CHAPTER II

BEGINNING OF CORRUPTION
In this chapter an attempt is made to analyse the credibility of Newspapers, Newspaper culture, Morphology of press and Investigative Journalism. The Political scenario, the Party system and the religious groups in Kerala during the 1950's has also been discussed in this chapter. The first general elections in Kerala were conducted in 1957 and the Communist Party came to power. Very soon the Communists who were hailed as ideologists came into a scandal known as "Andhra Rice Scandal". An attempt has been made here to go through the circumstances that led to the Rice Deal, its after effect and the enquiry Commission's Report. The newspapers of Kerala played a significant role in unearthing the hidden stories of the Rice Deal and giving the news to the readers.

CREDIBILITY

The press is called the Fourth Estate. It enjoys a very important place in the society and plays a very significant role in a democracy. The homological relation of press and society is
like that of a Dictionary and Language. Dictionary corrects the society\(^1\). Credibility is an essential factor of journalism. Journals and periodicals in Malayalam were first started by Christian Missionaries in the 19th century. They had lofty ideals and people believed in the writings of missionaries. By the early years of the 20th century these journals and newspapers came into the hands of native laymen. By this time the Kerala press had acquired credibility. The laymen who operated the Kerala press in the space of credibility, which was a missionary construct got wide acceptance among the mass. The press became the voice of the people and a watchdog of their interest.

Newspaper culture

To the Malayalis politics is the very breath of their nostrils, but as civilised men they prefer to fight their political feuds with the spoken and the printed world. For in this land, violence is confined to the lashing human tongue and to the barbed columns of the newspaper\(^2\). With its literary power and capacity for sarcasm, the innuendo and pun, Malayalam lends itself

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admiringly, as an effective and sophisticated weapon, to wordy guerilla warfare, to which most Kerala politicians are subjected by the all powerful press. This is a land where people seek to run or ruin their Government, by public discussion in the market place, in the coffee house and in the columns of the press.

In Kerala a coffee house is no mere place to imbibe the liquid that cheers but does not inebriate. It is an institution where public opinion on vital and non-vital matters of state is moulded, and thus one of the major functions of democracy performed. The coffee house is the focal point at which every morning the elders and grownups of the village and town gather to read, and to be read to, the news, comment and gossip of the day, to discuss public affairs and dissets the public and private lives of politicians and officials. Every coffee shop in Kerala, however humble in appearance, subscribes to half a dozen newspapers. There are piled up on a central table, which is only a higher and broader bench. On either side of it are placed lower and narrower benches, serving as seats for the patrons.

3 Ibid. p.14
4 Ibid. p.14
5 Ibid. p.22
In Kerala everyone from the labourer to the landlord, reads newspapers a minimum of two newspapers, of course many read more. Chewing the political cud is a passion with the Keralites. There were 28 daily newspapers, apart from scores of weeklies and monthlies in 1957. All these newspapers were politically inclined, claiming to adhere to one ideology or another. At one end of the scale are the highly respected newspapers with great integrity and a record of sacrifice in the country's cause like the Mathrubhoomi of Calicut and the Malayala Manorama of Kottayam. At the other end of the scale are the rags, some of which subsist on purveying scandal and indulging in blackmail or selling part of their newsprint quota in the black market. Some newspapers compete with each other with sensational gossip and news centering round official doings, goings on and scandals, served up in witty, delectable style, dripping with sarcasm, innuendo and often vitriol. But all these newspapers are jealous and zealous of their freedom of expression and make the fullest use of the boons of democracy, often to the discomfiture of democracy.
Table - II - 1

