasantry and Other Masses: From the earliest times, people differed from each other in the manner in which they worked for the achievement of their means of livelihood and also in which they wished to enjoy and derive happiness in life. Some like the very short-sighted Pygmies of Africa cared only to exert themselves to the minimum degree to find just the necessary means of sustenance, and to eat them in their utter raw condition; and the rest of the time, they either lazed away or played among themselves. Some others like the ancient-Indians or Greeks displayed much foresight, worked vigorously during certain seasons when nature would provide best facilities for acquiring very large quantities of food; ate the extremely perishable portions, during their working periods and preserved the more durable portions, and learnt early to give themselves holidays for certain period of year. When nature obliged them to go slow for fear of diseases or for obtaining rest and conserving strength they then depended upon their accumulated food etc., during such times for their maintenance. They had also realized the advantages of self-discipline, self-preservation and of improving social life, common holidays and social pleasures. The Aztec and other peoples built up the Inca-civilization in about the same way. Just as different peoples discovered the advantages of settled agriculture

coupled with dairy farming, live-stock, breeding, different methods of preparing food out of nutritive and wholesome cereals, pulses, oil-seeds, so also at different periods did various peoples abandon their nomadic life in preference to village life. At last, by the time of the Mahenjadaro and Harappa civilizations, the ancient Indians, who appear to have been one of the then most prosperous and advanced peoples of the world about seven thousand years ago, seem to have learnt the need to work, so much per head per day per annum as to be able to provide themselves with enough food and clothing, housing and artistic furniture, adequate stores of accumulated and preserved raw materials and food to is sure them against famines caused by vicissitudes of nature. Their surplus wealth enabled them to build also towns to organize their commerce, and to provide other social service. Their daily work in agriculture and handicrafts was so efficient that they were able to spare sometime for the construction of weapons, forts, and boats, wells irrigation canals and drains. Their division of labour was so highly developed and efficient that even women were detailed to specialize in various arts and crafts, from engineering to manufacture of artistic pottery, from artistic weaving to pleasure-giving and other fine arts.

Who were more advanced than whom? Certainly those who had realized, at an earlier date, the need for taking steps to insure against unforeseen natural vicissitudes such as floods, cyclones, draughts, locusts, failure of crops or out-break of epidemics, among human beings and cattle, because to preserve one's own race and multiply it has always been the first duty of every far-sighted human beings and cattle, because to preserve one's own race and multiply it has always been the first duty of every far-sighted human beings and human societies. But how could they achieve such an insurance if they were addicted to the practice of killing some of their own children, as some tribes used to do or if they had not learnt that the secret of success of human beings lay in multiplying their own race or if they did not realize the need to work long and hard and intelligently enough to produce not only what was needed on anyone day but also what might be needed for them all over a long-enough-period in future, say two or three years and also if they had not learnt the trick of finding pleasure while at work through that work and also of relaxing themselves in body and mind in such a way that it would be conducive to their health conservation of their energy and even development of their strength, skill and happiness apart from achieving the more definitely moral attainments?

From the earliest times, most peoples of the world had achieved such a civilization as had insured them against vicissitudes of nature, as had protected and developed their members, as had enabled them to construct many irrigation and other permanent productive works, as had protected them from overwork and exhaustion, as had improved their means of livelihood and as had assured the enjoyment of many public holidays and social pleasures. This indicates their capacity to produce from out of their daily, monthly and annual work-budgets and their fulfillment very much more than what could be needed simply for their physical maintenance from day-to-day under average conditions of natural phenomenon. Thus ancient people demonstrated their capacity to work so efficiently, for so long and in such in a co-ordinated manner that they could produce goods, utilities and structures, needed over a long period and in addition to what is needed for their day-to-day purposes. It is this surplus capacity to work which when harnessed to some specific work, results in 'surplus value'.

Whichever people are capable of producing such surplus value is destined to achieve civilized existence. It is mostly from this criterion that any people have to be evaluated as to whether they are on their way towards a higher and higher mode of civilized life. Viewed thus, the oriental peoples, especially the Indians and Chinese were never 'lotus eaters' as the ignorant but sophisticated westerners wish to believe. Large number of Negriod tribes of Africa, certainly the Red Indians of America, who were the architects of the noble Maya, Aztec and other civilizations, and the ancient Greeks had learnt the secret of making the best of their capacity to work exploited it to varying degrees of advantage and built up their social life. To become victims to suicidal mania is to descend in the scales of civilized human existence. To respect life especially human life and to try one's best to preserve and make it worthwhile for anyone to live happily it is ascend in that scale. This has certainly been the lesson of history. The boastful western industrial and urban peoples of the present age, rushing into these world wars and destroying both the accumulated fruits of their past and present labour are taking themselves down to the barbaric and primitive stages of life.

It stands to the credit of this institution of Village Common wealths and its votaries that they did not try to create a civilization based mainly on exploitation of man by man. It did not give any special privileges to those who lived by exploiting others. To live in leisure and enjoy the fruits of others without working either by hand or by brains was not fashionable in the society. In fact, that society achieved full employment, social security and cultural amenities for all to the highest limit needed by the people of those times by utilising to the maximum degree, all the benefits of the surplus labour that society was able to put forth. That society of which peasants were the main leaders, enabled all

to be rich and happy, because almost all its surplus labour was utilized for the benefit of all. Can we say this of the Capitalist or the Soviet Society?

Like the present-day so-called 'Civilised peoples' who are caught in the tight coils of capitalism and its periodical world wars – military, economic, etc., so also in ancient past – why, throughout history, various 'civilised peoples', i.e., civilized in the sense of our present war-mongers-had been warring against each other for various reasons; out of sheer cussedness, bloodfeuds, for the capture of better pasture, more developed agricultural lands, for real lebensraum (living space) for their growing populations, for shelter in the better built villages and towns , for more protective irrigation works etc. There were also big, hefty fierce people who like wild animals, developed the pack-spirit of parasitism and who therefore pounced upon more docile and hard-working and kindly people and periodically raided their villages, robbed their grain, cattle etc. At different stages, by various accidents such raiders, like the hoardes of Genghis Khan, Attila, Timur the Lame, Cortez discovered that they could settle down in their conquered areas and live parasitically upon the labour of their conquered peoples. Innumerable struggles there had been between various peoples, between raider and the defenders of their homes and home-lands, between the conquerors and conquered and certainly the world did not present any pleasant spectacle of peace, ordered civilized human life, endeavour and enjoyment of art, cultured and cultivated pleasures. Inspite of the predatory nature of such times, attempts were being made by different peoples to insure themselves from aggression, and maintain internal peace and amity, rich social life and maximum possible leisure, culture, healthy and whole-some pleasures individual and social and both privacy of home and family and necessary participation – freely and equally with all others – in public life, for every man and woman and full opportunities for protection , development and education of every child. Whichever civilization had succeeded most in these and such other efforts was the noblest civilization. Judged from this criterion, Nishadha, Mahenjodaro, the Maya, the Vedic, the Mahabharata, the Greek, the Ashok, the Gupta, the Andhra, the Kakatiya, the Chola civilizations, deserve to be ranked very high.

The Ashokan age stands out to be one of the best periods in all human history. Then were all wars banned, the Emperor solemnly deciding not to wage any wars. His declaration of outlawing of wars was a more successful achievement than that of the League of Nations and Kellog pact. Guilds of workmen and merchants

protected their constituents and they were recognized by the State and had their well-understood functions and rights. Villages were self-governed and enjoyed practical local autonomy, and they had only to pay light land tax to the State. The State contented itself with exercising the lightest possible coercive authority over these villages. Towns were similarly autonomous. It was indeed a pluralistic society and political and economic power was decentralized to the greatest extent and social maxims (known as the Dharma) that respected people's mutual obligations and individual rights. Village Commonwealths as well as craft guilds were administered in a democratic manner; all adults having the right to vote and the village and guild panchayat organizing political, economic and social life of their respective members. All that we know from a careful perusal of Ramayana, Mahabharata and Dharmapada and the inscriptions of Ashoka make us believe that the social, economic and political life of that age was calculated to achieve about the best possible happiness of the great majority of human beings.

The fundamental bases for that life were the provision of full employment, social insurances and services organized by Guild-panchayats, and the abolition of wars, the maximization of the enjoyment of their fruits of labour, by every organized group of artisans and villagers and towns men; the best possible use of all their surplus labour for the advancement of their culture, good social life and humanism. The many Ashokan rock inscriptions, dispersed in all parts of India show that dispite the maximum amount of decentralization of political and economic power in that pluralism of organized social life of people, there was a strong stream of unity and central government's pervasive influence inspiring and integrating the whole of the country and its people.

The Maya civilization was different from the Ashokan civilization in the sense that it organized the social and economic life of the people on the basis of communistic social life, thus avoiding all middlemen, merchants etc., who must have levied their toll on the Ashokan masses. But it fell however far short of the general excellence of the Ashokan social order because it built up its vast hillocks of gold out of the 'surplus value' of its well organized and disciplined communistic masses, which later came to excite the cupidity of the Spanish barbarian invaders and also because it failed to develop the individual initiative, culture, and political capacity, in the manner of Ashokan age, and to utilize all the "surplus value" for the advancement of culture and happiness of its masses.

The Periclean age of ancient Greece helped human beings to make the best possible use of their individual and collective "surplus values" for their general progress, in body, mind and soul, individually and collectively. Unfortunately its wealth was built up so largely from out of the surplus value of the large body of slaves. A detailed study of all such ages and their achievements will be worthwhile for every socialist.

Going back to our original theme, that is, which social organization can be said to have afforded the best possible opportunity for human beings to produce the greatest amount of "surplus value" consistent with their growing needs for pleasure while at work, leisure on every day, and at intermittent intervals in every season, cultural pursuits and social life and pleasure in a creative direction; to put that "surplus value" to the most progressive, creative, communal and peaceful use, so as to enable one and all to enjoy the greatest amount of leisure, culture, privacy, collective pleasure, social holidays etc. We can say without many qualms of conscience that the ancient village commonwealths of India, China, and possibly of certain parts of Slavonic Europe, have attained the maximum success, so far as human history goes. That is, peasants and artisans attained a society based on Social Justice. It was an egalitarian Society and its democratic leadership was not beyond the practical control of the people, most of whom were peasants and artisans.

There were different kinds of social and economic organizations in those village commonwealths of different parts of the world. One who is interested in their special study – and it will be a very useful study – has to consult the many inscriptions and reports of archeologists which have appeared so far. Unfortunately, there is no one comprehensive study of their working in any language; and so far, only a portion of the secrets of their working have been unearthed and place together. So far as India's village commonwealths are concerned Radha Kumud Mukherjee's "Local Self-Government in Ancient India", Banerjee's "Public Administration in Ancient India", Mathai's "Local Government in British India", "South Indian Inscriptions" 3 Volumes, and my own "History of India" give some glimpses of their working.

Here I can only indicate a few salient points. The predominant type of village commonwealth must have been what has come to be discovered in later ages to have functioned, thanks to the archeologists. In it, all the adults (possibly only males) had votes. The panchayats were elected by the free votes of the people. The executive

officers were chosen from among the panchayatdars (i.e. elected members of the panchayat whether 5 or 15) by lot to avoid factions between rival candidates and their partisans. (vice Inscriptions on the temple-walls of Uttara Melur in Madras State). There were sub-committees to manage tanks and irrigational facilities, roads, public safety, village industries, (arts and crafts) public asylums and shelters for the poor and also to protect the local forests, village commons. And policing was provided by the whole panchayat. All the unoccupied and communal lands of the village were vested in it, though the arable and the cultivated area was generally divided up among the peasant families – most of them were then joint families – with heritable rights. And some times land sales were permitted and when such had happened, the permission of the panchayat was obtained and the new holder agreed to perform his duties towards the village commonwealth.

The village commonwealth was the bank for all the people and had its special sub-committee to manage its banking and it would give loans, receive deposits and when any debtor failed to repay and his sons too were unable to undertake the repayment, the lands lapsed to it and it was empowered to grant that land to another. It alone was responsible to pay the land tax to the King or Emperor of that Province or country and also to settle any new peasants on any part of the unoccupied land of the village.

A village did not exist in a vaccum or in isolation from all the neighbouring villages. It formed a unit in a series of bigger commonwealths emerging in a concentric circular fashion, with itself as the common center. There were the hundred (century) villages commonwealth. On each of them, that is, the hundred villages Commonwealth and the thousand (district) and the Nadu (Seema-Province) commonwealths, the village ommonwealth was represented either directly or indirectly. The king himself or his representative (Viceroy or Governor) could speak during their deliberations but had no right to vote. Where any matter could not be settled by these commonwealths and any of their disputes needed Kings's decision then and then alone could he come in as the final judge.

The artisans' and merchants' guilds used to have similar concentric circular commonwealths to settle their own internal craft or trade problems. When and where disputes arose between the peoples of different guilds or between artisans or traders and villagers at large, then the concerned village or hundred or thousand commonwealths were asked to adjudicate in the dispute. People were free to choose whatever

professions they liked but they must undergo the requisite apprenticeship. Generally most sons would like to pursue their parents' professions, as is even now the case with the working classes of the industrial west but if anyone wanted to enter any other profession, he had to obtain the permission of the concerned local guild. Some friction they must have been experienced occasionally, as there is even to day when such adjustments have to be made. But on the whole, the recruitment for most of the professions was open, fluid and planned.

Contrary to the prejudices of western historians, the economic life of these commonwealths was highly developed and their productive and distributive activities varied and variegated. To take the manufacture of clothing, the most ancient and widespread occupation of all ages, spinning alone was taken up by almost all peasants. For cleaning and carding cotton, sizing yarn, weaving and selling cloth there were different specialized groups in most towns, i.e., the headquarters of the Hundred Commonwealths and in very many villages, especially the biggest ones. For silk and wollen clothing there were separate groups of workers, similarly organized into guilds. Dyers, the manufacturers of vegetable dyes, those engaged in sewing various garments, the manufacturers of iron and steel and of cooking and other domestic vessels, sheets and needles had their separate guilds.

It is interesting to note that peasants were generally organized for productive purposes by their respective villages, artisans were organized not by villages but by the Seema or linguistic or otherwise Provincial and sometimes country-wide guilds. So the workers, specializing in many specialized key services, such as metal workers engaged in repairing agricultural implements, making needles, cosmetics, spices, scents, other luxury articles, whose numbers had necessarily to be strictly limited, used to visit the villages, which were allotted to their share at stated intervals, minister to the concerned needs of the villagers and receive their stated remuneration. Thus every village was integrated with all other villages and all villages could enjoy the services of highly specialized artisans and engineers.

As for the remuneration to be paid to different categories of artisans, smiths, artists, engineers, teachers, servants, etc., the Seema, Nadu, Village Commonwealths and the respective workers' guilds used to discuss all relevant matters and settle the general rates of payment for different classes of work. In regard to the details of any particular class of work, the village common wealth and the local branch of the concerned guild used to come to an agreement. Any dispute used to be settled by the commonwealth immediately above that of the disputant.

Those rates of remuneration used to be varying (either lowered or raised) in accordance with general fortunes of the peasantry. People were then aware of the fact that all that the social activities and cadres of people in any society can share was bounded by the total amount of agricultural produce, the grain, fruit, vegetables, dairy farming, meat and beef – and minerals and forest produce. Naturally peasants had the largest say as to how much of what they produced could be spared for all the social functions developed and needed to make life variegated, easy, enjoyable, rich and progressive. But this did not result in the pauperization or degradation of the artisans. For, how else, could the guilds of various kinds of artisans get into agreements with Kings and Emperors, as the present day great Trade Unions of Key Services do and build such great monuments as the Sanchi Tope, the Amaravati Buddhist sculptures? Moreover, many of the quarters of the hand-loom weavers were known as 'Golden Wards' because, weavers were one of the sections who were then able to receive gold in payment for their goods, sold in the periodical urban and regional 'markets' organized on such a large in those days.

The artisans were generally paid in kind by peasants in proportion to the land held and cultivated by them. In addition every village commonwealth granted cultivable lands for each family of artisans and thus assured them of a decent and adequate source of living.

The total quantity of grain and other commodities that peasants of any place had to spare for all the village artisans formed so limited a proportion of the total agricultural production that often over-generous payment used to be made to each individual artisan family. Consequently artisans used to enjoy as high a standard of living as, if not higher than, what was possible for peasants and the latter never grudged the farmer's more favoured position.

Indeed our ancient village commonwealths knew how to satisfy their skilled artisans and encourage them to attain higher standards of skill. But with all that, there used to be perfect harmony in the general standards of relative remuneration, adopted and practiced by different cadres services and skill. There was not the present unjust disparity in the incomes of agriculturist and others.

This brings us to the question of marketing Commodities and exchange operations. Every town had a few shops for luxury goods and a "Weekly market

day" on which various agricultural and industrial commodities used to be brought from villages and also from neighbouring towns by peasants and artisans and sold either for cash or for grain according to certain maximum and minimum price levels. For most of their daily necessaries of life, peasants, whose standard of living was not very complex or varied and whose needs for luxuries were few and were expressed at long intervals on rare occasion such as marriages, were satisfied with what were being produced in their own respective villages or in the area of their hundred village commonwealths.

Dr. Macek the peasant leader of Croatia said of the postwar East European peasants, that he "produces everything he needs – not only all the food – and most of his clothing but also a great deal of his everyday household equipment". (IPU, 1955 November)

Like the Maoris of Australia, village commonwealths used to maintain large stores of grain, collected either from their own lands from a levy made on peasants according to their production. These stores were used to feed the people in times of famines or during festive periods. To insure against widespread and prolonged famines kings also used to maintain many stores of grain in many centers in the are of every hundred village commonwealths and distributed the grain through the village commonwealths. When some village commonwealths found their resources to be inadequate to cope with any famine or other emergency, it used to borrow the required quantity of grain from its neighbouring commonwealths and even from Kings's agents. Of course, the tax collections were suspended and remitted during all such crises.

Regarding the construction of irrigation works, drinking water facilities, the Ashokan ideals of public duty (that of Sapta Santanam) so universally adopted and so generally practiced by people were responsible for the construction of an immense number of tanks, reservoirs, wells along the main high ways, at all temples, market places and in almost every village by all the temple authorities who generally fulfilled these duties. Kings, queens, officials, rich people and even poor people used to vie with each other in donating for their construction. The manner in which the last section i.e., poor but public spirited villagers, used to undertake the achievement of the 'Seven Santanams of spiritual progeny' including the digging of tanks, planting of gardens or collective topes, building a poor house – by making collections from

people of a number of villages was so typical of rural Indian culture. When any big work was needed especially when it was the construction of a big dam across any small river, rivulet or connecting two hills to create a reservoir and thus providing irrigation facilities, funds were sought from the bigger village commonwealth authorities and the kings concerned. Thus a very large number of considerable irrigation projects like those on the Cauveri and Ganges were constructed and kept in good repairs and their maintenance was entrusted to the concerned village commonwealths. Even the untouchables who were the most depressed and worst treated section of villagers were allotted definite remunerative employments though of a lower scales – such as policing the village, tanning, weaving, matmaking, annual contract work on farms, besides agricultural labour. Even they had the privilege of gathering fuel, cutting grass, grazing their cattle, all freely on the village commons and also growing some vegetables thereon and gathering free forest produce, if there were a forest in the neighbourhood. And they joyed social autonomy through their caste panchayats.

INJUSTICE TO HARIJANS : So far as one can see there has been no there state of society baring the Soviet System and the highly liberalized Anglo American democracies which has sought to plan the whole social life in such a thorough and humane manner and which has attempted with so much success to provide employment for all, to minimize, if not to completely liquidate any unhealthy encroachment of people of one profession upon those of another and which has succeeded in assuring full opportunities for each group and every individual in it to attain the fullest possible technical efficiency at his craft, the greatest possible personal and civic freedoms and absorbing the most democratic cultural knowledge of the times.

The blot of suppression of Harijans crept into this system, at an early age and it certainly contributed much to its eventual down-fall. The stratification of the caste system was another break upon progress. It, too, helped people to fall into their later slavery.

Inequalities of incomes and wealth too had crept into their economy. But they were not too pronounced and the power of rural rich to thwart the life of others was not so great and also, the disparities were not at all so intolerable as at present. And the incidence of taxes was not great and much of their revenues were spent in villages and on village products, though every profession and industrial activity was taxed; even house-tax had to be paid.

The adventurous and naughty elements, when encouraged by such emergencies as famines, did gain some predominance in some places. Slowly the evil of 'hereditary panchayatdars' began to creep in. Brahmins compromised with the too powerful superstitions of certain sections. Economically the general prosperity of the great majority of the people was partly based upon the unrelieved poverty and drudgery of the untouchable minority.

I am quite conscious of the great disparity there must have been between the ideal and the practice. I am aware of the warning of Colton's Medieval Village' against entertaining a too facile and too rosy a picture of an idealized ancient village. I have had occasion to study with the help of our records of inscriptions the growth and the decay, demoralizations as well as the many weakness and the social ills of village commonwealths from immemorial times to the end of the Mohammedan period of Indian history. But we are concerned at present, with the ideals and aims of Indians entertained and sought to be incorporated into and achieved through their history of millenniums of life in their villages. It is these yearnings and ideals that suffused their whole thought, as it found expression in the Vedas, Mahabharata and other epics and in Ashokan edicts, Gupta, Andhra, Chalukya, Pallavas and Chola inscriptions etc. It is their life in village commonwealths that had inspired and encouraged them to embody their ideals, aims, practical plans and economics and political experiences in the edicts of laws or conventions or resolutions of the various village institutions.

The history of the capitalist and communist systems of present age, which are thriving on the most shameful bases of vast masses of slaves, semi-slaves (serfs) peons, wage slaves and sweated workers and vast masses of semi-starved peasants does not promise a better social order. Therefore to welcome their unholy and destructive powers aided as they are, with the political power of the old and new orders of Imperialism is to misdirect human history. There is need for much constructive reform and even revolution but in harmony with the essential and basic needs of rural life and peasantry. But the political structure so far evolved by Capitalism and Sovietism do not assure such ordered, more or less harmonious, progressive and humane treatment of various groups of people who differed from one another in their colours, creeds, social customs, economic and technical attainments as the ancient Village Commonwealths had achieved. They have not so far resolved or avoided internal social conflicts nor have they warded off external attacks.

Certainly that civilization and political system, built up by Village Commonwealths of so many Countries deserved much more careful study. But unfortunately the prejudices formed by karl Marx, on insufficient data, about "Village Life" and "Village Communities" have prevented socialists from studying both the historical documents concerning the civilization and culture of village commonwealths and also understanding the strength of the loyalties of village folk, especially of the Eastern countries, for their village communities, village activities and needs. Even when and where that commonwealth failed, especially in its treatment of the ancestors of the present day 25 million aboriginals of India, its failure was much less disastrous than that of the white peoples and their imperialism. The mere fact of the survival of so many millions of Indian aboriginals as contrasted with the practical elimination of aboriginals of U.S.A., Australia, West Indies, is evidence to the comparatively less exploitative methods adopted by Indian civilization. Most of the aboriginals were left free for thousand years to live their own tribal social and economic life and enjoy their own religious pleasures.

When Marx was busy with his researches, the records available, concerning village commonwealths were meagre. He, no doubt, made use of all the then available records. But it was after his death and that Sir Henry Maine that many valuable and informative records have come to light. The World has yet to learn the full facts about the Indian Village Democratic System. When able and veteran Indian administrators like Lord Hailey expressed such ignorance of Indian democratic tradition and stated before the Pacific Relations Conference, that Indians began to have experience of democratic institutions only after the advent of the British Empire in India, what wonders is there if Marx came to be prejudiced against Village Commonwealths.

In the light of the above discussion, we can realize the untenability of the following criticism of Marx:-

"These small and extremely ancient Indian communities, some of which have continued down to this day, are based on possession in common of the land, on the blending of agriculture and handicrafts, and on an unalterable division of labour, which serves, whenever a new community is started, as a plan and a scheme ready cut and dried". (Capital Vol. I, pages 390-391.)

Was it not a fact that when Marx was making this criticism, the Western Society was suffering so much, just for the lack of that "plan and scheme" of social

organization that ancient Indian Commonwealth Democracy had developed and enjoyed? Is not modern society hankering after a planned economy? It was a pity that Marx failed to admire the achievements of Village Commonwealths which had carried out a systematic planning of their society.

What is the economic objective of socialists apart from subverting the present capitalist regime and achieving a proletarian revolution and dictatorship? Is it not "the blending of agriculture and handicrafts?" (Let it be industries as they like to put it. –Ed.) Then, it is just what those ancients had achieved according to Marx. Why then cavil at it?

