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EDITORIAL

The Task Before President Johnson

PRESIDENT Kennedy, the most dynamic political figure of the post-war period, fell a victim on November 22 to the bullet of an assassin, suspected of being a racist or ultra-communist fanatic, in the city of Dallas, when he was en route to the Trade Mart to deliver his address at the annual meeting of the Dallas Citizen Council. The whole world was shocked beyond measure at this most inhuman and dastardly outrage on the life of this great leader of the Nation, who in the course of the last 34 months of his Presidentship, had served the cause of World Peace and Human Freedom so well and nobly. If his death was a deep bereavement to his equally popular wife, Mrs. Jackelin Kennedy, it was no less of a tragedy for the world, which under his inspiring leadership had just begun to take a saner view of international political problem of the nuclear age.

THE DEFENDER OF FREEDOM'S FAITH

It is commonly agreed that the late Mr. Kennedy will go down in history as the one man who saved the Free World from the growing menace of Red Imperialism and who in doing so, promoted World Peace as well. Immediately on his ascension to the office of the President of U.S., he set himself to the task of building up the nuclear strength of his country. His indefatigable efforts in this direction brought quick results. That America had out-distanced Russia in the race for nuclear weapons, was brought out forcefully by the bold and effective manner in which Mr. Kennedy could thwart in last winter Russia's surreptitious moves to obtain a nuclear foot-hold in the American hemisphere by assisting Castro in establishing nuclear stations in Cuba and by his resisting in a war-like spirit, the entry into American waters, of Russian warships carrying nuclear arms to Cuba. This single heroic act of Mr. Kennedy, more than any other, called the bluff of Russia's threat of nuclear war constantly kept hanging over the Free World and thoroughly exposed Russia's claim to nuclear superiority. This episode demonstrated how World Peace and a strong defensive and offensive arm of the Free World were closely linked up and how therefore Peace and Freedom were inseparable concomitants and one could not exist without the other.

COMMUNISM, AN INSIDIOUS FORCE

But Communism is an insidious force operating on a world-wide scale and refuses to be subdued so easily. Mr. Khrushchev has now thought it expedient to lie low for the time being and to sign even the partial Test Ban Treaty only to be scrapped at

the first opportunity, when he again could safely think of testing the nerves of another President by creating a crisis over some other problem. In the meantime, he appears to be content with spreading Communist tentacles in the Free countries, through the well-known Communist tactics of infiltration and subversion. It was unfortunate that Mr. Kennedy never showed any marked enthusiasm for fighting communism on ideological and economic fronts. Perhaps his liberal-cum-welfarism which is the political and social creed of American liberalism must have come in the way of his doing so. In this respect he stands some comparison with Mr. Nehru, the democratic socialist. Some political observers hold the view that all Welfare Statists like Mr. Kennedy and Mr. Nehru who stand for State-interventionism, can never fight to the bitter end, communism which also advocates an extreme form of such governmental interventionism. This perhaps was the main common bond which brought Mr. Kennedy closer to Mr. Khrushchev despite his communist intransigence, and to Mr. Nehru despite his rigid adherence to Panchshila and Non-alignment even in face of the gravest peril to India's security from Chinese invasion. And Mr. Khrushchev has all along been cleverly exploiting these conciliatory postures of these two amiable leaders, to serve his purpose of extending the frontiers of communism, right up from India to America through corroding tactics from within.

BRIDGE THE GULF

This wide gulf between the dynamic military policy of U.S.A. and her weak-kneed diplomatic and political postures particularly of the Liberal democrat Mr. Kennedy, has got to be bridged now by a new policy which will back up the programme of containing communist expansionism in the world through military alliances, with a corresponding political and diplomatic approach, the basic principles of which are enshrined in the American constitution. This important task has devolved on the devoted shoulders of the new President of U.S.A. Mr. Johnson. He is reported to be not much after the heart of Mr. Khrushchev, since the former belongs to old Liberal school of thought which still believes in the ability of an order firmly founded on Individual Liberty and Free Economy, to create an affluent society.

If this be a fact, President Johnson will have to shed off some of the pet illusions of his predecessor regarding the possibility and also the advisability of confronting the system of communist States in Asia and Europe by an equally strong system of Democratic Socialist States. He will have

also to channel American foreign military and financial aid in a cautious and wise manner, not so much to prop up the so called Democratic Socialist States, as to strengthen the genuine democratic forces in such countries, leaving communism no access whatsoever to these countries either through the front door or the back door.

It will, therefore, be not enough for the new President merely to 'continue' as he has promised, the noble work which his illustrious predecessor 'began'. He will have also to carry it forward and improve upon it. And we think that an assurance that the new President will rise equal to this task, is implied in his recent address to the U.S. Congress wherein he declared 'This Nation has demonstrated that it has the courage to seek Peace and has the fortitude to risk War. . . . This Nation will keep its commitments from South-Vietnam to West Berlin.'

* * * * *

THE SIXTEENTH STATE

With the inauguration of the Naga State in the North Eastern Frontier of India on December 1, by President Radhakrishnan, one more State, tiny but strategic, has been added to the already existing fifteen constituent States of the Indian Union. This new State is the smallest of all, covering as it does, an area of 4,000 square miles with a population of about 4 lakhs of almost of the size of a small district. The Nagas claim to possess a distinct culture and tradition as apart from those of the rest of India's population. This belief has been engendered by certain foreign missionaries who have through their financial resources and well-organised propaganda, succeeded in converting a good many Nagas to their Faith. While the Missionaries had been thus penetrating deeply into the interior of this hilly land of the Nagas, the British Government had evinced little or no interest in these people and their social and economic welfare.

