Chapter 5

Licences, Quotas, and Newsprint:
The Newsprint Problem in India and the “Revolution” of the “National” Newspaper Companies
As they stepped out into the silent street he wondered if Lord Vetinari had been right about the press. There was something... compelling about it. It was like a dog that stared at you until you fed it. A slightly dangerous dog. Dog bites man, be thought. But that's not news. That's olds.

Newsprint remains one of the oft-cited and long-standing problems characteristic to the Indian press; it is also the one most neglected in scholarly literature. The business in newspapers in India was entirely dependent on imported newsprint during the days of the Raj; the dependency continued with little interruption during the Nehruvian era and after, when the supposed impartiality of the state in its licensing policies, and control over newsprint through licences and quotas gave way to gradual deregulation. A salient feature of this dependency was there was hostility on part of the newspapers to the slightest perceived threat on their freedom to use and acquire newsprint outside means they best saw fit. Their hostility often took the form of fretful pleas to the government to uphold “free speech”—by implication, the guarantee of their freedom to obtain newsprint without any impediments—and with recourse to the old disingenuous argument, chockfull of self-referential and melodramatic allusions to their resoluteness in upholding their social vigilantism over commercial motives, that it was impossible for newspapers to recover their costs of production solely through circulation revenue.

We can comfortably set the date for the beginnings of the newsprint problem in India to the Second World War, though it remains that newspapers’ complaints concerning the regulation of newsprint prices go back much earlier. In 1924, for example, the managing editor and proprietor of the British-owned *Indian Daily Mail* complained to the newly-instituted Tariff Board that it was impossible to conduct business if the government stepped in to monitor newsprint prices: “It
must be borne in mind that the price of every copy of a daily newspaper issued to
the public should cover at least the cost of the actual paper consumed on its
production and the cost of distribution or sale. Otherwise, there would be a loss
on each copy sold. What is remarkable is that this simplistic reduction of
production determinants—with no reference to profits made from advertisement
or the lesser profits from the resell of newsprint and returned copies as “waste
paper”—was repeatedly put to use to complain against restrictions on the import
of newsprint until the 1990s. It remains the crux of the various arguments put
forward by editors-proprietors of English newspapers in India to justify their
newspapers’ excessive dependence on advertising revenue, or to complain about
the lack of it, now when they are free of the licensing institutions to
import newsprint.

My intention in this chapter is not to question the merit of these arguments, nor
stress their inadequacies. Rather, I try to provide a brief historical outline of the
system of newsprint control that evolved in India from the 1960s, the role played
by the state licensing institutions, their efficacy, and the myths and realities
behind the control mechanisms. I argue that the system of newsprint control
evolved in the state’s attempts to protect Indian newspapers from the
uncertainties of procuring international newsprint; after a long twilight, it

1 Frederick E. Holsinger, Import of Paper into India: Objections to the Imposition of a Protective Tariff
(Bombay, 1924), 2; National Library (Kolkata), E/0/338.476762/H741.
2 See, for example, the Statesman’s managing director Ravindra Kumar’s championing of his paper’s
“integrity” in battling escalating costs of newsprint in 2008, especially how he formulates his
newspaper’s refusal to succumb to pressures of the “unethical” advertiser who almost accounts for the
total costs of production, that is, according to his own estimates. Ravindra Kumar, “What Price a Free
Press? When The Advertiser Picks Up 96 Per Cent Of The Tab,” Statesman, Calcutta, December 21,
2008.
culminated in a directional action on part of the state’s licensing and newsprint-procuring institutions that helped the “newspaper revolution” of the late 1970s to come into being.

1. Protectionism and newsprint control

Newsprint rationing in India, which evolved during the Second World War, was formally discontinued by the Nehruvian state in June, 1949. In the same year, newsprint was placed under the Open General Licence, and newspapers were allowed to freely import the commodity. If Indian newspapers were absolutely dependent on imported newsprint: it was acquired mostly through international cartels selling newsprint made in Canada, Finland, Sweden, Norway and Austria. The high price and restricted access to Canadian newsprint—on which the American and Northern newspapers mostly depended—made the Indian newspapers prefer Scandinavian newsprint sold by companies having a virtual monopoly over newsprint supply to “soft currency” countries like India, and who often demanded a high premium over Canadian newsprint.3 Internationally, newsprint was a scarce and costly commodity at the beginning of the 1950s; amidst widespread international speculation on newsprint prices, its supplies wobbled with the American newspaper business more or less monopolizing on Canadian newsprint, Britain refusing to help its erstwhile colony in acquiring newsprint while reeling under its own newsprint crisis, and the Scandinavian countries unable to provide consistent supplies for the rest of the world’s

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demands. Inside India, the scarcity was greater: given the fact that an existing black market in newsprint made it even more rare and hard to find.

Even when there were no restrictions on the free import of newsprint, what most Indian newspapers did was to make bulk purchases from domestic intermediaries, many of whom speculated on newsprint stocks, and resold newsprint to their advantage in the black market. There was dual benefit in buying newsprint from domestic brokers: newspapers could do without the uncertainty of bargaining over spot prices offered by international newsprint companies who considered them too insignificant as customers and refused to go into long-term contracts with them; bulk purchases could be made directly through cash payments.4 Cash transaction without receipts, rampant during the days of newsprint control during the war and fulfilling the need for tax evasions for both the seller and the buyer, became a characteristic of the black market trade in newsprint in India during this period of “free play” and the later decades of import restrictions.

It would be wrong to construe that the black market in newsprint was exclusively triggered by the Nehruvian development state’s newsprint control policies. In the previous chapter, we have seen of the Birlas’ experience with the Bengalee that happened before the Second World War; the First Press Commission also testifies to the existence of a huge black market in newsprint in the five years corresponding to the early years of the Indian state when there were no newsprint

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4 Ibid., 64.
quotas for newspapers. It was a widespread practice in Indian newspaper business of this time to inflate circulations to woo advertisers, and at the same time, sell newsprint, mostly in the black market, because of its high re-sell value. We may only observe that the black market became more entrenched after the Nehruvian state’s promulgation of systems of licences and newsprint quotas: it did not, as is sometimes presumed, solely result from these systems of control.

Due to the perishable nature of newsprint as a commodity, speculations on newsprint also involved anxious considerations of its time-bound disposal, or possible re-sale. We have the example of Ramnath Goenka, the patriarch of the Indian Express group who—having traversed three thousand miles in the villages and towns around Coimbatore in the winter of 1951 in order to elect himself as a member of parliament—withdrawd his candidature in early 1952 due to the more pressing need, with a sudden drop in newsprint prices, to dispose 6,000 tons of newsprint he had hoarded in Madras. What happened to this newsprint is not known: part of it was no doubt consumed by his newspapers, and we can only speculate on the fate of the rest of it. What is known that Goenka soon went into a long-drawn litigation with a person called Ambalavana Chettiar and his Madras

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5 Ibid., 64-67.
6 Made of the cheapest ground wood pulp, newsprint is extremely prone to tear and transit damage than other types of paper. Moreover, since the wood pulp is bleached and combined with a percentage of chemical pulp to make it white and resilient to high-speed rotaries, newsprint turns yellow and brittles faster than other paper which makes it a commodity quickly losing its exchange value over time.
7 Goenka had been a member of the state legislative assemblies during the Raj; also a member of the nominated Constituent Assembly that went on to become the parliament. In the wake of the first universal suffrage parliamentary elections, he entertained hopes about getting himself elected as a member of parliament from the Coimbatore constituency in Madras.
Paper Marketing Company who, in March 1952, refused to take possession of 415 tons of Russian newsprint\(^9\) in reels stored in Goenka’s godowns in Madras, after agreeing to buy it for Rs. 5,60,000. Goenka sold the newsprint to another buyer at a lesser rate, and dragged Chettiar to court to pay for the deficiency on resale.\(^{10}\) This case, lasting sixteen years, was the only litigation concerning the re-selling of newsprint that made it to the Supreme Court of India; after the institutionalization of newsprint control mechanisms, newsprint was increasingly and profitably re-sold mostly through the black market.