Marx was wrongly informed when he said that the village commonwealth had "an unalterable division of labour." In fact, the Indian society which is supposed to have started with only four castes or broad divisions of labour had come to have as many as 100 castes by the time the British came to India, with their sub-castes, each one specialising on some piece of work. They were engaged in the manufacture of a very large number of manufactures from heavy industries to machine tools, from daily necessaries of the masses to luxuries; of course, most of them being produced on a cottage industrial scale. In its later days when, owing to the advent of the indigestible Mohammedan Raj, the Commonwealth began to lose its resilience and owing to the demoralization of most of the Brahmins, Kshatriyas and Vaisyas into drones and parasites and also owing to the rise of the local agents of Government to new power, Village Commonwealths began to disintegrate and their arts and crafts came to be associated with a number of hereditary castes. Historical forces made it possible for "old castes to split up, for new castes to spring up, as soon as a new industrial, commercial or professional activity or occupation showed its head." (Sir William Hunter History of India.)

Marx observed in the same connection "spinning and weaving are carried on in each family as subsidiary industries." Anyone who knows anything about village life of India, even in these ultra-Europeanised times can say that weaving is not carried on predominately by peasants excepting in parts of Assam, but has been specialized by a separate group of professional weavers. Despite the century and a quarter of merciless competition of mill cloth from Lancashire and later on from Indian mills nearer at home, there are today no less than one crore handloom weavers in India. The Planning Commission is hoping to rebuild Indian economy,

through the Second Five Year Plan, on the basis of wide spread diffusion of spinning and weaving industries. So, the Village Commonwealths's plan could not have been after also so reactionary.

Several times, Marx inveighs against the stationary character, durability, unchangeability of Village Commonwealths (P. 76). He casticated the life in "these idealistic republics" as "undignified, stagnatory and vegetative" and as "passive sort of existence."

If in those village commonwealth democracies, people were able to enjoy a tolerably comfortable social and economic life and an effective political freedom, and could therefore continue to live peacefully contented for centuries and millenniums, where is the justification for calling their life, undignified, stagnatory and vegetative? Are we to understand that after the achievement of classes society, people are not have some stable, satisfactory social system which will assure them freedom from the frequent struggles and upsets that had been the hallmark of classwise-society? If for any social system, to last long is not to be matter for congratulation, then why did Russians celebrate the Silver Jubilee of the triumph of the Soviets?

Moreover, it certainly prevented them from gaining effective political control over the whole of the Government of their respective countries. But unlike the present day masses of the imperialist and communist powers, they enjoyed a tremendous amount of local autonomy in their trades, occupations, village, town district and provincial activities and they had practical way over justice and police. To what extent can the Anglo American and even Russian, Chinese and other Soviet masses be said to be enjoying, at least in theory, not to speak of the reality, as much democratic authority and autonomy?.

Again Marx said that "they subjected men to external circumstances, instead of elevating man the sovereign of circumstances, that they transformed a self-developing social state into never changing natural destiny and thus brought about a brutalizing worship of nature." (P.21.) Supposing this was a fact, to what extent has capitalism over whose growing triumph Marx was keen, enabled a worker to gain freedom from his slavery to the machine? Is it not a fact that capitalism has reduced the masses to terrible enslavement in economic as well as political life? Has man succeeded in becoming the "sovereign" of circumstances"? To continue to harp upon "the never changing natural destiny" is a grave blunder on the part of socialists. To fail to

distinguish between Feudalism and the ages of Village Commonwealth Democracy of the African and Asiatic peoples in the Marxian weakness of Western Socialists.

Marx unwittingly paid a tribute to the democratic nature of the life under the Village Commonwealth: "Each individual artificer – conducts in his workshop all the operations of his handicrafts in the traditional way but independently and without recognising any authority over him." (Capital p. 391) But how greatly the modern workman longs for such an independent state "without recognizing any authority over him!"

Marx had no patience with "Simplicity of the organization of production in those self-sufficing communities that constantly reproduce themselves in the same form, and when accidentally destroyed spring up again on the spot and with the same name" saying that "this simplicity supplies the key to the secret of unchangeableness of Asiatic states and the never ceasing changes of dynasty." Why? This ought to be considered a splendid compliment to the greater strength and excellence of village commonwealths than the kingdoms above them. Any state of society can congratulate itself if it can evoke such loyalty from its people. This also explains in a way, why the masses did not bother much about the change of euphemeral dynasties so long as their more important commonwealth liberties were secure. Secondly, the organization of those village commonwealths was not so simple. Those people had such full opportunities of participation in their democratic activities that to them, their complex organization would naturally appear to be so simple. Is it not a creditable thing that just as the 'Pilgrim Fathers' who were forced to leave England went to America and called their new home New England and their new town as New York and proceeded to live in their usual democratic manner, so also, the people of those village commonwealths used to be similarly loyal to their villages, their names, their democratic systems of organization, and governance? Were they not wise in not running after the ever-changing political power of kingdoms but in concentrating upon their unassailable democratic life in their Village Commonwealths and Provinces?

Marx charged unjustly and without any warrant, village commonwealths of "barbarian egotism" which concentrating on some "miserable patch of land, had quietly witnessed the ruin of Empires; the perpetration of unspeakable cruelties, the massacres of the population of large towns with no consideration bestowed upon them on natural events, itself being the helpless prey of any aggressor who designed to notice it at all. It is wrong to think that village commonwealths did not offer any

resistance to aggressors. For it is on record what a heroic fight the Sindh and Punjab Republics had given to no less a man than Alexander the Great, and at what terrible sacrifices and reprisals. Chandragupta Mourya was able to drive the Greek Armies of occupation from the Punjab and the Frontier mainly because of the help rendered by village commonwealths. Rana Pratap was enabled to carry on his immortal and life-long resistance against the mighty Moghul Empire and Akbar the Great by the help of village commonwealths, and Akbar put thousands of the patriotic peasants to cruel death. The history of every part of India, when read aright in the light of the latest epigraphical records etc., is found to be replete with such instances of the selfsacrificing resistance offered by village commonwealths against oppression as well as aggression.

Further, there were many instances in which whole populations of one or more villages used to abandon their villages and migrate to distant countries or kingdoms as a protest against any intolerable oppression or impost, or denial of customary rights or liberties. When later the rulers felt ashamed and begged the people to return to their villages and arranged for their return through the mediation of mutually trusted elders of a village or Hundreds Commonwealths, fresh agreements were then concluded and inscribed on stone or copper inscriptions, signed by the rulers. There were many such magnacartas in the possession of the Village Commonwealths. No other people would occupy the lands, houses etc., of the abandoned villages of the rebel commonwealths. To charge such democratic people with want of civics sense is to do a grave injustice to History.

Is it not wrong for them to go on believing, along with Marx "that the breaking up of those stereo-typed primitive forms was the sine qua non (essential condition) for Europeanisation?" Why should Indian life be Europeanised? If by capitalism is meant the Europeanisation of Asian and African peoples, why should the orientals be infested by it? After the lapse of 110 years since the publication of the Communist Manifesto, Michael Young, a British Socialist, has made bold to say that "what is good for the West is not necessarily good for India", and "Keynes will not work in a bullock-cart economy." (Fifty Million Unemployed' published by the Labour Party, 1952.) If industrialization and commercialization of Indian life were needed, is it not our duty to enquire how they are to be reconciled to our millennium-old rural and democratic consciousness and the bed-rock and legacy of civilization left behind by the village commonwealths, which have disappeared only a few centuries

ago, a period that is like a brief and momentary interlude in their history of millenniums? It is as well for socialists, democrats and sociologists to remember that even today millions of weavers and other handicraftsmen are remaining loyal to their professions and even more so, to their commonwealth traditions of mutual service, agreed mutual remuneration, internal guild management of their social and economic affairs etc., despite the greatest odds created by the cut-throat competition offered by machine-made goods, alluring urban life, over-bearing and soul killing imperialist domination and imposition of a super-structure of an alien civilization. If even today the Africans, Indians or Chinese are not so helpless vis-a-vis the modern capitalist system and its instruments, the machine, employer, merchant and speculator and their world markets, it is because they are still suffused with their commonwealth conceptions of right and wrong, public duty and mutual obligations. They are bound to overcome the Capitalist and Communist system of exploitation, once they are enable to regain their moorings in the light of altered circumstances, No wonder that Dr. Vladko Macek, the 70 year old Croatian peasant leader declared in 1955 November that "the peasant resistance has not been crushed anywhere, not even in the U.S.S.R." (IPU Journal).

The same is true of the Soviet China. That is why her communist masters are obliged to utilize "as means to promote new programmes and ideas", many "Centuries-old institutions which were at the center of the social structure in the villages" and also to advocate the formation of "Family Councils" to prepare "farming plans" to be implemented "on a family basis" even while "enhancing the role of women and youth in such mechanisms." They are obliged to give peasants "a new social status and hope" before they can persuade them to come into their type of "organized farming" and also to pursue the Leninist tactic of splitting up peasants into poor, middle and rich peasants and destroy their hegemony by first eliminating rich peasants. Mr. Chao Kuo-Chun who has reviewed the Agrarian problems of Mainland peoples China on behalf of the Indian Council of World Affairs and Haward Research project and who is in favour or the new experiments is constrained to conclude that though the new regime has brought new hope to Chinese peasantry, that "economic security and social justice are made more meaningful by greater personal freedom" etc. (India quarterly. Jan-March 1956.) No genuine socialist who knows anything about the coloured peoples and their conceptions of tribal and commonwealth democratic duties and rights, can hail the growing impact of modern Capitalism and Sovietism, which restricts the freedom of peasants.

The Europeans and Americans of the past 150 years, suffered awfully from the effects of early industrialism. The coloured people seem to be simply shrivelling up and are in danger of losing their "will to live". Yet Indians and Chinese who have had great cultural traditions have been withdrawing themselves into their moody, touch-me-not shells. And yet they would not give up their loyalty to their own moorings.

Hence their continued life in seven lakhs of lively villages of India, Pakistan and as many more of China.

There is one very great reason for the passionate loyalty of successive generations of millions of people to these village commonwealths. In the method of their disposal of the surplus value produced by the general body of villagers, belonging to the commonwealths, lay their greatest secret of success. Their surpluses were used when they had co-operated with one another in building some great monument like a Stupa or a center of Social activity. They used up their food surpluses during displays of their love of communal luxuries, devotion, fun and frolic and when they built temples which also served as sanctuary for their women and children in times of turmoil and as forts. These surpluses served as famine insurance. They used the surpluses during the seasons of *Veera Puja* or the display of devotion to Martyrs. But they did not waste their surplus value on any meaningless or wasteful or parasitic purposes, as capitalist society does in these days.

Brahmins there were and they were maintained by the other villagers, in return for certain specific, useful and necessary functions, such as teaching the village children, spreading adult education through their recitations of the ancient lore and epics and other books, dealing with among other subjects, politics, economics (the dialiectic portions of Mahabharata and Ramayana) studying the metereological conditions and guiding peasants with its aid, providing medical assistance. Some of them used to maintain the village records of rights. Some were priests in the local temples. Their number was very limited and their demands, were not so exorbitant. Displays of dancing, painting, acrobaties, including the ballet performances, singing, theatricals, pantomimes, mimicries, historical exhibitions, public recitals of ballads, stories of heroes, gymnasiums, and Olympic tournaments used to be provided at intervals to create a sense of nice variety of social life. All such services were paid for only to a reasonable extent and their votaries going from village to village in their settled jurisdictions and gathering their freely and happily offered remuneration.

Verier Elwin, an Oxonian who has devoted his life to the services of Indian aborginals and lived in their midst as one of them for ten years mentioned quite rightly that "the aborginals have, to a very high degree, developed the art of recreation" an art which was so highly practiced in our ancient village commonwealths." We may note the magnificient dances of the Nagas and of the Bisonhoon Marias, the minasetic valour of the Jungas, the junting music of the Baiga Kurma. Throughout tribal India there are songs of rare beauty and deep simplicity and children's games are highly developed. The tendency of the devotions to the solid power, to stage a magnificient and colourful tribal festival, dicipline of tribal law-the purity of this and the beauty of such simple artistic creations" were all highly developed and richly enjoyed by the great majority of our ancient villagers. (The aboriginals-Oxford (Indian) Pamphlet No. 14.)

There was no sense of superiority on the part of the Village commonwealth or subordination or that of these artists and there could be no suspicion of exploitation in their mutual dealings. Life of the villagers was thus sought to be made lively, variegated and enjoyable, at the minimum cost. And all that culture and social life were provided to all the people, irrespective of their caste, creed, colour and sex or economic or social or political status in the village. True the evils of witch doctors etc., were absent only in the best times. Our objective is to gain a real view of their essential characteristics, possibilities and aims and ideals. The greatest possible opportunity was afforded to each section and to each family to maximize its incomes within the minimum period; to provide itself with all the necessaries and to add the requisite premiums or contributions to the families, accumulations of famine insurance funds and then to help them all to enjoy the maximum leisure and to put that leisure to the best possible progressive, healthy and cultural use, so that each individual could become fully developed in the cultural sense. The Ashokan ideals helped the joint families to maintain their young, infirm and old folk alike. After all these social and family responsibilities were discharged only by making necessary provision and it was found by experience that the villagers by their arts and crafts and other professions could give themselves less or more leisure, continuously or at intervals, such holidays were enjoyed, that their aims were to at intervals, such holidays were enjoyed, that their aims were to provide work for all, maintain everyone in decency, and comfort, afford them greatest and most wholesome, yet variegated social entertainments, and cultural activities and then enable them to enjoy as much freedom

as possible from drudgery, monotony of specialized or physical work and thus help people to feel satisfied that they are alive with no worries as to the morrow is indicated by many an instance. Handloom weavers of Tamilnad observe every year one full month's holiday, when they make merry, celebrate their marriage and other functions and enjoy the needed freedom for their daily professional tasks. The Socialists as well as Bolsheviks are aiming at the same achievements and Soviet Russia has yet to achieve them. No Socialist knows how the modern peoples are likely to feel, and behave about their life once they are provided full satisfactions of these aims, reformulated in the light of modern and changing requirements. Who can say that they may not be contented with the achievements of such projected aims, as the ancient peoples of the village commonwealths are supposed to have been? And how can we say from this distance and only with our present historical knowledge that they were wrong in being contented with such achievements. Therefore it is wrong for people like Clive Burt, to maintain that the ancients were wrong in loving leisure, to condemn the oriental villagers who loved their leisure as lotus eaters and yet to maintain that it is always necessary for the progress of civilization that many must be condemned to unrelieved and disproportionate drudgery so that the few can enjoy enough leisure to specialize in fine arts, good living, deep thinking and sky gazing! We do not want such a morbid civilization. The Oriental village commonwealth civilization was infinitely better and more wholesome and closer to the socialist ideals.

Let there be no fear that I wish the world to go back to the past and begin just where and when village commonwealths had functioned last. No one can ignore what has happened during the last four centuries in the East. The village and the peasant, the artisan and the urban proletariat, the tribal member and the Harijans, their tribal, commonwealth traditions including aims of political and economic democracy and the Ashokan ideals and ethics, the modern machine, and the electricity, the aeroplane and the radio have all to be woven together into a complex but scientific, productive but dynamic force. It should be a civilization suited to the temper, capacity, physical needs, cultural background of the coloured tribes, and oriental peoples. Only such a civilization can keep up optimistic touch of life aglow in the hearts of the vast millions of all coloured peoples and other colonials. Only that socialism as can absorb such a progressive, historical and sympathetic view of life can uplift them and assure them of a much brighter, fuller and more wholesome life than what had ever been enjoyed during the earlier millenniums of Commonwealth Democracies.

The Confluence of the Symposium on World Peasantry has rightly warned in its considerations of the problems of the impact of technically advanced civilizations on underdeveloped areas that "any reckless penetration of technology into the rural communities of underdeveloped areas can lead only to a sudden growth of the awareness of needs and enhance the chances for a collapse of the traditional order". Therefore, these Professors also recognize the need for a new type of Village community which will come to have 'self confidence' in itself and "knowledge of one's limitations", which will come through an "analysis of their basic problems." So, it lays stress on the "development of a spirit of local co-operation." It is because of their awareness of this truth that the National Planners and architects of Indian Peasant Movement have laid special stress on development of multi-purpose Co-operatives for peasants and Artisans Co-operatives working under the aegis of Village Commonwealths.

The Confluence of the World Symposium on the 'peasant' has also appreciated that "the rural populations of underdeveloped areas were well versed in the art of participation. Every deed or event involved participation in a total system of meanings". It has rightly contrasted totalitarianism with democracy and said that "democracies insist on the right of the people to make significant choices and on the identity of the process of making choices with that of participation; while totalitarian regimes separate the two process; reserving the first to a small group of rulers and the second to the masses." It is because we find the Village Commonwealth of the Asian practice to have amply afforded these very essential social rights and privileges to all their people that we have hailed them as the best bastions and champions of 'Democracy' and having their right for proper incorporation in the new technique and edifice of Socialist Democracy that the modern age is keen on achieving.

Many a nation Latin America and Asia are trying to recapture the vision and inspiration of the Village Commonwealth of planned full employment , social freedom and economic independence of all the toilers and political democracy and social justice. Indian statesmen are busy, organizing statutory Village Panchayats and providing them with adequate funds to attend to the civic needs of the local peasants and other classes of people. The Panchayat Boards are to be elected by all the adults enjoying voting authority. This local self governance is being developed as the foundation to the national structure of democracy. In Mexico, powers over the vast Village Commons and Collective Farming are also being vested in the Ejdoes or Commonwealths. In

India, efforts are being made to make these Village Panchayats responsible for irrigation, water supplies and distribution and for organizing local markets and Co-operative societies. Through their leadership and operations, peasants are getting once again an opportunity to gain their innings in democratic statesmanship. Let us hope that these Panchayats will play as effective a role as the Soviets but in a better way by inviting the whole-hearted co-operation and democratic contribution from all classes in enriching the social and political life of the rural masses. Let us also hope that these Village Commonwealths will be the citadels of grass-root democracy and non-exploitative, self-governing seed-beds for a new constructive and non-violent civilization.

CHAPTER XV

THE EMERGENCE OF MODERN PEASANT

Marx and Lenin assumed that once feudalism was vanquished by Capitalism, all the peasantry would be transformed either into modern bourgeoisie or the proletariat. But subsequent history falsified this assumption. Upto the time when Communist Manifesto was published, free peasantry as a class did not emerge from out of its prolonged eclipse by the feudal hegemony and only with the aid of capitalism, it is rapidly coming into its own. All their past revolts had, as the main objective, their freedom from that feudal tyranny. The victory and development of Capitalism did not transform this free peasant into a proletariat but could, at its best, make it only a victim of its exploitation along with the proletariat. With the result, peasants are in a relatively depressed and even degraded condition, when compared to the social life of their respective manufacturing, commercial and professional classes and the convenience and comforts of their respective urban peoples. In most countries, they have been offered relatively a meagre share in the national income. The modern peasant knows that all that he produces over and above the meagre portion that is left to him for his bare existence is being taken away from him both in peace and war times. Hence he revolts against this Social Order.

The cumulative result of the operations of the laws of production under duress, key services and interests, uneven economic development and uneven incidence of the capitalist and imperialist exploitation, the enforced semi-slavery of large sections of peasants, the harmful exposure to international competition through world markets and invisible transference of wealth from masses to certain classes and the pro-capitalistic and anti peasant and anti-prolatarian state, has been the present day unrelieved misery, poverty and helplessness of the world peasantry and the proletariat, especially the lowest position held by peasants in the modern economic society.

There may be vast differences in the standards of living maintained by the peasants of different countries say, between the standards of the American and the Indian peasants. But when compared to the social life of their own local manufacturing, commercial and professional classes and the conveniences and comforts of their respective urban peoples, it is found that peasants are in a relatively depressed and even degraded condition. "Agricultural incomes in most countries are still well below the average of those in other occupations" (Report of the Eighth Conference of

I.F.A.P. (Rome) 1955). Merely because the efficiency of American farming can be demonstrated to be immensely greater, the hours of work per day, put in by American farmers are fewer, the incomes obtained higher and the standard of living maintained by them more adequate, it cannot be said that farming fares better if only it is better organized. For, the proper criterion to judge whether or not peasants are dealt with fairly by modern economic dispensation is to compare the incomes and social life made possible for American peasants with what are vouch-safed to other sections of American society. Prof. Black wonders whether it would at all be possible to achieve such a parity. Marshallian economists admit that there must be equal reward for equal efforts made subject to the common social and economic opportunities. If unjust social institutions are allowed to prevail, it is the fault of the society. If the rewards offered to various classes of toilers for equal efforts made with equal earnestness and efficiency possible under the given circumstances, are unequal, it can only be due to the inequities social dispensation. When judged even from this standard what is being offered to peasants from out of the national wealth of most of the countries and even more so from out of the world's wealth is much less than what they contribute and what they really deserve.

Let us take U.S.A. We find that the South Eastern States which are predominantly agriculture land maintain 50% of U.S.A. 's total population, enjoy only less than half the per capita income, which is appropriated by the people of the North Eastern States which are mostly industrial and which have to import food. It is the people employed in service employments such as transport trade, communications, miscellaneous (including domestic employments) who obtain the largest average incomes; then follow the manufacturers and last come the peasants. Agriculture gets hardly 25% of what services appropriate and only a little more than a third of what manufacturers receive. California attracting a number of holiday-making rich and the North East States which are predominately industrialised have the highest incomes, while South West and the South East States which are predominately agricultural are considerably below the national average income levels. Mr. Hitch concludes his survey with the words "the income of the quarter of the population engaged in manufacturing, mining and building is more than twice as great as the incomes of the quarter engaged in agriculture, fishing and forestry". (America's Economic Strength P. 21-22). From his graph No.12, it can be seen that except for the brief period of last war, the American peasant has not enjoyed any parity between

the prices received for his produce and those he paid for industrial products he generally buys i.e. fertilizers, tractors, consumption goods. Actually the American Farmers enjoy only half as high as income as other classes. (F.A.O. Survey).

"The percapita income of the farm population reached its highest point in the War year 1944 but even then was much lower than nonfarm per capita income" p.36. (Conference on Economic progess.)

Mr. Stoyan Pribichevich gives the following facts in his 'Living Space' to show how peasants are allowed to take much smaller portion from out of their total national wealth than what they actually contribute to it.

"In Yugoslavia, the Government made an economic survey in 1938 and found that agriculture produced a national wealth of 380 million dollars, whereas private industry contributed only 120 million dollars. But in the redistribution of the total national income, the 80% of people engaged in agriculture got back only 50% while the 11% in industry received 32% and the 3% in commerce and banking 11%.

In India too, the agricultural produce prepared by 69.8% of the total population, engaged in agriculture, was valued in 1953-54 only at 58.9% of the total national income; that is, while net output per engaged person was valued at Rs.500/- for a peasant, it was valued at 1700 for a factory worker, 800 for an artisan, 1500 for one in commerce; (Indian Agriculture in brief, 1955) Even according to the Draft Second Five Year Plan, the services of 70% of India's population, who are engaged in agriculture etc., are evaluated at 6170 crores, while those of the remaining 30% are evaluated at 7310 crores.

Though such statistics are not available for other countries, similar but greater disparities exist between the quotas of national income obtained by peasants and capitalist classes, all to the advantage of the latter. The lot of the colonial capitalist, as compared with the affluence of his brother in the independent capitalist country or even the imperialist country is bad enough. But his own position is immensely better than that of the colonial peasant. Even among these colonials, the plight of those belonging to dependent colonies is the worst. If the conditions of employment and hiring of british agricultural workers are admittedly intolerable, those of the Indian rural workers is so dreadful as not to permit satisfaction of the barest and most minimum creature necessities not to speak of their enjoying any of the simplest

conveniences or comforts or capitalist civilization. If the American farmer feels justly aggrieved at the present unfair disparity prevailing between his precarious living and the prosperity of the capitalist class of his own country and that of the world, Indian peasant has much greater grievance and stronger justification for his white-hot indignation against this capitalist society. Condemned as he is to live in mud-huts, with his workers crouching in their leaf-hovels, in muddy, narrow and insanitary villages, to be most parsimonious in the use of his clothing, to harness himself, his wife, old parents and children to tender age to the harsh yoke of limitless hours of labour in all seasons, from the biting cold days to the scorching summer times, from fever-yielding rains to the bone-breaking spring labour, with little or no bodily protection against the vagaries of time, the peasant nurses a terrible grivance against the rest of the world. He finds that the more he produces, the greater becomes his poverty. He sees that while all the urban peoples grow richer as by magic, he is unable to improve his lot to any noticeable degree. He wonders, at the injustice of it all. Into this unrelieved and heavy gloom and mistery had penetrated two great world shocks, the world depression and world wars that have shown him the way and encouraged him to dream of emancipating himself from his unutterable degradation.

Capitalism has overshot itself through its indulgence in world was and its unholy anxiety to pass on most of the effects of economic depression to the slender shoulders of peasants. As long as they were being ruined individually here one, there another, yesterday one, to-day another, peasants foolishly put it down to the mismanagement or misfortune of those victims. But when millions of them over Continents were suddenly and simultaneously swung into these catastophies for no fault of their own, their eyes were opened, their passions were roused and their fears of losing all their hold on their beloved ancestral lands were excited. Hence the new awakening among them; their revolts, their new concern for developing organization and their new determination to gain control of this trecherous economic system and make it behave itself in such a way that they can gain their proper desserts. The Russain Revolution had not a little to do in encouraging them to dream once again of power, plenty and politico-economic dominance. Their tribal memories, rural legends were re-kindled into glowing flames of hope and beacons of future. Thus we have come to the present-day metamorphosed peasant, out for full justice, real freedom, true values of life and complete control of all walks of life by the enlightened, organized and well-guided peasantry and proletariat and the nonpredatory intellectuals for the true benefit of all genuine toilers who contribute their best by hand or by mind.