The present Indian Government only woke up to the realities of the situation, when, after the conclusion of the Second World War, the Naga tribes were goaded on, by vested foreign interests, to revolt against the Indian Government under the leadership of Phizo and to demand an independent Naga land. This rebel leader appears to command much sympathy and support in England as could be seen from the generous way in which he was given an Asylum there and allowed to carry on a venomous propaganda against India. This revolt of a minority group of Nagas has now somewhat been cowed down by the strong police action taken by the India Government. The various social and economic reforms initiated by Mr. Ao the leader of the constitutional movement of the Nagas, have also achieved a major of success in cooling the terrorist ardour of Phizo's followers.

But much more will have to be done to integrate Naga-land completely with India. Special stress will have to be laid on introducing speedy develop-

mental and educational reforms. And side by side, the Phizo terrorists will have to be completely isolated from the majority of the Naga population which happily follows the Chief Minister of the new State Mr. Ao. On no account should these terrorists be allowed to disturb the new elections which will come off next month and the peaceful democratic functioning of the new State.

It must be hoped therefore that the Central Government will now at least follow an effective policy of vigour and strength combined with tact and understanding towards this infant Naga State and enable it to play its part worthily as the Frontier State of the Indian Union, menaced in that quarter by Chinese invaders, Pak saboteurs and powerful foreign interests who wish to keep the Nagas separated from Indians.

* * * * *

NATIONALISATION THROUGH THE BACK-DOOR

The Planocrats and Statist Cavaliers in India are nonchalantly going ahead with their plans of bringing the whole economic life of the country within their death-like grip. The Companies (Amendment) Bill, the Banking Laws (Miscellaneous Provisions) Bill now before the Parliament, to say the least, are a grave menace to the economic freedom of the people. The wide and sweeping powers proposed to

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be vested in the Government under the Bills, far from helping the healthy functioning and growth of the Corporate Sector and Banking Business, are only calculated to promote greater corruption and red tape in officialdom and destroy whatever initiative and enterprising spirit are still left in this Sector.

The Companies Amendment Bill bristles with a number of imprecise and wide expressions like 'notwithstanding any law or contract, memorandum or article,' which at one stroke of the pen, might at any time render all solemn contracts and covenants nugatory, whenever the Ministers and the Officials think of pressing these clauses into their service for furthering their aim of extending State control over the Corporate Sector. The Tribunal proposed under the Bill for inquiring into cases of fraud, misfeasance and irregularities and mal-practices of the management will be enabled to assume certain of the powers now exercised by the Courts in respect of managerial misconduct. Besides the Government will have also the power under the Bill to reserve to itself the right to deprive the Courts of certain judicial powers in this regard and transfer them to the Tribunal directly by a notification, even without having to make a reference to the Parliament for ascertaining its opinion. This is nothing but a mockery of the judicial process and an unabashed attempt on the part of the Government to by-pass Parliamentary rights, practices and conventions. The Bill also confers on the executive arbitrary powers to remove the management which, in its opinion, is behaving in a manner that causes 'serious injury or damage to the interests of the trade,' and that is opposed to 'public interest'. What is 'public interest' and what is the criterion to judge misconduct on the part of the management is kept delightfully but deliberately vague, so as to invest the executive with the unlimited power to punish and penalise those managers who are *persona non grata* with the Government.

Another of its important provisions enables the Government to compel a Company to convert loans into shares. This provision clearly indicates how the wind is blowing in Government circles. This measure appears to be the first-step in the direction of nationalising the Private Sector. Under this clause the Government will first advance loans to the Companies and compel them against all canons of equity, justice and sanctity of contracts to convert them into shares and extend the State control step by step, till all the private concerns are taken over by the Government in their drive towards State Socialism.

The Provisions of the Banking Laws Bill are also conceived in the same spirit and are designed to serve the same purpose. The Bill seeks to bring under control every type of non-banking financial institution and besides confers absolute powers on the Reserve Bank to remove the managing personnel of any Bank even when they have not contravened any law.

All these revolutionary innovations in the Company Act and the Banking Laws might perhaps fit into the blue-print of democratic socialism. But surely they are not going to promote banking trade or commerce. On the other hand they will only hamper and throttle them and bring on the country consequences economic and social, which one shudders to think of. These Amendment Bills are a fore-taste of what is to come on us under Nehru's Socialism. There is no reason to believe that this brand of Socialist Democracy of Mr. Nehru will be any more welcome or presentable to the Free World than Ayubkhan's Basic Democracy' or Sokanrno's 'Guided Democracy' about which one hears so much these days.

* * *

CRY A HALT TO PROHIBITION FOLLY

The Marathi local press in Bombay reports that powerful vested interests in Prohibition are greatly perturbed over the remark made by the Chief Minister of the Bombay State Mr. V. P. Naik that he will give 'second thoughts' to the policy of prohibition in the Bombay State and that they are making hectic efforts to prevail upon the Bombay Congress leaders to intervene in the matter against this contemplated move. It is well-known that bootleggers and illicit distillers have been all these years cunningly exploiting the fanaticism of highly placed Gandhian prohibitionists to serve their own ends.

It is to be hoped therefore that at least now, Mr. V. P. Naik the realist that he is, will resist this combined pressure of the illicit liquor trade-barons who have also infiltrated into Congress organisation and the Gandhian fanatics, and will boldly carry out his promise of crying a halt to this folly of prohibition which has defeated its own purpose and which besides proving to be a great drain on the State's finances, has only bred and cultivated a vast and flourishing underground world of corruption, criminality and vice in the State.

THE ETERNAL TRUTH

YOU cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. You cannot help the wage earner by pulling down the wage payer.

You cannot further the brotherhood of man by encouraging class hatred. You cannot help the poor by discouraging the rich. You cannot establish sound security on borrowed money. You cannot keep out of trouble by spending more than you earn.