Leading Malayalam Newspapers in 1957

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Place</th>
<th>Editor</th>
<th>Owner</th>
<th>Year of Establishment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Malayala Manorama</td>
<td>Kottayam</td>
<td>K.M. Cherian</td>
<td>Malayala Manorama Ltd.</td>
<td>1890</td>
</tr>
<tr>
<td>2.</td>
<td>Mathrubhoomi</td>
<td>Kozhikode</td>
<td>V.M. Nair</td>
<td>Mathrubhoomi Ltd.</td>
<td>1922</td>
</tr>
<tr>
<td>3.</td>
<td>Deepika</td>
<td>Kottayam</td>
<td>Rev. Fr. Antony</td>
<td>SFS Press</td>
<td>1887</td>
</tr>
<tr>
<td>4.</td>
<td>Kerala Kaumudi</td>
<td>Trivandrum</td>
<td>K. Sukumaran</td>
<td>Kerala Kaumudi Ltd.</td>
<td>1940</td>
</tr>
<tr>
<td>5.</td>
<td>Deshabhimani</td>
<td>Kozhikode</td>
<td>V.T. Induchoodan</td>
<td>Communist Party of India</td>
<td>1947</td>
</tr>
<tr>
<td>7.</td>
<td>Dinamani</td>
<td>Quilon</td>
<td>R.Sankar</td>
<td>R. Sankar</td>
<td>1957</td>
</tr>
<tr>
<td>8.</td>
<td>Express</td>
<td>Trichur</td>
<td>K. Krishnan</td>
<td>K. Krishnan</td>
<td>1949</td>
</tr>
<tr>
<td>11.</td>
<td>Malayalarajyam</td>
<td>Quilon</td>
<td>N. Chandrasekharan Nair</td>
<td>SRV Press &amp; Publishing</td>
<td>1936</td>
</tr>
<tr>
<td>12.</td>
<td>Navajeenavan</td>
<td>Trichur</td>
<td>TKG Nair</td>
<td>Communist Party</td>
<td>1953</td>
</tr>
<tr>
<td>15.</td>
<td>Kaumudi</td>
<td>Trivandrum</td>
<td>Kainikkara Padmanabha Pillai</td>
<td>Socialist Publications</td>
<td>1957</td>
</tr>
</tbody>
</table>

Source - Malayala Manorama, Year Book, 1959, p 446-447
### Table II-2

**CIRCULATION OF LEADING DAILIES IN KERALA (1957-59)**

<table>
<thead>
<tr>
<th>Name of Paper</th>
<th>Place of Publication</th>
<th>Circulation 1957</th>
<th>Circulation 1958</th>
<th>Circulation 1959</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mathrubhoomi</td>
<td>Kozhikode</td>
<td>58880</td>
<td>61946</td>
<td>62590</td>
</tr>
<tr>
<td>2. Malayala Manorama</td>
<td>Kottayam</td>
<td>46635</td>
<td>58009</td>
<td>62464</td>
</tr>
<tr>
<td>3. Kerala Kaumudi</td>
<td>Trivandrum</td>
<td>21884</td>
<td>30429</td>
<td>31856</td>
</tr>
<tr>
<td>4. Deepika</td>
<td>Kottayam</td>
<td>18236</td>
<td>17469</td>
<td>19314</td>
</tr>
<tr>
<td>5. Janayugam</td>
<td>Quilon</td>
<td>15531</td>
<td>15737</td>
<td>15934</td>
</tr>
<tr>
<td>6. Kerala Bhooshanam</td>
<td>Kottayam</td>
<td>16864</td>
<td>16583</td>
<td>15740</td>
</tr>
<tr>
<td>7. Desabandhu</td>
<td>Kottayam</td>
<td>15034</td>
<td>14351</td>
<td>—</td>
</tr>
<tr>
<td>8. Express</td>
<td>Trichur</td>
<td>15393</td>
<td>16501</td>
<td>—</td>
</tr>
</tbody>
</table>

*Source: Malayala Manorama Year Book 1959, p.474 & 610.*
Morphology of Press

Kerala has been the most literate region of India throughout the 20th century. In Kerala an appetite for political news had arisen by the 1920's. The people of the state were prone to politics and the demand for newspapers was great. Circulation of daily newspapers increased dramatically as a Daily Newspaper culture is created. Malayalam is the language in which this culture is most elaborately developed in India. In Kerala the demand for reading material has created its own solutions. Libraries, reading rooms, schools and colleges subscribe to newspapers. Tea shop owners throughout the state keep newspapers available for their customers.

Newspaper Cartoons

Most of the newspapers have a front page cartoon column. These cartoons contain witty and sarcastic attacks on the politicians and political parties. Most of the important political incidents and decisions were covered by these cartoons. These

7 Robin Jeffry, Culture of Daily Newspapers in India, Economic and Political Weekly, 4 April, 1987, p. 607.
8 Ibid. p. 607.
were the main attraction to the newspaper readers. The cartoons of Sankar, Toms etc. influenced the people of the time.

Photo Journali sm

Photo journalism had also appeared in Kerala in the 1950's. The press photographers took sensitive photos and these were published in the leading dailies. These photos had a profound impact on the minds of the readers.