The present day peasant knows that all that he produces over and above the meagre portion that is left to him for his bare existence is being taken away from him. He knows, that judged by every standard of right and justice, all that wealth is his own surplus product but that it is snatched away from him by all kinds of means, open and secret, with an appearance of legitimate market exchanges and without a show of force, governmental or private. He declares that none else but himself has the right to decide upon the disposal of that surplus product. He recognizes in Marx's theory of surplus value of workers, much similarity to his own and says with confidence that his 'surplus labour' produces surplus value but that it is being snatched away by various agents of capitalism. He realizes today that owing to his inability to look after himself, an inability brought about by historical causes, his tactical consent is being extract often under duress and on all other occasions, through "cornering" for many and varied blood-lettings from his own fruits of labour. He revolts against this social order.

The war-time compulsory food procurement programmes of almost all countires – both Capitalist and Soviet at hopelessly unremunerative prices have proved to the world peasants how they have all along been defrauded by the governing classes and how much they themselves had to suffer from under-feeding, all their surplus productions to be taken away to feed the urban classes. That bitter experience was proof positive that there was so much of surplus value produced by themselves and that it was quietly being drained away from them through inequal terms of trade during peaceful times and compulsorily snatched away during war-times. And one of his slogans is embodied in the American Agricultural Adjustment Act.

"It is hereby declared to be the policy of Congress to establish and maintain such balance between the production and consumption of agricultural commodities and such marketing conditions therefore, as will re-establish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period." (National Recovery Measures in the United States, published by I.L.O.) He knows that this comes nowhere near his real and full demand. But it is his minimum demand made in the darkest day of Economic Depression. He has thus shown that he is bent upon shaking himself free from his shackles and attaining real politico-economic freedom and power.

A *great significant transformation has been taking place among the world peasantry ever since the triumph of capitalism over feudalism.* Marx and Lenin had assumed without much Justification that ones feudalism was vanquished by capitalism, all the peasant would be transformed either into modern bourgeoisie or the proletariat. They had failed to notice and study as to what was actually happening to the great bulk of peasantry.

Marz and Engels rushed to wrong conclusions on the strength of their study of agrarian conditions of England, Germany and U.S.A. alone. That is, in agriculture as in industry, capitalism was replacing the free peasants by the expropriated, landless labourers, the commons by enclosures, the small holdingby large holdings, and the economy of petty farming by large scale capitalist farming. Although they knew there were highly developed peasant economy in France, tribal agriculture in Africa, and village communal organization in large parts of India and China they seem to have felt that since the bourgeoisie by the rapid development of all mechanized instruments of production and the modern means of communications, draws all "even the most barbarian nations into civilizations, peasants and others would have no other go than to" sink gradually into the proletariat partly because their diminutive capital does not suffice for the scale on which modern industry is carried on, partly because their specialized skill is rendered worthless by new methods of production. But the subsequent history has falsified their fears for the peasants and their hopes of the revolutionary achievements of capitalism when the communist manifesto declared that "from the serfs of middle ages sprang the chartered burghers of the earliest town" and recognized that more than one class existed in ancient Rome and middle ages, it should have stated as to what happened to the bulk of the feudal peasntry, when feudalism "burst asunder".

Lenin, had the benefit of studying the results of easily seventy years' happenings after the publication of Communist Manifesto and also the researches made into the social conditions prevailing during the middle ages and the capitalist era. Yet he did not try to study the evolution of the peasant as he has been coming to be within the bourgeois society. He merely contented himself with saying that the petty "husbandmen" who were settled down in the villages would come to work later "for the landlords" and proceeded to say that with the liberation of the serfs, the conditions of life of the mass of the people underwent a complete change". What was that? He said nothing about the fate of the bulk of husbandmen. He talked about the "small scale

artisans shops" being replaced by large factories which were "turning the handicraftsmen and other into wage labourers and compelled thousands of workmen to work together –". His other reference to husbandmen is capitalist production (it is not clear whether it includes agricultural production also – Ed.) "encroaches relentlessly and mercilessly upon" them "destroying their settled life in the village, compelling them to wander over the country as simple labourers". He could not have meant that the majority of such husbandmen had been turned into labourers since his own contemporary world did not experience such a transformation, even if "ever greater and greater portions of the population are torn away from the village and from agriculture to collect in the cities, factory and industrial towns and settlements". Also because the majority of the husbandmen managed to stick to their holdings and to remain loyal to their villages and continued to strengthen their hold upon the modern economic order. Yet Lenin said not a word as to how their economic status and needs and role had some to be shaped vis-a-vis modern capitalism. To anyone, who does not study the problem of the peasantry in an independent and historical manner, the writings of the orthodox communists give the impression that once feudalism lost its supremacy to Capitalism, the former artisans as well as peasantry had somehow been transformed into the modern proletariat and if there were any peasants as in France, India, China, Japan, they were bound to "decay and perish" and therefore needed no special study.

If one were to study history aright and read the lessons of class struggles of the past, one can easily see that up to the time when the Communist Manifesto was published, free peasantry as a class did not emerge from out of its prolonged eclipse by the feudal hegemony that had overtaken it in so many countries for so many centuries and only with the aid of capitalism, it is rapidly coming into its own.

All the past revolts of medieval Europe and the early risings of slaves against their Roman masters had as their main objective, their freedom from that stranglehold of tyranny and feudalism. When once all those revolts failed, even those sections of peasants, who had till then been free in some respects were degraded into the plight of serfs. Through various other struggles, different sections of European peasants were slowly raising themselves into various stages of freedom, from slavery through monumission into serfdom, from villeinage into peasantry, from mere landless farmers into share-croppers and so on. Feudalism found it convenient to create these various strata of European peasantry, since the copy-holders who had won their comparative freedom from so many onerous feudal duties used to consider themselves as far

superior to the less fortunate villains and the old and infirm who were reduced to begging.

When the Black Death in England, the Crusades and Hundred Years war on the European continent had reduced the toiling population and so enhanced the bargaining capacity of the survivors and weakened the hold of the settlement laws that had prevented the mobility of labour when the growing towns were quietly but impudently welcoming an ever growing number of erstwhile peasants who were escaping into towns from the clutches of their horrible feudal masters, the state came to the rescue of feudalism just as it does now in the African colonies and passed legislation like the present colonial vagrancy acts to force every man or woman in the country side to engage himself or herself in some employment or other offered by the feudal chiefs and to prevent them from holding out until reasonable prices or wages were paid and to fix maximum rates of wages and penalize any demand from any section of the peasantry for higher wages. Thus, as in the present day colonies, so in those Middle Ages, peasantry were forcibly kept down, prevented from emancipating themselves even to the slightest degree to which the historical conditions of their contemporaneous society was tending to favour them. We learn from my book 'Revolutionary Peasant' how many times the peasant masses of Europe had struggled heroically and repeatedly to wrest themselves free from this dreadful feudalism and its cruel state but all in vain. So when at last capitalism triumphed over feudalism, it only removed just those restrictions as stood in its way of recruiting cheap, plentiful supply of labour for its industries but would not liberate the peasantry as such from feudalism. And by the time the French Revolution burst on this purified European feudal society, both the rising capitalism and decaying feudalism took fright and went into an unspoken but effective alliance to keep down this awakened force, whose limitless revolutionary capacities were displayed as by a lightning by that epoch making French earthquake.

Throughout the ninteenth century European peasants could only succeed to get free from many of the earlier feudal disabilities such as forced labour, heavy tithes to the clergy, want of freedom to marry, divorce and move from village to village. But they could not gain either their own holdings or permanency of tenure or fixity of rents. There was slavery of the worst type even in European Russia upto 1870 and the Balkan peasant masses were in no better position. The 1905 Russain Revolution gave an indication that all spirit of revolt was not stamped out of the

European peasant and the 1914-18 World War I gave the first big and successful opportunity first, to the Russian peasants and in the wake of its, next, to the Balkan peasants mostly of the Slave race, to over throw their landlords, divide their vast domains amongst themselves and make their ancestral cottages, small holdings, their very own.

The Irish land legislation of the last thirty years of the nineteenth century confirmed the tenancy of Irish peasants on their holdings, reduced and regulated their rents and controlled the vagaries of the landlords.

Their gain from the teachings of Marx, Proudhon, Lassal, Bakunin, their admission into the limitless vista of Socialist possibilities, that was being opened out before them by the triumph of their own strikes, co-operative movement and their constructions of the great Social Democratic Party of Germany, Socialist Party of France and Italy, Labour Party of England, Syndicalist Party of Spain, and France and the Communist Party groups everywhere, and last but not the least, their rapid rise in their wage scales, standard of living and workshop control had all placed them on a pinnacle of glorious political opportunities and economic power, as contrasted with the unprivileged, unorganized and unawakened peasantry. No wonder their leaders and their thinkers made the facile mistake of thinking that peasants were a played-out force politically and had no future in the modern economic life.

When Marx assured the proletariat that they were the chosen section by Dame History to cart capitalism to its grave and to inaugurate and build socialist society and when they had actually found themselves on an upward wave of political power and economic opportunities, they believed but naturally that they alone could be revolutionary; they were entitled to dream of establishing their own proletarian dictatorship in the place of capitalist dictatorship and that they would naturally take under their wings, their weaker, blind and deaf and limping brother, the peasants. Did not the Communist Manifesto assure them as much? Did not Marx and Paris Commune justify their leadership and their appeal to the French peasants to trust themselves into their keeping? Little did they then realize that the much neglected Russian and Balkan peasants would rise in such an avalanchic manner and achieve their agrarian revolutions during twenties of the twentieth century.

Thus slowly but imperceptibly did peasants gain a few hard earned privileges but the great bulk of them could gain their elementary economic freedom to cultivate

their own holdings without any fear of arbitrary evictions only during the inter-war period. The extension of franchise to agricultural workers also in England in 1880, and to all the peasants of France, Italy and Germany did also help them a little in improving their economic status.

The one class of toilers who did really gain much from the defeat of feudalism and the progress of capitalism was the proletariat; at least to the extent of gaining political freedom from personal bondage and economic freedom to hire themselves out as wage-earners, without being entrammelled by the feudal restrictions. That even they have had to pay a terrible price for this little privilege will become clear to anyone who reads Engel's book on "The Conditions of Working Classes in England" and Mr. and Mrs- Hammonds' "The Town Labour" and "The Rural Labourer" and Marx's "Capital" and other books, on the subject. They had at least gained their historic opportunity of realizing through the exercise of their elementary political freedom, their own unendurable sufferings, their new experiences of group co-operation while at work, of their necessity to live in conjusted slums and of their inescapable day-to-day contacts with the horrors of capitalism. This naturally enabled them to realize the need for organization, revolt and mastery over their new master, capitalism. The great Owenite and Chartist movements, their later struggles for the Factory Acts and limitation of hours of labour and also for higher wages and better conditions of work, their experience of the European Revolutions of 1848 and the French Commune of 1870, their English rights of franchise and European trade unionism.

We find that in America too, the Red Indians and Negroes who formed the bulk of the peasantry in U.S.A. and Latin America were suppressed so effectively that even after the abolition of slavery, they could not emancipate themselves, from peonage, share cropping 'Reserves' and such other disabilities heaped upon them on account of their colour. The free white farmers and their workers did achieve a political and economic status, not unlike that of the proletariat and feudalism could not gain much control over them. As Marx discerned, large scale agriculture was gaining more and more control of American rural economy but capitalist agriculture, approximating in its efficiency to manufacturers, did not make as much progress as Marx in his enthusiasm had expected. Anyhow the Twentieth century had begun with the emancipated and conscious white peasantry and submerged coloured peasantry in the American continent.

Asia presents an entirely different picture. For millenniums village commonwealths provided shelter, protection and organized power for the oriental peasantry, especially of India and China. A good proporatin of them were either domestic slaves or were in such hopeless social depression as could hardly be distinguished from slavery. Slowly feudalism began to impose itself on them, owing to the growing need for protection from external aggressions. But the oriental feudalism was of an attenuated and apologetic form. It had no power, for centuries, to interfere in the internal administration of villages. It could only claim and receive the share of the State in the wealth of the people, as was being handed over to it by the concerned Village Commonwealths. It was not its concern whether all the land in any village was equally distributed from time to time between all the peasants' families or there was private property in land or whether all the villagers had common rights or only the peasants exercised any control over the village commons and unoccupied lands.

But as political conditions were becoming unsettled and as new waves of conquerors were pouring in and fresh batches of State's tax collectors were being imposed, in place of their predecessors but super-imposed as an additional State agency and as the successive kings began to make greater in-roads upon the traditional rights of villages, much confusion naturally resulted. Then the rights of village commonwealths began to be abrogated; feudal control imposed over their unoccupied lands, forests and commons, "forced labour" insisted upon and obtained the traditional rights of proprietorship of peasants over their holdings either weakened or questioned or set aside. In various parts of China and India, various stages of abrogation of ancient rights of villages experienced but at no time, upto the dawn of the present millennium did feudalism gain any permanent domain over any extensive area of the civilized East. Both feudalism and village commonwealths subsisted side by side, the farmer in the previously unsettled areas and the latter in their ancestral areas.

But with the Mohammedan conquest of certain parts of India, and to a lesser degree, with the Manchu conquest of China, an unhealthy and almost a revolutionary change came over the rural economy of these two great countries and their spheres of influence, comprising the whole of Central Asia and South East Asian Archipelagoes. Feudalism with most of its evils had set in. It received arbitrary powers and extra-ordinary access of strength at the hands of these alien rulers. Owing to their unreadiness to adapt themselves to Indian civilization like the previous conquerors and thus

accept the authority of Indian rule of law, as enunciated by the scriptures and practiced by the village commonwealths, and craft guilds and Town Councils and interpreted by the councils of Brahmins and Kshatriyas and by the Forest Sages, the highest judiciary of the country; and their anxiety to impose their law, custom and religion, a furious struggle arose between the conquerors and the conquered and the imposition of feudalism, invested with terrible powers, became a necessity of the State. In time, the conquerors had come to learn the wisdom of leaving the people to be ruled according to their own customary law and local social institutions. But due to its inability to become a part of Indian nationalism, the Mohammedan imperialism had to continue its super-structure of feudal hegemony.

In their struggles against such a better integrated power, the Indian rulers too found it necessary as well as convenient, to confer similar powers upon their own local officers so as to ensure the maintenance of well-trained standing armies and greater efficiency. They must have also been glad to take advantage of such an opportunity to reduce the powers of the Village Commonwealths, which had till then resisted their encroachments on their local autonomy and denied them any control over the social and economic life of the masses.

Thus by the time the British power came to be established, feudalism was struggling for predominance over village autonomy, with greater advance towards triumph. The frequent see-sawing of the various kingdoms as between themselves and with the empire, the numerous wars and movements of huge armies had, through all those eight war-torn centuries of Indian history, disrupted Indian village autonomy, weakened the villages and their peoples in their political status and freedom and reduced them into utter poverty and bankruptcy. Akbar's move to establish direct contract between peasants and the State must have been necessiated by the growth of feudal oppression over villages and their peasants. When the British Raj came, Indian feudalism was not replaced by British Capitalism. On the other hand, greater powers were given to Indian feudalism and the last remnants of village autonomy were brushed aside. Peasants were left entirely at the mercy of the new host of 'revenue farmers', who were recruited from the ranks of the former Jagirdars of the Mughal empire who were in no way better than the English merchant adventurers who manned the British Government in India. And the customary ancestral rights of ownership of land and permanency of tenure peasants were set aside in preference to the bestowal of ownership of land upon the new class of revenue-farmers who

came to be known as Zamindars. As Marx rightly observed, even this injustice could not have so rapidly and so fully destroyed the economic unity of the village, if its millennium-old self-sufficiency (so far as the satisfaction of the most elementary needs of the people was concerned) had been left intact. Instead, the forcible suppression of Indian cottage industries and the state-sponsored imports of cheap and machine-made British textiles sounded the death-knell of village self-sufficiency and thus completed the enslavement of millions of Indian peasants.

But Marx hastily rushed to the inference that Indian peasants as well as those of China would automatically and inevitable have to give place to capitalist large-scale farming, although he did fear that British capitalism might continue to prop up Indian feudalism and thus hasten the hateful liquidation of traditional cultivators of land.

What had happened was entirely different. True, British Imperialism propped up Indian feudalism, ranging from the Princes of the Indian States down to Zamindars. True also, the "cash-nexus" it had introduced through its insistence upon the payment of land revenue and other taxes in cash and entries, even when neglected, exploited and downtrodden by colonial and feudal rulers have always made the major decisions, concerning their own and their nation's survival". Thus just as the proletariat have been gaining ground as against capitalism, Peasants too have begun to score and more success.

Since the dawn of Independence, Indian State Legislatures have not only conferred permanency of tenure and fixity of rent upon tens of millions of tenants but also abolished landlordism altogether. In china, landlordism was being liquidated even when the Japanese aggression began and it is completely abolished by the new regime. Egypt had led the way for the Arab States by its abolition of feudalism of the Pashas. Slowly capitalism is obliged to give up its support of colonialism in order to save itself from the gathering storms of peasant revolts.

CHAPER XVI

PEASANTS ON THE WORLD'S ROAD TO REVOLUTION

CRITIQUE OF MARXIST – LENINIST – STALINISM

Marx portrayed peasantry as anti-revolutionary and yet a force to be won over and led by the proletariat for a successful revolution. Lenin and Stalin inherited this prejudice but had made some refinements on the former, influenced by the experience they had with the peasantry.

In fact, peasants need revolution even more urgently than the proletariat since they were the most suppressed and neglected sector than the proletariat who were being bribed by the capitalists through sharing some of the wealth extracted from the peasants.

The revolution does not burst out merely from the worst conditions, but has to be engineered through their own class organization. Peasant must react against this exploitation either by a series of revolts or by means of co-operative organizations.

Some feel that peasants are incapable of sustained and organized revolutionary activity. This is a mere prejudice which can be easily seen when one recollects the various revolutionary movements, broke out after 1920.

The disadvantages of their scattered and isolated living had been off-set by their common traditions and practice of communal consciousness. Proletariat cannot claim any net advantage to leadership since the advantage of their concentrated living had been off-set by their lack of common traditions.

The emergence of political Democracy with their voting rights and the introduction of cash crops make the peasantry politically conscious and tend to make them realize their own strength, both numerical and strategic.

Modern peasant, therefore, wants only a comradely relationship with the proletariat, co-operating with them on a footing of equality.

Marx set Communists on the wrong track by declaring that peasants can only be reactionary, as he thought, under his contemporary conditions, that peasants could be revolutionary for a time only for the purpose of avoiding their own

destruction by the advancing Capitalism. He realized the proletariat's need to win over the peasants as their ally in their revolutionary career and exhorted the French peasants to throw in their lot with revolutionary working class of Paris Commune and accept the leadership of the proletariat. He even warned German workers against Lassallian prejudice that peasants and handicraftsmen would be the anti-revolutionary forces which the proletariat had to fight in order to win social revolution and advised them to win their co-operation for the achievement of Bourgeois Democratic Revolution.

Lenin made further progress on this stand by first of all ignoring the earlier prejudices about peasants' alleged role of reaction; secondly by stressing the need for awakening them and winning them over to the revolutionary cause as the allies of the proletariat and under the effective and firm leadership of the proletariat. Thirdly he realized the revolutionary momentum of three of the fundamental needs of Russian peasants, that is, for land and freedom from feudal exploitation and peace and so, he added those slogans to those of the proletariat. But he continued to cherish the prejudice that peasants might not display the same sustained, conscious and organized revolutionary fervour and ability that the proletariat could. He also thought that since peasants were devoted to the idea of private property in land, they might not be as whole-heartedly in favour of a real socialist order as the proletariat and they might forsake the cause of revolution half-way, once their need for land was satisfied, as had the French peasants been supposed to have done. He inherited the prejudiced notion that peasants'agriculture was bound to be less economical than capitalist agriculture , that to peasants co-operative cultivation was anti-thetical and the cause of progress could not be effectively served; and the evolutionary proletariat could not be effectively served; and the revolutionary proletariat could not be assured of a progressive standard of living until and unless large scale agriculture-capitalistic in the first instance and socialized at a later stage – was helped to replace peasant economy. He did not adequately guage the capacity of co-operative agriculture to achieve all the merits of socialized as well as capitalistic agriculture without evoking their demerits of "Sergeant Prishibeyer" policy of coercion and "forced and indentured labour" respectively. He failed to take sufficient count of the great strides being made by world's peasantry in rehabilitating their agricultural methods and in rising to the occasion, provided by the growing needs of modern capitalist society for more variegated produce, in

larger quantities and of better quality. He had also had no occasion to observe, what later on became apparent, how peasants were likely to be thrust *enmasse* into politics by the tremendous convulsions, caused by economic crisis and world wars. His bitter experience of Russian peasantry, being in part waylaid by the reforms of Stolypin, in part led by the cadets, Narodniks and Mensheviks from the days of 1905 Duma right upto the elections to the Constituent Assembly of 1917 seemed to have warned him against relying too much on the Russian or any other peasantry. In his times, the world peasantry did not show such passion for organising themselves into national class movements with definite revolutionary aims and with the capacity and readiness to organise many local struggles and achieving the intoxication and self-confidence that come in the wake of repeated success in their struggles and of carrying on sustained class-conscious agitation under their own peasant leadership.

Stalin inherited Marxist – Leninism. He had observed the bitter and unfortunate consequences of Trotskyist methods of military levies of grain, grabbed from peasants; and also how peasants' natural obstruction to Sergeant Prishibeyer's methods of commandeering peasants' grain for feeding the towns, had so powerfully reinforced the opposition to Trotskyist militarisation of economic life, that Lenin was obliged to beat a temporary retreat and inaugurate the New Economic Policy. So, he made the powerful modification in his inherited ideology regarding peasants; that instead of forcing peasants to be merged into the Solkhoz or State Farms or into the Kolkhoz, or Collective Farms, it would be best and possible to persuade them to realize the special advantages of Kolkhoz over and above their own economy of small holdings. He further developed Leninist policy of distinguishing the peasant ranks from the Kulak class of peasants whose mind was so irreparably poisoned by Capitalism against any compromise with Socialism and who were wedded to the capitalist methods of exploiting their workers and private enterprise and he further modified the Soviet stand for peasantry by declaring that the real peasant; that is, the middle and poor peasants, could be and would be in favour of socialist construction.

But even he would not recognize the right of peasants to play an independent revolutionary role, in their own right nor would he realize the need for the world's peasantry to develop their own class organizations, achieve their own class consciousness, emerge as a self-reliant revolutionary force, without being dependent upon the proletariat as their tutor, guide and leader. His experience of the erstwhile Slave – Russian peasantry and his later bitter experience of the embittered, obstructive

and suspicious post-Nep-Russian peasantry might have stood in his way of realizing the possibility of and need for the development of a powerful, conscious, organized and revolutionary world peasantry, capable of standing on their own feet, inviting and welcoming the co-operation and conradely alliance with the proletariat on a footing of free and equal partnership in their common revolutionary struggle against their common enemy, the capitalist order society. It is not known to what extent, if at all, Stalinism had been influenced by the achievements of the Danish, Uruguayan Co-operative peasants. But in it we can certainly find similarities with some of the features of Danish co-operation and Norwegian democratic method of settling peasant problems whenever either consolidation of collectivization of holdings had to be decided upon.

Now can we be satisfied with this heritage of Marxist Leninist – Stalinism? The orthodox Communists say 'Yes'. But the authors and votaries of Indian Peasant Movement of 1923 – 1955 say 'No'. The Mexican peasants have asserted their dissent, through their successful revolution. Mr. Chester Bowles who has surveyed the world's postwar trends also says "No" (The New Dimensions of Peace 1953.)

At last truth seems to be triumphing over this half-a-century-old anti-peasant orthodoxy; after Soviet disavowa' of Stalinism. For instance, Mr.Mikoyan, the First Deputy 'remier of U.S.S.R., has frankly admitted in March 1956 during his Indian tour.

I will try to provide the answer of modern peasants in the following pages and indicate their supplemental thesis for maintaining that peasants have to take an independent stand and give their own revolutionary and progressive leadership. And what they will have to fight for will be a more comprehensive, wholesome and satisfactory order of life than what the orthodox communists have so far been struggling for and dreaming of, within the aegis of their aims of proletarian revolution, proletarian dictatorship and proletarian socialist construction.