The Government of India way of resolving the crisis in newsprint initially lay in the enforcement of price-page control. We may note that if newspapers later decried varieties of newsprint control measures, this one was originally introduced at the suggestion of newspaper proprietors too anxious, notwithstanding the benefits of the black market, about the international crisis in newsprint escalating in ways beyond their convenience and reach. In other words, the newspapers’ demand for newsprint regulation was an urgent plea made to the government for protection, a desire for a *cordon sanitaire*; if it appeared to deteriorate into a self-enclosed prison later on, the newspapers could not escape the onus for helping establish it.

\(^9\) From the 1950s, the Soviet Union had become another important supplier of newsprint to India. The quality was inferior to that of Canadian and Scandinavian newsprint, though it was often considered a better option because of its availability and lesser price. We can also note that despite his extreme political and ethical abhorrence of the Soviet Union, Goenka did not mind doing business with its newsprint.

\(^{10}\) P. S. N. S. Ambalavana Chettiar and Co. v. Express Newspapers (Bombay) Ltd. (1967), Supreme Court of India, [http://judis.nic.in/](http://judis.nic.in/) (March 11, 2011).
Soon after newsprint was placed in the Open General Licence, newspaper proprietors affiliated to the Indian Language Newspapers’ Association (ILNA) implored the government to introduce statutory price-page control. Voluntary restrictions thought of by the IENS concerning newsprint use, which included a limiting of the number of pages of daily issues of newspapers to less than sixty, were made statutory by the Indian government through a Newsprint Control Order effective from January 1, 1951. A month later, the IENS—held in considerable sway by English-language newspaper proprietors—urged the government to introduce price-page schedule to the control order, alongside a prohibition imposed on the use of newsprint for other purposes than making a newspaper. In view of these pleas, a revised Newsprint Control Order—effective from April 1951 to September 1952—prescribed the maximum number of pages for newspapers according to the retail price of each issue. In 1956, following the recommendations of the First Press Commission, the Newspapers (Price and Page) Act tried to regulate the prices of newspapers according to their pages and sizes; the Daily Newspapers (Price and Page) Order, 1960, mandated fixed number of pages to a newspaper according to the price it charged for its individual copy. By this time, following the regularization of newsprint prices by the Indian government, newspapers found this control too restrictive as it

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12 Ibid.
adversely affected their capacity to seek advertisements. Contested in court, both the Act and the Order were dismissed by the Supreme Court of India in 1962.\footnote{Sakal Papers Private Ltd v. Union of India (1962), Supreme Court of India, http://judis.nic.in/ (March 11, 2011). Ten years later, a Newspapers (Price Control) Act was introduced by Indira Gandhi’s government which empowered it to determine the maximum selling prices of newspapers; it was discontinued in 1974. Page control remained effective throughout the newsprint control decades through restricted newsprint allocations, while price control was self-administered by newspapers who found by experiment that they were losing in circulation to their competitors if they sold at a disproportionate selling price.}

In June 1955, the Indian government withdrew newsprint from the Open General Licence. Apart from the restrictions of the Import Control Order, 1955, newsprint was identified as an essential commodity under the Essential Commodities Act, passed in the same year, and its importers forced to acquire licences from the central government. The desire to ensure regular and uninterrupted supplies of newsprint to the Indian press, alongside the quaint desire to curb black-marketing, was at the crux of the Nehruvian state’s identification of newsprint as an essential commodity, than a desire to effect totalitarian control on all newspapers.

At the same time, prompted by an uncomplicated, arrogant, and ahistorical faith in technologism that made Nehru and his planners assume that post-colonial India would simply replicate the developmental processes of the industrialized North, the state entered and experimented in the newsprint arena in two distinct ways. On the one hand, it embarked on a quixotic adventure to indigenously produce newsprint within its territories; on the other, to complement its policy of import substitution, it helped couple the newly-formed office of the RNI with the offices of the Chief Controller of Imports and Exports (CCIE) and the State
Trading Corporation (STC) and to emerge as a powerful bureaucratic complex in the following decades which licensed, controlled, and preferentially allocated newsprint to newspapers. The comparative stability of international newsprint prices from 1953 to 1963-1964 prevented the Indian state’s experiments from ending up as serious disasters.\textsuperscript{14} We may note that the rise in price of international newsprint from the 1970s roughly corresponded to a growth in protestations of the English-language press to the central government’s policies in general, and in particular, to its newsprint policy.

2. “Indigenous” newsprint production in India

The Indian state’s sustained decision to manufacture indigenous newsprint was unrealistic and impracticable from the start: viewed retrospectively, it points to the self-assurance and certitude of haughty bureaucrats who thought of forcing indigenous newsprint production without the slightest ostensible display of long-term and realistic planning, at the same time, keen to demonstrate to the state and its leaders the quick efficacy of their programme strategy in order to insure its acceptance. Their attention, from the 1950s to the 1980s, was focussed almost exclusively on developing the facilities of the National Newsprint and Paper Mills Ltd. (popularly known as Nepa mills), rather than studied efforts to consider the possibilities of manufacturing newsprint across the country.

\textsuperscript{14} In 1953, the quoted market price of imported newsprint was Rs. 735 per ton. The price remained more or less constant until 1963-64, when it cost Rs. 734 per ton. Newsprint became dearer from this time on. By 1971-72, it had almost doubled: imported newsprint varied between Rs. 1320 and Rs 1365 per ton whether it was acquired from the Soviet Union, the East European countries, or Canada and the Scandinavian countries. The 1970s saw a further rise in international newsprint prices. \textit{Report of the Second Press Commission} (1981), vol. 1, 125.
Originally planned as a paper and straw board mill in a remote, heavily-forested region in the Nimar district of Madhya Pradesh, the Nepa mills was founded in January, 1947, by a small private company, the Nair Press Syndicate Limited, who sought to capitalize on the post-war crisis in newsprint by experimenting on salai, a soft variety of local forest wood, and quickly modified its paper mill into a newsprint mill with an unrealistic projected output of 30,000 tons of newsprint a year. In the space of two years, reeling under bankruptcy, the company’s owners sold it to the state government of Central Province and Berar (presently Madhya Pradesh) who, assured of its profitability for reasons unknown, acquired the company in October, 1949, and invested heavily on developing a township (Nepanagar) around the mill. Consequently, the untried dream of a private entrepreneur became the dream of the Indian state: it became a curious issue of prestige from this time on.

In May, 1951, the Nepa mills project was included in the First Five Year Plan as one of the major projects of the state. The state provided generous loans to erect machinery and buildings for the factory and the township; the Madhya Pradesh government built a dam across the Tapti river and pumps and pipelines to provide water to the mill, and a thermo-electric power station. All this proceeded without any verification of the project’s efficacy in producing newsprint from an untried raw material. Two years after its inclusion in the First Five Year Plan, when a fact-finding committee was instituted to examine the project in detail,

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15 The committee was constituted in July 1953, under C. R. Ranganathan, a bureaucrat who had served in the foreign services, then the president of the Forest Research Institute, Dehradun.
commercial newsprint production had yet not taken place at Nepanagar; it did not for the next two years. The committee opined that the Nepa project had reached a point of no return, especially when all the utilizable salai wood around the mill could only last for a maximum of twenty years. Nevertheless, alert to the state’s symbolic and financial investments, it recommended against abandoning the project, or shifting the mill elsewhere. Three American experts on papermaking were flown in by the Indian government during 1954-55, who suggested mixing chemical pulp (made of bamboo) and mechanical wood pulp (made from salai) as the way out of misery. A trial operation with imported chemical pulp followed in January, 1955; a year and two months later, the Nepa mills project put on show its limited but much-publicized ability to commercially produce newsprint from indigenous pulp wood.

