CHAPTER SIX

INDIRA GANDHI'S
POLICIES & PROGRAMMES
NATIONALISATION OF BANKS

Bank Nationalisation, as a significant part of the national programme of transforming the economy of the country into a socialist one, is a major step forward and the credit of envisaging and making it a reality goes to the late Prime Minister Mrs. Indira Gandhi. It was felt necessary first, from the point of view of enabling the public sector to attain a dominant role and to occupy a key position in the economy, and secondly, to further the speedy achievement of the various socialistic objectives the country had set before itself.

Nationalisation of Banks did not mean depriving the existing industrial enterprises of their credit needs for genuine productive purposes. It was intended to throw open new avenues to the people, particularly to the youth of the country. Prior to nationalisation credit to priority areas which had been somewhat neglected
(i) the removal of control by a few, (2) Provision of adequate credit for agriculture and small industry and exports, (3) the giving of a professional bent to bank management, (4) the encouragement of new classes of
entrepreneurs. (5) the provision of adequate training as well as reasonable terms of service for bank staff etc.,
remained neglected and called for immediate attention. Nationalisation was felt necessary for the speedy achievement of these goals.

The nationalisation of the fourteen big banks is an evidence of the determination of Mrs. Indira Gandhi to bring a greater volume of resources within the area of social decision. It effected a major change in the Indian economic structure. It enabled Indians to pay more attention to the small man's needs, and it restricted the monopolistic operations of the privileged few. Of course, nationalisation of banks was never thought of as a universal cure. On the contrary, it was to be a weapon for use with care and discrimination. In the context of country's situation, the most compelling and urgent task was to accelerate economic development, to resolve the problem of unemployment and inequalities. Since the resources were limited, it was naturally felt more fruitful to invest them in creating new production facilities in preference to merely taking over existing units of industries. Thus, nationalisation of banks was an earnest
attempt to bring the banking system into tune with the needs and aspirations of the Indian people.

Banks play a vital role in the functioning of any economy. To those who have money to spare, banks are the custodians of their savings on which good returns can be earned by wise and efficient management. To the millions of small farmers, artisans and other self-employed persons, a bank can be a source of credit, which is the very basis for any effort to improve their meagre economic lot. Even established trade and industry, big or small, cannot function or expand without adequate bank credit on reasonable terms. For our growing number of educated young men and women, banks offer an opportunity for employment, which at the same time is an opportunity for service to society. To those who do not have a business of their own, banks, like the postal system or the railways, provide facilities of daily life.

Banks being closely linked with the development of the country's economy cannot remain entirely uninfluenced by the needs of the political situation. When banks were

1. Ulwasen S.K. Selected thoughts of Indira Gandhi (Mittal Publications, Delhi, 1985) p.34
nationalisation, the political situation in the country demanded that banking facilities should be extended in an increasing measure to backward, areas to agriculture, to small-scale industry and so on. Mrs. Indira Gandhi wanted that banking operations should be informed by a larger social purpose. She conceded that there was political consideration in nationalising the banks but added: "if by that phrase they mean that in their day-to-day working, those in charge of the banks might be influenced by extraneous considerations, unrelated to public welfare or economic development, then I have no hesitation in asserting that as long as I am in charge, such considerations will not be allowed to interfere with your work". She assured them that within the broad framework of the policy laid down by the government, they could have the necessary freedom and latitude to function as efficient and professional bankers, guided solely by their own conscience and the canons of the profession to which they belonged.

Bank nationalisation was a challenge to the policies of Mrs. Indira Gandhi. There were detractors but on the whole there was understanding and appreciation. Addressing
the Banker's Club, New Delhi on August 26, 1969, she said: 

"You have shown in your speeches that you have some appreciation of the motives behind this step (bank nationalisation) and I know that you will very sincerely try to implement it in a manner which will make the greatest difference to the people of India".

However, those in charge of banks handled the situation with admirable tact and the transition was smooth. That angered well for the future, and they had found a way to serve the people of India and, at the same time, keep to sound economics.

Nationalisation brought the custodians of banks full powers to deal with various situations. There was no need to seek guidance from other quarters in matters in which they had full competence for decision-making.

Yet there was a feeling of insecurity amongst bankers and also amongst some sections of business and industry. It was assured that there was no need for a feeling of

insecurity in any one. The Government had no intention it was emphasised, to disturb the entire system but merely to give it the guidance which it had been surely needing. It was not that the banks were not functioning well, but they saw things in a particular light which was a little bit removed from the needs of the country. Good economics was essential; greater production was also essential. Neither of it was possible, it was felt if social tension kept growing and threatened everything. Social tension was growing in the country because of disparities, because of the sense of injustice felt by many people. Therefore, moves had to be made or steps that could help in easing this tension taken for greater stability and security for all. One of the steps taken to counter balance the tensions, it was claimed was the nationalisation of banks.

Nationalisation was not an end in itself. Nationalisation of 14 major banks raised tremendous expectations amongst the people, and in the words of Mrs. Indira Gandhi, an enthusiasm not seen 'since the day of independence'. But, she said while, naturally, we cannot fulfil their expectations completely, we must do whatever

4. Address to the Banker's Club: New Delhi, August 23, 1969
we can fulfill at least a part of them.

Nationalisation of banks brought in the re-orientation of credit policies designed to fulfill some of the aspirations of the people. That depended on the extent the banks were able to mobilise additional deposits. Any failure on this front, it was thought, would impede the banks' ability to meet the growing and competitive credit demands of the developing economy. As such banks had to address themselves to the task with vigour and imagination. Deposit-mobilisation depended upon the strength of the institutional base of banking and the spread of its geographical and functional coverage. The pace of branch expansion, in particular, needed to be stepped up on the basis of a plan geared to definite time-horizons.