Do peasants need Socialism? Certainly. They need it even more urgently than the proletariat. This may be unorthodox to say so. But it is the truth. As we have already noticed, there is still a chance for capitalism to go on bribing the proletariat of many an imperialist and even colonial country, thanks to the unceasing and ever swelling in-flow of surplus value extracted from peasants, into partial, temporary or permanent cessation of major class struggles. Dragging along at the tail-end of the

bourgeoisie in the economic exploitation of this monopoly (of the world market) but always sharing in its profits, they (British Working Class) naturally drag along at the tail-end of the "great liberal party" which has thrown them some small sops". (Engels 1883 August "From Archieves of Marx and Engles. P. 225). But peasants cannot thus be negotiated with and their inevitable and growing class struggle against the present iniquitous and treacherous transference of their wealth and political authority to the Capitalist classes cannot long be held in check or permanently liquidated, as there are no other classes to be exploited. Since the Capitalists of different nations and continents are in partrivalry with each other they have a tendency to level up the general wage-levels of different countries, though World Capitalism, as a whole, may be losing thereby and thus the world proletariat has still a long lease of self-appeasement.

Peasantry and Proletariat: The world peasantry, on the other hand, have no such bright unrevolutionary prospects. Capitalism can waive its weapon of "world markets" at its own peril and excepting for a few areas and for short periods, it tries to continue to wield this merciless weapon against peasants. So long as the World Markets function either fully or partially, the general tendency is for agricultural prices to be stabilized at the present levels of disparities, in their relation to industrial prices and rewards and for internecine international rivalries between the more fortunate and less fortunate and more free and less free peasants of different nations; to keep the general conditions of peasantry depressed, relatively to the economic status, and opportunities of not only the capitalist classes but also the proletariat. In some of the imperialist countries, the proletariat have achieved such social services and economic privileges and their appetite for much more, in the way of Beviridge Social Security plans has been so much whetted that they are afraid of either losing further chances of success and progress or being faced with a possibility of reduction in their present status. They may therefore, be tempted actually to obstruct the attempts of peasants to attain parity with all other toilers and classes in the enjoyment of world's wealth and goods and atleast not to persevere in their class struggle and thus help the world's masses to achieve Socialist reconstruction. It is not so with peasants. They have yet to attain parity with the urban people in general, not to mention the other more fortunate sections of population. They have no chance of attaining social justice until capitalism is vanquished fully and irreparably in every large part of their respective continents, if not the whole world, recognised, that though they are the entrepreneurs in the agricultural enterprise, they are even more firmly enslaved to the Capitalist system than

the industrial workers. They have no need for their own legitimate remuneration, to exploit them, although they are made the instruments through which Capitalist system extracts the surplus value produced by the agricultural workers as well as their families. Like industrial workers and agricultural labourers, peasants too need employment to earn their livelihood. But while the former had to go to others for employment, the latter find employment on their own lands – their means of employment and through their own tools just like artisans.

If they complain about their fate, they are told to give up their holdings, merge them in co-operative farms or economic unity and then become workers free to labour on their own fields or other fields or in factories or any other walk of life. When they say that there are no other sources of employment, they are asked not to complain of their fate but be content with their small holdings.

They say that peasants are land owners and as such they belong to Capitalist class. They forget that to own ones own means of livelihood or source of employment is not a counter revolutionary or retrograde or exploitative activity in any social life but just the reverse. Why do they want the end of Capitalist system? Is it not because it has deprived the working class of their ownership of, and control over their means of living? If so, why do they inveigh against peasants and artisans who have not yet last the last vestige of economic independence, namely, control over their source of living? To complain against a peasant who owns a holding while so many have not attained it is as unreasonable as to complain about workers who are content to be employed in some factory or the other, while so many workers are actually unemployed.

Lenin was woefully wrong when he said that peasants are the last of the capitalist class. If he had been correct in saying so, then he would have had to agree that industrial workers who had been insured against oldage, unemployment, who were drawing bonuses and who come to possess insurance policies were also capitalists. Of course he was wrong.

In fact the industrial workers of this century have achieved a better social status than our peasants. They have come to learn what their rights are, which the great majority of peasants have not yet attained. They are achieving social securities and are demanding full employment, and insurance schemes against unemployment and oldage. They cannot be dismissed from work in any arbitrary manner nor can they

be treated badly while at work. Do our peasants enjoy any such rights? There is not even famine-insurance or crop-insurance or cattle-insurance for them. Their right to full employment is not yet recognized. Their need for social securities is not yet comprehended. They are left very much to shift for themselves and find a meagre living.

Massingham rightly complains writing about England that "the peasant in our country is the most despised and rejected among men. Not the meanest of bottle-washers holds a lower place in public and learned estimation". ('Prophecy of Famine-p. 117.)

Therefore whose plight is then more enviable, that of the industrial workers or of the peasants?

To trot out the trite complaint that peasants are unlikely to plump for wholesale revolution because of their fear of losing their much-loved small holdings, is to forget the equal affection felt by large sections of the proletariat for their provident funds, social service funds and conveniences, advantages of seniority in any service or workshop and also their fear of prolonged unemployment, eviction from the employer's houses etc. If these whole hoggers of proletarian revolutionary capacity can find it possible for workers to dismiss all such affections and go ahead with their revolutionary task of over throwing capitalism, they cannot in reason, question the bonafides of those champions of peasants who believe in all sincerity because of their study and experience of peasants' past and present struggles that peasants too are equally, if not more, capable of sub-ordinating their genuine and necessary love for their holdings to their greater ambition of achieving nobler, richer and fuller peasant life.

Furthermore, it is a wrong notion to think that peasants are so blind as not to realize their present utter wretchedness resulting from the present social dispensation, the inadequacy of their incomes from their too small holdings and the necessity for achieving greater family incomes and subsistence. Through their voluntary and co-operative consolidation of holdings in the Punjab and Scandinavian countries and through their Co-operative cultivation endeavours in pre-Mussolini Italy, Denmark, Japan and U.S.A. and also through their co-operative marketing ventures in all continents, they have shown that their intelligent and progressive sections have realized the advantages of better and co-operative organization. The lesson of Soviet collectivization, the war-time co-operative agriculture of England and U.S.A. and China, are revolutionizing the peasants' mind. So the very affection and loyalty of peasants

for their villages and lands will turn out to be one of the most effective weapons in their armoury of social revolution.

And most of the African Negroes and a very large section of the Red Indians of Latin America are still loyal to their tribal ownership of land and are either unfamiliar with or are not particular about individual ownership of land. The Indian and Chinese institution of joint family, which has been weakening due to the capitalist offensive, also minimizes the power of individual ownership. To all these people, the modern co-operative organization will not at all be either strange or unwelcome and they can easily bid fair to win the approval of these millions of peasants and thus revolutionise their economic status in the world. Therefore, there is nothing frightful to the vast majority of peasants in Socialist prospects.

Is there such an irresistible and all pervading drive almost with the avalanchic fury of inevitability inherent in and arising from the present social system of contemporary capitalist as well as communist world, in its relations with the peasantry? All Socialists are agreed that there is such an impelling force, compelling world proletariat to move only towards the final achievement of Socialism. They say that peasants have such revolutionary needs as to impel them to adopt the leadership of the proletariat from time to time and on specific occasions. But they do not feel sure that peasants have such revolutionary needs and capabilities and traditions as to thrust them on further and further on the depended and widened channels of social struggles and to keep them loyally and determinedly engaged on reaching their goal of social reconstruction after liquidating the whole capitalist classes through the combined revolutionary activities of all the toilers. There is no need for any such doubts and fears. Peasants are set, as unswervingly, irrevocably, and self-interestedly on their revolutionary purpose and mission as the proletariat and can be trusted to go ahead.

Why? Because otherwise their elementary needs for food, raiment, housing and especially land, which is the lifespring of their whole personality, which guarantees the enjoyment of freedom, while at work and right to work and the right to cultivate cannot fully satisfied. For too long a period, it has been wrongly assumed that the tenacity with which the handloom weavers and peasants have clung to their looms and ploughs was more a reactionary force than a progressive tendency. In those early days of capitalism when every major economic crisis was confidently expected to ripen conditions for and usher in a social revolution, there might have been some excuse

for neglecting the importance of the right of worker for work. But when economic crises have become a regular feature of our contemporary history and capitalism has been going on from strength to strength despite its endemic crises, and when the blight of unemployment has become a chronic feature of contemporary working class career and when, therefore, to demand the right to work has become one of the biggest immediate tasks of the proletariat, it is unrevolutionary and unsocialistic not to realize the significance of the demand made by handloom weavers to be enabled to earn an adequate living on their looms and by peasants to be helped to remain on their lands and earn a decent living by their cultivation.

They already possess their instruments of production and to that extent, they are independent of the demoralising devitalizing capitalist control. They have to win additional power, enough to vanquish capitalism and improve and increase their quota of freedom from exploitation and right to control, mould and utilize the State and economic structures so as to double and treble the social conveniences, cultural attainments and other sources of happiness. They have shown by their tenacity, and staying power that they are capable of triumphing over the wiles of capitalism and they are determined not to be deprived of their employment and not to be thrown into the abysmal depths of endless unemployment. They know the value of employment, created and maintained by themselves, inspite of all its increasing rigours and worsening conditions and poor returns. And their revolutionary capacity, to fight for its retention and against any risks of losing even that much cherished freedom and independence is certainly as much as what proletariat have so far displayed in most countries of the world.

A peasant is less of a burden on Society and its government than a proletariat because, he would ask only for the creation of opportunities for supplementing the work he would be creating on his own land through his own initiative whereas the proletariat would be depending entirely on the resources of Society and its government for his employment. Therefore every prudent society and government ought to be trying to help more and more people to become either peasants or artisans and thus relieve themselves of the responsibility of finding full employment and a decent level of wages and social securities. Instead, to complain about there being too many small holders who devote so much of their time on their tiny holdings in their efforts to maximize their production and income is to misunderstand social responsibilities and invert social values.

Can our peasants derive adequate earnings without having to exploit agricultural workers? They can. And it is the duty of the society to help them to do so. As things are, our society is forcing peasants to exploit not only agricultural workers but also their lands, cattle and their families in order to enjoy the privilege of working independently on their own lands to enjoy the exercise of their enterprise and semblance of economic independence and to escape from the plight of having to work under some identifiable master. Thus, our peasants are made to pay a heavy price for this independence of theirs and they value it so much that they put up with all the vagaries of the capitalist system and its world markets and their one sided price-system. It is to add insult to injury, if on top of all this suffering, borne so patiently and for so many centuries, they are to be accused of being a capitalist and exploiting class.

There is one sovereign remedy to relieve our peasants from their present unenviable and enforced duty of having to extract surplus value from agricultural workers, only to be passed on to the capitalist or socialist masters of the present day society. And that is to fix the wages to be paid to agricultural workers in accordance with the standards of living and what the society can afford to pay and then to calculate the prices to be paid for different crops from year to year and thus assure decent standards of living to both workers and peasants is to mete out social justice to agricultural classes.

I am confident that if these facts are properly explained to industrial proletariat, they will agree to these minimum demands, though they may have to forego their present shares in the overall exploitation of agriculturists. I am also equally sure that Vinoba Bhave and his disciples too will give up their antipathy to our peasantry. It is then for socialists and communists to make up their mind whether they will re-interpret their Marxism, Leninism and Stalinism in the light of this demand of our Kisans and Kalakars for a fair deal, for a need of social justice equal to that vouch-safed to industrial workers. We are therefore confident of one thing; that is, peasants are no class of exploitors and can live and survive and progress without exploiting anyone.

Our orthodox communists are so fond of repeating, how more and more peasants are becoming landless, how absentee landlordism is gaining strength, how rack-renting is increasing and how so many landless peasants are drifting into towns and how, such streams of rural immigrants into manufacturing centres are depressing the wage-levels of the proletariat. All those and other facts are

only tending to intensify the hatred felt by the peasantry towards capitalism to fan their discontent and to steel their desperation. How great would be their shouldering desperation and how terrible could be its outburst were displayed in the inter-war years (1920-24) when once the flood gates of revolution were thrown wide open; the thousands of Russian, Polish and other Slavonic and Balkan landlords were thrown over, their places razed to the ground, their game preserves and estates occupied by peasants. Even after reaction set in and the peasant regimes of the Balkans were liquidated, the Rightist Governments did not dare touch the new land distribution so spontaneously ad revolutionarily achieved by peasants in their traditional rule of thumb manner. It is this volcanic, irresistible and brewing passion of peasants for land, for freedom and also for political and economic self-government and power which is driving them on towards the final goal of Socialist reconstruction of World.

In fact more than twenty five million peasants have achieved ownership over their lands after India has won Swaraj, by the mere momentum of their historic demand for such rights over their ancestral holdings. The sixty million peoples of over 600 Indian States have also won their freedom in a peaceful way through their persistent and organized agitation for Swaraj. These two phenomenal Indian triumphs demonstrate how sometimes reactionary or exploiting social systems crumble down almost by themselves provided a progressive movements hastens the process.

Any society and its state ought to feel happy that there are such large sections of people which are not a burden on it and which are so self-reliant and which not only feed and maintain themselves through their own organizational genius and efforts but also make a contribution to the general social well-being. Such indeed should be the attitude of every progressive and revolutionary. Anyone who is opposed to such an attitude must either be a social pervert or an enemy of progress and revolution.

WHAT ARE ACTUALLY THE FACTS?

Who is a progressive? That one who works for the welfare of a class or a group of people who have a legitimate role to play in society and whose role is conductive to social progress. Who is a revolutionary? That one who seeks to remove all the impediments which thwart the progress and achievement of social justice that is the legitimate due of a depressed or suppressed or neglected class or group of people. Judged from these standards, we claim that we are both progressive and revolutionary because the classes of Kisans and Kalakars have long been neglected, depressed and even suppressed by the upper classes.

But say the Communists, that the Kisans and Kalakars have no future progressive role to play in society and that they are destined to be liquidated either forcibly or by natural course of social evolution and therefore, any effort made to resuscitate them can only serve reaction and conservatism! We maintain that they are wrong; their Marxism has led them to wrong conclusions and actually into a counter-revolutionary attitude and action.

It is wrong also for socialists to entertain the complacent feeling that peasants will be satisfied with the achievement of the right to land and its exploitation. For there is even a greater and more insistent and more essential right which they are impelled to demand and achieve; thanks to the inevitable capitalist and communist price-mechanism. The Communist mechanism of defrauding them and denying them of the largest fruits of their labour and degrading them into a 'depressed state' in modern society, through the imposition of price-squeeze provokes them to rise against this injustice. The more they are obliged to depend for their necessaries on the manufactured goods, for the realisation of the value of their produce upon the operations of World Markets or the Soviet decisions for their contacts with the out-side world on the modern mechanism of exchanges and currency; in the capitalist zone and communist sector and for the continuation of their cultivation operations upon the treacherous activities of capitalism, or the more enemical MTS and other devices of the Soviets, the greater is their liability to lose their all. All this brings more and more of them nearer to the realization of the inequity of modern social dispensation and the unendurable nature of the unequal distribution of wealth and rewards as between the rural and urban people, peasant and other classes. Sure as anything they must react to all this only in one of two ways. That is, one way leads to a series of revolts; and the other guides to the equally effective anti-capitalist and anti-Soviet means of organizing peasant co-operatives which replace the middlemen and establish direct contacts between themselves and consumers. For too long a period, the world peasantry had been withdrawing and crouching in its shrinking 'reserves' of primary productive operations. These is no longer much ground to be yielded and escape to be availed of. They have to decide either to 'die' as peasantry or sweep away all these strangling coils of capitalist and communist exploitation. Their decision is not in doubt. They have been displaying only one tendency in all their activities, and that is to revolt against the exploitative engines of capitalism. The present co-operatised peasants of Peoples China will also revolt and achieve freedom to own their means

and source of employment. The issue is not in doubt either. For whenever they had struck, they have achieved visible success. Thus all the tendencies of modern peasant history lead to social revolution. But will it actually occur?

As for sustained revolutionary effort, the proletariat, in whom alone the orthodox communists discover the real revolutionary spirit and capacity, have not displayed any more satisfactory record. To say that peasants are prone to indulge in local unco-ordinated and spasmodic struggles and hold it up as their disqualification for revolutionary work is to ignore similar disability of the proletariat. To complain that peasants are too prone to succumb to the bourgeois propaganda and to entertain bourgeois prejudices and for that reason, to question their revolutionary tempo is also to create an unreal bogey against the proletariat since large numbers of them also suffer from similar weakness. There is no weakness, disability or illtemper of peasants which the proletariat do not suffer from and it is foolishness on the part of any socialist to try to build up a false case against peasants, only in order to bolster up the 19th century prejudices against peasants which were formed due to insufficient data regarding and inadequate appreciation of past struggles for freedom waged by peasants and also to the exaggerated and Optimistic estimation of the revolutionary prospects of the proletariat.

In point of fact, peasants have displayed immensely greater revolutionary capacity, sustained organizational and agitational abilities and evolution of political demands and fervour than had been anticipated by the most optimistic socialist, whereas the proletariat have disappointed many a time, even when political and economic conditions were found to be most favorable for revolutionary action. It is not an unimportant thing that the first proletarian revolution took place in Eastern Empire of name-sake Western State, Russia, with very little industrialization and the first series of peasant revolts to have taken place in India and China, Mexico and Chili. Though contrary to the expectations of the traditional western socialists, this experience is quite in harmony with the real development of politico-economic relations. While the capitalistic West and U.S.A., were more fertile in writing and talking and disputing about various facets of socialist ideas, and their masses were busy in masticating the rich tropical fruit of surplus value pouring into their social wealth, the half-starved orientals and colored peoples and the much persecuted Russians had gone ahead with their political, economic or social revolutions.

Lenin said : "Victory of Socialism is possible first in several or even in one capitalist country, taken singly." Stalin Wrote that Lenin maintained even before the first world war taking as his basis the law of uneven economic development of the world the victory of Socialism in one country is possible, "Even if that country is developed in the capitalist sense". (October Revolution' by Stalin – p.18)

Socialists will do well, therefore, not to dismiss the claim of the renascent peasant of these Sixties to stand up in his own right, to Capitalism and Communism and to develop his revolutionary movement and organisation, to formulate and fight for his own class aims and objects, embracing the whole life as it affects his mind, body and environment, to insist upon being led by his own class leaders, to refuse to be tacked on the to the bourgeoisies or the proletariat as their hinterland or to demand the principal voice, place and power in the revolutionary endeavour to be made, the socialist dispensation to be achieved and the socialist constructive programme programme to be realized and to demand freedom from all kinds of dictatorship from that of the bourgeoisie to that of the proletariat and to yearn and work for a full-pledged peasant –proletariat peoples democracy and never to let his destiny be decided and his way of life be dictated by any other class.*

Generally speaking, a peasant knows the organizational side and business management of his cultivation operations. In this, he is at an advantage over the proletariat who do not know how to run any of the large industrial establishments in which they work since they have no opportunity to gain either the required knowledge or experience. That is why, when the French, Russian, Balkan revolutions had taken place, peasants proceeded immediately to liquidate the landlords both temporal and spiritual to burn down their rent –rolls, to parcel out their lands amongst themselves according to some rough and ready method, to cultivate those lands, produce even better crops and manage the governance of rural economy in quite a sensible and productive and progressive manner. Not so was the case with the revolutionary proletariat of Italy and

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* Massingham has concluded his life-long study in this inspiring and truly scientific manner; "The rapid decline in our own time of the Capitalist industrialist system can band ought to accompany the corresponding release and elevation of the peasant economy and the peasant values " p.131)
"Exhibitionism of large scale factory farm p.133.

Russia when they captured the Lombardy factories and Russian mills respectively. For a long time, they could not work those mills and factories and they did not know how to re-organize their business, mechanical and to other aspects of the big plants that feel into their hands. Naturally peasants feel that they can make quite a successful revolutionary use of land once it falls into their hands and also of Governmental machinery, one they capture it.

Unlike the great bulk of the proletariat, the majority of peasants are acquintedwith methods of governance in social and economic matters and even in political sphere. Whether it be in the tribal organisations or in the management of joint families and their cultivation operations or in the governance of their local villages, peasants are generally acquainted with the need for decision and disciple, developing organisation, regulating production and leading and guiding on another and displaying corporate spirit and loyalties. They, therefore, are not baffled by the necessity for taking charge of local economic and political organisation. The same thing cannot be said in favour of majority of the proletariat from whom capitalism knocks out what little administrative abilities they may have derived form their rural traditions. It is true, that peasants, like workers, are yet unable to visualize and manage national problems and that the ambit of their political capacity is often circumscribed by a village or district. But it is just this limited capacity of the Russian masses that Soviet Russia has harnessed so successfully through its concentric circular edifice of Soviets, raising from the workshop and village society. Similarly constructive and progressive use of the ideological bases of the panchayat, the village commune, the tribe and the trade guild, which still from apart of the traditional lore, thought and up brining of majority of peasants in the East and Indo-America, can be made to enable peasants to tackle most of the present organizational problems and future socialist constructive trails.

The disability of peasants, living not in any congested village or town but in numerous homesteads, cottages or huts, all far distant from each other, making it so very difficult for a ready, easy and daily meeting between them is to a very great extent offset by the prevailing peasants' tradition and practice of communal consciousness and respect for rights and discharge of communal duties. While the proletariat enjoy the advantages of working in a few factories and in large congregations, living in the same towns and being capable of easily and readily meeting often, whenever need arises, for the discussion of problems of common interest, they lack the peasants' traditional spirit of cohesion, awareness of common interest and readiness to execute

the collective decisions of the local community. The market place, the local temple, mosque or church, the local public inn or village-hall witness many informal or even formal gatherings of peasants and in them are taken quite vital decisions, Westerners who are acquainted with the want of much cohesive spirit and communal consciousness and who take the prevalent individualism of their people for granted as if it is something natural or healthy, wrongly assume that like so many of their peasants, all the peasants all over the World and individualistic, insular and resentful of outsiders' interference, guidance and collective action. The life of oriental or Indo-American or African peasant gives the lie direct to the pretty but harmful generalizations of Western thinkers and writes regarding the mentality and capabilities of majority or world peasants. In fact the rapid progress of the Agricultural Co-operative Societies demonstrates the latest co-operative spirit and peasants readiness to combine for mutual protection.

Capitalism has contributed one very important idea to the modern peasant. Thanks to the development of commercial or cash crops, peasants are obliged to think sometimes of the foreign markets, the countries that produce just the common duties that they supply. Modern world war too have widened the horizon of the peasant. Soviet Russia's revolution has awakened a new interest in them abut the happenings outside their country.

The news of the strikes of workers in different countries kindle peasant's curiosity and his wonder at the new powers of agitation, organisation and waging successful struggles displayed by workers, some of whom may possibly have gone from his own village or his neighborhood and excite his ambitions. Slowly but surely, modern peasant is becoming nation conscious and aware of world events. The recurrence of world economic crises, affecting his life so intimately and so painfully and threatening his very economic solidarity that he has come to accept as unchangeable and solid as his won land, have done not little to widen his mental horizon and sharpen his practical use. Therefore, he also has begun quite naturally to think of some thing to improve his lot.

Such a peasant does not take kindly to any suggestions or theories that he shall accept the leadership of the proletariat. He sees that so far as the World outside Europe and U.S.A., is concerned , an industrial worker is in no better position either in body or mind, in organisation or in collective consciousness. He knows that he

has tradition of corporate activity while the other has little of it. He feels a sense of social superiority to the other who is, when compared to himself, like a rudderless ship, with his ties to the village torn away and with no effectual urban community of interest to draw upon. He has the assurance that he is his own master through poor, depressed and dejected, where as the other is supposed to be slave even while he is at work. To ignore these and other social feelings and assurances of peasants and to demand them to accept the leadership of urban workers is to condemn such a revolutionary venture to still - birth and to give an excellent chance to the capitalists to fan distrust and dislike of the proletariat among peasants.

Peasants know the strength of their numbers. Most of them including the Indian Harijans are having votes. They have had a taste of the cumulative power that their numbers and votes mean for them as well as to be candidates and society. They are generally in a much more advanced, conscious and self-reliant mood and condition than the Russian peasants of 1917. To go them and ask them to accept, say the leadership of the Indian proletariat who form but five percent of the population, Who have not yet become acclimatized to their adopted towns and who are still cherishing their ties with their villages and who no recognizable common social discipline, is not at all to win them over to any common course of action. True I also realize the truth of Lenin's Protest against the strength of mere numbers., but when those numbers are strengthened by the consciousness of their social hegemony and a rising class consciousness and the in influence of peasant co-operatives and are tied up with I feelings, it will be foolish to ignore their significance.

And during the last 25 years, the technique of national -isation has come to revitalize larger and larger sections of peasants. The America, Canadian, Australian and British peasants (farmers) have realized the need for their national class organisation and have achieved some success at parliamentary sessions. The Irish peasants too have formed their parliamentary party on the lines of political peasant's (farmers) parties of in Denmark, Balkan States, Poland and Scandinavia, which have all come into great prominence since the last war. The imperialist struggles of China and India have awakened the myriad millions of peasants and kindled their political consiousness to such an extent that they have begun to form their own class organizations also. We took the first faltering in re-awakening Indian Peasants' interest in class organisation in 1923 and by 1936 , the all India Peasant (kisan) congress took shape. Ever since it has grown to be one of the most powerful and anti-imperialist and anti-communist

class organisations of India. Today, The Indian peasant masses are on their way to realizing need and advantages of a nation wide class organisation.