So began the strange process of importing pulp for manufacturing indigenous newsprint in India: in 1958-59, the Nepa project used 105 tons of imported chemical pulp; in 1960-61, it was using 1,045 tons of imported chemical pulp, and with the depletion of salai reserves, 3,479 tons of imported mechanical pulp as well. The use of imported pulp officially continued until 1970 when the Nepa mills project announced its success in procuring chemical pulp from the bamboo grown in the many forests leased to it on a yearly basis by the state

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16 Reports and Accounts of the Estimates Committee on the National Newsprint and Paper Mills Ltd., Nepanagar, 1961-62 (New Delhi: Ministry of Commerce and Industry, Government of India, 1962), 2, 6. As a replacement for Salai, it also recommended that the government should grow for the Nepa mills, plantations of Maharukh, another local wood, of about 1500 acres a year.

17 Ibid., 24.

18 Calculated from the table of imports cited, ibid., 12.
government of Madhya Pradesh since 1949. Part of this “success” was attributed to the company’s decision to strengthen its pulping units in 1970, and also its decision to proceed through departmental work on bamboo coupes than through private contractors who had collected the wood for more than twenty years. However, the practice of importing wood pulp continued as earlier. (For example, in 1978, the Indian government bought 45,000 tons of wood pulp from the Soviet Union for the explicit purpose of making newsprint, presumably, at the Nepa mills.)

Faced with repetitive power failures, shortage of softwood, and the necessity to hold face—especially after the central government took the reins of the company in December, 1958—the Nepa mills were severely compelled to produce more newsprint: this they made by combining imported pulp with salai, maharukh, and other locally-available softwood, and apathetic to the quality of newsprint thus produced. Six years after the Nepa mills began their commercial production; a realization slowly dawned on the technocrats that fly ash from thermo-electric power station was settling all over the newsprint plant and damaging the newsprint—again, elaborate plans were chalked out to link the mills’ power supplies to the hydro-electric power project on the Chambal river in 1961-62.

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21 *Reports and Accounts of the Estimates Committee on the National Newsprint and Paper Mills Ltd., Nepanagar, 1961-62*, 28. The persistent cost of resources in making newsprint in this remotely-placed project site was great if apart from considering the infrastructural costs, we also consider that the making of newsprint also required various chemical ingredients, which needed to be transported to the Nepa mills’ premises. Thus, for the year 1960-1, 2,709 tons of caustic soda, 234 tons of soda ash,
If the Nepa mills project was expected to gradually provide for the country’s newsprint needs, the fact remains that after fifteen long years of uninterrupted infrastructural support and capital investment by the state, the Nepa mills project barely managed to reach its initial output target of 30,000 tons for the first time in 1963-64, and after a year’s gap, in 1965-66. The rated capacity was exceeded for the first time after seventeen years, when in 1967-68 the Nepa mills produced 31,308 tons of newsprint for the year.\(^{22}\) And if there was a consequent increase in production, for all the laborious, elaborate, and nugatory plans and efforts put into the project, the only consistent outcome was an inferior variety of yellowish newsprint—with knurled edges and absorbent qualities that caused blots, ink splotches, and smudges while printing—which also cost more than the standard variety of imported white newsprint, including customs charges. (For example, in 1962, the price of Nepa newsprint was Rs 1,064 a ton while imported newsprint, including customs duty of Rs 50 per ton, cost about Rs 900 a ton. Thus, even if it fell far behind in quality, a ton of Nepa newsprint was Rs 164 dearer than a ton of imported newsprint.)\(^{23}\)

Confusion remained a constant feature of the loss-driven Nepa newsprint project during the 1960s and the 1970s; the Indian state went on subsidizing its

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\(^{22}\) This figure contradicts the figure (30,000 tons) found in the annual report of the Press Registrar for the corresponding year; but it appears more reliable as it appears in the annual statement made to the company’s shareholders by A. K. Basak, then the chairman of the Nepa mills. A. K. Basak, “The National Newsprint and Paper Mills Ltd.” *Economic and Political Weekly* 3, no. 42 (1968): 1634.

operations and made it produce greater quantities of newsprint, while consistently refusing to take into account the utter absurdity of its own dream to provide newsprint to an entire sub-continent through a single newsprint plant. (By 1971, even with an entitled “development rebate” that allowed the company substantial benefits on income-tax, the total accumulated losses of the Nepa mills neared one crore (ten million) rupees; the interest on government loans had become a financial burden to an extent that its directors constantly pleaded with the central government to convert part of the loans to equity capital. 24)

However, what really irked the newspapers was that, starting from 1959, the state forced quantities of Nepa newsprint on all newspapers, big and small. Nationalism had never been a virtue of Indian newspapers, and English-language newspapers, especially those owned by powerful business families, were quick to decry this practice—which went alongside cuts on their newsprint consumption and replenishment of a percentage of their allotted quotas with Nepa newsprint—as an infringement of their natural rights to simultaneously secure press freedom and advertisement revenue. Nevertheless, due to the failings of the Nepa mills project, imported newsprint constituted the overwhelmingly larger portion of the newsprint consumed by Indian newspapers, which quintupled during the Indian state’s romance with indigenous newsprint production from the late 1950s to the 1980s (see Table 2).

Table 2:
Consumption of newsprint in India (1957 to 1981)\(^{25}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Imported newsprint</th>
<th>Nepa newsprint</th>
<th>Total newsprint consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957-1958</td>
<td>65,501</td>
<td>14,371</td>
<td>77,872</td>
</tr>
<tr>
<td>1958-1959</td>
<td>58,072</td>
<td>22,187</td>
<td>80,259</td>
</tr>
<tr>
<td>1959-1960</td>
<td>75,501</td>
<td>22,770</td>
<td>98,271</td>
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<tr>
<td>1960-1961</td>
<td>76,600</td>
<td>23,398</td>
<td>99,998</td>
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<tr>
<td>1961-1962</td>
<td>96,066</td>
<td>25,279</td>
<td>1,21,345</td>
</tr>
<tr>
<td>1962-1963</td>
<td>97,425</td>
<td>26,515</td>
<td>1,23,940</td>
</tr>
<tr>
<td>1963-1964</td>
<td>97,520</td>
<td>30,078</td>
<td>1,27,598</td>
</tr>
<tr>
<td>1964-1965</td>
<td>1,02,461</td>
<td>29,250</td>
<td>1,31,711</td>
</tr>
<tr>
<td>1965-1966</td>
<td>85,251</td>
<td>30,347</td>
<td>1,15,598</td>
</tr>
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<td>1966-1967</td>
<td>1,24,698</td>
<td>30,000</td>
<td>1,54,698</td>
</tr>
<tr>
<td>1967-1968</td>
<td>1,20,000</td>
<td>30,000</td>
<td>1,50,000</td>
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<tr>
<td>1968-1969</td>
<td>1,23,370</td>
<td>30,000</td>
<td>1,53,370</td>
</tr>
<tr>
<td>1969-1970</td>
<td>1,23,409</td>
<td>36,000</td>
<td>1,59,409</td>
</tr>
<tr>
<td>1970-1971</td>
<td>1,40,000</td>
<td>40,000</td>
<td>1,80,000</td>
</tr>
<tr>
<td>1971-1972</td>
<td>1,95,000</td>
<td>30,000</td>
<td>2,25,000</td>
</tr>
<tr>
<td>1972-1973</td>
<td>1,95,000</td>
<td>40,000</td>
<td>2,35,000</td>
</tr>
<tr>
<td>1973-1974</td>
<td>1,36,000</td>
<td>36,400</td>
<td>1,72,400</td>
</tr>
<tr>
<td>1974-1975</td>
<td>85,650</td>
<td>47,300</td>
<td>1,32,950</td>
</tr>
<tr>
<td>1975-1976</td>
<td>1,64,413</td>
<td>51,267</td>
<td>2,15,680</td>
</tr>
<tr>
<td>1976-1977</td>
<td>1,80,318</td>
<td>55,000</td>
<td>2,35,813</td>
</tr>
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<td>1977-1978</td>
<td>2,41,000</td>
<td>54,000</td>
<td>2,95,000</td>
</tr>
<tr>
<td>1978-1979</td>
<td>2,61,000</td>
<td>40,000</td>
<td>3,01,000</td>
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<tr>
<td>1979-1980</td>
<td>2,91,000</td>
<td>45,000</td>
<td>3,36,000</td>
</tr>
<tr>
<td>1980-1981</td>
<td>3,22,000</td>
<td>48,000</td>
<td>3,70,000</td>
</tr>
</tbody>
</table>