You cannot build character and courage by taking away man's initiative and independence. You cannot help men permanently by doing for them what they could and should do for themselves.

—Abraham Lincoln

Balance Of Power And Collective Security

By M. A. VENKATA RAO

The central inspiration of India's foreign policy is faith in the mission of Soviet Russia in Human Progress and a fixed resolve that Russia should not be harmed irrespective of Indian national interests. But what is needed today is a practical and constructive foreign policy which will help Free World Alliance expand into a Collective Security System under which all member-nations should defend any one of their number who may be attacked by any one — whether a member State or an outside State. This would put an end to their mutual military rivalry and mutual destructiveness such as, for example, prevail between India and Pakistan.

WHAT Kautilya called the *mandala* system and modern history calls 'the balance of power diplomacy' is the guardian of peace among nations today and has been such for as long as nations and peoples have existed on the stage of history.

The first principle of the balance of power is the belief that neighbours should be regarded as *potential enemies* unless they are too small to be of real danger and can more suitably be developed as *buffer States* on the hither side of stronger States. The belief leads to the precaution of an alliance with the State on the farther side of the neighbouring State or States with the understanding of mutual assistance in case of attack by a neighbour.

If we had a balance of power agreement with Russia, for instance as against China, we should have the assurance of an automatic assistance from Russia when China attacked India. So too we should attack China from the rear if she attacked Russia.

Similarly, if Pakistan attacked us, Afghanistan would attack Pakistan from the rear and so we should go to the rescue and relief of Afghanistan if Pakistan attacked Afghanistan.

Pakistan is trying its best to rally all Muslim States — Afghanistan, Iran, Iraq, Saudi Arabia, U.A.R., Syria, Turkey, Algeria, Morocco, Tunisia, Malaya, Indonesia etc. It has not yet succeeded as is clear from the attitude of these States to India in regard to Kashmir and to the recent Chinese invasion in NEFA. But such success cannot be ruled out.

Even the Young Turk Party of Enver Pasha which was secular and nationalist in inspiration and not given to Islamic bigotry succumbed to Islamic fanaticism as a matter of strategy to rally Muslim enthusiasm for an Islamic empire to resist Italy during the Balkan wars! Even where a Muslim statesman like Kamal Pasha Atatürk is himself secular-minded and free from religious sentiment and Islamic revivalist ambitions, he is not above using the religious fanaticism of the Muslim masses for buttressing his own leadership and ambition!

We have seen this in the founding of Pakistan and Mr. Jinnah's attitude.

To many observers, India's policy seems to partake of the balance of power — balancing Arab States against Pakistan and Western Powers themselves against Russia and the communist bloc in

order to make the best of both worlds by way of economic Aid!

But India's policy is more governed by certain idealistic enthusiasms of Mr. Nehru — but little related to passing conditions of the world situation and of the posture of World Powers after World War II. It was formed *before* World War II in the glow of Hope engendered by the Russian Revolution of 1917. The central inspiration of this Policy is Faith in the Mission of Soviet Russia in Human Progress. Mr. Nehru's non-alignment is nothing but faith in such a Mission and a fixed resolve, permeating every strata of his mind, conscious and sub-conscious, that *Russia should not be harmed* — irrespective of Indian national interests. This is the only interpretation that accounts for all the twists and turns of his policy and its unconcern with Indian national interests except in so far as they coincide with Russian safety.

But looking at the world around us, including all the continents, we see the lineaments of the cold war and the two groups of nations confronting each other.

Russia after the war of 1939-46 has emerged with vast additions to territory and hegemony over subordinate States both in Europe and Asia. Russia has come right into Central Europe, occupying a part of Germany, the whole of Poland and Czechoslovakia and the Balkan and Baltic States in proxy.

France and Great Britain had fought the Crimean War against Russia in 1856 to stop Russia from advancing into the Balkans and in the war of 1914, the Allies shed much blood and treasure to prevent Russia from reaching the Dardanelles. But today Russia dominates the whole of Central and Baltic and Balkan Europe and is menacing the Middle East. And in the Far East, she has influence over the whole of the land-mass up to Kamschatka including Mongolia and Manchuria, threatening the security of the American State of Alaska!

Russian submarines are in every ocean, much more numerous and dangerous than the German submarines were before.

So too the Russian missile weapons and long range bomber strength match those of America. The Cuba incident of October 1963 (when we were attacked by the Chinese in NEFA and Ladakh) reveals the pervasive spread of Russian world power

even in Latin America within the area of the celebrated Monroe Doctrine!

In a word, the Russian Power system based on the huge land-mass from Berlin to Dairen or Peking including her subordinate States (captive nations but allies all the same, at least in the initial stages of any world conflict) confronts the power system of America and her allies throughout the world. Peace today is the result of a precarious balance of power between these spheres of world power. It is *not* the result of any ethics or love of peace or doctrine, Christian or Marxist. Marxism reinforces the faith and determination of the Russian war machine to achieve world conquest and a world classless society, which, in its opinion is the *only recipe* for lasting peace, for it eliminates the exploiting class (property-owning, capitalist class).

Peace according to this system, is a preparation for war.

The equilibrium of the balance of power was used in the nineteenth century as among a group of *nations*. But today, the group of nations is polarised into two major *camps*, between whom the system holds as before but with modifications due to the larger role of the leading World Powers! Dictatorial on one side and democratic on the other.

Though the statement may seem simple, the actual day-to-day conduct of diplomacy of these power systems on both sides has become exceedingly complex and seems to have exceeded the powers of the human intelligence!

The development of nuclear explosives with their immense destructive capacity (unprecedented before) has introduced a note of extreme urgency and gravity to diplomacy and to negotiations for disarmament and the banning of nuclear weapons. The agreement between the colossal contenders for a partial Ban on the Testing of nuclear bombs (except underground) has introduced some hope into the gloom of international affairs.