This is now the age organized peasantry. To them number are a source strength. This is also the age of peasant co-operatives. Class consciousness and class solidarity are another source of strength. They have made the discovery of the laws of their economic life, the various means by which they are being impoverished and their wealth drained away all but unknowingly by various agents, allies, and minions of capitalism cum feudalism cum imperialism and also by the agents of the communist dictatorships of USSR, China and South East European countries. They have come to know not only the ways of escape from the clutches of their enemies but also the revolutionary means by which they can come back into much better state (political, economic and social) than their fore-fathers had ever enjoyed in the Halcyon days of village commonwealth. They have achieved the defeat of world markets and evolved the national systems of stabilization of agricultural prices. They have no more terror or coercive procurement of gains, merciless 'Price-squeezes' and compulsory co-operatives, because they have learnt through their painful experiences in the Soviet lands and under Soviet tyrannies, how to break through such chains. The past 40 years of their sufferings and strivings and their discovery of the laws of their social democracy, are the greatest events in the social history of the world in general, and peasants masses in particular, in the fateful era of 1919-56.

Gone are the days when peasant would simply bemoan their plight and fall prostrate before kinds and parliaments for a few tardy showers of favors. Gone also are the times when a proletarian dictatorship or an imperialist dictatorship heaps new burdens, disorganizes their economy and orders them to accommodate themselves to an alien order of life and they would, in confusion and consternation, either rebel or revolt individually or by parochial efforts or meekly submit. The modern peasant is more and more emerging as a well-organized political personality acquainted with working of economic forces, familiar with conscious struggles and determined to achieve his desserts through revolutionary means and to guide life 'according to his own democratic decisions.

Free peasants are emerging in ever larger numbers from out of the feudal masses, peons, forced labour, untouchables , Negroes, and Red-Indians and Indian and Chinese aboriginals and domestic slaves of China in the wake of capitalism and the fall of feudalism. In the same way, class consciousness and anti-

imperialist and nationalist cum socialist awakening are spreading during this century among an increasing number of agrarian masses. Therefore, it is unfair for Marxists to repeat in a parrot like manner charges which were mouthed during last century when the great majority of peasants had not even fully emancipated themselves from feudal disabilities and taken shape as peasants.

Which progressive and revolutionary, worth the name will refuse to go to his aid? Who can feel justified in his apathy towards their cry for social justice? What other social values are more worthy of protection and preservation than to regenerate this vast class or traditionally creative servants of society? If these hundred of millions of Kisans who are creating real social values and offering much more to society than they absorb for their own maintenance are not appreciated by any society; if they are not served by any political party and if their cause is not heeded by any revolutionary ideology, there must be something radically wrong with that society; that party and that ideology respectively and it is the duty of every progressive to war with such dispensations . Any one, or party or society which seeks to weaken, discredit or suppress this creative, progressive and useful class of toilers is an enemy or progress and social justice and must be treated as a social pest.

Even the fear is unfounded that as more and more predeminently agricultural countries develop self-sufficient economy and gain more freedom from the mischief of world markets through the adoption of "Panama Locks of National Prices and Incomes for the regulations of international trade" and take under item control their local industrial and commercial operations, an of isolationism and flight from internationalism may be inaugurated and that instead of world capitalism and its weapons, imperialism and fascism, being liquidated all over the world, peasants of some countries may only succeed in freeing themselves from the clutches of world capitalism, while the struggle of the proletariat and the rest of the peasantry in all other areas may be weakened. Why, Because, this era of imperialism and world markets no country can long be free from the mischief of capitalism unless its freedom evokes the sympathetic uprising of the masses in as many countries as possible against their common oppressors.

Sudan, India, Burma , Ceylon, Indonesia, Egypt, Tunesia and Morocco, have become free after the war. They are trying to concentrate upon the de-

velopment of their own self efficiency to as great an extent as possible . They want to be in a position to manufacture most of the commodities they need by developing their own basic industries. They have then to export small quantities of the highly finished products, made out of their agricultural raw materials. So, they will be in a position to fix the prices of their agricultural exports at such a high level as well compensate them fully for their purchases of the highly priced foreign manufactures. The predominantly industrial nations who are obliged to purchase their cotton, food-grains jute, oil-seeds, sugar, tin, petrol will find that they have reconcile themselves to the payments to the payment of remunerative prices for their supplies. So, the real value of the wages of their masses may come to be reduced so drastically. That will, therefore, make them discontented. They may have no other choice but to rise against their local capitalism, even according to Marxism. How can communists deny such a possibility? Thus, the economic freedom of ex-colonial countries paves the way for the destruction of the torpor and somnambulence of imperialist masses and forces them to adopt revolutionary means to end their own capitalism. At the same time when colonial products cannot be had so cheaply, the peasants, of the industrial nations will be strengthened in their bargaining capacity. And they can, emboldened thus by better prices and prospects, rise against their local capitalist classes.

Contrary to the notions of orthodox Marxists, peasants can find full satisfaction and safety only when they free them selves completely and on a world scale from the hold Capitalism and its weapon, Imperialisms and even Communism.

ARE PEASNTS' EARNINGS DEPENDENT UPON EXPLOITATION?

It is generally taken for granted that the industrial proletariat and agricultural workers live only by the sweat of their brow and have no share at all in any kind of exploitation. It is true in so for as the agricultural workers are concerned. But the industrial workers are at present part beneficiaries of the surplus value extracted from the agricultural classes; that is they enjoy the benefits though only in part-accruing from the cheaper or un-remunerative prices, paid for agricultural products by the present economic dispensation. They are, however, not dependent, for their normal livelihood, upon this vicarious share in the exploitation of agriculturists.

Peasants and tenants who eke out their living by working on land belonging to them or leased by them are also in the same position as the industrial workers. Their living is not dependent, even indirectly upon the exploitation of any other social

class. They may, and they do under the present , circumstances, derive some share in the surplus value extracted from agricultural workers. It is not their fault that they are made the agency through which such surplus value is extracted from agricultural workers largest portion – if not the whole-of that surplus value and a good portion of their own surplus value is being swallowed up by the non-agricultural and capitalist classes of the world.

The modern peasant wants, therefore, only a comradely relationship with the proletariat. He is prepared to co-operate with them on a footing of equality. He is determined not to allow the proletariat a voice in revolutionary movement much above that their numbers will justify and thus to put his own class at a disadvantage . He does not want to become the "forgotten man" as in Soviet Russia , as Chester Bowles also testifies or the "depressed Class" as I have found out in my tour. He is determined never to allow the proletariat to try the Leninist-Stalinist tactic of disrupting his own ranks, set up one cadre against another and demoralize and neutralize the ranks of his class and thus nullify his voice and influence vis-à-vis the proletariat. (see also " An essay on the Impact of Marxism" by Josef Macek (1955) Chapters VI and VII) He is confident that as things are, it may be possible for peasantry to achieve a social revolution without the active co-operation of the proletariat in most parts of the Orient , and Latin America, but never will it be possible for the latter to get on without the co-operation of peasants. Therefore, he is determined to forge ahead, independently and in alliance with the proletariat and all other toiling people, in his revolutionary career.

Thanks to the Russian Revolution where the peasants were dethroned and suppressed for nearly 40 years and the Spanish Revolution were a Socialist Government was over –thrown by a Fascist counter-revolution and the Chinese Soviet Government which has been trying to subvert the social economy of peasants, despite the existence of ancient religion and culture, peasants have learnt very valuable lessons in modern politics. Similarly, they have also seen through the rosy and bombastic declarations of Anglo-American imperialism and the horrible Fascist dictatorship of the Axis. So, they are determined to achieve political power in every state, of course in alliance with other classes of toilers and themselves to man the defence forces and see that the future governments are predominantly peasant-wise in their general policies, proletarian in their industrial programmes and mass-wise in their day-to-day activities and that there is no chance for the dictatorship of either the bourgeoisie or the proletariat or of any other class or group of persons or classes.

Modern peasant cannot be satisfied with Rooseveltian endeavour of establishing parity between agricultural and industrial prices on the basis of the 1926-29 or any other comparative price-levels, because every earlier relationship between these two price levels was based upon the initial inequality between them. The real parity must be worked out for the first time.

To achieve a Government which will equalize the terms of trade and which will achieve real social justice and which will assure them, their due share of effective political power is the political aim of modern peasant. It can be possibly only in kisan Mazdoor Praja Democratic dispensation. Industrial and commercial progress have to be built, in close relation to and in harmony with the capacities, needs and interest of the basic industries of agriculture and forestry, extraction of minerals and their utilization. Neither undue hurry in industrial development to the detriment of the well-being of the peasant masses, nor undue favoritism and disproportionate remuneration for industrial and commercial and intellectual classes can be allowed. It is also to prevent such disastrous aberrations that peasants are determined to be at the helm of affairs, directing the tempo, scale and character of social reconstruction, industrial development and re-orientation. To him, the village is as deserving of encouragement, modernization and enrichment as the town is to the proletariat. And, he is determined not to allow the prejudices of the latter to undermine the growth and enrichment of rural civilization. Such is the political philosophy of modern peasant. It is only when Western Socialist learn not to cavil at it but to co-operate with such peasants, social revolution can be achieved.

But, are our peasants also a suppressed class? Thus question our agricultural workers whose plight is much worse. Our answer is in the affirmative. Merely because there are many more suppressed people, the fact of our kisans being a neglected class does not at all disappear. Just as the skilled workers are not as hopelessly exploited as the unskilled workers, so also kisans are exploited less than agricultural workers. But, just as the two sections of proletariat are within the overall class of the exploited proletariat, so also the, kisans and Khet Mazdoors form but sections of the overall class of the exploited agricultural masses. To forget this fact and to concentrate only on Khet Mazdoors and to work against Kisans is to damage the cause of progress and revolution and perpetuate social injustice. Those who pursue a policy can only serve reaction and counter- revolution.

Are our peasants neglected? They are neglected not only by the Capitalist classes and their intellectuals but also by the Socialist and Communists who pride themselves as the historical revolutionaries. Are they suppressed ? The Capitalist class do not accept this. But, in actual fact, they are suppressed through the mechanism of unfavourable exchanges between agricultural produce and service and those of other classes, through the unfair price mechanism and through world markets. Kisans are obliged to go on producing more and more agricultural produce, irrespective of the general price levels since that is the only means available for finding employment and this production under duress unemployment and pressure of living is taken advantage of those who are in charge of Key Services which deal in processing transport, exchanges etc., of agricultural produce and thus, in the end, Kisans are paid much less than what they deserve for all the services rendered by them to society. This is suppression indeed.

But Communists, Socialists and other Marxists prefer to look upon this awful process of suppression with a historical sense of inevitability and callousness because, they think that all these process of exploitation are the instruments of history to liquidate a class which must go down under the *Juggernath* Chariot of historical necessity and inevitability. In this, they do great injustice to history, humanity and the cause of genuine revolution. It is a Nero' s attitude.

Why? The classes of Kisans and Kalakars are not destined to die. They are not the pall –bearers of reaction. They are not stragglers of capitalism. They are indeed the harbingers and vanguards of the age of decentralized social economy, which alone can defy the atom and bacteriological bomb and modern war-fare. Only through the social economy, which they typify, can society hope to help people to live once again full, independent and happy lives. To the Communist assertion that scores of millions of peasants of S.E. European countries who had been fairly class-conscious have come to be driven into the collective without much damage to their personality or their prosperity and hundreds of millions of Chinese peasants are now being disciplined to the tune of Communist leadership, despite their age-long family and social economy, our answer is that all this is being achieved at terrible cost in human blood and loss of initiative, enterprise and life giving hope to the crores of condemned peasants. It is, indeed, the duty of every genuine social revolutionary to prevent the spread of such a dreadful process of suppression, and dictatorship. India is already busy giving her alternative answer to that cruel communist destruction of peasant

economy through her creation of peasant proprietors by tens of millions in each of her fifteen states. India is trying to develop peasant co-operatives to strengthen peasant economy. Indian experts who visited China in 1956 and studied her Soviet Agricultural Co-operatives, have recommended against communist methods. India has decided to make experiments but on a large scale in co-operative cultivation, only as an ally of and not in place of the dominant peasant economy. (All India Co-operative Journal, October, 1955. Mr. Thapar's observations on Chinese Agrarian Economy). Peasant economy is not a dying one. All over the democratic and even colonial world, peasant economy is found to be the best means of progress for rural society and in modern social life and hence the increase in the numbers of peasants and the rise in the strength of their social equipment. Peasant co-operatives are the answer of the non-communist world to the communist campaign of suppression of peasant economy.

Of all the agents of production and distribution, peasant alone has the least need to harness others to his system of production and to compel others to work under conditions of degradation and social injustice. That is, he alone can work and live with out having to exploit others. Many others besides himself do add to the productive capacity and wealth of society but barring the tractor and the votary of beau arts, peasant comes first and far in advance of all others in his capacity to add many, many times more to social wealth and well-being than what is given to him in the shape of seed, tools, manures, and other social equipments. He, it is who, gives so much of his time, energy and thought, so singlemindedly and with so much devotion to the cause of production and creation and none-else can compete with him, especially in pressing the creative energies of the whole of his family into the serve of society. All he needs and asks for, is not to be neglected, depressed or suppressed.

So, the modern peasant is unwilling to accept the leadership of the proletariat or of any other class. He feels that the latter is in some way interested in perpetuating the present unjust mechanism of exploitation protected by capitalism and cannot so fully be absolved of all blame, because whenever a peasant demands a rise in the level of agricultural prices, the leaders of the proletariat rise to protest against it. He cannot forget the fact that throughout his fight against war-induced coercive procurement of food-grains at uneconomic prices, the leaders of industrial workers were supporting the Indian Government, favouring forced food levies. He is not convinced that Russian peasant was treated fairly in a comradely manner and as an equal to the industrial worker. He is convinced, in the light or his war-time sufferings,

that during the Trotskyvst military levies, the general body of Russian peasants were persecuted brutally; that during the first Five Year Plan and collectivization large numbers of honest peasants who sincerely obstructed the new experiment of collectivization and who did not like the one-sided drain of grain into towns without being able to receive any manufactured goods in return were cruelly exiled, expropriated, beaten, imprisoned or killed. He knows that though in the beginning, the November Revolution was said to have been achieved in the name of both workers and peasants, it was soon turned into the proletarian dictatorship; the peasants were given relatively one fifth as much voting strength as the proletariat. He also knows that the whole government was run mostly by the proletarian cadres of the Bolshevik party and the administration was run primarily in the interests of the proletariat and that peasants were forced to supply grain etc., to the proletariat much in the same arbitrary and cruel manner, without much quid-pro-quo payments as in the Czarist times and that despite the tremendous sacrifices made and heroism displayed by peasants in fighting against the counter-revolutionaries the proletariat dictatorship turned all its forces to put them down, destroy their independence and morale and was not content until they had, in desperation, accepted the proletarian dispensation of collectivisatiion. He is not sure that even today, despite the blare of trumpets with which the 1937 constitution was inaugurated, peasants are having a square deal in Russia, for he knows that though they form a majority of the population, they had obtained a little more than one-fourth of the seats in the Soviet's Legislature of 1937. It is clear that peasants are not assured at least as good a level of rewards for their labour as the proletariat. And even after the end of the World War II, there were complaints from Soviet villages and collectives that they were unable to get quid-pro-quo bargains with the towns. True, great industries were built up and dams and power stations were constructed, many towns were raised in deserts, railway and roads were laid, canals were dug, mines were opened, oil tapped, and Russia was industrialized. I found during my tour in 1954 that the peasants working in the collectives were being discriminated against even in the matter of social insurances. The housing of Collective peasants is unattended to. Their produce can be sold through the Co-ops., but at prices, settled by those at which produce from State Farms is offered by Government. But how ? In what way were the modern Bolshevik methods in dragooning peasants differ in quality from those of the Egyptian Pharaohs who constructed the Pyramids. Yes, the Russian industrialism is productive while pyramids are not. But, neither has yielded any commensurate satisfaction to the vast hoardes of 'forced labour'. For these, and many other reasons, the modern peasant does not wish to trust his fortunes to a proletarian dictatorship.

In all the Sovietised countries, the industrial workers who have been at the helm of Government, have imposed their cruel Price-squeeze and used their price-scissors and forced peasants through painful grain levies, to part with their agricultural produce at too cheap prices. Throughout the Soviet lands, there is today at work a relentless process of economic exploitation and political suppression of peasants at the hands of the power-mad proletariat. Even, Mr. Mikoyan has had to confess this fact during his visit to India in 1956.

We must however admit one thing. As in the case of the proletariat, so in that of peasants, it is not enough that peasants' and Proletariat's sufferings shall be so unbearable as to impel them to become desperate and to tend to act in a revolutionary manner. They must decide to revolt. They have to revolt. And such revolts must be organized, conscious and calculated to yield full or partial success. Without necessary equipment and revolutionary circumstances even the worst crisis in the life of capitalism cannot yield revolution for the benefit of the masses, as was demonstrated by the ghastly Bengal Starvation crisis of 1943 in which millions died, many more reduced to skeletons and even more made home-less, without any revolutionary ferment or revolt brightening the gloom on the social horizon. The coercive food procurement made by the British and Swaraj Governments of India between 1944-52 caused much distress to peasants but did not lead to any concreted revolt against that oppression. No effective and nation-wide revolution was met with in U.S.S.R. when the costprice squeeze was imposed and coercive food levies were raised by the proletarian government. So, class consciousness is needed; class organizations have to emerge, a revolutionary leadership is essential and the leaders must be of the people. Whenever such an equipment is lacking, as was the case not only in Bengal but also in most parts of world, both with peasants and proletariat, a revolution may not take place even during the worst crisis.

There can be no real beginning for peasants' real effective protection, progress and regeneration until they are able to check the ravages of capitalism and communism and break their tentacles of exploitation, free themselves from the jaws of world markets, dislodge capitalism and communism from more and more seats of State power, until they themselves gain full political power, in alliance with all other co-sufferers and victims of capitalism. There cannot be any real democracy based on social justice until peasants and artisans gain their share of political power. This is daily becoming clear to more and more peasants.

CHAPTER XVII

CO-OPERATIVES – BEST ALLIES OF KISANS, KALAKARS

Any Society of human beings finds its justification and fulfillment in the measure in which it seeks and succeeds to enable them to grow into their fullest stature, physical and moral, and achieve their full-fledged personality; that is, the Siddha Purusha and enjoy the maximum happiness after his own conscious wishes. The various types of political, economic and Social organizations have come to be devised in the course of human history to help people to achieve such a Society with such fully developed and happy individuals. The present-day post-war-world is now trying to achieve these objectives through two predominantly popular types of economic organizations, namely, the Capitalistic and Communistic. Politically, countries are also making their choice as between democracy and totalitarianism.

It so happens that India has decided in favour of organizing herself through the democratic process in order to help her people to achieve progress and happiness. It is not necessary for her, just for that very reason, to favour Capitalistic organization for husbanding her economic resources because Capitalism and Democracy are not inseparable, nor are Democracy and Socialism, so opposed to each other. In fact, the essence of both Democracy and Socialism is Social Justice and their common aim is to achieve the happiness and full development of every human being. Therefore, India's choice in favour of both Democracy and Socialism is about the best that is possible in this era of Social Justice for the Common Man.

The Soviet part of the World has also pitched its faith in Social Justice but wishes to achieve it through the Soviet organization of productive resources and with the aid of its totalitarian political leadership. The Capitalistic part of the World has chosen to achieve Social Justice and Progress through free-enterprise of individuals, their groups and combinations of groups without being dominated by a totalitarian dictation but aided and guided by democratic political leaderships. The United States is the leading country in this Group.

There is a third Group, headed by the United Kingdom. This Group is also equally devoted to the idea of Social Justice, and the democratic methods in political life. It wishes to progress towards Social Justice through the activities of Welfare State with its social securities and fully employment economy. It does not wish to

completely eliminating the scope of freedom of individuals, groups and combinations of groups, that lies in the mechanism of free-enterprise in economic organization. This approach is popularly known as Mixed Economy of Welfare State with its Social Securities and Free Enterprise.

The main difference between the American and the British or between the second and third group of nations is that, though both believe in democratic political organization, the American lays greater stress on free enterprise whereas the British emphasizes the Socialistic approach. So, the American approach may be classified as Democratic Free Enterprise aiming to achieve Social Justice, while the British approach is Democratic Socialism, seeking Social Justice., In terms of practical impact upon citizen, the former gives scope to the totalitarianism of capitalists tempered by regulation and controlled by democratic Government, while the latter encourages the growth of totalitarian governmental enterprise but tempered by Parliamentary control of the people at large.

In both the democratic but Western sector and the Soviet sector of the World, Co-operative Movement has been achieving marked progress during this century. The distinctive feature of Co-operation in the Western Democratic Sector is that it has had to fight its way despite the opposition of the aggressive and almost all-embracing Capitalist or Free Enterprise and also despite the step-motherly attitude of the State. Its special feature in the Soviet World is that it is accepted as an essential, effective auxiliary to the dominant Soviet structure of the Socio-economy, intended to take the non-Soviet-minded peasantry and artisans towards Sovietism through their experiences in the Co-operative way of life. So, the Soviet State gives it all encouragement as it would to an ally.

It stands to the credit of small countries like Denmark, Sweden, Netherlands, Switzerland and a few small States in Latin America to have boldly mobilized their peasants into their producers' Co-operatives and built up a powerful Co-operative Movement. Backed as the Danish Co-operatives were by the Philosophy of rural bias of the Folk Schools, those two Danish countries, that is, Denmark and Sweden have achieved what is popularly known as the "Middle Way" between Capitalism and Communism and Democracy and Totalitarianism. Ireland too achieved considerable success in this direction. In the wake of these movements there arose in both Denmark and Sweden, Peasants Political Parties and their independent leadership.

In Sweden, the Peasant Party joined the Socialist Party in the Coalition Ministry and jointly controlled the Government for nearly two decades, thus demonstrating the close kinship between Socialism and Co-operation within the ambit of Democracy. In the United States, Canada, Australia, New Zealand, which are much bigger countries with their more dominant Capitalist structures and economies, many efforts have been made, often successfully, by the farmers to organize the Co-operatives for reorganizing the whole agricultural processing, grading and marketing through farmers' own initiative leadership, in order to liberate themselves stranglehold of Capitalistic Key-Services. But they did not get the support of their governments, which were so largely under the influence of the Capitalists; nor did they evolve, as did the Danish people, any independent ideological outlook; nor did they base their efforts on the strength of rural bias and institutions like the Folk Schools. Therefore, the farmers Co-operatives of these countries could not evolve, despite their comparatively bigger financial resources and transactions, any special message or inspiring urge for the peasants of other countries.

It has now come to be the special privilege of Swaraj India to make a complete departure from both these traditions of the West and to avow its faith not only in Democracy and Socialism, which are the two modern ideals of the West but also in the Co-operative Commonwealth which can alone comprehend all that is best in Democracy and Socialism. This Indian ideal can, in addition, epitomize the essence of nineteenth century liberalism, twentieth century Gandhian Humanism and India's Pluralistic Social Traditions of peaceful growth, dependent upon the mutual co-operation as between the various social and economic institutions from the Village Commonwealths and Craft guilds up to their national superstructures. The Indian National Plans – for the first and second five years – have emphatically declared their faith in the labour-incentive, socio-economic self-governing institutions of peasant and artisan economy (Co-operatives) with their content of non-exploitative decentralized employment and social security. They have also decided to infuse into them the spirit of the present age, by reorganizing them or buttressing them through the principles and institutions of Co-operative movement, as it has been so far fashioned by both the sectors of the Western World. Indian National Planners have thus avowed their faith in the Co-operative rebuilding of the great sectors of peasants and artisans, compromising as they do 75% of our population and contributing 60% of our National incomes on Co-operative lines, with a view to build them up as the strongest and

biggest Co-operative Pillars of the Socialist Society envisaged by our National Leadership. This Co-operative sector, as is thus planned for, is not to be an auxiliary either to the private sector or to the public or State sector. It is to be independent, powerful and growing social sector, but competing with the other two sectors, through its capacity to serve the Nation and with all the aid and strength of the Swaraj Democratic State and National Leadership. In the measure in which our Co-operative peasants and artisans succeed to improve their social and economic conditions, raise the tempo of their self-governance and social personality through their individual enterprise and initiative, displayed in their small-holdings, cottage-industrial homes and augment the National income and prosperity from per caput and group's total contributions, they will be raising the capacity of the Co-operative Sector to stand on its own feet. As and when they not only increase their contribution to the growth of National Wealth but also increase their capacity to provide fuller degree of employment, greater quantum of social security and an ever increasing sense of industrial competence and social freedom, they will be convincing the workers and intellectuals engaged in the bigger industrial and commercial enterprises, nay, even in the great National transport services of the suitability of the Co-operative management for their enterprises also. Thus, unlike in other groups of countries, Indian Leadership has opened up an ever expanding vista of growth and experimental socio-economic fields for expansionist advanture for the great Co-operative movement, especially on the Peasant and Artisan fronts.