The sheer volume of imported newsprint in comparison to Nepa newsprint, as recorded in these official figures, is a testimony to the enduring appeal of imported newsprint to Indian newspaper business throughout the decades of

\(^{25}\) Report of the Second Press Commission (1981), vol. 2, 207. The figures in the tables are based on the Second Press Commission’s collation of the annual reports of the RNI for the corresponding years, which are to be considered as approximate rather than accurate pointers.
newsprint restrictions, though at certain odds with newspapers’ claims that they mostly used Nepa newsprint during this period. (We can also note a sudden decline in the consumption of imported newsprint during 1974-75, the reports for which were compiled in the initial days of the “internal Emergency”. Coupled with the fact that the import of newsprint was entirely routed through the State Trading Corporation in 1974, we may also presume that the fear of executive action and pragmatic fact-checking might have prompted this sudden drop against the harmonious progression of newsprint consumption recorded, especially throughout the 1970s.)

3. The state as a procurer of imported newsprint

The second part of the Indian state’s attempts to solve the newsprint problem for its newspapers was through a gradual monopolization of India’s external newsprint trade, along with its domestic distribution. While the state initially allowed Indian newspapers to build buffer stocks, and permitted importers of newsprint to make overseas purchases, that is, after they had obtained import licences from the CCIE; from 1958, it made the STC enter the newsprint arena, from when acting on behalf of Indian purchasers, the STC increasingly bought bulk quantities of newsprint off overseas suppliers.

After the Newsprint Control Order of 1962, the STC started monopolizing overseas newsprint purchases until 1974 when all newsprint imports were totally “canalized” through it. Of the manner of making newsprint purchases through
the STC, two characteristics can be discerned. Primarily, if the STC entered into
contracts with overseas newsprint suppliers, and imported newsprint into India
through Indian shipping lines, the Indian government made it charge an
average pooled price on the total newsprint purchased, irrespective of the prices
the STC paid to the suppliers, whether manufacturers or brokers. This caused a
reduction in newsprint prices; in addition, the newsprint so acquired was made
available to newspapers on high seas sales basis so that they could avoid sales
taxes, or in cases when their allotments were not fulfilled, newspapers were
allowed to access newsprint from the buffer stocks of the STC stored at twelve
cities across the country. In other words, the intent, if not often the practice, of
the state was to help spare newspapers the uncertainty of buying and transporting
imported newsprint, and to procure newsprint for them, exceedingly cheap and
through predetermined consumption quotas.

26 The use of Indian shipping lines for newsprint transportation greatly facilitated a reduction in
freight charges.
27 The pooled price was fixed for every quarter of an year, and it included the STC’s service charges at
the rate of one percent on the cost, insurance, and freight costs. The pooled price and the purchase was
monitored by a Newsprint Purchase Committee—which consisted of representatives from the office of
the CCIE, the Press Registrar, and newspaper organizations—also entrusted with reviewing import
requirements, as well as suggesting general guidelines to the STC for negotiating with overseas
28 The principal characteristic of a high seas sale is that it is a transfer of ownership carried out with the
sole intention of avoiding interests on customs duties, and local and central sales taxes. A high seas sale
has to occur when the cargo is already aboard a ship sailing on the high seas, under no territorial
jurisdiction. While importing newsprint, the STC transferred the ownership of the newsprint to the
newspapers so that, appearing as direct importers, they could avoid duties and taxes which they had to
pay in case the cargoes were brought in by the STC and re-sold to the newspapers. The Indian state’s
affections for its newspapers can be clearly discerned in the prolonged practice of carrying out high seas
sale of newsprint to newspapers, especially when it was carried out by a state trading agency which
took precautions so that these commercial newspaper companies could avoid the states’ financial
stock-taking.
were located in the cities of Bombay, Calcutta, Madras, Delhi, Kandla, Cochin, Ahmedabad, Jaipur,
Bangalore, Hyderabad, Gauhati and Nagpur; presumably, newspapers operating close to these depots
had quicker access to the newsprint, especially when newsprint acquired from the STC buffer stocks
was subject to sales tax.
Secondly, the influential newspaper companies were not aloof to the STC’s international transactions, as Robin Jeffrey suggests. 30 Because of their newspapers’ representation in the Newsprint Purchase Committee, powerful editors-proprietors were able to closely monitor the STC’s purchases, and through contacts with overseas suppliers, they had quicker access to quality imported newsprint over their less-connected peers—even when the state’s newsprint policy appeared to them as incomprehensible. 31 At the same time, they took particular slight against the government’s decision to disallow them the re-selling of newsprint—whether to different publications owned by the same family, or to different newspapers, that is, after they had secured their allotted quotas—and the taxes imposed on newsprint sold as waste. We may observe that during the decades of state restrictions on newsprint import, the English-language press’s objections to newsprint control in the form of rationing paled in comparison to their hostility to post-quota restrictions, particularly to the restrictions placed on them as companies to prevent them shuffle pages and circulation of existing dailies, or re-sell a portion of their newsprint after their quotas had been allotted for a year. 32

30 Jeffrey, *India’s Newspaper Revolution*, 192.
31 “I had discussion with the Government of India and I have impressed upon them the desirability of this country having continuous business relations with your Company,” wrote a concerned Ramnatha Goenka in 1961 to R. C. Gasper of the Great Northern Paper Company in New York (one of the largest producers of US newsprint in the 1960s), soon after returning to India from his visit to this company’s mills in Maine. “But I am sorry to tell you that I have not been able to understand—much less appreciate—the policy of the Government of India. They have no clear cut ideas.” Ramnath Goenka, “Letter to R. C. Gasper” (September 23, 1961), in *Goenka Letters*, 122-123. In the same letter, Goenka acknowledges his newspapers’ acquiring of 1,800 tons of newsprint from a purchase order of 5000 tons the STC placed with this newsprint company.
32 This was the crux of these newspapers’ objections raised against government’s newsprint policy during the early 1970s, and strongly advocated during the much-publicized litigation at the Supreme
We will briefly look at the systems of licensing and fixing quotas, along with their important shortcomings with regard to newsprint allocation. In general terms, the licensing system in India constituted routines of social and economic intervention by the post-colonial state to circumscribe spheres of operation favourable to big business—rather than, as often interpreted during the decades following liberalization, as structural components of a flawed socialistic struggle against capital. As Samir Amin observes:

The macropolitics of regulation implemented at that time were designed to serve (the) modernization plan. Price and foreign exchange control, subsidies, regulation of foreign enterprises, and borrowed technology were used to secure the main objective of protecting Indian industry from the devastating effects of the domination of the world markets by imperialist capital. Only second to this did the regulations in question pursue social objectives—the redistribution of wealth but above all a reduction of the extreme poverty of the popular classes.33

The primacy of protectionism had two aspects to it. Primarily, it ensured that the state's commercial licensing institutions favoured select private capitalistic ventures over the developmental aspirations of the Indian state. Secondly, the elaborate and bureaucratic procedures of procuring regular licences foreclosed the licensing capabilities of smaller players lacking sufficient politico-economic clout and knowledge of circumventing procedures and immediate transactions acquired through contacts within the bureaucracy and the political élite.34 Since the

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34 Ghosh, *Development Planning in India*, 90.
granting of licences was always correlated by the state’s licensing institutions to the projected capacity of the licensee—relating to potential availabilities and potential demand—the licensing system predominantly served as a complex machinery that siphoned, by both legal and illegal means, objects and materials to special groups who held a highly disproportionate share of unimplemented licences, also benefitting from the total absence of follow-up by the licensing authorities.³⁵