Nationalisation was an opportunity and a challenge to the bankers to cast themselves in a dynamic and innovating role. Rural banking in particular, required new techniques and methods of work. The attitudes of conventional and conservative banking was not enough for banks to foster and enlarge the oncoming agricultural revolution, and to benefit from the substantial incomes which it was
generating in the rural areas. To mobilise rural savings they had to work hard to develop new services which would suit the farmers, and make them save more and part with their savings. On the side of lending also, new ideas were essential. They had to innovate in respect of security requirements. Clearly, the traditional insistence on collateral security of documents of land ownership was self-defeating, as such methods ruled out millions of small farmers and tenants. In the context they had to examine how they could forge links between the nationalised banks and the cooperative agencies on sound economic principles.

The banker had to become the friend, the philosopher and the guide of the farmer, by providing him technical assistance, inputs, supervision of credit and input use, and by simultaneously financing the development of storage and marketing facilities. Some of the most dynamic bankers made it their business to conduct fertilised trials in specific soil conditions. They promoted new hybrid seeds, set up and financed soil testing facilities, collected and analysed economic data on farms, instituted spraying services, and encouraged actively a host of productive and revolutionary activities. In this challenging situation,
no banker who took merely a conventional view of banking business could be successful. Only that banker succeeded who could be more than a mere banker.

Although agriculture was given greater stress because of the primacy it occupies in Indian economic development, industrial lending whether to the small entrepreneur or to the big industrialist, was not overlooked. The emphasis was to be on the credit-worthiness of purpose. Banks had to equip themselves to make techno-economic and financial appraisals of new schemes. They had to engage themselves in up-to-date, perspective market and planning surveys. They had to adopt modern management systems and techniques. In short, they had to be able to judge and identify the requirements of a dynamic economy over a broad spectrum, and provide it the necessary financial and technical support.

These tasks demanded an expanded and professionalised management of the highest order. For this purpose, these to be created the necessary training facilities based on curricula suited to the needs.
There were also fears that courtesy and efficiency would be at a discount in the nationalised banks. But on the part of the Government it was sincerely hoped that these fears would be belied, and the bank employees who had responded so enthusiastically to nationalisation would ensure that their earlier record of good service was not only maintained but also improved.
ABOLITION OF PRIVY PURSES

If Nationalisation of banks was a milestone in the socialisation of the country's economy, abolition of Privy Purses represents an important step in the further democratisation of our society. It was a bold venture in the direction of bringing about an egalitarian society in which social divisions and disparities were levelled down. A special feature of our freedom movement was that it recognised no class distinction and sought to protect no privileges. Reiterating it while presenting the Abolition of Privy purses Bill to the Parliament the late Prime Minister Indira Gandhi said: The days are gone when birth was the chief road to distinction. All over the world today, distinction comes from achievement, and I believe that the highest privilege to which one can aspire in our country should be the privilege of being an Indian, a free Indian, a democratic Indian, not higher or lower than any other Indian. The Bill to abolish the privy purses was wholly in the spirit of this aspiration of the people of India voiced forth by Mrs. Indira Gandhi. The manner in which it was proposed to be brought about was in keeping with our democratic tradition of achieving far-reaching and
even revolutionary changes peacefully, through consultation, through debate and through parliamentary approval.

While introducing the bill no attempt was made to minimize the cooperation given by the rulers and their constructive role in the unification of the country soon after the achievement of Independence. They had contributed wholeheartedly to the political, social and cultural life of the community. They had voluntarily consented to have many of their privileges curtailed in the larger interest of the Indian nation. Yet certain institutions associated with them were not in harmony with a society striving for equality and social justice. In view of it, it was sought to omit Articles 291, 362 and Clause 22 of Article 366, and thus discontinue the privy purses, abolish or restrict the privileges and abolish the concept of rulership. The Bill was not intended to cause hardship to the rulers or to injure their self-respect. The Bill raised a hornets' nest and met with stiff opposition. Some princes and their friends claimed that the Bill was repugnant to morality.

5. Moving the constitution (24th Amendment) Bill in Lok Sabha, September 1, 1970
In reply it was declared that, while there existed poverty and inequality in the country, there could be no
immorality involved in wanting and working to end them.
The continuance of hereditary titles, customary rights,
special privileges and privy purses without any relatable
functions and responsibilities, it was argued, was
incompatible with our democratic Constitution, the spirit
of the times and the demand of changed circumstances. It
was emphasised that "changes do bring difficulty and
necessary adjustments, but they are inevitable. The
choice was, it was said, between bringing about change
peacefully and with consent or to allow changes to come
about in a manner which the Parliament and the country
might not like. The Parliament was urged to show a sense
of history irrespective of party affiliations and to
consider whether a princely order with attendant rights and
privileges should continue indefinitely in a society
striving for equality and social justice.

Another argument against the bill was that "abolition
of the privy purses was a political device with immense

From reply to debate in Lok Sabha on the constitution
(19th Amendment) Bill September, 2, 1970
skill the arguments were reduced and attributed to two opposed points of view.

There was the point of view which fixed on the past and on the desire to conserve all that was old and familiar. The other point of view which recognizes what was good in the past heritage and tradition of a nation but refused to be imprisoned or shackled down by them. It was argued that the Abolition of Privy Pursees Bill sought to synthesize the best of the old with all that was worthwhile and enduring in the new.

This view was happily shared by a majority of the political parties and the overwhelming majority of the people of our great country.
ABOLISHING FEUDAL PRIVILEGES:

When the Bill to abolish the purses and privileges of the ex-rulers was first introduced in the Parliament, it won more than two-thirds vote in the Lok Sabha, and in the Rajya Sabha it failed to secure the required special majority by a fraction of a vote. But that was a mere technical failure. The will of the people was not in doubt.

Therefore, it was given effect by a Presidential order on September 6. This was taken to the Supreme Court which set aside the Presidential Order on December 15. On that very day, it was resolved to pursue it through appropriate constitutional means.