Investigative Journalism

The twentieth century journalism gave birth to investigative reporting. Official proclamations and carefully prepared press releases concealed the real causes and motives behind a spot news. That led to the origin of investigative reporting. What is investigative reporting? It is just the old fashioned traditional expose stuff, uncovering what is being covered up, revealing what is being hidden nailing down lies that have been told.  

Investigative reporting is an intellectual process. An investigative journalist should have personal integrity, motivation, courage and patience and confidence. Smelling a rat is an attribute of the straight news reporter and especially of the

investigative reporter. The truth seeking reporter explores every possible avenue for information operating with no predetermined ends to seek, no hypothesis to prove. Just the truth to be determined.\(^\text{10}\) The investigative journalist should be careful not to give currency to gossip, rumours and surmises.

Journalism in Kerala underwent many changes in the 1950's. Young journalists were attracted by the modern techniques in news reporting in the European world. They began to dig beneath the surface and uncover concealed information. The time and tide were in favour of them. The political situation of Kerala during 1957-59 was a significant period in the history of Malayalam journalism.

**Political Scenario 1950's**

The formation of the state of Kerala on 1st November, 1956 marked the realisation of a long cherished desire of the Malayalam speaking people to have a state of their own. Since the dawn of the 20th century public opinion was in favour of the formation of such a state. The nationalist struggle in Kerala envisaged, along with independence for the whole country, the unification of the Malayalam speaking people under one
administration. One of the earliest resolutions on the subject of a unified Kerala was voted at the state people's conference held at Ernakulam in 1928. The Payyanur conference held later in the same year under the chairmanship of Jawaharlal Nehru also passed a resolution requesting the central Congress leadership to take steps to constitute Kerala as a separate province at the time of framing of a constitution for free India. Aikya Kerala conferences continued to be held every year.

The movement for the formation of a Kerala State gathered momentum in the 1940s when the prospects of Indian Independence looked bright. The Aikya Kerala Conference held at Trissur in 1947 under the presidency of Sri. K. Kelappan passed a resolution urging the early formation of Aikya Kerala. On 1st July 1949, Travancore and Kochi were integrated into a new state of Travancore - Cochin. This was the first positive step taken in the direction of the formation of the state of Kerala.

The political history of Travancore - Cochin witnessed the rise and fall of ministries under T. K. Narayana Pillai, C. Kesavan.

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11 Krisha Chaithanya, Kerala. New Delhi, 1972, p. 33.
A.J. John, Pattom Thanu Pillai and Panambilli Govinda Menon. Defections and internal dissensions among parties were a regular feature and there was no political stability during the period. On 23rd March, 1954 President's rule was announced and all the political parties were forced into the wilderness for the next two years\textsuperscript{12}. It was during the period of President’s rule in Travancore - Cochin that the decision on the reorganisation of the states of the Indian Union on linguistic basis was taken by the Government of India. Under the States Reorganisation act of 1956 the four southern taluks of Tovala Agastiswaram, Kalkulam and Vilavancode and a part of the Shencottah taluk were separated from Travancore - Cochin and included in Madras state. The district of Malabar and the Kasargod taluk of South Canara district were added on to the remaining portions of Travancore - Cochin to constitute the new state of Kerala. The state of Kerala formally came into existence on 1st November 1956. The office of the Raj Pramukh was abolished. A Governor was appointed as Head of

\textsuperscript{12} K.C. John, Kerala the Melting Pot, Trivandrum, 1975, P. 28.
the state. For the first time Kerala was brought under one single government and freed completely from monarchical rule.  

Party System in Kerala - 1956  

The Indian National Congress unit in Malabar merged with its counterpart in Travancore - Cochin in 1956 and the Congress Party in Kerala was formed. The Communist party of India was predominant in the Malabar region. It was making a firm foothold in the new born state.

The arrival of the Muslim League made a total difference in the political structure of the state. This coincided with the exit of the Travancore Tamil Nadu Congress following the inclusion of the southern part of Travancore in Madras state. The kingmaker role of Tamil Nadu Congress in Travancore - Cochin politics was taken up by Muslim League in Kerala politics. The Muslim League which was a stranger to Travancore - Cochin soon became an integral part of the politics of Kerala. Successive elections meant more places of influence for it. The new born state was under President’s rule. A few months passed and it was time for the general elections of India.

13. R. Ramakrishna Nair, Constitutional Experiments in Kerala. Trivandrum, 1964, p. 38
was decided to conduct the elections to the Kerala Legislature in March 1957. The Indian National congress, the Communist party of India, the PSP, and the Muslim League had no understanding with any other party. The alliance system which became an essential feature in Kerala politics later had not arrived at that time.