The only logical way out of the dread dilemma is of course to evolve a system of international institutions comprising an effective system of *international law*. It implies a *world court* for compulsory adjudication of all issues between nations. Nations who refuse to submit their quarrels to the world court should instantly be out-lawed and the rest of the nations should employ their national forces against them to compel them to do so. It takes a great deal of moral development and propaganda and teaching to bring about such a state of world opinion.

The World Court should have at its disposal a certain quantum of world Forces—ground, naval and air equipped with up-to-date weaponry to enforce its decisions without waiting for a majority decision in the UNO Assembly. A World Police at the absolute disposal of the World Court—(a supra-national Armed Force)—is absolutely necessary if the word: *International Law* is to have any meaning. Without it, it will be only a pious recommendation which

will be repudiated by a Katangese Tsombe or a Sir Roy Welensky or a Louuw or a Dr. Castro or a Mao Tse-tung.

But till such a consummation is reached, the present free world alliance should expand its alliance into a Collective Security System, irrespective of internal ideology. It should welcome even neutralist and *communist* States into its Peace Defence System. The Only stipulation is mutual Defence: *All should collectively and automatically defend anyone of their number who may be attacked by anyone—whether a Member State or an outside State.* Thus if both India and Pakistan are members, England and America and the rest should assist Pakistan against India if she is attacked by India. So they should assist India if India is attacked by Pakistan. This would put an end to their mutual military rivalry and mutual destructiveness.

This is the foreign policy—constructive and psychological and based on history that should be aimed at by Indian foreign policy makers if actual beneficial results are to be had in a measurable time.

Until such a time, we should strengthen collective security through the UNO, moving it again and again. At present, we are wasting time in futile negative ritual gestures and postures like protests and abuses against colonialism and South African and other racism. These are obstinate prejudices tilting against which in season and out of season does us *no good* and does not advance the cause of peace or a purer atmosphere in the international world.

It may be thought that with the remarkable development of rapid means of communications and transport like teleprinters and wireless photography and wireless telephones and telegraphs and jet planes for war and peaceful travel, national boundaries and the ethnic distinctions among peoples will soon be a thing of the past.

The *impermeability* of the borders maintainable by military and police barriers and passports and customs restrictions, it may be said, is a thing of the past. So the old diplomacies based on national exclusiveness, national citizenship and national loyalties may be said to have been outgrown, as many philosophers have observed.

If this is true, the idea and practice of the balance of power in the relations of States will also be obsolete. Policies will have become *global* in character. Mankind and statesmen will have hereafter to deal with their problems on the assumption of *one human family*. But nations who have such leaders will, it may be safe to assert, end up as the satellites of the communist bloc! The philosophy of Shri Vinoba Bhave, who cries generously "*Jai Jagat; Victory to the World!*" even in the face of the Chinese Aggression and who proposes to send children to meet the Chinese aggressors on the Himalayas (he did not say "cows" which would have been more intelligible) will only hasten the second and third slavery of India which will last for ages again.

(Continued on page 8)

Nehru's Fanciful Image

By M. N. THOLAL

Those who feel that Mr. Nehru's popularity is due to a fanciful and false image of him formed by the people, such as his being a faithful follower of the Mahatma, and his being a firm believer in individual liberty, have to ask the question, in Mr. Nehru's own words, "Why should it be allowed to endure?" The fault, therefore, really lies in the Opposition parties and in their propaganda machinery. The fact of the matter is that political parties cannot have enough of propaganda.

IN the course of his Andrews Address at St. Stephen's College, Delhi, on November 23 Mr. C. Rajagopalachari made many thoughtful and thought-provoking observations which intelligent patriots cannot easily afford to forget. "Unless the system of elections", he said, "is reorganised to make it less weighted in favour of the ruling party, there can be no prospect of real democracy in India." "The present leadership," he observed, "has not only secured for itself total power over the economy, which is disastrous for free election and for individual freedom, but it has by maintaining an image of divine heirship to authority robbed the bulk of our young people of their power of thinking in an independent and orderly way."

And he truly added: "The expensive nature of the elections is a big block in the way of a good strong opposition party forming itself and sitting in Parliament in India. The economic hold of the party in power makes the rise of any other party extremely difficult, if not impossible. And one-party rule, adopting what is called socialism, means total economic power vesting in the ruling party, making the rise of any other parliamentary party practically impossible." And he offered an obviously correct estimate of the situation when he said that the chances of an opposition party arising by a split in the ruling group are small, because careerism dominates the atmosphere in the ruling party, and, further, if the Congress Party sets about organising its committees to control the official machine — the ministers, the heads of departments and the district officials — there will be an end of democracy as we understand it, and it will be a replica of the Soviet system of a powerful minority's absolutism.

As against this dark picture, which he summed up by saying that the present leadership has drained the individual citizen of all confidence in himself, Rajaji gave expression to the "hope that the people of the country have solid virtues and will not allow things to go wrong." And he advised educated young men and women to assert themselves and be active and...not lapse into inactivity, to learn to follow the Gita doctrine of how to live and die, to act according to conviction, irrespective of prospects of success, not allowing difficulties and doubts to lead to inaction. Answering questions, he said, the hope lies in young men who will stand up for individual liberty.

Young men who can be angry are not wanting in the country. What is wanting is consciousness of good cause to make them angry. That good cause

exists, but it is as good as non-existent because they are not aware of it. And they are not aware of it because they are not made aware of it. Pursuit of truth as a conscious effort is hardly to be found even in one in a million. Truth has to be presented to them in a palatable garb. This is not being done by the opposition parties. The fault, therefore lies in the Opposition parties who believe in individual liberty; more specifically it lies in their propaganda machinery. Indeed, the Opposition parties do not seem to realise the value of propaganda and what it can do for them. They do not realise that it can even make the worse appear the better reason. It is doing so for Mr. Nehru.