The ruling party reiterated the decision in its election manifesto and it secured the overwhelming endorsement of the people of the country. So, it was reintroduced in the House in fulfilment of a pledge. In the meanwhile some changes had been made in the Bill as presented to the House keeping in view the observations of the Supreme Court.
The purpose of the Bill was to narrow the disparities in our society. Since freedom, the country had been setting right the old disparities and social distinctions one by one, and this was yet another step towards the creation of an egalitarian society.

There was a great deal of feeling in the country against inherited special status, against privileges unrelated to function or responsibility, against exemptions and facilities enjoyed without adequate reason. A series of measures had been adopted to remove such vested interests. Absentee landlords had been eliminated. The economic power of the merchant princes was being checked. It was felt fair that the feudal princes also should be asked to shed their special privileges. In the context the princes were urged to view it in a historical perspective. They were prevailed upon to see that a levelling process was at work in our society, a process which was abolishing divisions and class distinctions. Certain forces were irresistible and inexorable. They could be ignored and resisted and be swept aside or they could be recognised as real and attempts could be made to give some direction to them.

7. Moving the constitution (26th Amendment) Bill in Lok Sabha, December 2, 1971
A large number of princes acted with foresight and adjusted themselves to changes. They acted with remarkable patriotic spirit to facilitate the political integration of the country after independence. Later, there were earnest attempts to persuade them to voluntarily abrogate their privileges. The response from some was prompt and encouraging; a few others were not equally responsive. They failed to appreciate the fact that when a moment was lost, it would not come again. The problem could have been solved through discussions alone. But there was a gap between the thinking of the Government and the Princes necessitating legislation. In the context Prime Minister Indira Gandhi insisted time and again that there was no personal animus against any individual prince or even against the princely order as such. Our quarrel, if one can call it a quarrel, is against a system that no longer has relevance in our society, or for that matter, in any society. She added: A great community of equals is being created in our country, and I would invite the princes and princesses to join this community unencumbered by a sense of past authority. There was a time when superiority could be measured only by rank or by wealth. But today the scope to show one’s worth is very much vaster, in fact I would
say, practically unlimited. I feel that by taking away the
privy purses and privileges which I do not think add to a
person in any way, we might be depriving the princes of
some pomp and luxury, but I think we are giving them the
opportunity of being men. Mrs. Indira Gandhi who piloted
the revolutionary Bill abolishing the Privy purses was
modest enough not to claim for the Bill the status of a
panacea for social inequalities in the country. She said,
We are pugnantly aware that many things have not been
done. Many inequalities and injustices do exist. But
atleast those of which that can be removed little by
little, step by step, we are trying to remove was
abolished with much violence. Here in India we won our
freedom through non-violence, and our social revolution is
also being achieved non-violently. Whether it is the
abolition of untouchability or of absentee landlordism or
the princely order, all these things are being done
democratically, peacefully and with the consent of the
people. This should be a matter of satisfaction to us
all.

8. Moving the constitution (26th Amendment) Bill in
As I have said on numerous occasions, we do stand for change in society. We think the change could be more rapid, more widespread than it is at the moment, but at the same time we believe that change should be peaceful. We also believe that if the forces of change are obstructed you do not stop change; you merely obstruct the peaceful and orderly transition. So, our attempt at bringing about social change and this includes the abolition of privileges being enjoyed by the princes—should not be regarded by them or by anybody else as an indictment of the princes as individuals or as a group. The princes acted with practical good sense when the country was politically integrated. Even in this matter which concerns them so intimately, some have displayed.
BANGLADESH WAR

In December 1970 Sheikh Mujibur Rahman and his Awami League had secured an absolute majority in elections for the Pakistan National Assembly, capturing virtually every seat from East Pakistan on a Six-Point programme of maximum provincial autonomy which verged on secession. Though the Bengalis of East Pakistan formed a majority of the country's total population, Pakistani politics had been dominated since independence by a small elite of politicians, bureaucrats, and generals from the western wing, and particularly from the Punjab province. Unwilling to come to terms with Bengali nationalism and transfer power to the Awami League, Pakistan's military rulers, backed by Z.A. Bhutto, the leading politician in West Pakistan, had refused to convene the newly-elected assembly. Events moved rapidly. The Awami League launched a civil disobedience movement, there were violent outbreaks, and on 25 March the Pakistan army began military repression on a scale that approached genocide. Thousands of refugees, bearing tales of hair-raising atrocities, began to stream across the Indian border. Though Mujibur Rahman had been arrested by the Pakistani army, his lieutenants in the
Awami League proclaimed the independence of Bangladesh and launched an underground resistance movement.

Indian Public opinion has been too preoccupied with domestic politics to take serious note of the crisis brewing in Pakistan, and news of the Bangladesh revolt burst upon the Indian scene with explosive suddenness. To those who had opposed from the outset the creation of Pakistan, the uprising came as a final indictment of Jinnah's two nation theory and as a heaven-sent opportunity for India to step in and smash Pakistan once and for all. Mrs. Indira Gandhi, however, refused to allow her better judgement to be swayed by Chauvinistic public opinion. She was convinced that military intervention by India at that stage would not only amount to a flagrant breach of international law, but would also be self-defeating, lending weight to Pakistani propaganda that the revolt was a conspiracy by Hindu India and undermining the solidarity of Muslim Bengali nationalism. On 27 March, 1971 she told the Lok Sabha "...in a serious movement like this, the less we do a Government say, I think the better it is" on the same day she warned Rajya Sabha "...it is not possible

for the Government to speak in the same words as Honourable Members can do: a wrong step, a wrong word, can have an effect entirely different from the one which we all intend. The House is aware that we have to act within international norms."

During the next few days, Mrs. Indira Gandhi worked hard to secure the widest possible national consensus for her cautious policy on Bangladesh: and in the immediate aftermath of her election triumph, she had her way, not only in her own party, but with Opposition as well, on 31 March, 1971 she was able to move a resolution in Parliament which had the support of the entire Opposition. The motion was carefully worded and used the neutral term 'East Bengal', instead of Bangladesh or East Pakistan. It expressed 'grave concern' at the Pakistan Government's repression in East Bengal, called upon other governments to persuade Pakistan to halt the genocide at once and assured the people of East Bengal of the full sympathy and support of the Indian people.