Religious influence

Quite a few observers have stressed the primacy of the caste factor in politics in India in general and in Kerala in particular. Indeed politics is merely a projection of the shifting strength and balance of the communal organisations into the political area.

Political Scenario - 'Religious groups’

The Christians were economically and politically the most powerful Community in the state. Banking and industries were largely in their hands. The Catholics ran the largest number of educational institutions in the state. Some of the major newspapers were controlled by the christians who were basically against the

communists. These newspapers were the mouth piece of Christian interests in the state.

The Nairs though numerically ranking fourth among the communities were the most influential elements in the state’s affairs since they dominated the states administrative service and traditionally enjoyed a high social and political status in Kerala society. They were landlords and being an educated community, have also penetrated the professions.

The Ezhavas, the largest community group, dominate the politics of the state in the state’s public affairs the communities share and voice are exerted by the SNDP Yogam. The Muslims led by the Kerala Muslim League, wield considerable political influence in the states public life. The community derives its political influence from the fact that its population is concentrated in a single, compact region, and has in its gift a large chunk of votes, and thus plays the balance of power role of the third party in the political affairs of the state.

One important element that impart built-in instability to the state’s politics is the phenomenon of four more or less balanced communities which compete with each other to shape and
influence the affairs and administration of the state, and there by inject communal poison right in to the blood stream of Kerala body politics

"Each of these four elements in the state's politics is numerically and politically too powerful to be ignored, and they, between them, at their whim or prompted by communal self interest can and do, disturb and even topple a Government."

Election of 1957

The legislature elections held in 1957 was significant in the history of Kerala. The communists and their allies (independents) came out successful in the elections. There were 75 lakhs people eligible for voting and 66.6% voted. The communist party emerged the second largest in terms of the votes polled, having won 34.98% of the votes cast, but largest in terms of the seats won, having secured 47.6% of seats in the Assembly. The

15 D.R. Manikkar op.cit. p.30
16 Ibid P. 33
communists were successful in 65 out of 126 seats—just the number that was required to be able to form a government18.

Kerala’s population is larger than that of several European countries and of three countries which have caught world imagination in respect of communism—Chile, Cuba and North Vietnam. More people speak Malayalam than Czech, Hungarian, or Serbo-Croat19. The communist victory focussed international attention on Kerala, for this time the remote Indian state had scored not merely a first in Indian politics but also a first in world politics20. Apart from the tiny Italian principality of

San Marino it was the first case of a democratically communist government in the world\textsuperscript{21}.

In Delhi except Nehru all others did not like the communists coming to power in Kerala\textsuperscript{22}. The AICC could not think of a communist government in a state. Governor Ramakrishna Rao was a former Congress Chief Minister\textsuperscript{23}. So many doubted whether the communists would be allowed to form a government in Kerala. The verdict of the people was accepted and the state governor Dr.B. Ramakrishna Rao invited the CPI leader EMS to form the Ministry\textsuperscript{24}.

\textsuperscript{21} Kerala was only the second example of a communist party returned to power in competitive elections. In the Republic of San Marino in 1945 the elections to the Grand National council brought to office a coalition of the San Marino communist party and the San Marino Socialist party see discussions in T.J. Nosster’s ‘Marxist state Governments in India’ P1.

But San Marino is one of the smallest countries of the World with an area of 61 Sq. Km, while Kerala has an area of 38,863 Sq. Km. The population of San Marino is 24,500 in 1998 while that of Kerala is 3 Crores.

\textsuperscript{22} Puthuppally Raghavan Viplava Smaranakal, Kottayam, 1996 P 123

\textsuperscript{23} Ibid P 123

\textsuperscript{24} Jose Chander. Dynamics of state Politics, New Delhi, 1986, P 137
The communist ministry under the leadership of EMS took oath and stepped into office on 5th April 1957. The salient feature of the day on which the new government in Kerala assumed power, April 5, 1957 was the fact that the communist power in India, and for that matter, the world communist movement acquired a large base on the soil of the Indian subcontinent. Although the base had been won peacefully, functionally it was comparable to Chinese Yenan because it represented a focus of communist power from which its influence could radiate until it engulfed the whole nation.

