

ral belief" that investment is insensitive to the interest rate. The point that a higher rate would have beneficial effect on savings was, however, not refuted.

Questions relating to a central bank's proper role were also raised. One suggestion made was that the Reserve Bank should divest itself of its non-Central Banking functions—

namely that of provider of credit for the cooperative sector, which job should be entrusted to a separate agency. How this would improve the efficacy of the Reserve Bank's operations was not clear, except that the suggestion was included that the Bank's "monetary discipline" should be extended to the cooperative sector. But it seems doubtful

if an increase in the cost of credit should be a part of this "discipline"; even as it is, there is a wide spread between the rate at which credit is provided by the Reserve Bank and the rate which the agriculturist has to pay finally. This is an inevitable outcome of the hierarchical structure of cooperation in this country.

Looking at Europe

(From a London Correspondent)

THIS is the holiday season in Europe. Your correspondent, a reporter by trade, feels that he too is at liberty to take time off, to abandon the recording of fact for the expression of opinion. It may turn out, however, that in doing so he has not abandoned his trade at all.

The topic is Europe: a topic perhaps more deeply misunderstood in India than any other (except America, maybe). It is provoked by three events. At the United Nations. President Johnson has just appealed for an end to the cold war. In Berlin, the citizens of the western sector have been allowed, for Christmas, to visit the eastern sector, barred to them since the wall was put up over two years ago; the citizens of the east, however, remain barred by their government from going west. And in Paris General de Gaulle is wondering just how large advantages he can win for the French farmer by blackmailing his allies with the threat of breaking up the European Common Market. To understand how Europeans feel about those three pieces of news, and the way their reaction differs from that of, say, an American or a Ghanaian or an Indian is half-way to understanding Europe.

Who Are the Europeans?

Who are the Europeans? First, who are they not? For one, they are not the class of people with pinko-grey skins: this is a matter of mere linguistic usage — for an Englishman "European" no more covers Americans than it covers Chinamen. Nor, more significantly, are they definable by race at all; there are no doubt people in Europe who feel solidarity with Dr Verwoerd because of the colour of his face, but not very many. Nor, *pace* almost

the entire non-western press, are they a gang of rich and selfish hedonists intent on enlarging their own prosperity at everyone else's expense. This description is, alas, to some extent true of the form which 'Europe' has come to assume, that of the European Common Market, but it is no essential part of the definition of Europe.

No. The Europeans are the citizens of Europe, the people who feel themselves European, the people to whom Europe and not just their own corner of it, is part of themselves. This is not the platitude it may sound: fifteen years ago it would not have been easy to declare that such people existed. The Europeans are the men whose ideals gave birth to that common market which has now been distorted into a protectionist businessmen's club. The Europeans are the tens of thousands of young people who in these last few years have treated the frontiers of Europe as if they were lines in the dust, who have travelled on foot, hitch-hiking, by scooter, car or train to every corner of their continent and, meeting their equivalents from other countries, have thought of them not as "them" but as "us".

Not Inward Looking

They are not exclusive, inward-looking people, as they are so often represented. For them, the discovery of Europe is a move outward, away from the narrow nationalisms that have brought their continent to the edge of suicide twice in fifty years. (Just what this means in Europe is hard to explain to those who have not lived with it. Nine years ago, in the uniform of the British army, I went to the site of the concentration camp of Belsen. Here and there are long grassy mounds, like enormous graves. That is exactly what

they are. Notice boards, written in German, and put up by Germans, inform you: here rest seven thousand dead. Of course *one* can react to these memorials of unimaginable civilised barbarity by saying "Bloody Huns" — which is, with one word changed, what Hitler said — or one can swear "Never again". Do you see now why it *matters* so much to us?).

This feeling does not stop at Europe. There *are* not many Europeans who just don't care about Hiroshima or Sharpeville. But it is true that the Europeans are apt to be too busy building Europe to care as much as they should about the world outside. If you are a Bengali or a Maharashtrian, and you know what it is to be an Indian, you know, in a sense, what it is to be a European. Imagine your own country dismembered, and you will perhaps forgive the Europeans, who during Britain's negotiations with the Common Market, were unwilling to put the unity of Europe second to tariffs or quotas on East India kips.

Here then you have a continent just discovering the ties rather than the divisions of geography, rediscovering the unity of its culture: a culture — with due respect to the more ardent Vedic scholars — of great antiquity and of unparalleled splendour and variety, based not on the washing machine or the motor car but on Christianity, as inescapably, whatever one's religion, as Indian culture is based on Hinduism. A continent which, as much as Asia or Africa, is looking for itself.