In the Cabinet itself there were conflicting views on the issue. Swaran Singh, the Minister for External

10. Debate in Rajya Sabha, 27.3.71,
11. Ibid, pp.12-14
Affairs, it believed to have favoured non-involvement and the sealing of the border to stop the refugee influx. The rival view was for immediate diplomatic recognition of the independence of Bangladesh backed by military intervention. The Prime Minister steered a middle course. The heads of the armed forces are believed to have advised against any military action until they had time to make adequate preparations. They also pointed out that the impending monsoon would make large-scale operations in Bangladesh difficult and that the right moment for a military strike would be in the winter, when Chinese intervention across the Himalayas would be difficult. In the light of this advice, Mrs. Indira Gandhi refused to force a military confrontation, and a naval blockade to prevent the transfer of troops from West Pakistan to Bangladesh was abandoned for fear that it might escalate into war.

At the same time, Mrs. Indira Gandhi rejected suggestions about sealing the border to refugees on the ground that it would be both inhuman and geographically impossible. And while she continued officially to treat the Bangladesh revolt as Pakistan's internal problem, she was

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determined that it would not be crushed for want of Indian assistance. Though she had ruled out direct intervention, she resorted to the tactics of slow erosion, subsidising guerrilla warfare as China and Pakistan had done during the Naga and Nizo revolts in India. The Mukti Bahini, the Awami League’s guerrilla arm, was provided with a base in Indian border areas; large number of young refugees were given military training by the Indian army, and the Indian Border Security Force provided the guerrillas with full assistance in money and arms.

Though the guerrilla war undermined the morale of Pakistani troops in Bangladesh, it could not of itself break the iron grip of the powerful Pakistani military machine. Waves of refugees continued to pour across the border, reaching an average of 30,000 per day and a total of ten million in the course of the next eight months. The daily cost of maintaining the refugee camps rose to the astronomical figure of Rs.27,500,000, and, despite international assistance, the main burden had to be borne by the Indian exchequer. The refugee problem represented a colossal drain on India’s meagre resources and a heavy strain on her administrative system, especially in the
border States where the camps were situated. As time went by, the Government's attitude began to appear as a timid, do-nothing policy that would take the country to economic ruin. Public pressure mounted for military intervention, and it was argued that war would be less expensive than keeping the refugees indefinitely.

On 24 May, 1971 Mrs. Indira Gandhi, speaking in parliament, referred for the first time to East Bengal as Bangladesh, called for a political settlement of the Bangladesh crisis and stated that Pakistan's internal problem had now become an internal problem for India. Even so, she refused to be hustled into precipitate action and chided her critics in the Lok Sabha:

"If it gives some solace in Honourable Members to abuse the Government and blame them for lack of courage, for lack of direction and even of understanding, I certainly do not want to deprive them of this comfort. To some Members, guts are equated with voice-power and the use of passionate words. I wish life were so simple. Now, this Government may have many faults, but it does not lack courage; nor is it afraid of taking a risk if it is a necessary risk... we
are not merely concerned with the legal aspect of this situation... We are concerned with one thing only-our own national interest and security and naturally that of the heroic people of Bangladesh. That is why it is important to act calmly.

Speaking at a public meeting in August 1971, Mrs. Indira Gandhi refused to concede the demand for recognition of the Bangladesh Government-in-exile. "There are some in this country who are attempting to make political capital out of the Bangladesh issue," she warned... This is no occasion for such irresponsible action. We have full sympathy with the demand for the recognition of Bangladesh. We have never said that we shall not recognize Bangladesh. But the Government will take any such step only after careful consideration of all aspects of the question.

With her massive majority in Parliament, Mrs. Indira Gandhi could afford to ignore public pressure and tackle the problem in a cool and level-headed way. Though some

14. Reply to Debate in Lok Sabha, 26.5.71: op.cit: p.26
critics attacked her pursuing a policy of drift and attributed this to the Soviet Union's restraining influence. Later events were to show that such charges were unfounded. Preparations for a military solution had begun at an early stage and, what was unusual in a government so prone to delay, had been shrouded in total secrecy. Mrs. Indira Gandhi later told the author:

"It was pretty obvious to us that if other countries did not take a hand in trying to stop the atrocities and the holocaust in Bangladesh, there would be a war. We did not know when it would come, but we were sure it would come, and therefore it was our duty to the country to prepare for a defensive war... A large section of opinion in this country was that we should have marched in our troops straight away, and it was a very few of us who were strongly against anything like this. We thought we should give full opportunity for international opinion, and even the better sense of the Pakistani Government, to prevail."

Indian diplomacy during these months aimed at securing a peaceful political settlement in Bangladesh through international pressure and, failing that, at preparing the ground for a military solution. The Prime Minister played a key role in formulating and implementing the Government’s international strategy. I.N. Kaul, then Foreign Secretary, told the author at the height of the Bangladesh crisis: "Mrs. Indira Gandhi talks less, but she is an actively interested in foreign affairs as her father. Decisions on foreign policy are definitely hers, though matters are of course discussed in the Political Affairs Committee (the inner circle) of the Cabinet. The existence of a separate Minister for External Affairs relieves her of the burden of administrative details, but the initiative in foreign policy rests with her."

The decision to declare a unilateral cease-fire after the liberation of Bangladesh had formed part of India’s original strategy, and the actual announcement is believed to have been prepared and typed four days before the fall of Dacca. Even so, it was rumoured that the cease-fire had been the result of Super Power pressure. Mrs. Indira Gandhi

16 Ibid p.238
reacted sharply to this suggestion in an interview with Time Magazine. There have been suggestions that we were pressured into ceasefire by the Russians who in turn were being pressured by the Americans! The decision was made right here, at the moment of surrender in Dacca. We were able to inform the Soviet Union right away only because Mr. Khrushchev happened to be here. I am not a person to be pressured by anybody or any nation.'