To take the Swatantra Party itself, for example. On the eve of the last general elections I offered my services gratis to the Party office in Delhi for purposes of propaganda and publicity. A lady was in charge of the office and she was not there when I paid my first visit to it. So I left a letter for her, enclosing a copy of the Hindu of Madras containing an article by Rajaji in which he had quoted extensively from one of my articles in the Indian Liberator. There was no answer to that letter and when I visited the office again, the lady in charge told me that she hadn't had time to go through my letter although it was a brief one. She seemed to think that she was more than enough, and that too on the eve of a general election!

As against this lack of realisation of the need of and importance of propaganda—born perhaps of unawareness of its power—is the fact that Mr. Nehru's utterances are reported almost in full by even those dailies in the land which are opposed to his policies. (This is a funny feature of Indian dailies.) They are also very well reported by the A.I.R. which thus advertises its discrimination in the matter of publicity. And Mr. Nehru talks of individual liberty as if it was nearest and dearest to his heart. So the young man who is thus deceived is found saying, "what more can one want?"

The fact of the matter is that political parties cannot have enough of propaganda. The Swatantra Party, for example, should not rest content even if it had a hundred men like the present writer doing propaganda for it. Who made Hitler? Goebells, of course, who was his publicity chief. Mahatma Gandhi had a different sort of publicity officer. "What a tremendous publicity agent this Mahatma has," said a British editor to me. "Who is that?" I asked in surprise, wondering how he could know

more about the Mahatma than I did. "His loin cloth," he replied. I could not help admitting the truth of what he said and admiring his acumen. It is for leaders to realise the importance of propaganda, but it is for journalists to undertake it according to their lights, their worth being adjudged by the success that attends their work, and that in turn will be dictated by their convictions and their bonafides. I met a man some months ago who was working in a Swatantra weekly of Bombay and, when he got what he thought was a better job was found abusing people who "have nothing to do but abuse national leaders". It is not enough to find men to run a political show. Better men must always be found to replace them as soon as they are found.

And what if there are fanciful images to make short work of? Says Nehru in his *Autobiography*: "It is not easy to behave naturally on a platform before a large audience, and few of us had previous experience of such publicity. So we tried to look as, we imagined, leaders should look, thoughtful and serious, with no trace of levity or frivolity. When we walked or talked or smiled we were conscious of thousands of eyes staring at us and we reacted accordingly....."

And farther: "I took to the crowd and the crowd took to me and yet I never lost myself in it; always I felt apart from it. From my separate mental perch I looked at it critically and I never ceased to wonder how I, who was so different in every way from those thousands who surrounded me, different in habits, in desires, in mental and spiritual outlook, how I had managed to gain goodwill and a measure of confidence from these people. Was it because they took me for something other than I was? Would they bear with me when they knew me better? Was I gaining their goodwill under false pretences? I tried to be frank and straightforward to them; I even spoke harshly to them sometimes and criticised many of their pet beliefs and customs, but still they put up with me. And yet I could not get rid of the idea that their affection was meant not for me as I was, but for some fanciful image of me that they had formed. How long could that false image endure? And why should it be allowed to endure?"

Those of us who feel that Mr. Nehru's popularity is due to a fanciful and false image of him formed by the people, have to ask the question, in Mr. Nehru's own words, "Why should it be allowed to endure?" The more so as Mr. Nehru himself is partly responsible for forming that false and fanciful image in the public mind. For example, he has been referring to Mahatma Gandhi as the Master and even saying, "We are what the Master made us". But his *Autobiography* is, if anything, a severe criticism of the Mahatma and his ideology. Any one who has any doubt about it can refer to the chapters in that book entitled "What is Religion?", "Desolation" and "Paradoxes". In a local daily

writing on "Nehru As I Know Him" Mr. Lal Bahadur Shastri says: "I hope I would not be wholly untrue when I say that if he almost worshipped any individual at all, it was Gandhiji. It was like Swami Ramakrishna and Vivekanand, with the difference that Nehru differed from Gandhiji on many matters." The differences were indeed so sharp that Nehru in his *Autobiography* refers to Gandhiji's propositions more than once as "immoral". Indeed, on leaving prison in September 1935 Nehru advised his friends to "resist Wardha". Mr Shastri was one of the most frequent visitors to Anand Bhawan and one of those closest to the Nehrus. Surely he was aware of his "resist Wardha" slogan and, also, he has presumably read Mr. Nehru's "*Autobiography*". If he has not, he is not entitled to write on Nehru unless it is to mislead the public and help them form a false image of his leader.

(Continued from page 6)

The main decisive point about modern means of communication and transport is the *number* and *frequency* of persons in the nations who actually use them. Are the new world-wide contacts sufficiently numerous and ultimate yet to obliterate national consciousness among *all* of mankind? Clearly not. It will take some centuries to do so.

Even yet, tens of thousands of our villages do not have electricity for lighting and for power uses!

Further mere contact is *not* enough. The *attitude* accompanying the contact should also change. Muslims have been living among Hindus for centuries—among the most tolerant people in the world, a people *tolerant by philosophic and religious faith*. But even today, they retain their exclusive intolerant faith—their religious ideology. Their Mullas have minds moulded in the same shape as the first Mullas of Arabia, just as mammoths of a geological past caught up in glaciers survive afresh just as they were a *million years ago!* Ideology *insulates* people to contacts!