The gradual slackening of the state’s faith in developmental planning after Nehru’s death in 1964—especially after the growing irrelevance of state planning institutions and the sharp fall in public-sector investments after 1967 that coincided with the first country-wide electoral defeat of the Congress³⁶—made these licensing institutions seem like headless zombies from then on; insolent, imposing, and unreproved, they appeared as enormous festering, lifeless forms that tried carrying out increasingly meaningless functions set by a dead and

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³⁵ “Even the authorities concerned are not fully aware of the total investment and foreign exchange commitments of licences issued or those under implementation at any particular period of time,” rued the Industrial Licensing Policy Inquiry Committee (Dutt Committee) in 1969. Report of the Industrial Planning and Licensing Policy, vol.1 (New Delhi: Government of India, Planning Commission, 1969), 18, quoted in Ghosh, ibid., 91. As Ghosh argues, no efforts were made by the state to develop follow-up mechanisms. The practice of pre-empting licences to big business families, who mostly acquired these licences without the slightest desire for implementation, was one of the important causes of the shortfalls in production targeted by the Planning Commission throughout the decades of “democratic planning” in India, and the epitome of the “Licence-permit Raj”. Ghosh, ibid., 89-90.

³⁶ The Planning Commission had become largely irrelevant from the 1960s, especially after 1966 when it was made to function as an advisory body to the Prime Minister’s Secretariat under Indira Gandhi. The corresponding sharp fall in public-sector investments from 1967, is seen by economic historians as a decisive shift in the economic strategy of the Indian state, especially after the electoral rout of the Congress in the same year, to make the espousal of political stability as precondition to the state’s licensing allocations: it was the time from when industrial policy became “increasingly a means of containing conflict rather than of economic planning”. Matthew McCartney, India: The Political Economy of Growth, Stagnation and the State, 1951–2007 (London and New York: Routledge, 2009), 138-139.
forgotten master whose spells and grand acts of conjuration had all lost their purpose. Yet, these institutions did not form the bulwark of a protective countermovement spearheaded by the state, conspiring to restrict the spread of “free market” capitalism in the 1970s and the 1980s. Rather, the cause for their apparent carelessness and further apathy to fact-checking in the issuing of licences was found in the state’s continuing support to self-regulation practised by select business groups within its territory where, increasingly, as Karl Polanyi observes for another historical context: “The road to the free market was opened and kept open by an enormous increase in continuous, centrally organized and controlled interventionism.”

From 1958, the RNI-STC-CCIE complex, and especially the RNI, emerged as the principal arbitrator of newsprint rationing in India given the RNI’s power to recommend and fix newsprint quotas for newspapers to the CCIE, who accordingly issued licences. As with other certifying institutions, the RNI had neither fact-checking mechanisms nor institutional teeth to verify actual consumption of newsprint by a newspaper apart from collating it with that of the previous year; for figures of circulation, size, number of pages, or regularity of publication, it depended on mostly unreliable accounts provided to it by the same newspaper. What predictably followed was an entrenchment of the black market in newsprint, with real and ghost newspapers selling a substantial portion of their exaggerated quotas much over the state-subsidized purchase price, and often

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37 Polanyi, *Great Transformation*, 146.
38 In 1975, for example, the RNI had only six teams to verify the circulation claims of the total number of newspapers, magazines, and periodicals published in India.
under the legal cover of showing the transaction as a clearance sale of unsold copies or newsprint waste.

The extent of the black market in the 1960s can be roughly estimated by the fact that between 1952 and 1958, the total number of newspapers in India had remained virtually the same; in the space of a decade, the number had doubled—the period coinciding with the introduction of newsprint control—while the declared circulation of all newspapers in 1968 was higher by eighty-three per cent of the 1952 figures.\(^3\) Smaller publications with no real or negligible circulation, ghost publications, and the largest circulating newspapers—all participated in a burgeoning black market throughout the decades of newsprint control, though the blame for sustaining the black market fell mostly on the smaller newspapers. There were many reasons of fixing this blame: the primary reason being the powerful newspaper families’ objections to the state’s supposed encouragement to smaller publications by making newsprint an entitlement—in 1967, for example, newsprint was allocated without restrictions to publications with declared circulations to the level of 15,000 copies\(^4\); even though the total allocation of newsprint to small newspapers in the same year comprised only a tenth of the allocation made by RNI to the bigger dailies.\(^1\) Desai, for example, uses this comparison to disprove the notion that the influential English-language newspapers indulged in black-marketing, and that smaller newspapers transferred part of their newsprint quota to bigger newspapers, especially due to the high cost

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\(^4\) Ibid.
of newsprint in the black market that in the case of such transfer, would greatly reduce the profit of the bigger newspapers. However, since the bigger newspapers were mostly making profit through advertisement revenue by this time, the acquisition of newsprint did not cut into their profits that much; and as Desai’s comparison suggests from another angle, there remained greater chance for these newspapers to put to good use a portion of the newsprint in the black market because of their receiving the highest allocations. It would be to suppose angelic virtues on the part of the bigger dailies, and especially the English-language press, to believe that they remained aloof to the black market; especially when newsprint continued to have a high recovery price, whether sold in the black market, or as waste newsprint, and unsold copies of newspapers.

The English-language newspapers remained the prime beneficiaries of the system of licensing from the initial days of newsprint control. Some particularities of the newspaper business in the 1960s points in this direction: in 1962, the year in which the Newsprint Control Order was passed, the Goenka and the Sahu-Jain families faced little trouble in launching the first of the English-language financial dailies in India, the Financial Express and the Economic Times respectively, from the city of Bombay—acting at the suggestions of a powerful bureaucrat, Gaganbhai Lallubhai Mehta—the Indian ambassador to the United States during 1952-58, a member of the First Planning Commission, the key

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42 In this regard, Desai’s writing shows a clear bias in favour of the big business-owned press, which comes out most clear when Desai argues for a “neutral” allocation based on a domestic auction of newsprint after it had been imported and subsidized by the state. Ibid., 42.

player in the institutionalization of the World Bank-funded ICICI\textsuperscript{44} in 1955, its later chairman and executive officer, the harbinger of the Ford Foundation-funded India Investment Centre in 1960, and the chairman of the National Shipping Board.\textsuperscript{45} And despite the limitations imposed by the licensing system, making English newspapers remained profitable in term of investment—as evident in the seasoned 1963 takeover of the last of the British-owned newspapers, the \textit{Statesman}, by a consortium of business families, the Tatas and the Mafatlals from Bombay, and the Mookerjees\textsuperscript{46} of Calcutta. In less than seven years after the 1963 takeover, acting on behalf of this consortium, Cushrow Russi Irani—a Parsi lawyer from Bombay and an earlier manager of an insurance company—purged the newspaper of its British editors, abolished its board of Indian trustees to become its managing director,\textsuperscript{47} and appointed himself as the editor-in-chief to declare a paper crusade against Indira Gandhi and her

\textsuperscript{44} The Industrial Credit and Investment Corporation of India.

\textsuperscript{45} We can also gloss over the fact that the same Gaganbhai Lallubhai Mehta was a friend of Tushar Kanti Ghosh, the editor-proprietor of the \textit{Amrita Bazar Patrika}. Aparna Basu, \textit{G. L. Mehta: A Many Splendoured Man} (New Delhi: Concept Publishing Company, 2001), 120 n. 1.