Peasants of this post-war era have come to be obliged to clearly distinguish between the Soviet type of Peasant Co-operatives and the Democratic Peasant Co-operatives of the Danish type; and also between Co-operative Farming and Co-operative Agricultural Organization. The Soviet type pretends to organize the peasants' Co-operatives through the free choice of peasants but actually coerces them into joining the Co-operatives by the usual Communist tactics of setting one section of peasants against another in manipulating both an atmosphere and a majority in favour of the Co-operatives and then obliging the isolated minority to fall-in-line with the majority. The whole history of The Jerry Mandered Peasant Co-operatives of the Soviet Countries, including the Co-operatives smooth-footed Peoples' China is replete with the horrible impact upon peasants of their unashamed coercive processes, adopted to dragoon peasants into the socalled Collectives. Even

today the Soviet Leaders look upon even such get-up collectives as half-way houses in their "drives" of peasants into the State Farms of Farming Factors and so the peasants of collectives are discriminated against, whereas those of the State Farms are favoured. USSR collective farmers are not provided the protection of State Social Insurance Schemes. The Danish method is a humane, and really democratic one, capable of ennobling peasants as individuals and citizens and enriching their economy. It does not seek to split up peasants into rich, middle and poor sections and set up one against the other, in order to subvert their unity, and destroy them as a class. It is progressive and democratic and its success is made to depend upon the beneficent results of the working of Peasants' Co-operatives. It does not aim at exploiting peasants, through their Co-operatives, in the interests of others, as the Soviet system seeks to do. There is no special emphasis laid on what is known as Co-operative Farming in which peasants are persuaded or forced to pool their holdings also into the property of the Co-operatives and then, to place themselves as mere wage-earning sharers, at the disposal of the managers and management committee to seek employment on the collective farm. On the other hand, it concentrates its major attention upon the development of peasants' co-operatives to purchase and supply all the "Inputs" or factors of production such as credit, seeds, manures, cattle feeds, petrol and oils, implements and machinery and the organization and provision of such services as processing and transport facilities, grading and standardization. It provides them with the co-operative ware-housing and marketing. It seeks to minimize the dependence of peasants on merchants and manufacturers and to bring them almost into direct contact with consumers through the ministrations of their own Co-operative leadership. It does not exclude co-operative Farming but it is convinced that the Peasants' Co-operatives have ten-times as much more important service to render to peasants and the concerned nations as Co-operative farming can ever hope to do.

The fundamental difference between the Soviet and Danish types of peasants' Co-operatives is that while the former develops it primarily in the interests of towns, proletariat and state employees and other urban peoples, the latter is keen on utilizing co-operation to promote peasants' welfare and democratic rights, and on strengthening primarily peasant economy and democratic rights of peasants and raising their economic status and self-governance. The former circumscribes peasants' freedom while the latter extends it. Therefore, the need has arisen for peasants all over the world, especially in the democratic part of it, to make up their mind as between these two types of co-operatives.

I am glad to say that India with her colossal peasant population of over two hundred millions has yet the freedom and opportunity to make an effective choice and that Indian peasants have decided in favour of the democratic Danish type of farming. They know that, as yet, none of the 200 and more state farms and co-operatives has succeeded (1956). They are willing to make experiments with Co-operative farming both on the State-owned lands and on such portions of their own lands and in such areas and with such voluntary combinations as are keen about them. But they do not want to give up under anyone's dictation, their present freedom to find employment on the cultivation of their own holdings and to display their initiative, enterprise and love of working to the maximum and most efficiently and producing largest crops to augment National Wealth. It is this Co-operative-minded and class conscious peasantry of India who are providing the sanctions for the aims of the National Leadership to achieve Co-operative Commonwealth, especially on the Agrarian and Kalakar front.

The distinguishing feature of Co-operative movement in almost all the under-developed or predominantly agricultural countries is that it is essential creative and developmental, whereas the Communist movement is destructive and violent. Once the system of landlordism or zamindari or feudal order is abolished, as is the case in India, Egypt, Burma, Indonesia and in most of the Latin American States, what is needed by peasants who are free and independent economically is just the cohesion, voluntary organization and mutual assistance that can be provided by the co-operative movement. And once peasants and artisans come to be organized into their co-operatives, they can derive almost all the benefits of organized industry; that is, by way of obtaining internal and external economies and can overcome their present disabilities arising out of their lack of cohesion and organization. Small holdings and their cultivation by the family-members of peasants can be made a much greater source of national production and wealth, once peasants co-operatives help them through the bulk purchases and co-operative distribution of all the "in-puts" or factors of production and the sale of all the surplus farm-produce and the provision of working capital and store-house and processing facilities. Therefore, Rural Co-operative movement, if organized through the voluntary and enthusiastic participation of peasants and artisans and managed in an efficient and self-governing manner can help our rural masses to make their constructive, progressive and wholly peaceful contribution to the enrichment of modern social life.

This is indeed a unique opportunity for the World's Co-operative movements and for peasants and artisans who have been the traditional votaries of decentralized democracy. For the first time, such a great country with such a huge population and economic potential has come forward to give the greatest opportunities and encouragement to the Co-operative Movement and its votaries all over the World to do their best, with all the support-ideological and organizational of the democratic state of India, to achieve the success of their faith in Co-operative Commonwealth. Never before was such an opportunity created by so great a state nor was there such an avowal of faith by the State in this noble ideal.

I am therefore, emboldened to feel that this is the age of trial of faith of all co-operators, all over the world, and they have all to do their best, from their own respective bastions of Co-operative enterprises of Peasants, Artisans and Consumers, to make this gigantic Social adventure a resounding success. Just as the Communists all over the World have been striving their best to aid the Soviet Experiment because of their faith in its capacity to lead the world towards progress and human happiness, just as the Western democrats have been giving the colossal aids through offering T.C.A., Point Four, Marshall and Colombo Plans, to all democratic countries of the World, to ensure the safety of World cause of democracy and the progress of Free Enterprise Economy. So also the Co-operators of all parts of the world have to accept their missionary responsibilities of this noble cause of Co-operation especially in the peasant and artisan sector and look upon India and such other co-operative-minded countries as their testing grounds and give them of their best in financial, intellectual and other missionary resources.

Similarly Indian Co-operators too have to realize the World significance of this great Mission entrusted to their care by our democratic, socialist-minded National Leadership. They can also have the exhilarating assurance that the Co-operators all over the World will be watching their noble efforts, with all their faith and moral and material support. Thought their sacrifices and services, offered at the altar of this great movement, they will be strengthening the millennium-old but rehabilitated peasant economy and its economic democracy, and Kalakar or Artisan guild-socialism and its economic self-governance. They will also be putting a new life and vigour into the World cause of economic and political democracy. In this way , Indian Co-operators will be contributing much to the resurgence of Co-operative movement and its base democracy all over the World and repaying the debt they owe to the pioneers of this movement in the Western Hemisphere.

APPENDIX

CREDO OF INDIAN PEASANTS

I tried to organise an independent political party for the Indian masses of peasants (Kisans), artisans (Kalakaras) and proletariat (Mazdoors) and professionals (Buddhijeevis) during the years of 1951-55. That party was called Krishkar – Lok Party – (K.L.P.) It tried to popularise the ideas and ideals expounded in this thesis and to build a political party to mobilise the Indian masses around these ideals and help them to become an effective and independent political force. But, even as this move was making some headway, the Communist party suddenly emerged as the strongest political opposition to the whole of the Indian democratic movement, embracing the Congress, K.L.P. and Socialist parties and threatened to subvert the nascent Indian Democracy. Therefore, all the democratic prates have had to reorientatte their political programmes and mutual relations and attitudes so as to meet this new and growing challenge. The Congress party has come to adopt the aim of achieving Socialist pattern of Society and proceed towards the construction of the Co-operative Commonwealth. The K.L.P. decided to merge with this metamorphosed Congress party, when especially it was assured that the peasant and artisan economies would be protected and promoted. Thus, the Indian National Congress Party embraces today both the Socialist, Krishkar-Lok and Sarvodaya movements.

The following extracts taken from my Presidential address to the K.L.P. Convention, held in Tenali (Andhra) on 7-5-1954, indicate Indian peasants' case for Social Justice.

Peasants – A Progressive Eternal Class

We believe that peasants are a progressive force and element in modern society because, economic independence which even Communists prefer to work for, try to help the proletariat to attain, after converting everybody first into a proletariat, is already being enjoyed by peasants and they are the best votaries of that much desired economic independence, which has not yet been attained by the Soviet masses. In fact, while the Western tenants failed so miserably to dislodge their landlords and become independent peasants, the peasant masses of Asia, Latin America, South East European Nations have struggled valiantly for so many centuries

against their successive rulers and their allies, the landlords, and protected their economic independence by clinging to their small holdings.

We are convened that peasants, as a class, are growing in numbers and in productive power and economic significance in modern society. Instead of being liquidated, as was so confidently anticipated by Marx and Engels, they have gone on winning successive victories over landlords in country after country. And in the post-Swaraj India, more than ten million people have emerged as independent peasant proprietors.

Peasants are an eternal class. Many a ruler or a ruling class has tried to subvert their status and degrade them into tenants-at-will or day labourers. But they have risen again and again, in every country against their oppressors and regained their rights either in part or in full over their holdings which are the since quanon of their independence. Their last and latest struggle is in being in Soviet Russia and China and even there, they are regaining their rights, through slowly and after terrible sacrifices. It is an eternal class especially because it arises out of and wedded to the most basic and inescapable economic function of society. It is indestructible because, it continually leads the way for society towards that complete economic independence and freedom of one and all, which is desired by all progressive and lovers of freedom and happiness.

The Communists and Socialists have a blissful faith in the ultra-revolutionary urges, capacity and mission of the proletariat and therefore they maintain that all other toiling classes ought to accept them as their vanguard in their revolutionary march and struggle. We contest these ideas and claims. We know all that the proletariat wish to achieve through their violent revolution and dictatorship is to free themselves from proletarianism and attain economic independence. But our peasantry and artisans already enjoy that status of economic freedom and they know its sweetness as well as its bitterness and so they are attempting to reach upto a higher level of social organisation and progress and individual freedom and happiness. So, why should they ever think of accepting the guidance and leadership of a class, which has yet to attain their own far from perfect level of social organisation and freedom? Are they not, on the other hand, more competent to guide and lead the proletariat in their difficult endeavours to free themselves from the rigous of proletariansim and to gain the mead of economic independence and social freedom that they have been enjoying for millenniums, thanks to their status of peasant propritorship and artisanship?

Their present revolutionary but democratic experiments with co-operative re-organisation of various activities connected with their professions are sure to open ever wider and more inspiring vistas of social progress to which the proletariat can look forward and for which they need not make as great sacrifices and contributions as the peasantry and artisans are obliged to offer in their revolutionary endeavours. Therefore if there is any class or classes of toilers who are really making a constructive contribution to social progress and to the development of the next era of human happiness, it is these classes of peasantry and artisans and so, every revolutionary worth the name, ought to hail theses protectors and votaries of freedom as the champions of all toilers of this revolutionary age. As such, any one who harps upon the Marxist – Leninist, Marshall – Planning Commission against our social orders of peasantry and artisans cannot be accepted as a revolutionary but only as a reactionary.

Thus while Socialists approach peasant proprietorship from the Marxian antagonism towards the peasantry, we look upon Peasants and Kalakara as the harbingers of the much sought-after economic independence of all toiling masses. It is true that Socialists have at last come to recognise the value of artisans in our Indian economy, but only as an element of decentralisation and to treat their crafts as possessing greater employment potential but not as the bridges to help our toilers suffering from wage-slavery to reach economic independence. We believe that Co-operative Common wealth can be achieved only through the preservation and development of these progressive and inspiring institutions of peasant proprietorship and independent artisanship buttressed by their co-operative institutions. Therefore, while they seek to transform peasants and artisans as mere members and agents of compulsorily organised co-operatives, we wish to protect and promote their interests by enabling them to form, govern, control and utilise co-operatives, strengthen and broaden their present enjoyment of economic independence.

It is a trite saying that in India peasants and artisans from the bulk of our population, make the largest contribution to the growth of our national income and wealth but they find themselves in the weakest position in our social and political dispensation. It is because they have not yet begun to fully recognise their own key and progressive role in society and continue to hug to their bosoms so many of those anachronistic and suicidal social institutions which have been introduced into their life and social matrix by that hierarchy of social leaders who have ruled their destinies for ages. Their pitiful and harmful faith in the gradation of castes with their high and

low cadres and their innocent but costly belief in the social superiority of non kisan, non artisan classes of society and their harmful indulgence in fratricidal and inter-caste rivalries and jealousies have contributed and do contribute so much to their continual weakening and to their inability to work, in terms of modern age, for political and social liberation, advancement and strength.

What on the other hand our peasant movement is trying to do is to salvage the proletariat from their economic slavery and raise them to the status of peasantry or artisans, aided, as they would be by their self-governing co-operatives and also to that of co-operative partners in socialised industries and commerce with their multi-units of co-operative production and distribution. This is a new world that we want to develop and a part of which we have already in our midst and about inadequacies of which we have so much knowledge and to repair and develop which, we are busy forging necessary socio-economic institutions and political power. Thus, an entire age of social experiment and experience differentiate us from what Communists are trying to achieve by destroying whatever outposts we have of the status they dream of and by defacing even the rainbow of the future social progress which is dawning upon us through the awakened peasantry and artisans in their search after protection, freedom and progress. The Communists are thus busy putting back the hands of progress. We shall not get their way.

Role of Kalakars – A Creative and Eternal Class

We have four crores of people depending upon cottage industries; more than a crore of them are actual workers. Most of them are working independently on their own implements without having to accept any as their direct masters and employer. But they suffer from many disabilities. Like our peasants they too need much protection from the exploitation of capitalists, merchants and markets. They, however, use their economic independence vouchsafed by the application of their skill with their own implements or raw materials owned by them or lent to them or passing through their hands. Industrial Capitalism has been making Herculean efforts during these two centuries to swallow up their economic freedom and to degrade them into mere wage slaves. But it has failed, thanks to the heroic sacrifices when we remind ourselves of the fact that their quarters used to be known hardly a century ago as the "Golden quarters", and that they have come to be known today as the most depressed quarters. From generation to generation their incomes have been going down because of the competition of machine made goods. Yet they would not

abandon their crafts nor would they abstain from inventing ever new designs, adopting new methods of production and sportively rushing to excel the machine production by their excellent designs and other aspects of artisanship. They continue to produce more and bett4r products for lesser and lesser incomes and all for the sake of safeguarding their economic independence. What a price they are paying for their economic independence! They alone know its value and taste because they pay for it and suffer for its sake. How can we expect them light-heartedly to welcome what the Communists offer to achieve for them i.e. to liberate from their present economic freedom, offer them the glorious status of peroletarianism with the prospects of some day becoming members of a co-operative or collective dominated by the members of the Communist party. He must be blind or suicidal minded artisan to accept such a perverted conception of social status. Fortunately our artisans refuse to go that suicidal way.

A new age has dawned for the artisan section of Indian toilers. A halt is called for the advance of the machine competition. The demands of our artisans for their right to live and work and therefore for full employment are proving effective. Their endeavours to provide for themselves the benefits of co-operatives in organisation, supplies of raw materials, improved implements, power credit and marketing are to be strengthened by the Sate. The exploitation of middlemen is being controlled. Our a artisans bid fair to improve their economic independence, thanks to the triumph of the Gandhian conception of social progress and of our 25 years of toil on their behalf through their own organisations. Marxism which believe in the liquidation of independent artisans and the Communist party which has made valiant efforts to fulfil Marxism by liquidating this heroic class of independent artisans, have both been defeated by our Kalakars. Thus or Kalakars have demonstrated that they too can grow into an eternal class because their love of economic independence is eternal and their sacrifices for the sake of independence are so precious and stand to their eternal credit.

We are therefore, convinced that we can best serve our country and its people *by keeping faith with our fundamental function in our society; that is, to maintain our present mead of economic independence, vouchsafed to us through our holdings and our artisan implements and to go on utilising every progressive and modern social and economic mechanism such as co-operatives, better implements, machinery, electric power in order to raise the degree of our*

independence and economic and social fruits thereof. We can best promote this faith by developing our own political consciousness, organisation, and partnership in Governmental authority.

Peasants' Emergence as a Political Force

Throughout the ages, our peasants have had to suffer encroachment on their realm of economic independence because of their lack of organisation in politico-economic spheres. And the social philosophy of India did not inspire or stimulate our masses o entertain the ambition of attaining political power, to extend their economic freedom and to increase the fruits of economic independence. Therefore d so little organised effort was made until 1923 by our toiling masses especially peasants and artisans to gain political power and thus to improve their economic independence. The Russian Revolution and the Indian movement for Swaraj inspired some of us who are the sons of peasant India, to develop the political movement of peasantry, artisans and rural masses who had been kept in a somnolent state by the traditional leader of our society. So we began to organise the Peasant Unions from 1923 and Weaver's Unions from 1925.

From 1928 onwards we (peasants) have began to organise ourselves in the Zamindari areas to remove the encroachments on our economic freedom which the Zamindars had made under the aegis of the Mughal and British imperialist regimes. The Congress needed our political support for its national liberation movement. We in our turn also needed its political support for our economic advancement. Thus by now i.e. after 26 years of politico-economic struggles against the Zamindari System, we have succeeded in liberating ourselves from the landlordism of Zamindari and attained complete proprietorship over our holdings which are much more to us than what the workshop is to the proletariat, the chisel and hammer for the carpenter, the loom and shuttle for the weaver and kiln and hammer for the blacksmith.

We began to assert ourselves from 1931 against money-lenders and bankers under the terrible impact of the world economic depression and demanded moratorium, liquidation of lode debts, supply of cheaper and more adequate credit and co-operative supplies of credits and all materials needed for agriculture. The National Congress during the 1936 General Elections that the Congress Ministries had to take legislative and administrative steps to declare a moratorium, to scale down our debts, to prescribe a maximum rate of interest and to regulate money lending business.

During all these thirty years and more so since attainment of Swaraj more and more of us have been wondering whether it might not be better for us, the peasants, artisans and other rural masses to develop ourselves into an independent political force and organise a separate political party to serve as our political champion. Our patriotism would not allow us to run the risk of weakening the National United Front against British. Therefore, we were anxious to maximise our efforts to free India from the British Imperialism so that we could begin to build our own politico-economic power to achieve economic Swaraj (Social Democracy) under the aegis of our political freedom. The attainment of Swaraj brought in its train the Punjab and Bengal tragedies and also the problems of liquidation of the princely order and Zamindars. Therefore we could not break away from the National Front after the attainment of Swaraj.

Mahatma Gandhi did a great service to us. He sent his message through me as long ago as November 1944 that we should achieve in India, Kisan – Mazdoo – Kalakar – Buddhijeevi Raj (K.M.P. Raj) and thus enjoy full-fledged social democracy. He gave his message to the nation only a few days before his death that Kisans of India should enjoy real power and attain pre-eminent position in Indian political life.

Social Justice – Our Aim

Ours is a movement of higher ideals and legitimate demands to achieve social justice. We do not ask for favours. We do not seek concessions. We find that the share of social wealth that we are allowed is very much less than what is legitimately due to us. For ages we have been impoverished by a continual process of under-valuing our services and over –valuing those of other sections of society through an unjust systems of exchanges. Of all the toilers of the world the peasants alone produce 50 to 100 times more than what is given to them as seeds; and our artisans too give best values in return for most moderate payment. Yet ours are the classes, which are most exploited by the urban, industrial and commercial classes through their mastery over the world markets, banks, processing operations, communications and industries. While the exploitation of the proletariat is obvious because of the master and servant relationship, our pitiable plight vis-à-vis our exploiters does not become so apparent because for all outward purposes or obvious economic independence is not being infringed while the real substance from our of all our production is extracted though invisible means by the industrial and commercial

classes and their allies. This exploitation becomes more glaring when we see even those ministering to subsidiary and domestic needs of industrial and commercial classes and the other urban allies are being paid many times more for their unskilled labours by our exploitors from out of the surplus value extracted from us.

Throughout the ages our produce and products have been valued too low and we have been condemned to pay a heavy toll for the privilege of enjoying our economic independence by accepting prices which are far below their legitimate costs of production and which condemn us to less than bare means of subsistence.* The result of this exploitation is now discovered at last by F.A.O. to be the chronic state of under-nourishment of the great majority of world's population, lack of minimum clothings and housing facilities and place them once again on the road towards health, happiness and hope, we must join the worldwide movement for righting the wrongs that the present social system is inflicting on us. We have to fight for equal and just exchange between our services and those of others. We have to destroy the octopus clutches over us of world market. We have to gain through our organisation, unity, moral fervour and strength and politico-economic means – our due share of social wealth. We have to force conviction upon all other classes that they can no longer charge more than what is legitimately due to them for their services. That is, agricultural credit has to become more plentiful and cheaper. Such services as transport, processing, marketing and finishing will have to minister to the needs of our producers and consumers and not hold us to ransom as at present taking advantage of their key position. These demands will not be yielded by the other classes except in answer to a politico-economic challenge backed by our movement.

If any proof were needed for this it is provided by the continued refusal of Swaraj Governments to study the costs of production of different crops, to prescribe minimum prices for various products and also to prescribe minimum wages for

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* For instance, J.R. Bellerly gives the following calculations in his book "Agriculture and Industry Relative Income" (1956) regarding the farmers' incentive incomes, when compared to non-farmer's incentive income: - U.K. 70.5% (1936-38); Canada 62% (1945). Agricultural workers compare in the following ratio with the earnings of industrial labour:- U.S.A. (1940) 32% Canada (1945) 62%, U.K. (1946-47) 78% , Chile (1947) 54%, Japan (1949) 64%.
Mr. Bellerly warns that "if the conditions of over-supply were to arise again, the incentive income ratio (of farmers) averaged for the world as a whole would drop according to a conservative forecast below 60% " when compared to the non-farm income. (P. 306).

agricultural workers based upon minimum prices and agree to assure minimum incomes to our artisans. Our Swaraj Governments have not even accepted the responsibility for these minimum functions. On the other hand, they continued the British policy of imposing controls and compulsory procurement of food grains at unnremunerative prices, all for the benefit of urban, industrial, professional and commercial interests. They have thus demonstrated their determination to accept and enforce the present levels of unremunerative prices and in human standards of life of our peasants and agricultural workers which are the result of thee uneconomic prices.

Our is a Worldwide Movement

America discovered as long ago as 1933 that she could get out of the social morass of economic depression only by raising at least in part the purchasing capacity of our farmers and by establishing some kind of parity between agricultural and commercial and industrial prices. The masters of U.S.S.R., have at least come to be forced by the farmers to recognise that Russia could not prosper if the exploitation of her farmers were to continue. Throughout the World, Kisans are today striving for advancement of just and equal evaluation of services of all classes of people. The I.F.A.P. is championing this cause. It has thus become a worldwide movement. Let us join this movement.

We are not alone in our strivings after politico-economic unity and power. The International Peasants Union is trying to regain political power and economic justice for the Kisans and Kalakars of South-East European countries. The Pan-African Congress is attempting to free the African peasants from the exploitation of European imperialists and their Asiatic tradesmen. The Farmers of Newzealand, Australia, Sweeden and Denmark are endeavouring to establish a co-operative commonwealth. And what we wish to achieve in our country is not merely power for Kisans and Kalakars but a co-operative commonwealth in which there will be no scope for exploitation of one class by another, there will be just evaluation of services of all classes and the partnership of every class will come to be prized and utilised for the benefit of all and for the edification and progress of itself. This bids fair to be a worldwide movement. This is what Mahatma Gandhi was dreaming of the Denmark farmers have already gone a long way ahead on this road towards prosperity and progress and happiness and hope. Let us dedicate ourselves to this cause. It will certain help us to dispel despondency and disunity. Let us begin to breathe once again in this inspired movement of hope and happiness.

Ours is the Movement of 75% of World's Population

The chief characteristic of our movement which distinguishes it from that of the movements of other classes is that while ours stands for 80 per cent of Indian people and 75 per cent of world's population, the proletarian movement or the movement of middle classes embraces at best only 15 per cent of world's population, or 10 per cent of our people. Therefore, if and when we achieve social justice and our mead of politico-economic power and other social advantages, others who form only 15 per cent or less, will find it easy to reconcile themselves to the changed social order and values, ensuring social stability and progress for our new order. The same cannot be said of the proletarian movement because it aims at the proletarian dictatorship of a tiny minority over a great majority of the masses and not a co-operative commonwealth as we envisage and the suppressed majority will naturally continue to challenge its social order. Therefore the K.M.P. Raj, we aim at, can be achieved and maintained by democratic means and will not ever need dictatorship either for its achievement or for its maintenance.

