

### ***17th Parallel***

MR. NGO DINH DIEM'S regime in south Viet Nam may not be democratic. But Mr Diem is clever in exploiting circumstances. Since the Geneva Agreement on Indo-China, there has been a stalemate in Viet Nam. Under the Agreement, the cease-fire should have been duly followed by a general election throughout the country. General elections have not been held; the country remains divided; Mr. Diem makes no secret that he has no intention to hold a general election. After prolonged hesitation. Britain and Russia, co-chairmen of the Geneva Conference on Indo-China, have issued an appeal to both south and north Viet Nam to make pre-

parations for a general election. Mr Pham Van Dong, Premier of north Viet Nam has promptly responded to this Anglo-Russian appeal. Mr Diem remains adamant. He disowns his responsibility to hold general elections. There is, thus, continued deadlock in Viet Nam.

Two events have helped Mr Diem to persist in his refusal to cooperate with north Viet Nam in arranging for general elections. Immediately after the Geneva Agreement on Indo-China, the Heads of States reached an understanding during the Geneva "summit Conference" not to wage an atomic war. Mr. Diem's intransigent attitude is helped by the knowledge that the Communist bloc will not encourage

north Viet Nam to violate the cease-fire agreement. Mr Diem argues further that he has no responsibility to abide by the Geneva Agreement as he was not a party to that Agreement. This is where the political vacuum in Viet Nam enters the picture. Under the Agreement France has a responsibility to ensure implementation of the Geneva decision to hold general elections in Viet Nam. France has quit Viet Nam; the French forces are no longer there. France is no longer able to discharge her responsibility. Mr. Diem is aware of these circumstances. He has also the tacit support of America. That is how and why Mr. Diem is one of the major beneficiaries of the prevailing international atmosphere of co-existence.

### **Off the Record**

## **On the Case for Nationalisation**

F E W will disagree with the proposition that in bringing into existence a Socialist pattern of Society, the State has to play a big part. But equally truly, few will agree on the extent and nature of this part. Whatever the form it takes, the essence of the transition lies in reducing inequalities in economic power, and introducing new values in society. This inevitably means that some of the institutions to which one has always been accustomed will need to be transformed, if not changed. The trouble is that, those who are intimately connected with such institutions and know their strong points are convinced that extension of State power should be such that these institutions are not jeopardised. Extension of the power of the State in this context does not mean only nationalisation. Even legislative measures directed towards reduction of economic power meets with ferocious opposition.

There is always a plausible reason for such opposition. The landlords see no reason for legislative imposition of ceilings on personal holdings when no such restriction exists on urban property and when large-scale farms; are associated in the popular mind with efficiency of production. Labour leaders desire protective legislation for labour and greater political importance to that class, but are scandalised by any talk of restricting the right to strike or of enforcement of discipline by the State. And, of course, industrialists feel that nationalisation of industries is the last thing that the

State should do, if it wants real development.

Admittedly, it is all very confusing to the Government, which has set its sights in a particular direction and finds that movement in that direction cannot be in a manner agreeable to everybody. Not unnaturally, it takes shelter in vague policy statements and compromise formulae, in the hope that friction might be minimised. But in the process, it only adds to friction, because the reason for vagueness is interpreted differently by different people.

A case in point is the recent Industrial Policy Statement. Many were surprised that this had only a mild reaction. It could not have been otherwise, considering how little it differs from the Industrial Policy Statement of 1948. But in the meantime, the environment has changed and those who probe deeper into such matters find that the dangers of nationalisation have increased. Subsequent to 1948, air transport and insurance have been taken over; the old Imperial Bank has been nationalised; Government has made it very clear that new units producing iron and steel shall be State-owned units. Several such instances could be cited and it is against this background that extension of State power in the industrial field is disquieting to many, including Dr. John Matthai.

Dr. Matthai's position is that free enterprise should be the rule and State enterprise the exception in a developing economy. He, therefore, disapproves of the greater

stress placed on State enterprise in the Industrial Policy Statement and considers it unwarranted. Neither of the two grounds put forward in support of nationalisation, viz., the necessity for State ownership in a Socialist Society and the need for speedy and planned development appear tenable to him. For him, nationalisation is permissible only when there is a proved necessity for it. Only nobody can define 'proved necessity' in a manner acceptable to all concerned.

Dr. Matthai unfortunately uses 'nationalisation' in a wider sense than is commonly understood. He uses it to mean not only the taking over of existing units of production but reservation of fields for State enterprise. He is, therefore, not concerned with the narrow question whether or not the State should use its resources in taking over established industries instead of establishing new ones. Apropos of reservation of fields for the State, he finds no sanction for it either in theory or in practice. The second criterion, viz., that of rapid development through this means, comes in for its share of criticism in the process.

The substance of Dr. Matthai's argument is this: the impression that nationalisation is an essential element in socialism is not supported either by socialist thinking or socialist practice. If the trend has been different in the USSR, it is because before the October Revolution there was no democratic government worth the name in Russia; if Karl Marx advocated socialisation