\textsuperscript{46} The family of Biren Mookerjee, owner of Martin Burn group of companies, that after the Tatas and the Birlas, was the biggest industrial group in India until the 1960s, with stakes in steel, engineering, wagon building, refractories, et cetera. Its steel production company, the Indian Iron and Steel Company (IISCO), was the biggest producer of steel in India until 1966, and coveted by many in Indian big business, among them Ramnath Goenka. Due to the group’s sudden and mysterious fall in business starting from 1967, and amidst widespread speculations at the Calcutta Stock Exchange, the IISCO was nationalized by the central government in 1972 [Damodaran, \textit{India’s New Capitalists}, 79]. The IISCO takeover was one of the many causes of disaffection between the central government and Ramnath Goenka who in 1968 had acquired “a substantial block of shares” in the IISCO, and demanded a government enquiry into the affairs of the company in a letter to the deputy Prime Minister, Morarji Desai [Ramnath Goenka, “Letter to Morarji Desai” (September 22, 1968), in \textit{Goenka Letters}, 105]. In 1970, due to the increasing hostilities between Indira Gandhi and Goenka, the Central Bureau of Investigation (CBI) registered a case against Goenka for siphoning two crore rupees from his National Company to purchase shares in the IISCO [Ramnath Goenka, “Letter to Morarji Desai” (September 6, 1978), in \textit{Goenka Letters}, 111-112]. This case, whether unfound or not, and the subsequent nationalization of the IISCO resulted in a loss of face for Goenka, which made him a bitter opponent of Indira Gandhi.

\textsuperscript{47} Malhotra, “The Statesman Story,” 96.
government until the “internal Emergency”; the newspaper became the virtual mouthpiece of the Swatantra Party, a political front of feudal princes and landed bourgeoisie fiercely committed to the “free market” and hostile to the state’s “socialist” rhetoric.

The Statesman’s reorganization into a trust run by a board of managerial trustees, was not, as runs the common myth, a measure originally devised by its editor-proprietor Cushrow Russi Irani to avoid the newspaper’s assumed takeover by Indira Gandhi’s government during the “internal Emergency”. During the transfer of ownership in 1963, it was planned by the retiring British owners who were afraid that their newspaper would suffer the fate of the Times of India in the hands of “unscrupulous businessmen”: they made the newspaper’s purchasers agree to a charter that disallowed any individual to singularly own the paper, and acknowledge a board of trustees who were to monitor and prevent the new owners and directors from interfering with editorial decisions. According to this charter, no individual could own more than thirteen per cent of the paper’s shares, and consequently dominate the paper’s control. The Statesman’s new owners, however, threw this charter to the winds as they slowly purged the British editors, even though they found it profitable to preserve the form of ownership. C. R. Irani was roped in as a director by his first cousin Nanabhoy Palkivala (an expert in commercial and tax laws, and a powerful Supreme Court lawyer who gained fame by championing the Indian big business families,

48 Ibid., 95.
49 Mankekar, Press Under Pressure, 79.
particularly the Tatas). In 1969, the paper’s first Indian editor, Pran Chopra, was sacked by its directors, because he was judged a communist-party sympathizer by Irani, Minoo Masani, and J. R. D. Tata. The paper’s board of trustees, headed by M. C. Setalvad (the Attorney General of India from 1950 to 1963), opposed his dismissal, and in the ensuing legal squabble, the board of trustees was dismantled by its directors with help from Nanabhoy Palkivala, and the trust further reorganized to help the ascendancy of Irani.\footnote{Malhotra, “The Statesman Story,” 96; Girish Mishra and Braj Kumar Pandey, \textit{White-Collar Crimes} (New Delhi: Gyan Publishing House, 1998), 109-110.} Irani’s close contact with the various business families of the consortium owning the \textit{Statesman}, as well as with the principal ideologues of the Swantantra Party, and the reluctance of the Tata family to visibly appear as a player in the newspaper business, were the principle reasons as why Irani managed to gain power inside the company. By the end of the 1970s, Irani had employed a frontal Parsi Trust to singularly control the \textit{Statesman}; according to Jug Suraiya, “it was his personal property, and he treated it as such.”\footnote{Suraiya, \textit{JS & The Times of My Life}, 168.}

The profitability of the business was also evident in the furtive plans of English newspaper concerns during the 1960s to expand their frontiers, when the Indian state’s newsprint regulations prohibiting newspaper groups to possess additional papers were in full swing. For examples, in 1966, Tushar Kanti Ghosh tried to work out a deal with Biju Patnaik, the erstwhile chief minister of Orissa, and then a close associate of Indira Gandhi, to convert Patnaik’s Oriya newspaper \textit{Kalinga} into the Orissa edition of the \textit{Amrita Bazar Patrika}; in the same year, the
Sarkars of the Ananda Bazar group negotiated with Biren Mitra, another ex-chief minister and the proprietor of the Jana Sakti in Orissa, hoping to convert the paper into the Bhubaneswar edition of Hindustan Standard.\textsuperscript{52} And it was in 1968 that Ramnath Goenka launched new editions of Indian Express and Sunday Standard in the city of Ahmedabad.

4. The “newspaper revolution”

Against the general dust storms of social turbulences, political violence, and patrician conspiracies that cloud our vision of India of the 1960s and 1970s, as well as against all politically-charged references made by influential newspapers to the irreparable harm caused to their businesses by newsprint squeeze of the 1970s and the 1980s, lies the less-acknowledged aspect of their participation in a discriminatory system of newsprint entitlements and a huge black market in newsprint. Was there a black market in newsprint? There surely was; even if the robustness of empirical verification totally eludes us in the context.

Complementing the preferential system of newsprint allocation during the final decades of newsprint control, most newspapers continued to alternatively camouflage their transactions in receipts of “local sale” for printed copies, sold newsprint excess to their consumption as highly-priced “waste” in the black market, and also sold a substantial portion of their printed copies as packaging paper which always fetched higher returns in the market over copies of the

\textsuperscript{52} Harekrishna Mahatab, “Letter to Ramnath Goenka” (September 16, 1966), in Goenka Letters, 130. These negotiations, however, did not materialize. Biju Patnaik’s paper closed shop in 1967; the Jana Sakti, in 1970.
printed newspaper. However, some proof of the RNI’s fondness for the English-language newspapers does enable us to entertain some honest doubts about their non-participation in the black market. Especially when these newspapers were the ones best suited to work out their convenient formulas inside a protected economy given the RNI’s system of preferential newsprint allocation in general, and in particular, the continual favour it granted to English-language newspapers, in contradistinction with its stated policy of fixing allocations according to stated circulations (see following table).

Table 3:

*Discrepancy in newsprint allocation during and after the “newspaper revolution”*

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<tbody>
<tr>
<td></td>
<td></td>
<td>Declared Circulation</td>
<td>Newsprint Allocation (in metric tons)</td>
</tr>
<tr>
<td><strong>Hindustan Times, Delhi</strong></td>
<td>English</td>
<td>2,68,871</td>
<td>11,019</td>
</tr>
<tr>
<td><strong>Times of India, Bombay</strong></td>
<td>English</td>
<td>2,39,124</td>
<td>9,514</td>
</tr>
<tr>
<td><strong>Ananda Bazar Patrika, Calcutta</strong></td>
<td>Bengali</td>
<td>4,01,485</td>
<td>7,702</td>
</tr>
</tbody>
</table>

53 In 1979-80, for example, out of 17,168 publications catalogued by the RNI, only 2,039 publications were allotted newsprint: 582 of these were dailies. Report of the Second Press Commission (1981), vol. 1, 126.

While the preceding table testifies to the RNI’s continual preference in granting excess newsprint to the two biggest English-language newspapers over the biggest single-edition Indian-language daily, in terms of circulation figures, it also suggests less carelessness on the RNI’s part to allocate newsprint to English-language newspapers, than a directional action to further the interests of bigger newspapers during the final decades of newsprint control. We will return to this point shortly afterwards.