Collective Security should be achieved by reason and publicity and persuasion and will take a decade or two to succeed the present balance of power. To stick to non-alignment is only to cling to the idea of Russian safety unintelligently. It is a personal *fad* of our Prime Minister. Collective Security on the other hand is *impersonal* and creative and expansive. Nothing prevents Russia herself from joining it except her own false doctrine of Marxist class war. Today, the intransigence of China is making Russia consider the West as a make-weight against her in the balance! De Gaulle is considering the Chinese as a make-weight against Russia! Poland is considering China as a make-weight against Russia! We should get Russia to align against China in Tibet!

ECONOMIC SUPPLEMENT

Capital Formation And Economic Growth

By

Prof. G N. Lawande, M.A.

Economic growth of an underdeveloped country is based on numerous factors, namely, the rates of population growth, availability of technology and skill but the most important and severe factor that either accelerates or retards economic growth is the availability of capital. It is generally pointed out that underdeveloped countries suffer from shortage of capital. Not only their stock of capital is poor, but the rate at which increases take place is also low. The chronic deficiency of capital results in low investment which in turn causes low productivity; low productivity leads to low employment; low employment leads to low income. As marginal propensity to consume being very high in these countries, the rate of savings tends to be low and low rate of savings leads to low rate of capital accumulation. The total supply of capital is determined by the ability and willingness of the people to save but due to low national income and consequently a low per capita income which are the chief characteristics of an underdeveloped country capital formation cannot take place at the desired level with the result that economic growth of such economies is mainly financed with the help of foreign assistance. Thus it is clear that capital is a *sine qua non* for the economic progress of a country. But it must be admitted here that the capital is not the sole factor of economic growth unless it is productively used. Bottlenecks may arise in other factors which may retard the economic growth of an underdeveloped country even though the capital is available. In this respect U.N. Report (1960) remarks "Important as these factors are, there is no doubt that higher levels of investment are crucial to the acceleration of economic growth. And while many problems certainly confront underdeveloped countries in the appropriate use of new capital, their greatest problem arises not in the allocation of investment but in securing additional productive resources for investment. Without these additional resources higher levels of investment cannot be realised."

The importance of capital in the process of economic growth can also be examined from the point of employment. In such economies labour is plentiful but gets low income. This can be increased if more capital is available because the greater the quantity of capital per head, the greater becomes the productivity of labour. To increase employment capital becomes indispensable. In other words capital is

necessary to achieve the twin objectives of economic development, namely increased production and greater employment. Lord Keynes has developed his theory of employment but it is applicable to developed countries. Though underdeveloped countries can learn many things from the writings of Keynes especially on matters of state policy, public works programme, socialisation of investment and employment multiplier yet these economies cannot accept in toto the theory of Keynes to solve their economic problems. There is need of a special theory of economic growth because in advanced countries the problem of growth is subordinate to the problem of fluctuation in economic activity and employment.

In India we have adopted planning based on socialist pattern of society but unfortunately our planners have seldom taken into account the vast human resources and there is hardly any scheme to use this vast amount of productive energy into useful channels. As a result of this, unemployment problem instead of decreasing has tended to become serious at the end of every five year plan. On one hand we talk of deficiency of capital retarding economic growth, on the other hand, there exists side by side vast amount of human capital lying idle. This perpetuates poverty in the midst of plenty. If we take into account the vast amount of human resources, though unskilled and poor in technique and plan its proper use, our country can achieve a rapid economic growth within a short period. This capital can provide a source of power for economic growth. It is our misfortune to see millions of people remain idle not because they are not willing to work but simply because they are not provided with any work to do. This involuntary unemployment results not only in tremendous economic and material loss but it has moral as well as social repercussions which are not taken into account by our planners. The theory of economic growth must explain how this power which remains idle can be made useful and productive. Not only that, but the theory of economic growth must show how this human energy which is considered at present as liability can be converted into real asset.

We cannot accelerate our economic growth under the present system of planning based on socialism. Though we have completed Two Five Year

Plans, yet our planners have failed to solve basic economic problems; on the contrary have created serious problems which baffle any solution. Our country will remain backward if we fail to provide able bodied persons with work. We shall not be able to reach the "take off" stage even in the Fourth or Fifth Plan unless proper environment is created for saving and investment essential for capital formation. Under socialist planning during the last twelve years "prices have risen and inflicted untold sufferings on the fixed income groups; there is virtual rationing of sugar and scarcity of basic necessities like rice and educational facilities. The State unnecessarily touches the life of citizens at every point as a result of which the people have to put up with a vast, growing and arrogant bureaucracy which enjoys power without accountability and makes a nonsense of all fine phrases like "individual dignity". Huge state monopolies like IAC and LIC and semi-monopolies have been set up thus concentrating power in the hands of a few bureaucrats and ministers, the only semblance of public control being hurried debates in Parliament. In the private enterprise fields not only are rigid controls hammering economic growth and putting up the cost of production for the consumers but are also making conditions difficult for newcomers and small people as Ford Foundation Report has observed. High taxes direct and indirect have siphoned off the savings of the people only to be wasted on an unproductive bureaucracy on the by and large inefficient Public Sector and on non-developmental projects."

At present we are told day in and day out by all Ministers from Mr. Nehru down to Mr. Malaviya that we should usher in democratic socialism in our country without realising the simple truth that democracy and socialism are incompatible. Socialism is the negation of democratic principles. "The Rule of Law which is the essence of democracy is breaking down under socialism because in the economic sphere the impersonal discipline of the market is replaced by the arbitrary decisions of politicians and bureaucrats; in other spheres delegated legislation at a furious pace has made the citizen helpless against the omnipotent state."