And this perhaps explains why the European reaction to the events I have mentioned differs from yours or that of an American. To Europe, "the cold war" is "not a propaganda

catchphrase, as you may think, or the description of a power struggle. It is a reality: a barrier runs across the middle of *our* continent. The most obvious example of the barrier is the famous Berlin wall. The world by now is, or ought to be, sick and tired of reading reports of statesmen who have been trotted up to say how inhuman it is. But for us, you see, it is inhuman. It is not a stick to beat the Russians with. It divides families and divides a nation: our families and our nation. We don't want to beat anyone with it: we just want it taken down.

France and the General

And the general in Paris. The general has already done profound harm to Europe by pointing out (he was right) that the British people were not really ready to join Europe, just when Macmillan was quietly leading them in, on the hope, which British history justified, that, once inside, they would open

their eyes and discover that Europe was not nearly as terrible as they had feared. Since then, the general has repeatedly made plain his contempt for Europe. He may in fact intend to break the Common Market up, though that is doubtful. He is certainly trading on the feeling for Europe of other nations which he himself does not share, for the purely selfish advantage of France.

This may seem to you a rather good thing, though it is not very likely to lead to a more liberal Europe, any more than the rejection of Britain did. To the United States, the general, with his quaint ideas of grandeur and his embryonic nuclear force, is an infernal nuisance, to be humoured, cajoled or bullied as seems best. But to the Europeans, he may be a tragedy. Whether or not he breaks up the trading arrangement which is at present the only significant mould of formal European unity, the time may come when other European countries are tempted to kick his shins as hard

as he has kicked theirs. That would be momentarily satisfying, but it would be a disaster. One cannot kick the general without kicking, France; France which remains the keystone of Europe.

There. You were promised opinions. You have a fact: the way a certain kind of European thinks. A European (not identical with your correspondent, though not unlike) perhaps unsympathetic, perhaps blind to some realities of the world — we have focussed his gaze rather narrowly on his own problems; but a European who requires to be understood and reckoned with, whether you like him or not. Europe can become a wonderful thing, or it can indeed become an inward-looking, rich, white men's club. The latter catastrophe is far more likely to happen if the developing nations treat Europe with the same incomprehension that Europe, historically, has shown toward them.

December 20, 1963.

Capital View

The Government or Oar Government

Romesh Thapar

THE fact that the ruling middle class in the Capital celebrates Christmas with more gusto than the Christians is not the only pointer to the sharp isolation of Government from the people as we enter 1964. Whether it is in economic affairs or foreign policy formulation, or the trouble in Srinagar over the stealing of the Prophet's hair from a shrine, we are being made increasingly aware that policy-making in this sixteenth year of freedom has become the exclusive preserve of individuals and groups (and conspirators!) who enjoy the patronage of this or that leader. Small wonder that everywhere the people speak of *the* government, not *our* government.

It used to be asserted, not so long ago, that the extent of India's democracy depended on how democratic Prime Minister Nehru wished to be. Supreme power was vested in him, and he could alter, modify or repudiate any governmental fiat. He maintained a massive daily correspondence, worked some 17 hours of the 24, kept in constant touch with

opinion at the grass-roots, and despite occasional lapses was able to preserve a remarkably humane image of the democratic autocrat. This is no longer true.

Nehru's Power Waning

Jawaharlal's power is passing, somewhat visibly, to ambitious colleagues at the Centre, to equally ambitious burvaucrats, and to certain Chief Ministers who had the foresight to build their independent mass bases. Of course, the 'old man', as they now call him, still appears to be the master, but that is only because the Congress Party is so adept at preserving a convenient political image required to screen the crude battle for power which has been joined.

Finance Minister T T Krishna-maehari has jockeyed himself into a position from which his is the dominant voice in the cabinet — that body which once upon a time lie used to describe contemptuously as Nehru's yes-men, Nehru's durbar. The voice dominates because it is able with some skill to theorise on

matters economic which are little understood by the others. The impression has been created that economic paralysis has occurred as a result of doctrinaire planning, that a gifted Finance Minister has done a great deal of 'fundamental' thinking; that he is removing the cobwebs, restoring confidence, stimulating the economy. Who cares if prices continue to rise and industrial unrest looms.

So thorough has been the brainwashing that even those who knew that the fault lies in implementation and not in planning are silent because they have convinced themselves that they would be dismissed as cranks were they to challenge the palliatives offered by the Finance Minister. Significantly, if T T K were to leave the Finance Ministry tomorrow, no one would understand the pattern of his fiscal policies. In other words, they would have to start all over again!

T T K's Technique

The rot threatens the Planning Commission itself. It is losing faith