There was constant cross-subsidization among English-language dailies during the control decades—impossible if these newspapers faithfully stuck to their newsprint quotas. For example, in the city of Calcutta, the Statesman had seven unregistered warehouses in which it stored its excess newsprint. It bought and sold newsprint during the early 1970s and during the “Emergency” from similar warehouses of the Ananda Bazar and the Amrita Bazar groups. The Amrita Bazar group, because of failing circulations, its exclusive use of Nepa newsprint, and its editor-proprietor’s successful manipulation of ABC figures, remained the principle re-seller of imported newsprint in the city throughout the 1970s and the 1980s. A physical comparison of the paper used in printed editions of the Amrita Bazar Patrika of the 1970s and the 1980s, alongside similar editions of

55 In terms of their projected circulation, these city editions of the Hindustan Times and Times of India were the largest circulating English dailies in 1979-80 and in 1988-89 respectively; while the Ananda Bazar Patrika was the largest circulating daily for all languages in the corresponding years.
56 Interview with Ramen Guha, Kolkata, May 3, 2011. Guha had begun work in the advertising department of the Ananda Bazar Patrika in 1961; in 1965, he moved to the advertising department of the Statesman, Calcutta, to work for eleven years; in 1976, he took up work with the Amrita Bazar Patrika. He was working as the paper’s advertisement and circulation manager when the paper stopped production in 1990.
57 Ibid.
newspapers like the Statesman, suggests even to untrained eyes that the Patrika was predominantly using Nepa newsprint, characterized by its distinctive yellow colour, brittleness, and greater ink smudges; even though the paper continued to claim its share of imported newsprint during these decades. Thus, an investigation of newsprint allocations for its Calcutta edition in the year 1989-90—after three years of the paper's intermittent production from 1986 before it finally ceased production in December, 1990—might lead us to presume that of the 3,782 tons of its yearly newsprint entitlement, 58 about 1,210 tons of newsprint found its way to the black market. 59 This was, however, an insignificant amount compared to the total volume of newsprint exchanged in the black market which saw the participation of bigger players in the 1980s. In 1983, the Finance Minister (and later the Prime Minister of India, during the formalization of the tenets of economic liberalization by the Indian state), P. V. Narsimha Rao, and the “godman” Chandraswami, were reputed to have worked out a newsprint contract deal costing ten million US dollars to Lakhu Bhai Pathak—a British-Indian businessman speculating in the pickle trade—who filed a complaint in court against them in 1987 after they had not carried out their promises. 60 The above incident points to an increased crisis in newsprint during the 1980s which prompted greater speculation, manipulation of newsprint

58 Press in India 1989, 316. In page 335 of the same report, however, the entitlement is listed as 3, 872 tons. Whatever, newsprint was granted against this paper’s stated circulation of 1,15,250, which was impossible, given the fact that the newspaper’s production sharply nose-dived from 1986.

59 That is, thirty two percent of its total allotment, according to the newsprint control policy fixed for that year.

contracts, and also a burgeoning black market; it further suggests the greater importance newsprint gained as a commodity in the state circles, especially after the much-publicized “newspaper revolution” of the late 1970s. Again, it would be to assume angelic innocence on part of both the influential newspaper-owning families to believe that they were circumstantial beneficiaries of this “revolution”, and the Indian state that supposedly perceived the “revolution” from a distance, with the nonchalance characteristic to a bedazzled, crumbling and tottering behemoth which had widening fissures growing on its cemented legs. But let me refine my argument.

On June 26, 1975, Indira Gandhi’s government declared an “internal Emergency” in India. With it came illusions of sequence and coherence; and promises of glory and redemption through fidelity, subservience, and servitude to a “guided democracy”. With it also came the horrors of a repressive state without its democratic facade, even as it introduced new horrors of its own: demolition of slums, forcible sterilization drives to effect “family planning”, widespread arrests, murders, and disappearances. All the major Indian newspapers, without any exceptions, quite timidly acquiesced with the “Emergency” regime to carry out “virtual self-emasculation”. Moreover, the conditions set by the Central

61 The political reasons for Indira Gandhi’s finding refuge in the “Emergency” have been well documented by Indian journalists; especially by those who were imprisoned by Indira Gandhi’s regime under the Maintenance of Internal Security Act (MISA). See, for example, Kuldip Nayar, The Judgement: Inside Story of the Emergency in India (New Delhi: Vikas Publishing House, 1977).
62 Soli J. Sorabjee, The Emergency, Censorship and the Press in India, 1975-77 (New Delhi: Central News Agency, 1977), 15. As Sorabjee observes of the reactions of the Indian press after “Emergency” was declared on June 26, 1975: “For the first two days there was some semblance of opposition from certain sections of the press. Blank editorials appeared as a gesture of protest. Official threats caused even these to vanish. Thereafter there was, by and large, meek submission to the drastic curtailment of
Censorship Order, 1975, which introduced precensorship through official censors, and the Prevention of Publication of Objectionable Matter Act, 1976, which reintroduced the severe objurgatory tone of Rajagopalachari’s press law, were not for once contested in the courts by the English-language newspapers while they kept on exhibiting, unabashedly, the tirelessness of their appearances on a daily basis throughout the “Emergency”. They carried out self-censorship with such devoutness that after three months of the censorship order, Indira Gandhi’s government gleefully announced that pre-censorship was replaced by self-censorship; in brief, their roles were the most meretricious, especially when compared to the oppositional stand they had taken against Indira Gandhi shortly before the “Emergency”.

It is important to note in this context that in stark contrast to the general drop in the average number of pages in daily newspapers in India between 1970 and 1979 due to newsprint restrictions, there was an increase in the number of pages of all the major English-language dailies throughout the 1970s, and especially after 1975—the year of the declaration of the “Emergency”. This increase is primarily and somewhat contradictorily explained with a reference to a sudden and inexplicable spurt in literacy and a corresponding rise in newspaper readership.

Press and personal freedoms. The first and most crucial round of the battle for freedom of the press and civil liberties was lost without a struggle in the first week after the Emergency. One cannot blame Mrs Gandhi for her gloating remark, ‘there was not even a spark, leave aside a conflagration’” (Sorabjee’s emphases). Ibid., 14-15.

63 It was Siddharta Shankar Ray, the earlier chief minister of West Bengal, a powerful lawyer, and the chief draftsman of the presidential proclamation of the “Emergency”, who suggested to Indira Gandhi that pre-censorship was a better way of bringing newspapers into submission than closing down newspapers. Barun Sengupta, Indira Ekaadashii (Calcutta: Ananda Publishers, 1977), 102-103.

after 1977 occasioned by political exigency, all exhibiting “immense curiosity” about socio-political events that were heavily censored during the “Emergency” period. I contend it is slightly understood better with respect to these newspapers’ first-order preference for state advertisement that made them function unconditionally as slaves to the “Emergency” regime, and after its collapse, take advantage of the perceived rise in demand through greater page count, supplements, and increased circulations—especially after January 1977, when Indira Gandhi declared the end of the “Emergency” through a glum radio address, and general elections, two months later.

Thus, in the month of February 1977, the Calcutta edition of the Statesman doubled its circulation to 200,000 copies; the Delhi edition of the Indian Express doubled its circulation to 175,000 copies while the paper’s eight other editions raised their total circulation from one million to 1.8 million in less than a month; the Patriot, a Communist Party of India-funded newspaper, raised its circulation from 11,000 to 45,000; and the Bombay edition of the Times of India increased its circulations by 5,000 copies each day over the previous month. What remains ignored is that a gradual shift in the Indian state’s newsprint allocation policy

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65 Jeffrey, India’s Newspaper Revolution, 38.
66 Karkhanis, Indian Politics and the Role of the Press, 152. Karkhanis, too, exclusively highlights the political dimension of this increase. Yet, as Karkhanis himself identifies, all newspapers remained extremely cautious in their coverage of election rallies from January to March 1977—providing the greatest attention, in terms of column space and coverage, to the election rallies of the Congress. While the Statesman and the Indian Express—the two newspapers that had opposed Indira Gandhi prior to the “Emergency”—were the ones to increase their circulations most suited to the occasion, they consistently maintained a “restrained tone” during this period [ibid., 151-152]. The Indian Express’s sudden catering to the “hunger for news” also had to do with Ramnath Goenka’s backing of his personal friends, Jayprakash Narayan and Morarji Desai, the two politicians who spearheaded the electoral opposition to Indira Gandhi.
from 1975 predominantly favoured this sudden increase.\textsuperscript{67} From 1958 to 1974, a consistent feature of the state’s newsprint policy was to announce a deduction of a certain percentage (a “cut”) on a licence-holding newspaper’s quarterly allocations,\textsuperscript{68} while it tried, often unsuccessfully, to reimburse that through Nepa newsprint allocations, or if unavailable, through buffer stocks of the STC. In April 1975, these cuts were withdrawn by Indira Gandhi’s government, which declared “internal Emergency” two months later, and liberalized the newsprint policy, with incentives to newspapers throughout its eighteen-month rule.\textsuperscript{69}

Along with the entrenched black market which might have provided secondary support, an increase in licensed quantities of newsprint from the “Emergency” regime mostly provided for the sudden rise in newspaper circulations in the month of February 1977—which otherwise remains unexplained.