The communist victory in Kerala had mixed reaction while the communists celebrated their victory, many groups found it difficult to adjust with the new setup. The AICC could not tolerate the communist government. Before knowing what the government was going to do it was pictured as a Stalinist totalitarian Government. Politically and psychologically the victory of the communists was a rude shock to the Christian community of the state. The Catholics were particularly disturbed since the church leaders and the Catholic press had spared no chance in the past in portraying the communist danger as the most awful.

25. Fic. Victor, Op cit, p. 77
calamity that could befall the country. The reaction of anti-communists and Christian religious hierarchy was reflected through multifarious dimensions. The press also became a tool of this reaction. Hegelian materialism was misinterpreted in Kerala through the press. The net result was the religious minded Kerala society saw communists as anti-religious and anti-God movement. The Christians and the Orthodox Hindus were the affluent class and they were against communists. It was the need of the hour to retain the reading rhythm of the affluent class. This role was well played by the Kerala press.

The press became a scenario of the anti-communist feeling. This anti-communist feeling was reflected through various incidents. One such incident is the rice deal of the Kerala Government in 1957.

Kerala is a deficit area in the matter of food grains. No other state had to undergo such sufferings on account of food scarcity as Kerala has. For a while other deficit states of India are short of their requirements of food grains to a marginal extent, Kerala’s deficit comes to 50% of its requirements. The state produces

27. Cyriac Thomas, Church and Politics in Kerala, (Unpublished)
   University of Kerala, Trivandrum, p. 26.
28. E.M.S. Namboothripad, op.cit. P. 4
only half the total requirements of rice. Though there are several other edibles which form supplementary items of food, none of them is a substitute for rice. Only 36% of the total area under cultivation is used for paddy cultivation. Average annual yield was about 8,00,000 tons. The production of rice was sufficient for per capita consumption of 6.25 ounce only per day.  

The primary responsibility of the state Government has always been the regular supply of rice to the people, in sufficient quantity and at a reasonable price. From April 1956 onwards the price of rice had been on the increase. In June 1956 as a first step, fair price shops were opened in Trivandrum city and by July they were extended to other parts of the state.

Within days of the assumption of the Communist Government, as it like an evil omen the food situation began to deteriorate rapidly.  

By the end of May 1957 distribution through fair price shops completely broke down. The price of rice began to shoot up.


30. Ibid. p. 60
Days and weeks passed, the price of rice continued to skyrocket. The common slogan in the state was

"where is rice, where is cloth, tell, tell Namboothiri" 31.

K.C George was the Food Minister in the Communist Government. The Government found it very difficult to tackle the food situation in the state. The press in Kerala took the food problem as an important matter and set apart a big chunk of the paper to highlight it. The non-communist papers took this as an opportunity to criticise the Government 32.

Food Minister K.C George tried to propagate the use of Macrony 33. The opposition made macrony a tool to ridicule the Government. Rajan was a labourer in a coir-factory in Alapuzha. He was a communist but became dissatisfied with its policies. He

31. Puttupally Raghavan, op.cit, p.137
32. The Kaumudi, a daily from Trivandrum wrote about Kerala’s food situation in detail on September 14, 1957. It accused that the Government was making contradictory statements about the food problem. It concluded that the only one thing that the people knew was that, there was no rice in the market.
33. Pavanam, op. cit p. 188.
brought about a kathaprasangam known as “Bhagavan Macrony”\(^\text{34}\). It became very popular in the state. It was a very interesting political propagation. The people laughed loudly and clapped their hands.

In July 1957 Mysore, Madras, Andhra and Kerala were grouped together in the southern rice zone, and it was expected that the surplus of Andhra would find its way to the markets in Kerala\(^\text{35}\). The export of rice from this region to other states were banned by the Central Government. However when the food situation in Calcutta and Bombay became serious, exports from Andhra to those areas were allowed again. Prices increased and Kerala Government could not find private traders who were prepared to import rice from Andhra at a fixed commission\(^\text{36}\). At the height of Kerala’s food prices, when the Malayalees were scrapping the barrel for a few grains, the hearts of neighbours like Andhra and Madras failed to melt and the two states were preoccupied with

\(^{34}\) K.C. John, op.cit. p 111
\(^{35}\) G.K.Lieten, op.cit. p 119.
\(^{36}\) Ibid, p 120.
maintaining the level of price of rice, they were tardy about rushing
supplies of rice to the state in distress\textsuperscript{37}.