The war had left India in a commanding position on the sub-continent. Pakistan had lost not only her entire eastern wing but 5,619 square miles of territory in the west and over 70,000 prisoners of war. Mrs. Indira Gandhi was generous in her praise for the armed forces and their leadership. To Manekshaw, awarded for his services with the rank of Field-Marshal, she wrote: 'The co-ordination between the three services, so impressively demonstrated during the campaign, owes much to your brilliant leadership. I particularly valued your co-operation, your clear-headed counsel and unflagging good cheer throughout this crisis.' The Prime Minister herself received from

17. Indira Gandhi's correspondence: Prime Minister's Secretariat.
18. Indira Gandhi's correspondence: Prime Minister's secretariat
President V.V. Giri the decoration of Bharat Ratna, the country's highest civilian award. She had given India what neither Nehru nor Shastri had been able to deliver, a decisive military victory. National honour, which suffered so greatly in 1962 had been vindicated and national pride never stood so high.

Asked about her role in the conduct of the war, Indira Gandhi later said, "The decisions were really taken by those who actually running the war, but I was obviously in very close touch, in twice-a-day-touch. On the day of Dacca's fall, I think we got a message every few minutes." While she had been wise enough not to interfere with military operations and to allow the armed forces a free hand in their own sphere, she had kept close control over all decisions with political implications. Mutual trust and respect had resulted in perfect coordination of the political and military conduct of the war and avoided the conflict and confusion which had paralysed the Indian war effort in 1962.

19 Indira Gandhi interviewed by J. Datta of the Hindustan standard, quoted in Times of India, (DELHI) 18-3-73.
This cooperation owed much to the good personal rapport which Indira Gandhi had been able to establish with the armed forces, from the officer corps down to the ranks. Her sex, contrary to some expectations, was no obstacle in this relationship. During the tense months that preceded the war, she had paid frequent visits to refugee camps and remote military outposts in forward areas, even under hard weather conditions. Her political stature, physical stamina, efficiency and dignified bearing had won her the respect and deference of the armed forces. This did not prevent her from chatting to the Jawans with an informal and maternal ease that presented a marked contrast with the severity of their elitist officers. Her visits, especially to the sick and wounded, brought a welcome feminine warmth and grace into the grim and regimented routine of military life. While in some respects she was a symbol of Indian womanhood, appealing to the protective instincts of the average soldier, she could when necessary command respect as a figure of authority, reviewing troops and taking the salute.

20. Zareer Masani: op. cit p.249
Although the independence of Bangladesh was the outcome of a complex of factors, it was widely seen as a personal victory for Mrs. Indira Gandhi, who had played the role of midwife to the infant republic. She herself occasionally deprecated this tendency. "The credit for winning the war is being attributed to me, which is not right," she told a mass rally in Delhi. This work has been accomplished not by me but by the people-men, women, old and young-of Bangladesh. We only rendered them the help that we were capable of."  

Nevertheless, without Indian intervention, Bangladesh could not have achieved independence in the near future; and no single person had done more to shape Indian policy than Indira Gandhi. After his release by Pakistan's new President, Z.A. Bhutto, Sheikh Mujibur Rahman stopped over in Delhi on 10 January, 1972 on-route to Dacca and expressed in generous terms his gratitude to India and to Mrs. Indira Gandhi in particular. At a mass rally in his honour, she took the opportunity to remind her own people: "I made three promises to the people... I said: We shall see that the refugees return to their motherland; we

shall help the Multi Bahini and the people of Bangladesh in
everyway; and we shall certainly see that the Sheikh is
free. All three promises have been fulfilled."

The creation of Bangladesh had taken Mrs. Indira
Gandhi’s domestic popularity to heights which her role in
the congress split and her socialist promises had not
achieved. In a country where the cult of personality is
deeply rooted and where mysticism mingles with politics,
Indira Gandhi, appeared as an omnipotent Mother Goddess who
had protected her own people and liberated another from the
forces of evil. The idea that a woman should lead her
people to victory did not appear incongruous in a country
where Durga, the Goddess of War, is widely worshipped. Hindu
mythology has it that Durga was created by the gods after
their expulsion from the heavenly heights by the demons.
Armed with various divine weapons, Durga, according to the
legend, had fought alone against the demon hordes,
vanquishing them and restoring the gods to their rightful
place. Many Indians saw Indira Gandhi as an incarnation of
the same Shakti or female energy.

27. Amrita Bazar patrika supplement, 19.11.72, p XXVI
In an interview on American television, Indira Gandhi was asked about the price in human terms of the recent war. She replied with the following lines from a poem by Ralph Chaplin which had been one of her childhood favourites:

Mourn not the dead
But rather mourn the pathetic throng
who see the world's great anguish and its wrong
But dare not speak.

She had not only spoken but acted decisively, and she had good reason to be satisfied with the results. The immediate refugee problem had been solved, and the return of the ten million refugees was being organized with a speed and efficiency that astounded those who had doubted its feasibility. More significant was the fact that the emergence of Bangladesh had drastically and irrevocably altered the power balance on the sub-continent. India was no longer generally acknowledged as the leading power in South Asia, facing no real challenge from Iran to Indonesia. Though Pakistan made a remarkably rapid recovery under Bhutto, she could never again hope to rival India’s.

23. Indira Gandhi Interviewed by National Broadcasting Corporation of America, 23-12-71, India & Bangladesh, p.159
supremacy. While opinions differed on the merits of India’s actions, Indira Gandhi’s personal prestige as a leading world statesman was unquestioned. In a Gallup poll of seventy non-communist countries in May 1971, she emerged as ‘the most admired person in the world.’

