

careful examination. Land is in short, supply and should be well distributed. Agricultural output can increase only if peasant proprietors or co-operative farms take the place of absentee landlords and urban owners. In India the scope for big size farms is limited. The financial resources and managerial talent available do not permit of big farms. Redistribution, therefore, is justified. The Government may try to effect a more equitable distribution by legislation. Shri Vinoba Bhave tries to do the same by appealing to the good sense of the landlords.

It is, however, wrong to think that the Government in India are doing nothing about this question. In fact zamindari abolition acts in UP, Bihar, Madras and other States are meant to prepare the ground for a peaceful transfer of land to the actual cultivators. The move on the part of the States to fix a ceiling to holdings can also contribute to a better distribution of land removing the intermediaries between the cultivator and the owner. It may be recalled that in 1946 a Conference of the Provincial Labour Ministers was held to examine the condition of landless labour and evolve proposals for their improvement. In accordance with the recommendations of this Conference, the Government have instituted economic enquiries (in about 600 chosen centres) to collect data pertaining to landless labour. The minimum Wages Act of 1948 seeks to fix minimum rates of wages for agricultural labour and is expected to be implemented by 1953. Shri Vinoba Bhave's campaign should serve to warn the Government that agrarian reforms and fixation of fair wages to agricultural labour should be hurried up. Communism is spreading in the territories adjacent to India: a "World War between Communism and Democracy" appears to be quite probable. It is therefore prudent for India not to permit large-scale land hunger and agrarian distress.

Establishment of panchayats, decentralisation of production and distribution, peasant proprietor system, fair wages to labour—these are powerful weapons for democracy. The Planning Commission, it is to be hoped, will take due note of the agrarian situation emphasised by Shri Bhave. Proposals to withdraw idle rural population into industrial occupations and giving highest prio-

riority to small scale and cottage industries alone can mitigate the growing demographic pressure on land. The framers of the Draft Five-year

Plan do not appear to have realised this. Shri Vinoba's visit to the Capital should help them to review their development schemes suitably.

Socialism and Nationalisation

A MEETING of a new Socialist International was held at Frankfurt this summer. At this meeting a strange trend in Socialist thought emerged: A declaration stated that "Socialist Planning does not presuppose the ownership of all the means of production".

This diametrically opposes the principal generalizations of the Marxian philosophy. It is a trend that at the first sight seems to be curious.

A French economist has put this development more sarcastically. He wrote, "Times have apparently changed, and no one would deny today that socialism is the right to exploit at a loss monopolies which were previously profitable".

This change of attitude among Socialists is beginning to appear in different countries of Europe and notably in France where the number of State enterprises are the highest in number. In New Zealand the Conservatives have returned to the saddle after a long spell of Socialist rule due to its policies that burdened the Government finances of the nationalized industries. That forced the New Zealand Labour Party to drop its plans for state ownership from its programs.

Asad plight faces the French nationalized industries. Excepting a few industries like potash mines, shipping and banking, where management is largely independent of the Government, all other industries recorded a sharp fall in their income. "The railways have lost 226 billion francs in five periods. Electricity has lost seven billion francs since 1946. Gas lost 37 billion francs in 1948 and 1949. Coal mines lost 7.5 billion francs between 1946 and 1948. And the airplane industry lost 3.5 billion francs by the end of 1949. The two Government organizations concerned with the Cinema business lost 53 million francs by the end of 1948; the radio system nine million; the press organization 1200 million, and Agence France Presse lost a

billion francs in 1949". A rough estimate for 1950 gives the total losses on state enterprises at 200 billion francs at least.

The picture in Britain, where nationalisation is more recent, is not too rosy. Though a few nationalised industries recorded profits accompanied with a steep rise in selling prices, the nationalised civil airlines lost 38 million sterling between 1946 and March 1950 and the nationalised transport industry has lost another 38 million sterling.

The causes for this decreasing returns are not far to seek. Poor management is the most important factor in this bottleneck. "As bottlenecks are found at the top of the bottle, the nationalized industry also faces difficulties at the top." Socialist parties, according to their political belief cannot pay high salaries to top executives and their appointments are made on party basis.

When the salary is low, profit motive is eliminated, free competition is unjustified, it is impossible to get the best man at the top. And when the disease could settle at the top it could spread easily right down through all levels of the organization.

And now, when they had that the nationalisation has this "Midas-touch-in-reverse", the Socialist economists are trying to find alternative asylum. The appearance of losses almost immediately on nationalisation has thoroughly discredited their nationalisation policy and it is doubtful whether they would be able to recoup their lost ground. One of the important factors that led the victory of the Conservative Party in the recent election in England was made possible by the Labour Government's failure in its nationalisation policy. It is now heard that R. A. Butler, the policy-maker of the Conservative Party and one of its most powerful men, has come out for the denationalization of railways. It is yet to be seen whether there would be businessmen ready to buy these loosing concerns.