In order to overcome the shortage of rice the Kerala Government decided to import rice from Andhra and distribute it through the ration shops. It was decided to buy 5000 tons of rice via a private firm in Madras, which was proposed to them by A.K. Gopalan, Member of Parliament\textsuperscript{38}. The Kerala Government entered into an agreement with Messrs T. Srimalu, P. Suryanarayana and Company, Madras for the purchase of 5000 tonnes of rice from Andhra. The normal formalities of calling for tenders and coming to agreements with the lowest bidder were not gone through. A big furore was raised over the fact that tenders were not called \textsuperscript{39}. The first consignment of rice arrived in September 1957. Immediately charges of corruption in favour of the Communist party of India and the sympathisers of the Communist party of India were raised. The manager of the Madras firm was a Communist 15 years ago and the terms of the agreement were in favour of

\textsuperscript{37} D.R. Mankekar \textit{op.cit}, p. 46

\textsuperscript{38} G.K. Leiten, \textit{op.cit.}, p.120

\textsuperscript{39} E.M.S. Namboothripad. \textit{opcit}, p. 224
The opposition parties in Kerala accused the Government of Kerala for paying more than the market price to this firm.\(^{41}\)

The Congress leaders accused that the Communist Party had accepted a bribe which was paid to the Andhra Communist Party for clearing its election debt.\(^{42}\) The first accusation was that 1.6 lakhs was accepted as bribe, but later it was termed as 16.5 lakhs.\(^{43}\) The rice deal provided another tool in the hands of the opposition parties to forge a common front with the leading pressure groups against the communist Government.\(^{44}\) T.O. Bava, the Congress M.L.A. accused in the Legislative Assembly that there were certain irregularities in putting through the deal and the

\(\text{40. G.K. Leiten, opcit, p. 120}\)
\(\text{41. Jithendra Singh, Communist Rule in Kerala, New Delhi, 1959, p. 118}\)
\(\text{42. Cherian Philip, Kalloorandu, Kottayam, 1995, P39}\)
\(\text{43. Pavanjan, opcit, P. 188}\)
\(\text{44. C.N. Somarajan, Pressure Group Politics in Kerala, (Unpublished), University of Kerala, Trivandrum, p. 260}\)
Government had sustained considerable loss. Congress M.L.A. T.O. Bava was the person who brought out the affairs of the deal in detail.

The Malayalam newspapers gave big headings and more space for covering the news of the rice deal. The leading Malayalam Dailies Malayala Manorama, Mathrubhoomi and Deepika contained details of the deal every day. The Communist newspapers, Desabhimani and Janayugam tried their best to support the Government on the Rice Deal issue. The journalists began to dig deep and bring out the inside stories of the deal. The journalists began to compare the Rice Deal with the big corruption case of Kumbakonam, in Tamil Nadu. The Public Accounts Committee of the legislature demanded accounts of the

45 Jithendra Singh, opcit P 118

46 K.C. John former correspondent, Times of India Newspaper is of the view that it was T.O. Bava who went to Andhra and collected the details of the rice deal of the Kerala government. He gave this information to the journalists and they covered their papers with the news of the rice deal.

47 Malayala Manorama 12th February, 1958 carried the big heading on the first page “Andhra Rice Deal Kumbakonas”
deal from the Government. The legislature witnessed questions on the rice deal every day. These news were covered in detail in the Malayalam dailies. The opposition party leaders opinions were given as headlines in the news papers.

In the Legislative Assembly Chief Minister EMS Namboodiripad scolded the Opposition for raising vague allegations against the Government and promised to enquire into clear corruptions. At this juncture P.T. Chacko, Congress M L A and Opposition leader stood up and asked whether the allegations on Rice Deal can be enquired. To such a sudden question EMS Namboodiripad answered ‘Yes’. Thus the Chief Minister agreed for an enquiry into the Rice Deal in the Legislative Assembly. The Rice Deal controversy was the first or deal that the Chief Minister EMS Namboodiripad had to face during the communist


51. K.C. John, Senior Journalist remarks that P.T. Chacko trapped EMS Namboodiripad during the debates in the Legislative Assembly.
rule (1957-59)\(^{52}\). That was a big victory for the opposition. The next day's newspapers came out with editorials and big headings about the government's decision for enquiry.

Now-a-days ministers and ruling party MLAs' names are heard in various types of corruption charges. At different times, it is the ruling party itself that raises such allegations and they give the stick to the opposition parties. But during that time nobody accused the communist ministers for corruption. The Ministers were clean men not committed to corruption. Instead of the Minister the communist party was accused of accepting money\(^{53}\). In the present times even if the ruling party members raise allegations the normal reply of the government is, "no enquiry"\(^{54}\).