On 17 March 1971, after the last Indian troops had left Bangladesh, Mrs. Indira Gandhi had arrived in Dacca on a State visit to the new republic. She was given a hero’s welcome, and the diplomatic result of her visit was a twenty-five year treaty of Friendship modelled on the Indo-Soviet Treaty of the previous year. Since then, the early euphoria of Indo-Bangladesh unity has cooled into a more realistic approach. The unhealthy diplomatic and economic dependence of the infant State on India has inevitably generated some resentment among its people, as their initial gratitude wears thin. In this context, Pakistan’s recognition of Bangladesh in February 1974 and Sheikh Mujibur Rahman’s affectionate reconciliation with Bhutto at the World Islamic Summit has alarmed some observers in New Delhi, who fear a revival of Islamic solidarity. While it is true that Mrs. Indira Gandhi has met her match in Bhutto
and that India has just her mediatory role between Pakistan and Bangladesh, in the long run deleter between the latter countries can be expected to create a healthier atmosphere in the sub-continent, removing yet another obstacle in the way of Indo-Pakistan relations.
THE EMERGENCY

Emergency was declared on 26th June, 1975 under art. 352 of the Constitution. "If the President is satisfied that a grave emergency exists whereby the security of India or any part thereof is threatened whether by war or external aggression or internal disturbance, he may by proclamation make a declaration to that effect."

Clause 3 reads that such an emergency may be made before actual occurrence of war or any such aggression or disturbance if the President is satisfied that there is imminent danger thereof.

Conditions had been deteriorating rapidly. From early 1974 it was evident that we were heading towards a major disaster. For weeks and months schools and Universities remained closed. Strikes and lock-outs crippled large sections of the industry. Smuggling and black-marketing became rampant.

Agitation against authority was organised by students in Gujarat. They succeeded in bringing the State

Government to its knees. Jayaprakash Narayan, pounced upon the idea and organised similar movements in Bihar, Uttar Pradesh, Madhya Pradesh, Maharashtra. The ultimate in the defiance of law and order, was his exhortation to a total Revolution, which sanctioned gherao of democratically elected legislators to prevent them to attend to Legislative Assemblies and the Parliament. He admitted this was "Unconstitutional but not undemocratic". It was both.

At the same time, the election petition filed against Indira Gandhi came up for decision before the Allahabad High Court. Justice Sinha found her guilty of some utterly trivial, technical breach of rules and disqualified her from contesting election for some years. It was then that Jayaprakash Narayan announced his grand design to gherao the Parliament and reduce the last bastion of democracy to dust.

At one point he was so carried away by his idealistic theory that he said that when the administration was bad,

25. Kushwant Singh: Indira Gandhi Returns. (Orient paperbacks, A Division of vision Books Ltd., New Delhi, 1979) pp 69-70
even the police and army should rebel. Some of the leaders of the opposition parties were delighted at the prospect of toppling the governments in some States. The students were encouraged by these leaders to rebel against authority and indulge in violence. The leaders incited the army also to rebel against the Central Government because the Allahabad High Court had found fault with the election of Indira Gandhi. Mrs. Indira Gandhi felt that if this tendency was left unchecked it would ruin the country.

She acted with great courage and advised the President of India to proclaim a State of Emergency throughout the country on 26th June 1975. The President issued an ordinance the next day forbidding the courts from intervening in questions relating to the Emergency. Censorship on the press was tightened. On the day the proclamation of Emergency was made, Jaya Prakash Narayan, all the leaders of the opposition and those who were likely to spread discontent among the masses were arrested and put in prison. Smugglers, dacoits, hoarders and all other profiteers were arrested under the Maintenance of Internal Security Act (MISA).
As a result of the strict vigilance of the government, prices came down. The exploiters of society became nervous and tried to be honest. Industries, offices and educational institutions worked regularly. One could see office-going people running to catch the bus or to be at the place of duty well in time. Trains were running on time. There was a sense of discipline everywhere. There were no strikes, picketing, ghoring, and other kinds of demonstrations. One wondered how the entire nation behaved decently and in a disciplined way everywhere.

There were, of course, whispers of tyrannical use of power by the police and other officials. They were reported to be using NISA for private suspicion. Some of the prison officials behaved in a high-handed manner and beat up some of the prisoners. Under the orders of the officers of the P.W.D., unauthorised huts and tents were destroyed. In order to widen roads some of the houses close to the roads were pulled down. But these were excesses indulged in by unscrupulous or overzealous officials. Probably the accounts of excesses were exaggerated by interested parties, that is, those who were against the Congress and the Prime Minister.
The decision to declare an internal state of emergency, taken by Prime Minister Indira Gandhi seemed destined to alter the course of Indian political history.

India has achieved a food price rise which was phenomenal in the context of the rest of the world, and there was a wave of commitment about everything— from the twenty-point programme, Mrs. Indira Gandhi's package deal to keep the people happy.

The emergency enabled Mrs. Indira Gandhi to move towards an institutionalised control of the press, and the opposition. "Personally, I am not for Censorship at all, but the Home and Information and Broadcasting ministries have their own difficulties," Mrs. Indira Gandhi said in an interview with a Bombay weekly.

The proclamation of State of Emergency in June 1975 was described as a real coup de force. In any case it came as a surprise. In a message to the nation, Mrs. Indira Gandhi spoke of a "deep and widespread conspiracy" of the "forces of disintegration in full play", of "Communal

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passions aroused that are threatening unity”, of “new programmes” challenging law and order throughout the country.

Indira had declared a state of emergency before but never before had Members of Parliament been arrested; never before had total censorship been imposed upon the press.

On the night of June 27 in a broadcast to the nation she gave the reason for proclaiming the state of emergency as follows:

A climate of violence and hatred had been created which resulted in the assassination of a cabinet minister and an attempt on the life of the Chief Justice. The Opposition Parties had chalked out a programme of countrywide, ghorous, agitation, disruption and incitement to industrial workers, police and defence forces in an attempt to paralyse totally the Central Government. One of them went to the extent of saying that armed forces should not carry out orders which they consider wrong. This programme was to begin from the 29th of June.

had no doubt that such a programme would have resulted in a grave threat to public order and damage to the economy beyond repair. This has to be prevented. The kind of programme envisaged by some of the Opposition group is not compatible with democracy, it is anti-national by any test and could not be allowed. Since the proclamation of Emergency the whole country has gone back to normal except for partial unrest and minor incidents in Gujarat. This sense of normalcy must be maintained. And there should be realization that even in a democracy there are limits which cannot be crossed. Violent action and senseless satyagraha will pull down the whole edifice which has been built over the years with such labour and hope. I trust it will be possible to lift the emergency soon.