Revolutionary Possibilities of Just Social order for Kisans and Kalakars:

Some may wonder how we expect the just social order that we seek, will contribute to the elimination of our present poverty and the development of our prosperity and hope not only for ourselves but for the whole f our society. Evidently they do not realise the deadening and depressing effect that the present unjust social order is exercising on Kisans and Kalakars. They also underestimate the stimulating influences that the consciousness of enjoying justice and their due share of social power are blound to exercise upon the spirit of enterprise, initiative and missionary zeal that are latent in every human being and that have been so highly developed in our independence loving Kisans and Kalakars.

We take Proletariat Too in our Stride

It is the duty of all of us never to allow our movement to be confined to our Kisans and Kalakars alone or even to our rural people but to try and embrace the urban proletariat and the toiling sections of the middle classes and win their comradeship. Ours is a movement of all toilers, of all genuine shramiks and for the achievement of social justice for all. Therefore, we have to take in our stride all those urban toilers who are willing to join our comradeship. In fact our movement stands for the progressive socialisation of all large-scale industries and for the rapid

development of social securities for their professional and proletarian employees. The re-organisation of all small-scale and cottage industries on co-operative lines is on our boards. Therefore, we aim at the promotion of the proletariat into the co-operative partners of socialised industries, thus attaining their mead of economic independence and coming to be on a par with our Kalakars and Kisans.

Glorious Vista of Our Movement

This is our movement, it is progressive, it is protective, it is dynamic, it is constructive and it is democratic and therefore truly and fully revolutionary. We are not conservative in seeking to promote the existing degree of economic independence, enjoyed by Kisans and Kalakars. We are dynamic in our attempts to liberate proletariat from their wage slavery and achieve co-operative partnership.

Scope for Immediate Economic Development

The achievement of Social Justice by us is not one day's work. It takes a long time. It needs a veritable revolution in the social relations as between different classes of our people and a metamorphosis of the very social matrix of our masses. In the meanwhile, the continuation of the present drain of our resources, which are so vital for mere existence, into wasteful channels of consumption by the other classes of India and world society will be doing incalculable harm to our physical and moral well being. There is only one way of arresting the cumulative growth of its ravages. That lies in the development of the socio-economic environment of our agriculturist and rural people. That is, the development of the irrigation, flood control, river and sea-conservancy, anti-erosion and soil-erosion and soil-conservancy and developments, processing storage, communication and easy and cheap credit facilities, supplies of organic and chemical manures, better cattle, cattle breeding, feeding and protection facilities is the most urgent need of our agriculture and associated activities. It is true that as all this development take place and more wealth is produced by us an placed at the disposal of the society, ever larger percentage of our wealth will be absorbed by other sections of our society through their mastery of the present-day unequal exchanges – world markets, key-services, and last but not the least, the political leadership and machinery of State. Yet, even as a matter of our survival and for the sake of developing economic environment we have to demand and achieve this development. It will build up the needed environment, which will stand us in good stead by the time we achieve social justice. Therefore we are ready to Co-

Operate with the present day political leadership of our Governments in achieving this development.

Beware of Our Internal Conflicts

The other disruptive means, which Communists and erstwhile Zamindars and some Congressmen are trying to utilise, is the conflict of economic interests that may arise in the mutual relations between land owning peasants and tenants and cultivators and agricultural workers. We will be able to reach a progressive solution to whatever contradictions and conflicts, which may arise as between ourselves, if we begin to tackles them on the principle that our mutual relations must be based on non-exploitative and co-operative basis. Whatever savours of exploitation must be removed from our economy. The relationship that should subsist between land-owning peasants and tenants can be understood in proper perspective if we compare them to teacher on leave and acting teachers. We are convinced that the peasant proprietors who cultivate their own lands ought to be given the privilege of taking occasional leave from their cultivation activities for various but legitimate purposes such as for mere rest and for recuperating health and education children. But there ought not to be any scope of exploitation of tenants i.e. acting cultivators. So, we have been advocating since 1936 that the minimum tenure of tenancy shall be fixed at 5 to 10 years and that the rent shall be not more than half net income or one-third gross income and that the owner shall give an year's notice before he can come back into cultivation work. Since then, solutions for various other aspects, which are of minor importance, have come to be offered. Therefore, the relations between these two categories of Kisans can be placed on a harmonious basis.

We also recognise that our landless agricultural workers have their rights too. We have always pleaded, that is, ever since our movement took birth in 1923, for adequate protection in their relations with other sections of our Kisans, apart from demanding equal opportunities and power in political life. We were the first to demand adult franchise especially because it would act as the first leverage to this section our Kisans. We are also anxious that as many of them as possible should be given the advantages of peasant proprietorship. So we are the first to offer the solution as long ago as 1926-34 that all the Government owned cultivable waste lands which is one-third as much as all the cultivated land should be place at their disposal for co-operative cultivation. Secondly we demand that the surplus lands of big proprietors over and above the prescribed maximum extents ought to be purchased

on the basis of pyramidal and tapering process of compensation and placed at the disposal of local agricultural workers for co-operative cultivation. By these means, we are convinced that a very large percentage of agricultural workers will come to enjoy the advantages, and atmosphere of co-operative ownership of their lands. In this way, the advantages of the status of economic independence that emanates from proprietorship of land can be extended to an ever-widening circle of our Kisans.

Nevertheless, a good percentage of the small-scale peasant proprietors, tenants and a large portion of agricultural workers will have to work as annual workers or wage earners. They too need protection, to a greater degree than others. Therefore we have been stressing the need for Society to accept the responsibility of prescribing and enforcing minimum wages for these Kisans, then prescribing minimum prices for agricultural commodities on the basis of the minimum scales of wages and thus ensuring that both the landless and land-owning Kisans come to enjoy minimum and humane standards of living. This has been done in so may European countries, notably in England and in Canada, Australia, Newzealand, and also in U.S.A. In this manner, we are convinced that we can resolve any possible conflict of interests that may arise between the cultivating Kisans and wage earning Kisans. We have advocated that big landholdings which cannot be conveniently and profitably cultivated by peasants and which lie in area where there is too much pressure for land from our landless Kisans ought to be treated differently from those which lie in undeveloped areas, where the demand for land is not so great. Secondly a ceiling upon the holdings has to be placed, beyond which no Kisan can be allowed to purchase land. Thirdly all surplus lands over and above the ceiling limits are to be open to be acquired by State on payment of compensation and also to be leased out by a local co-operative of Kisans. Such general principles can come to be agreed upon as between the representatives of different categories of our Kisans, with special reference to varying conditions of agriculture prevailing in different States. The most important thing that has to be agreed upon is that all these three categories of Kisans are essential for the proper functioning of our agriculture, that peasant proprietors have to abjure all practices of exploiting other categories, that tenants must be protected, that agricultural workers have to be assured of decent conditions of working and adequate remuneration for their toil and all the three categories have to work on a co-partnership basis without giving room to any conflict or suspicion that one wants to rob the legitimate fruits of labour that should go to the other. Such a harmonious

relationship is possible to be achieved if only the State is peasant-minded and is keen on achieving and maintaining co-operative relations among our rural masses.

This is not to say that at present such harmony exists or that our peasant proprietors are able to fully realise their duties. Unfortunately the social matrix and habits and environment of our peasants have been poisoned by the tradition casteism and its disabilities of our masses. More than their economic weakness, the social disadvantages of our agricultural workers are poisoning our rural social life. And their social disabilities intensify their economic troubles too. So a Herculean effort has to be made by our Kisan masses, especially by the peasant proprietors and the champions and architects of our movement to clear up this awful debris of our bad social heritage to achieve equal, honourable and progressive socio-economic relations between our peasant proprietors, tenants and agricultural workers. There is great urgency for achieving this; as otherwise parties an I interests who are keen on exploiting these socio-economic diseases of our rural masses will work have and destroy all possibilities of achieving the desired unity among our Kisans and rural masses as a whole.

I feel confident however that we can will succeed in this difficult, yet, noble task in view of the triumph we have achieved in the course of the last 25 years on the artisan front. For instance, when we started our organisation's work among weavers in 1925 the casteism among the six big castes of weavers proved a big obstacle. But we persisted in our propaganda that weavers, as a class, have interests, which are stronger and nobler than their casteism, which only weakened them by creating inter-caste disunity. By now, our weavers have come to be united as one class for all practical purposes, although for purely social purpose their castes continue to function, without indulging in their former mischief. We are hopeful that similar success can be achieved on the Kisan front too, of course, by our making greater sacrifices.

Bhoodan not to Jeoparadise Small Holdings

We are convinced that a holding is not only a source of economic help to the peasant but also a stimulant to evoke his spirit of enterprise, initiative and social service. It is his insurance-partial though it may be again unemployment and economic slavery – it also assures some social security for himself and his children, especially in such predominantly agricultural and peasant wise countries like ours. Cherishing

this conviction as we do, we cannot subscribe to the idea that for a peasant to hold land is a sin.

We cannot also appreciate the idea that to give away one's land without a second thought for one's own responsibilities towards one's family to assure the minimum of employment and social security that are instinct with one's small holding is a socially progressive Act. Indeed society ought to be grateful to our peasants and artisans who do not make the same claims on it as the educated, professional and other urban classes for providing them with social security for the whole of their career. Our peasants and Kalakars who find their own employment and security, at least in part on their own holdings and in their crafts are a distinct source of strength to Society. Therefore it can only be a retrograde and suicidal policy to demand that our peasants should give away their holdings and our artisans their implements, just because some of us do not happen to enjoy that much of social security from the vicissitudes of economic existence. Therefore we are performing a progressive social function in exhorting our peasants to tend their holdings with the best skill and to intensify their cultivation and thus maximise their own employment on their holdings and minimise their unemployment or under-employment because we are thereby relieving our society of its responsibilities to look after them.

Rich Peasants to Offfer Bhoodan

There are yet quite a number of peasants whose holdings are much bigger than what can be conveniently, profitably and progressively cultivated by all the members of their families with the occasional help of agricultural labour during the busy seasons. We have to approach theses friends, persuade them t make a free gift of as much of their excess holdings as can be parted with benefit to themselves and to society. We shall utilise all such Bhoodan land for the co-operative use of our landless workers and Kalakars. In this manner we will and can make an effective contribution to the development of social harmony in rural India and to remove the pestering disadvantages of so many of our proper brothern.

We know that any state is slow to achieve any constructive programme. But the sufferings of the people have to be minimised, in the meanwhile. Therefore we realise or duty to contribute our best to the development of such social institutions and activities as well to improve the capacity of our masses for self-help and self-reliance. So we have to do all we can to build up multi-purpose co-operative

societies to serve the varied needs of our workers, tenants, other Kisans and Kalakars and to save them from the exploitation of money lenders, merchants and other middlemen.

We appeal to our educated and public spirited youths and workers to exert themselves even more enthusiastically and vigorously in organising and running co-operatives, in freeing favouritism or corruption and in bringing more and more of our masses within their orbit and in extending the social activities of co-operatives. Similarly we are anxious that our local leaders should display their organisational, constructive and political abilities by administering village panchayats honestly and progressively. Let us gain experience and prepare ourselves for our future opportunities and responsibilities in our cherished K.M.P. Raj by creating every new and more socio-economic organisation and by running them honestly and efficiently and by developing our moral standards of service.

II

THE INDIAN PLAN AND THE PEASANT

It is fortunate that we are undertaking our Second Five Year Plan when the national economy is stable and sound. Thanks to the efforts of the First Five Year Plan and the unexpected congenial international influences, both the post-war inflationary and the Post-Korean armistice deflationary (to be more Precise recessive) pressures in the economy had disappeared. National Income rose by 18% during the last five years and the scarcities in the economy that formerly demanded physical controls were very much eased with the rise in agricultural output from 50 million tons in 1950-51 to 65 million tons in 1955-56 and with the rise in the index of Industrial output from 100 in 1951 to 125.7 in 1955. The trend of real wages is on the ascending scale, and the employee and employer relations can be said to be fair, judged by the relative absence of strikes etc. The public sector is rapidly coming to occupy the strategic positions of the economy, with its power of controlling and directing all the autonomous economic units through the various governmental means. Our foreign trade is on a sound footing, with the consequent immunity from international economic pressures.

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Once se start planning for development, we should try not only to achieve our goal through the shortest possible route, but also should see that the way we achieve it must be consistent with the canons of social justice. After all, development takes place only at the expense of something else, whether it is terms of efforts or resources. Here social justice demands that not only the effort that is needed to fulfil the plans must be distributed among all according to their respective abilities, but also the benefits that accrue from these total efforts must be distributed among all classes according to their needs both absolutely and relatively. We recognise the merits of the Plan such as its ambitious target of the national income, its emphasis on basic industries, its acceptance or the responsibility of providing employment as the king-pin of planning, its handling of the colossal unemployment problem along with a policy of capital-socialistic proposals of ceilings on land and personal income, its recognition of the role of peasant proprietorship and Co-operative Movement. It is, however, the purpose of this study to look at the Draft Second Five Year Plan from the standpoint of the Indian Peasants both landed and landless and to examine how

far it satisfies these criteria.

It is a fact that the peasant had continued to be the target of exploitation throughout history. Under feudalism, he was treated no better than a slave. Under capitalistic regime he was exploited along with his brother proletariat – of course invisibly – through the systems of world markets with unfavourable price – parities, through forceful procurements in times of emergencies at unremunerative prices and through the machinations of all the "Key – Services". Under Communistic regimes, they were discriminated through the price squeezes in the name of development. Curiously enough, these are the very people who form the bulk of the whole population. They were in this pitiable position of being exploited by a minority even after the emergence of democratic voting because they lack organisation and class-consciousness. They of course revolted against this position often, but only when they were too much oppressed.

We know very well how Indian Peasants were exploited by the British Imperialists and the "Key-Services" throughout the pre-independence days. Peasants were always forced to accept much lower prices for their products than what was due. Since we have become independent, we hoped but in vain that the capitalistic influences over our rural economy would be weakened. We are tempted to hope again that they may come to be really weakened through the implementation of the recommendations of the Rural Credit Survey Report.

This Second Five Year plan, does open up inspiring vista of future progress for peasantry and artisans by the courageous and dynamic steps proposed to be taken on a national scale to develop the co-operative re-organisation of arts and crafts and agriculture, accepting thee actual management of the millions of peasant holdings and the working of the crafts in the artisans' home cum workshop. The biggest assets of these two great sectors lie in the freedom, enjoyed by their votaries in planning their daily and monthly work-programmes; their execution with the co-operation of the members of their families and the production of crops or cloth or other craft- produces, as per the plans settled by themselves, but in consultation with their relatives, friends and local leaders. This assures them of most of the benefits of Economic Self-Government and Guild Socialism. But their greatest weakness also lies in the atomisation the extreme possible lack of co-ordination, co-operation, on any planned basis; leaving them powerless to meet the challenge of the competitive

production of other countries which take advantage of mechanisation and modern economic organisational equipments and also to over-come the mischief of the "Key Services" which, because of their better resources and organisation condition their freedom. The only solution by which their functional advantage can be strengthened and their weakness can be minimised is offered by the Co-operative Movement. It augurs well, therefore, that the Indian Planners have taken up in all seriousness their duty of implementing the National will to march toward Co-operative Commonwealth. The Union Government proposes to give maximum possible assistance through the efforts of the Reserve Bank of India, State Bank and the State Governments to reorganise Co-operatives, to strengthen their financial and business aspects and to enable them to provide to peasants as well as artisans not only adequate finances but also all the Key – Services and thus liberate them from the clutches of middlemen who are to day a absorbing 30% to 50% of the prices paid by consumers. It is hoped that whatever expenditure may come to be incurred by all authorities concerned in developed these co-operatives is likely to yield much more than proportionate returns for the benefit of these classes in particular. That is, the construction of ware-houses and elevators, the grading, cold and dry storage of agricultural products, the organisation of Open Markets for all the principal crops, the establishment of co-operative processing plants and factories and the development of cushioning of losses incurred in marketing, which will be developed through or with the aid of Co-operatives, will raise the economic strength and morale of peasants so much that many benefits of imponderable type will come to them, apart from the more than proportionate monitory returns. But is doubtful whether peasants will gain even the minimum degree of protection from the machinations of "Key Services" and their capitalistic manipulators during the next five or ten years. If we view the Indian Socio-economic prospects from the standpoint of the Plan, we are not encouraged to feel that Indian peasants are likely to be assured remunerative prices, parity with price-levels for manufactured goods and other services or immunity from price-squeezes or invisible exploitation by other classes of people. We are afraid that the very socio-economic freedom, scope for the display of their initiative, enterprise free choice of work, now prized so much by our peasants may come to be weakened by the Planner's basis for managerial re-organisation of rural economy.

The burdens that the plan seeks so impose and the gains it hopes to confer must be so apportioned as between different classes of people that the canons of

social justice are respected both in profession and practice. Then alone can the classes, which have been previously exploited, can come to breathe a new atmosphere of fair play and progress. But, if this conception of social justice does not permeate simultaneously, the daily life, thoughts, and hopes of the whole of society, the vacuum that will arise with the gradual extinction of elements and forces of exploitation runs the risk of inviting some other evil force to fill in the gap.

During this process of development, different classes either vertical (income) or horizontal (functional) are likely to compete with each other either openly through class struggles, political pressures or secretly through their influences in the Press, Parliaments etc., in our present democratic set up. Political bargaining pulls and organisational pressures may play their mischief in policy making. Both Governments and Planning Commission are liable to be influenced by pressure politics. Even the National Planners may come to ignore sometimes unconsciously some interests because of their need to heed other more powerful or insistent interests unless the concerned classes are very alert in their demands and pressures.

It is true to day that peasants are the corner stone in this adventure since in the long run, their agricultural surplus forms the foundation for any development. But because of this, they should not be asked to bear too heavy a burden; they should not be made to suffer too much just because they happen to be weak both in their bargaining capacity and organisation. The contribution demanded of them should have always a justifiable co-relation with the benefits of the development that accrue to them, and also to the corresponding contributions demanded from other classes of our Society. That is, there should be parity in the sacrifices demanded, burdens imposed and benefits conferred between Peasants and other classes of our society in making and implementing our National –Development Plans.

It is from this standpoint that we should examine the draft Second Five Year Plan.

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The fist objective of the Plan is "a sizeable increase in national income so as to raise the level of living in the country" of course through "rapid industrialisation" To this end, it is proposed to incur an outlay of Rs. 4800 crores during the Second Plan period, of which 12% is allotted to Agriculture and Community Development as against 16% during the First Five Year Plan. Assuming, that we will be successful in finding the resources for the proposed outlay and in reaching the target within this

five year period, let us see what place has been accorded to peasants both absolutely and relatively.

It is a well-known fact that peasants are continually receiving much smaller share of the National Income than what is being contributed by them. The object of the Planned economy bassed on social justice is to right this wrong. The First Five Year Plan could not be expected to achieve in such a short time to completely set right this injustice. It stands how-ever to its credit that although it has not succeeded to overcome the historic wrong done by society to peasants, it has assured to peasants at least as much relative increase in their income as has been achieved in the total national income. But when we come to the Second Five Year Plan, we find that it does not seek to achieve even this much. We propose to prove in the following section show it is calculated to worsen the position of peasants relatively to other sections of our population.

It is proposed to increase the national income from Rs. 10,800 crores in 1955-56 to Rs. 13,480 crores in 1960-61, i.e. by about 25%. This will mean an increase in per capita income by 18%, from Rs. 280/- in 1955-56 to Rs. 330/- in 1960-61 as against an increase of 10% during the first plan period. As against these overall figures, the total income in the sector of the Agriculture and allied pursuits which include not only peasants but all others who depend upon Agriculture is expected to rise from Rs. 5230 crores to Rs. 6157 crores i.e. an increase of 18%. But in other sectors the rise in income is expected to be 58% in the case of mining; 64% in factory establishments; 30% in small enterprises, 34% in construction 23% in commerce, transport and communications; and 23% in professions and services. Out of the anticipated net increase of Rs. 2680/- crores in the total national product, which is equivalent to the national income, Rs. 940 crores go to the non-agricultural sector.

It is but natural that as tempo of our planned development grows the contribution made by different non-agricultural sectors should be growing faster and faster and also reliably to agriculture since the national investments would be relatively greater and more and more people would be directed from agriculture into those sectors to manner their machines and offices, but it would be wrong to continue to entertain the traditional conception that all the additional income that would be emanating from these non-agricultural sectors; thanks to the capital intensive machines and other

labour and civic equipment provided by the society as a whole should be treated as the sole property of only those employed therein and should not be considered as the real accession of wealth to the whole of the nation. It is high time that our nation which has accepted the new social objective or Socialistic Co-operative Commonwealth should learn to treat the contributions made by every sector merely as so much contribution offered to the whole nation with the aid of the available social equipment and to recognise the right of every section of society for its legit mate share from the total national wealth emanating from all sectors. That is, our planners should aid at implementing the socialistic and co-operative adage; from every one according to his ability and to everyone according to his needs. It may not be possible to give full implementation to this maxim in the near future, but the plan should be so framed as to help our nation to march in that direction. But during this second period of our planned development, less than one-third of the increased income is being distributed to the 70% of the population while the remaining 30% of people are being allotted more than two-third of the increased income. Unsatisfactory as it is, it becomes even more unsatisfactory as it is, it becomes even more unsatisfactory when we contrast this plan and its Rs. 940 crores of income increase in agricultural sector with the achievement of the First Plan with its income increase of Rs. 780 Crores although its total out lay was only Rs. 2290 Crores as against the Second Plan's out lay of Rs. 4800 crores. When we speak in terms of percentages, its percentage increase (18%) for agriculture during the First Plan is exactly the same as that of the second. Although the Second Plan seeks to increase the national income by 25% benefit as could be expected, in the light of First Plan's achievement or even in accordance with cannons of Social Justice but only 18% of increase in their sector's income.

This injustice becomes more glaring when we look at it from the per capita basis. In 1955-56, the average per capita income in India was Rs. 280. When we compute these per capita figures sector-wise, taking into account their net-income and population, the per-capita income in Agricultural sector would be Rs. 195 while in the non-agriculture sector, it would be Rs. 485. And at the end of the Second Plan in 1960-61, when both the increase in National income and population are taken into consideration, the per-capita income in Agricultural Sector would come to be Rs. 216 as compared with Rs. 599 in the non-agricultural sector. That is, while the increase in the percapita income of the whole population during the Second Plan

period is to be Rs. 50, the increase in the per capita income in agricultural sector will be Rs. 21 as against the increase of Rs. 114 in the non-agricultural sector.

Any just and well-balanced economic development of a country should see that agricultural income rises proportionately with the rise in a national income. Once industrialisation begins, the increased city income will have its effect in raising the farm income while the increased farm income will have its effect in raising the city income. We notice this trend clearly in America, Denmark, Egypt, New Zealand where Agricultural income sometimes rose even more than proportionately to the National income. This was shown by all the available data provided in the studies of F.A. O. * But that we are experiencing opposite tendency in India is evident from the following trend of the net National income figures from 1948-49 to 1960-61.

NET NATIONAL INCOME AT 1948-49 PRICES

Year	National Income	Income of the Agriculturists & allied pursuits	% of the National Income that goes Agriculture
	Abja (100 crores) Rs.	Abja Rs.	
1948-49	86.5	42.5	49.1
1949-50	88.2	43.6	49.4
1950-51	88.5	43.4	49.0
1951-52	91.6	44.5	48.5
1952-53	95.2	46.0	48.3
1953-54	99.5	48.9	49.1
1955-56	104.4	50.5	48.5
1960-61	130.5	59.6	45.7

Source: 1. The Central Statistical Organisation Paper on "The estimates of

nationa income 1948-49 to 1953-54" published in March 1955.

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* "The Farm and City" F.A.O. publication April 1953.

2. The Second Five Year Plan – A draft outline – Feb. – 1956. Its estimates had been translated into figures at 1948-49 prices.

The analysis clearly shows that the National income is rising conspicuously more than proportionately to the rise in the agricultural income.

This gives us the magnitude of the "invisible exploitation" of the peasantry and shows the possibilities of development that is taking place at the expense of peasantry. It may not be very much at this give moment, but once this trend is allowed to prevail it is likely to have its own accelerating and adverse effect upon the position of Indian peasantry and cause their cumulative impoverishment, comparatively with other sections of our Society.

iv

Let us now look at the Plan, from its second objective i.e. the large expansion of employment opportunities, which is considered as the "King-pin" of the plan by the plan-Frame. There is no gainsaying the fact that our agriculture abounds with unemployment and under-employment which has led to the low per capita production in agriculture and low income to the peasant. Though under-employment is not so conspicuous in our national discussions as the problem of unemployment, it has however the same depressing effect on the economy and society as unemployment. In fact society loses much more by Governmental neglect of this problem although it may not be so patently capable of drawing popular attention. For some time to come, the income of an Indian Peasant will rise in proportion to the diversion of extra man power from agriculture, because, as the Plan Frame also admits "a large number of persons remain attached to agriculture, without really contributing anything to production" p.67.

But the Plan-Frame confesses that "such a transfer of population from land, however, is a long-term task; for the Second Five Year Plan, it would be sufficient to aim at stabilizing, more or less, the present level of employment on land" (p.68.)