The Government appointed justice P.T. Raman Nair of Kerala High Court as Enquiry Commissioner on 12th May, 1958\(^{55}\). The Government asked the Commission to report on whether the

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52 Ibid, p.311
53 Puthuppally Raghavan, Opct, p.138
54 Ibid, p.138
55 See Malayala Manorama 13th May 1958. The paper carried the big heading on the first page, "Justice P.T. Raman Nair appointed as Enquiry Commissioner"
purchase of 5000 tons of rice through M/S. T. Sriramalu, P. Suryanarayana and Co., Madras firm was justified considering the food situation in the state and whether there was any loss to the state incurred in the deal. Three counsels appeared on behalf of their respective clients before the enquiry committee. The Advocate General represented for the Government of Kerala. Mr. K.V. Nair for Mr. T.O Bava and Mr. V.K.K. Menon for the Madras firm of Sriramalu and Suryanarayana and Company. The Advocate General in his arguments made the following points. (1) Allegations against the present deal arose mainly out of trade rivalry and political antagonism. (2) Government had not departed from the normal administrative procedure of procuring rice. (3) He argued that there was an acute food shortage in Kerala at that time.

Mr. K.V. Nair, Counsel for Mr. T.O Bava argued that (1) The Kerala Government had sustained a loss of rupees 3 lakhs in the deal. (2) Kerala Merchants were willing to import rice from

57. Ibid, p. 119
58. Ibid, p. 119
Andhra (3) Though Kerala is a deficit state in food there was not such an emergency during the period in question, as to justify the Government to enter into a contract with a Madras firm without calling for open tenders and thus deviating from normal procedure. Mr. V.K.K. Menon, counsel for the Madras firm argued that (1) The Kerala Government has not sustained any loss by this deal and (2) The Government had made profit out of this transaction for the price of rice in the Andhra market was much higher than the price for which rice was supplied by the Madras firm.

The Malayalam Newspapers took great interest in the Rice Deal Commission Enquiry. Leading Malayalam dailies, Malayala Manorama, Mathrubhoomi and Deepika covered in its columns, the arguments and discussions before the enquiry committee. Thus the people were aware of the details of the rice deal. The newspapers played a significant role for the passing of the information regarding the Rice Deal.

59 See Communist Rule in Kerala by Jithendra Singh. The working of the communist Government has been dealt by him in detail. He gives details on the Andhra Rice Deal giving importance to the report of the commission.
On 13th February, 1959 the commission submitted its report to the Government of Kerala. It was a fairly lengthy report and came to the following conclusion:

1. There are strong grounds for the suspicion that the deal was solely dictated by considerations, intrinsic to the merits of the situation.
2. There was an avoidable loss of more than Rs. 1 lakh in the purchase of 5000 tons of rice from Andhra in August 1957.
3. The deal with a Madras firm for the purchase of rice from Andhra on present terms was not justified having regard to the food situation in the state.

The Commission concludes its report by saying that, there can be little doubt that, had the Government called for tenders, instead of entering into negotiate contract with a Madras firm, it could have obtained rice on more favourable terms. The Commission held that there was no great urgency for the Government of Kerala to rush the deal in the above manner, which led to avoidable loss. It also thought that if the Government of Kerala had asked for competitive tenders as had been the practice in Kerala till then, the Government would have avoided this loss. According to the Commission it was regrettable that the Advocate General had to appear as a counsel for Government.
which it says, deprived the commission of the invaluable services as an independent counsel 60.

The Rice Deal report was placed before the Legislative Assembly on the 10th March 1959. The next days newspapers were full of news regarding the rice deal. The Malayala Manorama carried the top heading "Andhra rice deal not justifiable" 61. The Deepika Daily carried the heading "Andhra rice deal report published" 62. Other newspapers also began to criticise the Government. The Newspaper Malayali wrote the heading "Respect democracy and resign" 63. The leading daily Deepika came with

60. Jithendra Singh, op cit, 121.

61. The Malayala Manorama Daily wrote that the Government incurred a loss of Rs. 113,500. It also expressed the idea that recommendations of the commission were not agreeable for the Government. It further wrote that if the commission’s findings were respected the communist Government should resign. See Malayala Manorama, 11 March, 1959.

62. The Deepika wrote that the report was not favourable to the Government and therefore the Government was rejecting the report. The details of the report were covered in the columns of the Deepika.

the opinion of the opposition leader P.T. Chacko, "to resign and go". Mathrubhoomi, one of the leading Malayalam Dailies, criticised the rice deal in its columns with the caption 'Adistanamulla Ashepam'.