The Janata party government that replaced the “Emergency” regime followed its predecessor’s newsprint policy, while it withdrew the customs duty of 2.5 per cent—levied on newsprint imports since 1971-72 by Indira Gandhi’s government. Moreover, it declared “need-based” allocations from April 1977, allowing for a five per cent increase of newspaper entitlement over the previous year’s allocations, if a newspaper could simply provide the RNI with a chartered

\textsuperscript{67} As we will see in the next chapter, it also coincided with the Indian newspapers’ historical fear of other “mass media” that made them urgently desire certain media-technological changes in their newsmaking practices.

\textsuperscript{68} The cuts varied from ten to forty per cent of a newspaper’s total newsprint allocation in a quarter.

\textsuperscript{69} Report of the Second Press Commission (1981), vol. 2, 209. As I have noted earlier, the STC had monopolized the newsprint import trade from 1974 making the domestic trade in newsprint entirely dependent on the variegated allocations made by the state, through the RNI, the CCIE, and finally through the STC, thus making the practice of acquiring newsprint dependent on the whims of bureaucrats and licensing authorities to the highest degree.
accountant’s certificate. Consequently, there happened a greater spurt in newspaper production: the Delhi edition of the *Hindustan Times* that had offered on an average twelve pages per issue in 1975, offered an average of twenty-two pages per issue in November 1981; in 1977, the *Indian Express* launched new editions of the *Indian Express* and the *Sunday Standard* in the cities of Chandigarh and Hyderabad; even the failing Amrita Bazar group revamped its newspapers and launched the Lucknow edition of *Northern India Patrika* in 1979 under an Anglo-Indian editor, began a Hindi daily from Lucknow and Allahabad, and started another edition of *Northern India Patrika* from Kanpur in 1984.

The Indian-language newspapers, too, had their “newspaper revolution”. According to Robin Jeffrey, in the three years between 1976 and 1979, the total declared circulation of daily newspapers rose by forty per cent, and for the first time, the circulation of Hindi newspapers exceeded that of English newspapers in 1979, thus inaugurating a “newspaper revolution” spearheaded by Indian-language newspapers. We may note that Jeffrey’s findings in this context are exclusively and uncritically based on RNI figures. The dependence on RNI figures becomes quite complicated in this context, if we try to collate the increase in total circulations of all newspapers to the newsprint allocations made by the RNI during the same period (see Table 2). The RNI figures contradict

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70 Ibid.
71 Ibid., vol.1, 125, 128, 154.
73 Ibid., 39 n. 48.
themselves as the RNI’s accounts shows no great quantitative increase in the consumption of imported newsprint (the figures had not even doubled), while the consumption of Nepa newsprint had dwindled—quite disproving the trebling of circulation figures. Moreover, as we have seen earlier, the office of the RNI showed continual bias for the big English-language newspapers over a big Indian-language newspaper that exceeded them in terms of stated circulation. There was never a “drop” in circulation for the English-language press—RNI circulation figures for 1988 show the Indian Express, and not some Indian-language newspaper, as the newspaper with the highest total circulation.74

So far as it is important, the question as whether the Indian-language newspapers for the first time bested the English-language newspapers in terms of cumulative circulation during this period is mostly a matter of conjecture: there exist similar claims, equally unverifiable, that the Indian-language newspapers outraced the English-language newspapers in circulation right after the Second World War.75

There is another point we need to consider before we choose to stay away from these conjectures on circulation, and the competitiveness implied by them. Except for the rise of two or three Indian-language specific newspapers which Jeffrey meticulously documents, he pays less attention to the fact that most of the

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74 Press in India 1989, 2-4.

75 Ashok V. Desai makes this claim, in 1973, in a Press Institute of India sponsored study on the economics of the Indian press. For Desai, who is writing from a “nationalist” perspective, the industrialization caused by the Second World War and the industrial protection policy after the war, along with a growth in the number of English-reading Indian salaried classes and traders, first caused the Indian-owned English newspapers to beat the English-owned ones in circulation, and then, aroused the “vernacular press” which “far outstripped” the English-language press in circulation by the end of the war. Desai, Economic Aspects of the Indian Press, 23.
big Indian-language dailies participating in this “revolution” were published by editor-proprietor families having a similar if not a greater stake in the English-language newspaper business, which also had its parallel, if less emphasized, “revolution.”

During this time, among the biggest of newspaper companies, the Goenkas owned newspapers in six different languages; the Sahu-Jains, the Birlas, the Indian National Press, and the Associated Journals—all owned newspapers in three languages; apart from them, there were thirteen business families publishing newspapers in two languages. The cumulative share of big business-owned press was more than forty-seven percent of the total newspaper circulation recorded by the RNI in 1979, and close to seventy per cent of the total recorded circulation of the English-language field. It would be more accurate, then, to view both the English-language newspapers and their Indian-language counterparts as joint beneficiaries of a change that has been attributed ecumenical dimensions from diverse quarters; but one occasioned by a greater importation of international newsprint, lesser use of domestic newsprint, and a slow abandonment of newsprint control by the state.

In fact, from the late 1970s, to the complete withdrawal of newsprint import restrictions in the early 1990s, decreasing quantities of Nepa newsprint continued to be allocated to the influential newspapers as before, but on an average, they

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obtained at least sixty per cent of their allotted newsprint as imports off the STC. (The percentage figure is derived from the observation that the newsprint allocations from Nepa and other smaller “national” producers like the Mysore Paper Mills, Hindustan Newsprint Mills, and Tamilnadu Newsprint & Papers, together with the allocations from STC buffer stocks, all together never exceeded forty per cent of the total newsprint allocation in the newsprint control decades. For most years after 1975, the “indigenous” allocations seldom exceeded thirty per cent.) These allocations were further subsidized through high seas sales, while the newspapers steadily impressed on the RNI their increasing needs.

In other words, from the latter half of the 1970s to the liberalization of newsprint imports, the Indian state assumed greater responsibility on behalf of the newspapers to procure imported newsprint for them, while it gradually drove its control mechanisms to irrelevance, and its licensing institutions to a directional movement favouring greater facilities to newspapers which were largely unimaginable during the control decades. These formed the outlines of a newer form of vertiginous dependence on the state on part of the newspapers as they aspired for a “free market”, which replaced their visions of casual and unproblematic redemption earlier sought, despondently, through the state’s regulatory institutions.
Conclusion

If the Indian state remained a guarantor of the unequal conditions and social relations that led the English-language newspapers to project themselves as the “national press” under the protection of the Nehruvian developmental state; in the case of newsprint allocations, the system of licensing remained favourable to these newspapers throughout the decades of state restrictions on newsprint import, acquiring a more focussed direction in the latter half of the 1970s.

As we have seen above, and in the previous chapter, despite their vociferousness in preserving their independence and oppositional stance to the state’s control measures, these newspapers existed in close collaboration with the Indian state, and almost with a parasitical dependence on its favour in terms of functioning as arrogant arbitrators of “news”, often not less arrogant than the state itself. In the next chapter, we will attempt to briefly look at the media technological changes these newspapers desired for their businesses; as well as into the real, “revolutionary,” and imagined outcomes of these technological solutions.