Even while he has not been given proper share in the increase in national income, let us see whether he has been provided any other source of real income either by being relieved of the burden of maintaining unproductive dependents from out of his meagre income, or through the creation of new and more employment opportunities or by providing social services. Even in this respect, we find that he is put in still more unenviable position. According to the calculation of the Planning Commission, out of the total number of 15.3 million jobs which will have to be created if unemployment is to be completely eliminated, 9 millions belong to the rural sector and 6.3 million belong to the urban areas. Against these overall requirements, the Second Plan is expected to create only 8 million new jobs. If we calculated the number of jobs that go the rural sector, which comprises almost wholly of agricultural population, on a more generous estimate, it comes to not more than 2 to 2.4 million. This figure has been arrived at as follows.

ESTIMATED ADDITIONAL EMPLOYMENT

(figures in Lakhs)

	Total	Rural
1. Construction	21.00	8.5 to 10.0
2. Irrigation & Power	0.51	0.5
3. Railways	2.53	0.5
4. Other Transport & Communications	1.80	0.5
5. Industries and minerals	8.00	1.0 to 1.5
6. Cottage & Small Scale	4.50	2.5 to 3.0
7. Forestry, Fisheries, N.E.S. and allied schemes	4.13	2.0 to 3.0
8. Education	2.60	1.0
9. Health & other social services	2.58	1.0 to 1.5
10. Governmental Services	4.34	0.5 to 1.0
11. Trade & Commerce	27.04	2.0 to 4.0
Total	80.00	20.0 to 24.0

The disproportionate injustice done to the rural sector can be seen if we

compare their relative gains with their relative needs. Five to Six million jobs are being created for an urban sector which will have 6.3 million unemployed while only 2.0 to 2.4 millions are being offered to the rural sector which will have 9 million unemployed. And as regards the colossal problem of under-employed, the Plan throws no light except stating in general terms that it will be reduced by the increased acreage of irrigated land that comes into being with the completion of the projects undertaken during the First Plan and by an additional employment flowing into cottage industries.

During this Plan period, even the social services are not expected to go to the village level to any considerable extents. This is the fate of the peasant as far as the second objective is concerned.

v

Now we take the third objective: the redistribution of wealth. It is indeed fortunate that the State has committed itself to the socialistic goal. To this end, various reforms have been proposed during the Second Plan period. This is certainly going in the right direction. Socialistic distribution means redistributing the existing properties according to the canons of social justice and not a mere redistribution from the weaker to the stronger, just for the sake of redistribution. The Laissesfaire Era – which started from the premises of equality of economic strength and bargaining power created one type of inequality while Sovietism, destroying the capitalistic structure, has created another type of inequality and under both these dispensations, peasants have been the worst sufferers. These lessons demand of us that, while pursuing a negative policy of reducing the gross inequalities, we should have some positive aim of what we need to attain. Mere policy of expediency at every stage may lead ultimately to a social development which none of us can desire or anticipate.

As far as the agriculture sector is concerned, the proposed implementation of ceilings on land in all states certainly can tend to reduce the gross inequalities in that sector and can therefore be hailed as a desirable reform. But the possession of land is not the only basis to create social and economic inequality. This is only one among many other sources of such inequality. If the reform of redistribution of wealth of all types is not undertaken simultaneously on all fronts, it is bound to be lop-sided and inconsistent, ultimately defeating its own aim by creating new type of inequalities which we have to be redistributed again by our future generations or by intensifying

the socio-economic evils arising out of the other types of inequalities which are allowed to continue to do this mischief.

The Second Five Year Plan tends to weaken the Agricultural Sector as a whole vis-à-vis other sectors by concentrating most of its egalitarian reforms on agriculturists while leaving out untouched the other social and economic forces of inequality and concentration of wealth and power. It is recommended that the ceiling on land should be fixed at three times the family holding as defined for an average family of five members. Family holding as defined by the Committee of the Land Reform Panel is the area of land, which yields a gross average income of Rs. 1,600/- per annum or a net annual income (including remuneration for family labour) of Rs. 1,200/- and is not less than a plough unit. When this criterion is understood in terms of income, it means, that the ceiling on agricultural income is to be put at Rs. 3,600/-. On the other hand, the planners propose to put a ceiling on personal incomes at 30 times the prevailing average per family income; that is Rs. 35,000/-. This proposal was made by the Taxation Enquiry Commission. Yet, even this unconscionably too high an income – ceiling for non-agriculturists – has not been taken so seriously by the Planning Commission as worthy of immediate implementation during the plan period, as the other one; relegating this proposal of the Taxation Commission as merely a rain-bow in the context of the perspective of planning. And it is so partial to non-agriculturists, and it is more than 8 times the ceiling proposed by Planning Commission for agriculture.

The justifications, and considerations and urgencies that necessitate immediate action in fixing the ceiling on land dare also equally applicable and insistent in regard to all other properties like industrial shares, commercial interests, professional salaries, and urban housing properties etc. Yet why does not the Second Plan propose to take as early and effective steps to bring down the inequalities in non-agricultural sector? Does no their attitude result in relative injustice to agriculturists? We, therefore, criticise the exclusion of other properties, instead of criticising the inclusion of landed property in the programme for fixing ceilings. This one-sided policy, while attempting to reduce the inequalities in the agricultural sector, widens the gap of existing inequalities between the agricultural and non-agricultural sectors as had happened in Soviet Russia and in Capita-dangerous problem of inequality and social injustice.

It may be said that reforms in a Democratic Society can be made only step by step, and the first step in terms of sacrifice must be made by someone or the other, without quarrelling among ourselves as to who is to come first. But even in fixing such a priority there is a canon of social justice to be respected. We know only too well important canon that the sacrifice demanded of any one must be proportionate to his ability to offer it and the ablest and strongest man in this ladder of ability must be chosen first for bearing the burden. Judged by this criterion industrialists, commercial and professional classes should be chosen first for offering sacrifice, long before agriculturists can be asked to bear the crown of ceiling or any other sacrifice, that is introduction of ceilings on personal incomes should come first before that on land is imposed. To assume that the bad repercussions of fixing and imposing ceilings on personal incomes on the ability of people to work and save will not be experienced in the case of ceilings on land is to indulge in mere self-deception. In this respect, planners seem to have been planned for the benefit of a part of the nation instead of planning for the benefit of the whole of our nation.

In fact, the plan is prepared to encourage bigger capitalistic holdings, provided they are organised as Capitalist concerns, by exempting them from the ceiling formula, on the pretext that they offer to produce more per caput and per acre through their mechanised agricultural operations etc. That is, they want to replace bigger peasants by much bigger capitalist landlords. This is defeating our national objective since the Plan has started with an objective of redistributing land to the landless and not with the objective of increasing the number of great aggregations of holdings under capitalists and certainly not with the aim of eliminating small holdings and liquidating the bulk of our landholding pleasantly.

vi

So far we have spoken about the gains of the Plan and its distribution. Now we shall enquire about the means the planners propose to achieve the plan's targets. Planned development can take place only with the aid or within the ambit of the resources and efforts of the people. Here too, the canons of social justice demand of us that the efforts must be so distributed between the different sections of population according to their abilities to offer their savings, properties, productive resources and labour. Let us examine how far our planners have satisfied this criterion.

Our contention is that according to this plan, while agriculturists have been

kept at the end of the queue in reaping the gains of the Plan, they are to be pushed into the vanguard in shouldering the burdens and pains of achieving the plan and its benefits. Out of the total outlay of the Plan, that is Rs. 4,800 crores. This is the only item of resources mainly through taxation works out at 1/6th of the total resources required i.e. Rs. 800 crores. This is the only item of resources in the plan that directly demands from the people an effort in terms of taxation. The rest of the effort of the people will be extracted in an invisible manner. Out of this Rs. 800 crores, Rs. 350 crores can be made available for the Plan out of current revenues at existing rates of taxation. Another Rs. 450 crores has to be raised from fresh taxation. These fresh taxes are to be levied through the implementation of the recommendations of the Taxation Enquiry Commission. This additional Tax, burden will be equally shared both by the Centre and the States. It would be rather difficult to calculate exactly the peasants' share of this additional taxation. The Agricultural Income-tax is the main recommendation that is yet to be implemented by all the States except two or three and the impact of this additional taxation would be necessarily borne by peasants but considered along 3with the implementation of ceilings on land, it simply squeezes out the agricultural potential. Even according to the Taxation Commission and as per the trends of the Union Budgetary policies and the regressive incidence of Central excises, it becomes clear that peasants and workers will have to bear more than 50% of the Central tax-burdens. The incidence of States – Taxation is much higher on agriculturists than on other classes. The rest of the outlay Rs. 4,000 crores will come to be made available to the Plan only indirectly.

Of course, an element of conjecture is bound to come in, when we assess the indirect burden it puts on different sections of the population and yet its broad tendency can be visualized. It is here that an agriculturist come to be exploited quite invisibly by the mechanism of finding resources for the plan. Land values are expected to fall because of the land legislation. Again, the prices of agricultural products are not likely to be allowed to rise during the Plan period even after incurring the enormous and planned expenditure out of the huge non-budgetary resources like deficit financing. The demand for consumer goods depends upon the propensity to consume, which will be determined by the aggregate national income and the psychological attitudes of the people concerned. When income raises, the propensity consume rises, but not proportionately to that of income and especially is it so, in regard to expenditure on food. The consumption of food-grains depends upon the

structure of different income groups in the economy and the increase in their demand depends on the distribution of the increased income among different groups. But as the economy develops, the consumption pattern of society itself undergoes change. Generally, in the under-developed countries, much of the consumer's income among the lower strata is spent upon agricultural products. But once this bare-need has been satisfied which is equivalent to the self-sufficiency in food-grains, further rise in income during the Plan period is likely to be spent on the non-agricultural goods. This is probable also because much of the inflationary income during the plan period is likely to be spent on the non-agricultural goods. This is probable also because much of the inflationary income during the plan period is likely to go either to the industrialists and traders in the form of profits or to the or to the newly employed middle class in terms of additional "wage fund" or to the professional classes who will obtain dearness allowances or to the producers of non-agricultural consumer goods. Only a part of it goes to the proletariat and artisans and increases their demand for food grains. But this additional demand is likely to be met by the proposed imports of U.S. commodity surpluses, which are available on 'liberal basis' and by additional production of food grains within the country during the plan period.

Under these circumstances it is not unfair to assume that the share of agriculturists in the increasing capacity of the national to spend will tend to be lower and cannot anyhow be expected to rise, in comparison with the rise in the incomes of other classes or in the demand for their services. On the other hand, peasants who form 70% of our population are likely to develop their tendency to hanker after more and more of industrial goods, demand commercial and other professional services, thanks to their growing literacy and fancy for urban niceties. While the demand for their own products is not likely to rise so well, their own demand for others' services is sure to rise rapidly, with the result that the terms of trade will further worsen for them and the invisible drain of their resources will continue to grow disastrously. The Government's policy of supporting small-scale industries, putting ceiling on the production of factory goods will result in higher prices for both mill-products and handicrafts. Moreover most of the Governmental outlay and much of private investment are likely to be spent on the establishment of basic industries which do not produce any consumer goods during the plan period, even while increasing the income of its employees and adding their pressure also to the demand for the available consumer's goods. All these tendencies are sure to increase the demand for the non-agricultural consumer god, even as there will set in a reduction

or shortage in their supplies. This will necessarily lead to a rise in their prices. Since agriculturists are the main consumers of these goods, the real indirect burden of this falls on them.

Simultaneously with adverse effects on peasants of all these tendencies there will set in motion the very painful, and enervating process of inflation during this period. One American Economist who was consulted by the Planning Commission warned them of the possibilities of a rise in prices from 24 to 45% Prof. B.R. Shehnoy has added his minute of dissent to the report of the Panel of Economists, stating that the proposed tempo of deficit finance Minister Sri. C.D. Deshmukh has honestly and bravely admitted that there is the risk of inflation but it must be run. But who is to pay the price of this threatened inflation? Its dimensions cannot be insignificant in view of the fact that the deficit financing, that is likely to be indulged in, both directly through officially noted deficit financing and indirectly through the money created by banks through their advances to the investing public or private enter-preneurs who subscribe to Government loans and to Joint Stock Companies is likely to be nearly half as much as the total investment in Public Sector, that is, Rs. 4,800 crores. As for the effects of inflation upon different sections of our people, it is a well-established fact, that when prices of any of the commodities or services remain uncontrolled, it is the small peasants and working classes, including artisans and low paid employees who suffer most and pay the highest price. It is equally admitted that even when prices come to be controlled, it so happens under the present democratic administrations, that peasants are not able to indulge in black marketing as easily, on such a large scale and with such an easy – conscience as industrialists, commercial classes, and a good many of the professional classes are able to levy their compensatory toll. Further more, the Government's practice of fixing prices favours industrialists, by seeking to cover the costs of production of marginal firms while it does positive injustice to peasant by openly admitting its unwillingness and incapacity to fix prices at remunerative levels and by unashamedly insisting upon States right to fix only such prices as are considered to be within the capacity of the "Vulnerable Sections of Population". The result will be as it had been during the last period of inflation – that while all the industrialists whose firms are most favourably placed than the marginal firms continue to reap high profits, as a consequence of this price-fixation policy of Government, almost all the peasants – leaving out the small percentage – possibly 10% -n are likely to be forced to sell

their agricultural produce at unremunerative prices. When this is viewed in juxtaposition to the peasants' generally law-abiding tradition and incapacity to indulge in black-marketing as a fine art, as others do and their need to have to bid against better placed and more monied sections of population for the dwindling supplies of consumers' goods during the plan-period and pay the black-market prices, none can fail to realise the disastrous degree of invisible drain of peasants' resources that will be set in motion by the consequences of deficit financing, it inflationary tendencies and administration strong basis towards urban interests.

Thus, with the fall in his land values, with his constant income, with the increased number dependents and with inflated prices of the manufactured goods he needs with the increasing tax-burdens the agriculturist will be obliged to bear the heaviest share of the Second Five Year Plan period.

Ultimately, the per capita of the Indian peasant may rise to a small extent in monetary terms but if we take all things into consideration, his real income may fall at the end of the Second Plan. Planners ay be conscious of this or not and they may not be consciously planning toward such an unhappy consummation, but this would be the result. This unfortunate result is likely to be experienced, as a consequence of the Second Five Year Plan because peasants happen to be weak in barging capacity and in their organisation, and because of the initial disadvantage of too small a value set for their service (comparatively too low a price level for their products), and also because of their lack of control over key-services, want of influence over the administration and the one-sided pressure of national leadership on the agrarian sector to make too burden-some a contribution.

It is clear that the peasants' share of the burden of financing the plan would be disproportionately too high. It is to be carefully considered whether under such a burden, if continued further, the social economy of the peasants will not begin to collapse as had happened in the capitalistic and communist countries or whether the inevitable democratic pressure of friction and obstruction or failure to respond enthusiastically which can more readily take shape in a Democracy than under a Dictatorship, will not cause directly or indirectly a non-fulfilment or the targets of the Plan. There are only two ways by which such a serous risk of failure can be obviated or overcome. We may shift the burdens of financing the plan from the peasants to the upper middle-classes and rich classes through the imposition of

ceilings on personal income and higher progressive taxes. Or twice or thrice as much money as is now being proposed may be obtained from abroad either as loans or otherwise. Anyhow, it is impossible to think of seriously lowering the temp of development in view of the growing challenge form the under-privileged and vulnerable section of our population, with their rising political demand for social justice and advancement. Therefore it is the duty of the national planners and leaders to turn towards the richer and upper middle-classes who continue to enjoy more than ten times the minimum income to bear more than their proportionate share i.e. progressive share, if really our planned development is to be achieved in a just and Socialistic manner. *

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* Our warning, sounded in May 1956 after a careful study of the Indian Second Five Year Plan, was endorsed in July 1956 by Sri A.P. Jain, Union Minister for Food and Agriculture at the States Ministers Conference. He admitted, that "the disparity in incomes of the two sectors (agricultural and non-agricultural) at the end of the plan would be greater than at present. This aspect of our planning should legitimately because of concern".

III

Extracts from Rangaji's Speech

AT THE FOURTH CONGRESS OF THE I.P.U. NEW YORK, 1-10-1954.

Ours is the mission of democratic and peaceful agrarian socialism. Not once did we falter in the mission we have taken upon ourselves of fighting for freedom of our people, for the independence of our peasants, for the protection of our rights, for our small holdings which are the source of our employment, for social security and a field for the free play of our initiative and enterprise.

Why have we taken upon ourselves this terrifying mission? Surely it is not merely because we are anti-communist. It is primarily because we are advocates of independence, freedom and co-operative effort. The love of independence comes to us naturally, since for generations past we have loved our freedom on our small holdings as independent entrepreneurs, finding our own employment, driving ourselves into creative effort, and taking pride in producing more and more crops to feed the world's population.

What is it that today the Western socialists want to achieve for the benefit of any class of toilers? To free them from the exploitation of capitalism and give them the opportunity of feeling that they are working for social well-being. Is it as valuable an ideal as what our peasants have been trying to achieve and retain? We work and produce for social well-being; we do it on our own with the voluntary consciousness of our social duties. W enjoy the additional advantage of not having to work under any manager or master of some arbitrary authority masquerading as the State. But that is not the case with other classes of toilers. They have yet to achieve such an experience. Therefore they do not know its value and its indispensability. They may not able to stand the strain of as long and painful a struggle for the achievement of such a status as we can. We are marked out by the very historic necessity of the times to fulfil this sacred mission of safeguarding freedom and independence, of carrying on co-operative and social endeavour, and offering the most effective resistance to all totalitarian movements, whether of the Fascist or Communist type.

It is to the more effective discharge of this historic mission that we are all called today into this Congress. We are democrats par excellence. It is to the credit of the peasantry that it has shown the way to the world of how to split up and distribute economic power among millions and millions of people, yet ensure both efficiency and economic progress. This is the essence of our agrarian Socialism, which we call Gandhian Socialism in India.

IV

Extracts from Rangaji's Speech

AT THE FIFTH CONGRESS OF THE I.P.U.

PARIS, 28th to 30th October, 1956.

Let this International Peasant Congress therefore place on record its appreciation of these great and good champions of national freedom and independence who are struggling so heroically in Asia, Africa and even in this much advanced Europe and who are joining issue with the European Imperial masters of the old and the new Imperial Demi – Gods of Communism.

Let us at the same time remember that the cause of world peasants is much bigger and broader than this worthy cause of national freedom, which it naturally embraces. The peasants of the world have long been oppressed not only by imperialists, feudalists' priests and other social reactionaries but also by capitalists and communists. They have been denied civil liberties and often degraded into wage slaves, if not, and virtual slaves. Only during this century they have been emerging through tortuous course of struggle sand sacrifices, from out of the clutches of feudalism and priest-inspired Fatalism. More and more millions of them have been gaining ownership of their holdings and thus becoming free-peasants and developing their economic freedom. But even as this revolutionary progress was being achieved, the octopus of Sovietism has been sapping the life-springs of independent peasant economy and dragging more and more of them into the abysmal depths of economic slavery, as represented by the so-called collective Soviet farms, Chinese co-operative farms and the State farms. We are today witnessing this worldwide struggle between these tow powerful forces and tendencies; that is, the peasantry struggling successfully to gain ownership on their holdings and thus to win their freedom while employed on their land which are the source of their employment and their living and the peasantry who are being coerced as in the U.S.S.R. and other Euruopean countries and decoyed as in China and other countries of the East which are ensnared by Asianism into the so-called collective or co-operatives which enslaved them to the new tribe or caste of technocrats and bureaucrats.

I trust that his Congress will choose to champion the cause of free peasantry and family co-operative farm and will save our peasantry from the new menace of economic imperialism and enslavement.

Of course we all stand for co-operative reorganisation of agrarian economy. Such a co-operative development has to be spontaneous, freedom – promoting and progressive. We want our peasants to co-operative all organisational processes, on the side of supplies, financing and marketing. We want the actual farming of the land to be left to the initiative, enterprises and industry of peasants; with all the aid, guidance and supervision of the planning authorities of each nation, so that the economic freedom of peasants can be maximised while national interests are safeguarded.

We will try to help more and more peasants to develop even co-operative farming on a voluntary basis with freedom to leave the co-operative whenever they find such partnership uneconomical or anti-social or temperamentally incompatible. We hope that gradually such a type of co-operative farming will come to be evolved which will be fully democratic and conductive to the growth of peasants' freedom and personality.

Such is our conception of Guild Socialism for our peasants and we hope that this Congress will work towards such a Socialism of decentralised economic freedom. We, in India, hail this approach as Gandhian Socialism.

Everywhere in the world, our peasants are found in an inferior political status. No wonder we have so little effective political freedom. It is high time that we too aim at achieving our due share of political power and freedom. We can do sol by working directly for effective political partnership with other toiling masses in our democracies. We can also work for it indirectly by fighting for equal economic rights with other classes. Today, our services are valued the lowest and our contribution to social wealth is priced the lowest. Hence our lower incomes and greater misery than all other socially depressed peoples.

We must demand parity with all the other classes in the value placed on our labour, prices offered for our produce and the services rendered to us by other classes. This demand for parity will all other classes is the most revolutionary and constructive demand of this age and it stands to the credit of President Roosevelt to have led the way for the world in initiating state action towards its recognition and implementation. Let our I.P.U. take its stand on this worldwide demand for social justice for peasants, thus is, all-round parity for peasants with all other classes.

This is the philosophy, at once so constructive and revolutionary, of world peasants. Let the I.P.U. work for the fulfilment of this Credo of World Peasantry.

OBJECTIVES OF THE GATT

(THE GENERAL AGREEMENT ON TRADE AND TARIFFS)

(10th March, 1955)

"The contracting parties recognise that their relations in the field of trade and economic endeavour should be conducted with a view to raising standards of living, ensuring full employment and a large and staidly growing volume of real income and effective demand developing the full use of the resources of the world and expanding the production and exchange of goods and promoting the progressive development of the economies of all the contracting parties".

2. "The contracting parties desire to contribute to these objectives through this Agreement by entering into reciprocal and mutually advantageous arrangements directed to the substantial reduction of tariffs and other barriers to trade and to the elimination of discriminatory treatment in international commerce".

Article XII

The contracting parties undertake, in carrying out their domestic policies to pay due regard to the need for maintaining or restoring equilibrium in their balance of payments – and to the *desirability of avoiding an uneconomic* employment of productive resources. The recognise that in order to achieve these ends; *it is desirable so for as possible to adopt measures which expand rather than contract international trade.*

Article XIV (2)

The contracting parties recognise that the granting by a contracting party of a subsidy on the export of any product may have harmful effects for other contracting parties.

(3) Accordingly, contracting parties should seek to avoid *the use of subsidies on the export of primary products*. If, however, a contracting party grants directly or indirectly any form of subsidy which operates to increase the export of any primary product from its territory, such subsidy shall not applied in a manner which results in that contracting par have more than an equitable share of world export trade in the product, account being taken of the shares of the contracting parties in such trade in the product during the previous repetitive period and any special factors which may have affected or may be affecting such trade in the product.

SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT

(SUNFED)

(18th March 1955)

"The economic development of the under-developed counties must first and foremost, be the concern of such countries themselves".

Despite the creation of the International Bank etc. "the organ of the United Nations have reiterated their conviction that the acceleration of the development of under – developed countries in many cases requires non-commercial capital in the form of grants –in-aid or long-term, low interest loans.

The committee started from this standpoint formulated their scheme " from the point of view of the international community which has accepted the economic development of under-developed countries as a matter of common concern".

"It should be an effort of a co-operative character under-taken in the spirit of the international solidarity for the purpose of fighting poverty, raising standards of living and increasing the output, and productivity of the peoples of under-developed countries.

The operation of such a fund should be directed "towards co-ordinated progress of economic development for the solution of the urgent economic and social problems of the World as a whole".

The contributing countries should be convinced "that the continued existence of the grave economic and social consequences of the under-development of many countries constitutes a threat to international peace and economic stability throughout the world".

Article XVIII (Page 14)

"Total Assistance to Economic Development".

2. The contracting parties recognise further that it may be necessary for those contracting parties, in order to implement programmes and policies of economic development designed to raise the general standard of living of their people, to take protective or other measures affecting imports, and that such measures are justified in so far as they facilitate the attainment of the objectives of this agreement.

The should enjoy additional facilities to enable them (a) to maintain sufficient flexibility in their tariff structure to be able to grant the tariff protection required for the establishment of a particular industry and (b) to apply quantitative restrictions for balance of payments purposes in a manner which takes full account of the continued high level of demand for imports likely to be generated by their programmes of economic development.

3. Where even all this is not enough the following special procedure is laid down.

4. (a) A contracting party, the economy which can only support low standards of living and is in the early stages of development shall be free to deviate temporarily from the provisions of the other articles of this Agreement.

(b) A contacting party the economy which is in the process of development but which does not come within (a) above may submit application to the contracting parties under Sec. D of this article.