"You know that I have always believed in freedom of the press and I still do, but like all freedoms it has to be exercised with responsibility and restraint. In situations of the internal disturbance whether they be language or communal riots, grave mischief has been done by irresponsible writing. We had to prevent such situations, for sometimes, several news appear have deliberately distorted news and made malicious and provocative comments,
The whole purpose is to bring about a situation of calmness and stability. The purpose of censorship is to restore a climate of trust. There has been delay in news from the All India Radio and newspapers. It took time to make all necessary legal and administrative arrangements.

"In the meantime, rumour-mongers and anti-social elements had a field day and have spread stories of all kinds. I want to assure you that leaders under arrest are being treated with courtesy and consideration.

"This is the time for unity and discipline. I am fully confident that with each day, the situation will improve and that in this task, our people in towns and villages will give us their full support so that the country will be strengthened."

After justifying Emergency, she spoke of its achievements as follows:

"It was, because we took rather severe measures that we were able to put the economy back on an even level. Our agricultural production, our industrial production, our exports, all these rose to an unprecedented level. We were
able to stop smuggling, hoarding and many other activities which was not in our interest. By which affected the country's economy, more especially the poorer elements, thus is what enabled us to earn foreign exchange, for instance, the curb on smuggling. For the first time our balance of payment was almost embarrassingly satisfactory.

"It is not only the World Bank and the International Monetary Fund, but also other international bodies and individual economists who came from different universities, they all were amazed at what we were able to achieve in this very short time apart from the fact that we had cleaned up the cities, removed beggars and introduced discipline. Some of the disciplines on traders were enforced. On students and so on nothing was done, but the air of discipline infected them also so that examinations were on time and Universities were run peacefully as, in fact, centres of learning should be.

"Apart from the economic welfare, politically we achieve a great deal because the unity of India was never so strong and meaningful in all these years, before or since independence. Especially in the border states we have managed to bring the people into the mainstream of the national life".

29 Indi Priye
20-POINT PROGRAMME:

The 20-Point Programme broadcast to the nation soon after the imposition of the emergency by the then Prime Minister, Shrimati Indira Gandhi with the hope that "together they will make a difference to the country's economic outlook" was recast in 1982 after two years the return of power of Indira Gandhi in 1980, after being in oblivion for about 3 years. The programmes were not entirely new but only the purpose of these programmes—to provide a focus and emphasis of certain schemes and they showed a direction to the administrators. The purpose of the study was to understand and appreciate the background in which the programmes were conceived, the legislative and administrative steps taken by the Central as well as our state Governments for their effective implementation and to elucidate and evaluate the implementation of these programmes.

20-Point Programme is a national programme. It is designed for the entire nation. We have found that wherever the programmes have been properly implemented they...
have made a visible difference in the lives of the people. That is why both the programmes have been greatly welcomed by the people as a whole and specially by the weaker sections of the society.

Where there is progress there must be corresponding thrust to ensure that its benefits reach out and improve the lives of people—especially of those below the poverty line. It is for this sole purpose that the 20-point programme has been initiated.

The 20-Point programme is not just a series of points. It is an integrated whole, interlinking, promoting, and providing the thrust for all round development and upliftment, through the agency of people themselves.

In addition to the general programme of development, a special activity was initiated in 1975 to lighten the hardships of various groups. This was the first 20-point programme in 1975.

Many of its objectives have been accomplished. Legislation for the abolition of bonded labour was adopted in 1976. Steps were taken to confiscate smugglers'
properties. Tens of people of lower and middle income groups have been exempted from income tax.

The National permit scheme for road transport has been enforced. The target of providing irrigation to 5 million hectares has been fulfilled. A national scheme for the use of ground water has been taken up. Super thermal power stations are being established.

Even in the other items of the 20-point programme of 1975, substantial progress has been made.

The fulfilment of several targets, the changes that subsequently took place in the economic and social life of our people and the new challenges that arose made it necessary to recast and redefine the programme.

After careful thought and discussion within Government, a new 20-point programme was prepared which the Prime Minister, Shrimati Indira Gandhi, announced to the nation in a broadcast on 14 January, 1982.

The revised 20-point programme seeks to impart greater dynamism to some key social and economic programmes included in the sixth plan. In broad terms, it concertizes with the
Sixth Plan means for us all, particularly for the weaker sections. Special emphasis is being given to programmes to assist specific target groups through the integrated rural development programme, the Scheduled Castes component plan and hill and tribal sub-plans, the slum improvement programme and allotment of house sites to rural families.

While the thrust of the revised 20-point programme continues to lie on providing better living conditions for the less privileged sections of the population, the programme as a whole aims at all-round improvement in productivity. The 20-point programme is an agenda for national action to promote social justice and economic growth.

As the former Prime Minister, Shrimati Indira Gandhi, said when announcing the revised 20-point programme on 14 January 1982 has been devitalised into the overall plan of development and pinpoints areas of special thrust which will show immediate tangible results for various segments of the population. The emphasis in the 20-point programme is on schemes and measures which will take the benefits of development
directly to the weather sections. Seven of the twenty points are related to increasing production in order to serve the entire population. While the rural poor will be the principal beneficiaries of the 20-point programme as a whole, the underprivileged groups in urban areas will be helped by five specific programmes.

It will be appreciated that some points, like the dissemination of new technologies of dry farming and the promotion of the consumer movement, do not lend themselves to physical targets. Even where the target approach is not feasible, the effort will be to ensure the efficient fulfilment of the objectives.

