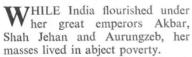
Some Reflections on India

DAVID B. ASCHER



In about 1615, Francisco Pelsaert, the Dutch chief of the Agra factory, wrote "of the rich in their great superfluity and absolute power; and of the common people in their utter subjection and poverty—a poverty so extreme and so miserable that the life of the people cannot be adequately depicted and described. For here is the home of stark want, and the dwelling place of bitter woe... So much is wrung from the peasantry that dry bread is scarcely left to them for their food."

And thus wrote Van Twist a few years later on Gujarat: "The peasants are forced to surrender the entire profit of their land and the authorities are unable in consequence to find peasants in sufficient numbers."

But why speak of the situation prevailing 350 years ago? Carter and Harwood in Where Are We Going? (American Institute for Economic Research), wrote in 1948 that social and economic injustice, that is, a wrong land system, is the rot "that has made India a graveyard of human hopes and aspirations for centuries."

They wrote these words after Gandhi's "Message of Love" had induced India and the whole world to believe that poverty would cease to prevail in the new and free State of India.

So long as India was ruled by conquerors whose only interest was Indian gold, nobody could be expected to remove the real cause of hunger and death.

It is true that under British rule a good many reforms were started, although they did not help the masses very much. But now India is free. Did her own new leaders take the right course? At first, this seemed to



be the case.

Nehru advocated the establishment of agricultural co-operatives. FAO experts were sent to India in order to help her in the development of fishery and agriculture.

And then came the "green revolution." New discoveries and inventions were applied in Indian agriculture. And a miracle did happen. India's agricultural production did rise,—so much that India, perhaps for the first time in her long history, seemed to escape the threat of hunger and famine.

But what happened? As soon as lands produced more than before, the landlords asked for (and received) higher ground rents; they became richer than ever, and the poor tenants became poorer than ever. Quite a few tenants refused to improve their lands, to apply better fertilizers and seeds, to dig new wells, because they knew that these improvements would make their landlords richer, but add new burdens to themselves.

In 1971, refugees from East Bengal crossed the India frontiers. India was willing to receive them with open arms, but she was not prepared to absorb them. Though these refugees amounted to one per cent of India's population, India was unable to cope with this influx. Other countries, like Israel, accepted many more per cent of their population when sudden immigration was necessary yet their economic system was not thrown out of gear. Why did this happen to India?

Bhave's appeal to good will was based on old and ancient Indian tenets. "They reach the goal by pious acts" says the Sutrakritanya. "Bounteous is he who gives unto the beggar who comes to him in want of food and feeble. He makes a friend of him in future troubles!" says the Rig-Veda. But did not already Buddha teach his people that pious acts

cannot help unless the root cause of the evil is understood?

In The Jerusalem Post of June 30, 1971 an article by Denzil Peiris "New Maharajas in India," contains this passage: "One of India's new 'maharajahs,' the chairman of co-operatives through which the government finances the 'green revolution,' has just celebrated the weddings of his son and daughter with the Arabian nights opulence of the princes whose privy purses Mrs. Indira Gandhi wants to snatch.

"Shankarroa Mohite, who is the chairman of two big co-operative sugar mills, the head of a land mortgage bank and a co-operative bank in Maharashtra, had 125,000 guests at the double wedding. He spent nearly \$70,000 on food and lighting....

"As the head of financing bodies and producing and marketing cooperatives which dominate rural life, Mohite, like other chairmen of these agencies, exercises the feudal power of the old maharajahs....

"Mohite said a 'voluntary' tax was levied on the salaries of the workers of all institutions with which he is associated to pay part of the wedding bill..."

One of the guests at the Mohite wedding was Y. B. Chavan, Mrs. Gandhi's Finance Minister, who had just introduced a budget for "growth with social justice" which heavily taxed business houses, and increased duties on goods used by the middle classes.

Mr. Denzil Peiris adds an interesting remark: "India's green revolution has fabulously enriched big landowners like Mohite... Mrs. Gandhi's 'Young Turks' and leftwing policitians want new tycoons like Mohite taxed."

Poor "Young Turks!" Is there nobody to tell them that the taxation of income is an absurd way to remedy the maldistribution of wealth as well as the wrong way? Because clever people will pay nothing—and without committing an unlawful act. Is there nobody to tell them that only equal rights to land or its rent can help? So long as landlords appropriate for themselves the economic rent of land, just so long will the masses remain poor, sharing the heavy burden of taxation with industry and trade.