From this it is quite clear that the socialist planning which we have adopted during the last twelve years is the basic cause of slow economic growth of our economy. No one can deny that for an underdeveloped country seeking rapid economic growth the State has to take the initiative in fields of investment that provide the social and economic infrastructure. Basic and heavy industries like steel, railways, irrigation and power projects are quite properly the sphere of State enterprise because the huge capital outlay, the high capital output ratio and long gestation period place them beyond the existing resources available to private investment. But the corollary of this is that private saving and investment must be given full encouragement assistance and freedom to erect the industrial superstructure on the foundations laid by the State. But the

heavily underlined emphasis on extension of public sector and on restraining, regulating and regimenting the operation of private sector amounts to travesty of the idea of a mixed economy that we have adopted in form but not in practice.

Underdeveloped country like ours cannot achieve rapid economic growth unless the present policy based on controls is altered. Controls not only retard economic growth but they lead to anti-social activities like black marketing, corruption, etc. Governments in such economies which are based on popular consent should remember that the fruits of economic growth must be visible in the shape of improved standard of living within a short period. "Glib promises of rosy future, made during election campaign cannot always be followed by calls for sacrifice and austerity and exhortation to hard work while the promised millennium recedes further into future. The frustration and disillusionment thus generated must as history amply bears out eventually sweep away democratic institutions replace them with the very antithesis of democracy. In such circumstances the country cannot afford to suppress and inhibit the productive energies that seek expression through private enterprise. Rather the path of wisdom lies in stimulating and encouraging all the forces that can take the nation toward higher levels of development and progress." This can be achieved only by free economy and not by controlled economy. In a free or market economy the consumers are supreme. The focal point of market economy is the market i.e. the process of the formation of commodity prices, wage rates and interest rates and their derivatives profits and losses. It makes all men in their capacity as producers responsible to consumers. This dependence is direct with entrepreneurs, capitalists, farmers and professional men and indirect with people working for salaries and wages. The market adjusts the efforts of all those engaged in supplying the needs of the consumers to the wishes of those for whom they produce, the consumers. It subjects production to consumption. The market is a democracy in which every penny gives a right to vote. India has tremendous latent source of capital in her unemployed man power. This should be properly mobilised for achieving the objective, namely the rapid economic growth.

Bank Nationalisation Will Endanger Our Democracy And Economic Growth

by

Phiroze J. Shroff

Every now and then we hear the cry that banks should be nationalised. The taking over of banks by the State is urged on various grounds, namely, that it is necessary in order "to mobilise resources" for the economic development of the country, "to prevent the concentration of economic power", "to check malpractices in the working of banks" and to put a stop to profiteering" by banks. All these arguments will be found to be untenable on a dispassionate scrutiny of the issues involved.

The primary function of banks is to mobilise resources for economic development and that is exactly what the banks in our country have been doing. They have been working to attract deposits from those who have funds to spare on long or short term basis. They have been making loans for industrial as well as agricultural expansion in accordance with numerous legislative requirements. During recent years, they have opened numerous branches in order to extend credit facilities to people even in remote areas, even though the banking business in several branches has proved unremunerative. They have invested more than Rs. 600 crores in Government securities. They have been broadening their capital base and increasing their reserves in accordance with statutory requirements. The enormous increase in their deposits during recent years bears testimony to the confidence which the public have in their working. By undertaking the foreign exchange business, our banks render considerable help in promoting exports. An occasional appearance of a black sheep in the sphere of banking, as in any other sphere, does not detract from the value of the service which the banks as a whole are rendering to the country. What is regrettable is that though the Reserve Bank is invested with extensive powers to prevent malpractices, in one or two cases it failed to exercise them to protect the interests of the depositors as well as shareholders.

Ninety-five per cent of bank advances in India are secured loans. The corresponding figures for the U.S.A., is only thirty per cent. This amply bears out the fact that our banks pursue a very conservative and safe policy while using the depositors' moneys for making loans. Various legislative measures have been taken to prevent possible malpractices by banks. The Deposit Insurance Scheme ensures security to depositors. Under the Scheme, the premium, payable is 1/20 of 1 per cent. At present, the annual premium on the total deposits with the banks amounts to a little over one crore of rupees.

If the Government desires to increase banking facilities, nothing prevents it from expanding the number and activities of its own banking and credit institutions and competing with banks in the Private Sector on terms of equality and fairplay.

There is no force in the argument that the banks are making huge profits. The dividends which the shareholders receive on their investments work out to about six to eight per cent taxable, on the basis of ruling quotations. In most cases, dividends are considerably less on the basis of actual investment by the shareholders. Assuming some banks have made somewhat higher profits during recent years, it is the Government which has been the greatest beneficiary. Not only does it take 50 per cent of the profits by way of the corporation tax, but it takes a considerable slice as income-tax on dividends in the hands of the shareholders. Indeed, the Government itself makes much higher profits in a few of the Public Sector concerns where it enjoys a virtual monopoly, though its over-all performance in the working of the numerous public sector concerns is highly disappointing.

Banking industry in our country is subject to numerous controls, some of which are not only irksome but are uncalled for in the interest of the development of banking along right lines. However, the sphere in which banks can work on their own initiative is very valuable from the point of view of the society. The relationship between a bank and its client is one of great mutual confidence. It should be as intimate as between a physician and his patients. If the banks were to be nationalised, this relationship would become truncated if not totally destroyed. A banker is required to make quick decisions after bearing in mind various factors in his relationship with his client. He has to assume a reasonable degree of responsibility in making the decisions. The employee of a state-managed bank is naturally reluctant to shoulder this responsibility. He is anxious to fortify himself with authority and approval from his superiors. The process of obtaining such approval is time-consuming and defeats the purpose for which the institution of banking exists.