All the State Governments have established systems of monitoring the progress of the programme at Chief Minister’s and Chief Secretary’s level. State and District Implementation Committees have been set up, which include a number of non-officials. The State programmes are broken up into District 20-Point Programmes. Some states have already published and distributed the district plans in regional languages. Wide publicity for the State and District programmes is being secured through radio, newspapers, hoardings and other media.
In the Andhra Pradesh, the State Government made earnest efforts to implement the programme in letter and spirit. As a result, there has been substantial progress in each field of activity. The programme has been acclaimed as a leaf out of the Sixth Five-Year Plan, a new deal for the weaker sections and a comprehensive charter of action in key areas of development.

The Programme falls into two broad categories—Schemes for the development of the rural areas, particularly in agriculture and sugar to the village poor, and steps to improve and strengthen the industrial infrastructure, on the one hand, and the elimination of some social and economic evils, on the other. The problem of the poor and the underprivileged was formally recognized and concentrated in the slogan "Garibi Hatao". As we know, many schemes were formulated in this behalf, including the famous 20-point programme, reiterated by the ruling party in its manifesto for the 1978 polls. The attempt made here is to examine the programmes of government in this regard and suggest ways of improvement.

It sets about purposely to attain some specific goals.
in clearly demarcated areas. It embodies some urgent and essential objectives, social and economic. It stresses our commitment to the security, welfare and upliftment of the Scheduled Castes and Scheduled Tribes. It gives the plan a sharper focus and because of the 20-point programme the plan itself has been able to get larger allocations.

The 20-Point Programme is only the tip of the iceberg. It was designed for the entire nation. It should not be dismissed or regarded as the Prime Minister's Programme or that of a particular political party. Its only policies were that of the good of the people.

The 20-point programme was alright so far as it goes, but it was only a small beginning. It was not the ultimate end. The programme was there as reminder that something very important still awaits to be done. We have taken up just 20 points in our programme with a sense of urgency. Let us attend to them first, but it does not mean that the other goals, other programmes are not important.

The 20-point programme was mainly a programme, meant for the very poor, especially those who live in the villages and the remote jungles. It was to help those people of
rural backing. They have been able to use this facility and, putting in hard work, are able to achieve impressive gains.

The 20-points cover what we consider were the most important aspects of helping some of the weakest sections of our people. And therefore, the implementation of this programme is important, but it was part of a much wider programme. It was part of the whole sphere of development and ultimately it is only greater production and more development which will enable us to fulfil our promises to the people and to fulfil even some of these items.

Indian economy was on the move. It was in our hands to maintain the improvement to lighten the burdens of our millions. 20-Point Programme is for this nation which is ours, to serve, to cherish and to build.

There is no magic that can benefit all these 700 million people immediately. The 20-Point Programme was initiated only recently. Employment has been arranged through it and successes have been achieved in providing

J.I. Chawla S.K: Selected thoughts of Indira Gandhi (Mittal Publications, Delhi, 1985) p.345
employment to a good number of young men, rural as well as urban. Progress has also been made in providing loans as well as in other fields. I know there are shortcomings. I know that some people have made mistakes.

Soon the Seventh Plan will be launched. The objectives of this Plan are: food, employment and productivity. All these are inter-related. If production does not increase, there cannot be employment as also food. To achieve these objectives, we have placed adequate funds exclusively for the purpose. This will strengthen further the foundations of our country. Simultaneously, we have to help each other.

32. Publication Division: Indira Gandhi Tributes (Ministry of Information and Broadcasting, Government of India, New Delhi, 1989), p.61
FRIENDSHIP BETWEEN NATIONS:

We are at self-reliance, so it is be fitting that 90 per cent of the resources needed for this gigantic endeavour of modernizing the country have come from our own people, impoverished though they are thought to be. But the remaining 10 per cent or so is important, for that represents the inflow of modern technology. In this we have been helped by the United States, by countries of Western and Eastern Europe and several international institutions. We particularly appreciate American technical assistance. In consonance with our independent stand we take cooperation in sciences, trade or defence requirements, from wherever it suits our national interest.

If India were considered in economic or military terms it would not count. Yet, our voice is heard, because in spite of our poverty, economic backwardness, and often looking beyond our immediate interests, we have fearlessly spoken up for the rights of the under-privileged and the threatened, and have championed the cause of peace and freedom. We have always viewed our problems in the much larger perspective of global problems. Our foreign policy
is one of the friendship for all, hence our non-alignment. We are against the involvement of foreign troops or any other interference in the internal affairs of other countries. We believe in negotiations rather than the use of arms in settling disputes. India is a large area of stability in South Asia. Undoubtedly, its strengthening will help to stabilize and strengthen the entire region.

It is good that meetings between Heads of State, Government, individually and at conferences, are taking place more often. They do take us away from urgent tasks at home but national and international problems are increasingly interlinked. Cancun dealt with various global issues. Versailles with economic and other problems of the North, touching also on North-South questions. At the New Delhi meeting of developing countries, the focus was on cooperation between themselves on earlier occasions, she had pointed out that the future of advanced and developing countries is so closely intertwined that cooperation would benefit both. This is not merely a question of social justice and equity. My own view is that developing countries can contribute significantly to the emerging world economic order. Theirs are the potentially large markets, which would help develop countries like the
United States to maintain higher profitability on their investment, higher rates of growth, and to generate more employment.

To our minds, there are three main causes of the present disturbing situation: the growth of armaments, the increasing disparity between the rich and the poor, both between and within nations, and the thoughtless wounding of our earth.

The world is one, yet we treat it as many, giving different names to the segments. As they are politically used, the words East and West, North and South, are not even geographically apt.

More than 3,000 years ago, when the world was greener, the sages of my country wrote an "Ode to the Earth" it is so pertinent today that I should like to share some lines with you:

"Do not push me from the West or from the East
or from the North or the South.
Be gracious to us, O Earth, Let not those find us
who waylay people on the road.
fake deadly weapons far away from us."

33. Ibid, p. 87