The Mathrubhoomi Daily again wrote about the Rice Deal with the heading "Bad Precedent". Another newspaper in Kerala, Kerala Janatha, ridiculed the communist as torch bearers of robbery. Newspapers of the week contained criticism regarding the rice deal and the Government. The newspapers were in a race to write against the Government. The newspaper Pothujanam wrote an editorial, "Andhra Report in Arabian Sea", criticising the views of the Government.

The press indulged in vulgar language and vituperative epithets, there were editorials written newspapers in such language.

64. Deepika, 12th March, 1959.
68. The Pothujanam newspaper 19th March, 1959. The Pothujanam newspaper wrote that even if the communists marched with flags and shouted "Andhra Report in Arabian Sea", the history of this day robbery would not fade out.
as to distract people away from the normal methods of functioning and from creative activities. The press engaged in horrible gutter type of journalism, which is difficult to imagine. It was of a calculated political campaign. A large number of newspapers were cornered by the opposition parties.

The Government’s reaction to the report has been two fold: (1) It has questioned the propriety of the Commission to comment on what Government should or should not do (2) It has remained silent on the question of avoidable loss to the state exchequer. The Government propaganda has concentrated on the first point and overlook the second. It has thus reacted by saying that there is nothing to be ashamed of in the judicial verdict or in the deal contracted by the Government.

In a statement issued with the Report, the Government also said that it could not accept as “Universally applicable”, the commission’s approach of “absolute inviolability of the principle of competitive tenders and principles of routine administration”. It added that it was on this basis that the commission found there was avoidable loss in the rice deal.

The Government took its stand on the virtue of "a negotiated contract", between the state and the other party, which it said was a question of state policy. It also defended itself by supporting the central Government's views that there should be state trading in food grains.

The Government tried to defend its stand in the legislative assembly and among the public. The Government's declaration argued that the legislative assembly in its 1957 May meetings requested the Government to purchase rice at any cost and run the ration shops. The Government also held the view that the attitude of the people permitted them to import rice at any cost even if there was loss.

Popular newspapers and political leaders urged for the resignation of the Government. Pattom Thanupillai, the P.S.P. Leader declared that the Government has no right to continue in office and asked the people to prepare for a mass agitation to compel the Government to resign at this hour of grave peril.

72. Ibid, p. 4
the history of the state. But the Government was not ready to step down. It used all methods to justify the deal. V.R. Krishna Iyer, Minister in the Communist Government, used his knowledge and experience in law and literature to reject the enquiry report and protect the ministry. The ministers and party leaders scornfully laughed at critics, and even more scornfully at the Judge. The opposition parties came out openly with a threat of direct action against the ministry on the issue of corruption in the Andhra rice deal.

Soon the leaders of the Congress, the P.S.P. and the Muslim League met and issued a call for mass agitation against the ministry. Upon this call of the opposition parties, 15th April 1959 was observed as anti-corruption day. Mass meetings and demonstrations throughout the state were called for the resignation of the ministry. When the assembly met on 6th April, all the opposition M.L.A.'s staged a walkout on the issue. Throughout the session they insisted on the resignation of the corrupt ministry.

73 The Hindu, Madras 17 March, 1959.
74 K.C. John, op.cit. p.310
75 Kainikkara Padmanabha Pillai, op.cit. p. 179.
76 Jose Chander, op. cit. p. 139
77 Ibid, p 140.
The charges against the Communist Party and the Government were unfamiliar to the people and were rather unprecedented. For instance, it was alleged that they institutionalised corruption. The Enquiry Commission had observed that the agent in the Rice Deal was known to K.C. George, the communist food minister, and was formerly an active member of the party. There was grave suspicion that the communist party had benefited. Even after the publishing of the enquiry report the suspicion continued.

It is clear that the Government of Kerala has been at fault in the Rice Deal. Enquiry reports point to neglect and inefficiency of the Government. The Government refused to admit that it had been at fault. This attitude of the Government led to wide range opposition of the people. The Andhra Rice Deal incident was a beginning of a large scale opposition of the people against the Government.

79. Nossiter, Communism in Kerala, p. 163.
80. Nossiter, Marxist State Govts in India, p. 77.
81. K.C. John, Senior Journalist and former correspondent, Times of India daily, expresses the view that "suspicion sustained among the people".