It would be pertinent to quote in this context Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries. Mr. Subramaniam recently said that the Government had thought that members of the I.C.S., who had been excellent public administrators, would manage public corporations too, but

very few of them had proved successful. The Minister observed that, "In Government departments decisions are taken on the basis of precedents, no matter how long it takes to find out the precedent. In industry and business, it is absolutely necessary to take quick decisions. Hesitancy and delay in taking decisions is the greatest harm to industry and business."

An unimaginative compliance with regulations for extending credit is not the best way of transacting banking business. Government servants in the role of bankers would import red-tapism into banking. Needless to say these inseparable adjuncts of civil service are fatal to sound banking practices. Further, it has to be noted that civil servants have not made themselves conspicuous for courtesy or consideration to the members of the public. To give one instance, whereas some banks have made arrangements for the cashing of the current account cheques within five minutes of their presentation, we need not be surprised that because of red-tape procedures under bank nationalisation a holder of a cheque may have to wait for fifty minutes or more before his cheque is cashed.

If banks were to be nationalised, politicians would start interfering with bank officials and put on them undue pressure. The Government would get huge patronage in respect of making appointments on the staff as also extending credit to various interests. An element of nepotism and favouritism may be introduced in the sphere of banking which should be free from these vices. Unscrupulous elements may use the enormous power of granting or denying credit to stifle political opposition. This might deal one more blow to the working of democracy in our country.

Nationalisation of banks would not be to the interest of the bank employees. Against the combined role of the State and the employer, the employees will not be able to get their legitimate dues. Complaints have been made that labour legislation is often ignored in Public Sector concerns, giving rise to much discontent amongst labour. Friction between management and labour is responsible for lowered productivity. A number of Public Sector concerns are notorious for indiscipline of the employees and high degree of absenteeism. The country suffers as a result of all this.

Idle capacity in men as well as machines in Public Sector concerns has been criticised by the Estimates Committee of the Lok Sabha. The latest Audit Report (commercial) placed on the table of the Lok Sabha by the Finance Minister has referred on the irregularities in the accounting and auditing systems of Government companies. For instance, Hindustan Shipyard and Indian Rare Earths diverted their audit staff for the preparation of final accounts, thereby, as rightly pointed out by the Audit Report, "defeating the very object of internal audit". This kind of irregularity in keeping accounts in case of nationalised banks would undermine the credit

structure in the country, resulting in the loss of public confidence and consequent economic disruption.

Our banks are sometimes blamed for not holding the price line. The banks, their employees and the public generally are themselves victims of governmental measures and policies which push up prices. To hold the banks responsible for the failure to hold the price line is unjustified.

Far from nationalising banks, the time has come to institute a thorough probe into the working of the Public Sector concerns and to hand over to private management all State concerns which are working in efficiently.

Without a free market economy there will be an end to all fundamental rights. There can be no true democracy without the recognition and enforcement of fundamental rights. Fundamental rights must necessarily include the right of the people to practise any legitimate trade, profession or calling. Accordingly, people should be free to carry on banking subject to reasonable regulation. State monopoly of banking will deal a serious blow to our mixed economy and pave the way for a totalitarian regime. Advocates of totalitarianism are fully conscious of this development, which explains their enthusiasm for bank nationalisation. The people and the Government must, therefore, remain vigilant against the machinations of the enemies of democracy and basic freedoms.

SOCIALISM IS RETARDING OUR PROGRESS

BOMBAY: The socialist myth of nationalisation had been exploded in Britain, and India should learn from the experience of British socialists who were now against State ownership and favoured regulated private enterprise, observed Prof. Gangadhar Gadgil, well-known economist, here.

Socialism was retarding economic growth in India, he added.

Speaking under the auspices of the Forum of Free Enterprise on "Socialist Planning in India—myth and reality," he said there were certain "built-in factors" which went against efficiency in public sector. Even the Soviet Union was thinking of introducing "profit motive" in the public sector as a measure of incentive.

Prof. Gadgil asked: "Is it proper to entrust the task of economic development to politicians who are 'inherently unsuited to such a job?'"

He emphasized the underestimating of costs and overestimating of returns on projects by the States in order to sell them to the Centre by "supersalesmanship," and declared such political manoeuvres resulted in "lack of rationality in the use of resources."

Prof. Gadgil recommended the Japanese model of economic development rather than the Soviet model with emphasis on only big projects.

A NATIONAL MINIMUM

By J. M. Lobo Prabhu

ONE feels ashamed of being an Indian because one is represented by a Government, which has admittedly no integrity and which is constantly proving that it has no intelligence. After 5 lakhs and more of public money spent on the Jaipur Session, excluding the cost of ministers being away from their duties, there is no definition of Democratic Socialism, or Kamaraj Plan for which the Session was specially slated.

In the first place, Democratic Socialism is a contradiction in terms. Democracy by itself implies the supremacy not only of the political, but the economic interests of the masses, which form the electorate. Socialism on the other hand, is the name assumed by the Communists for the supremacy of the rulers, based on treating the whole population as employees of the State. By combining the two, we are practising the same fraud as the Communists, in respect of which only Tyagi had the perspicacity to point out, that the people did not know the difference between Congress and Communism. The Nanda Committee produced a definition of Democratic Socialism, which strangely reflected T.T.K.'s balance between Social Justice and Economic growth. In this connection, I was flattered to receive a letter from an important M. P. at Jaipur that my support of T.T.K. in the "Indian Express" was "bandied about a lot at the Session and that T.T.K. himself was carrying a clipping". I would add, that Nanda was probably more influenced by Lohia's disclosure of the income of the of 60% of the population to be three annas, which provoked his concept of "National Minimum". If Planning had been rebuilt on this concept, Nanda might have redeemed himself, but Nehru dished it by his loyalty to Malaviya, that there should be Nationalisation of key industries and institutions.

Nehru is becoming every day more confused in his mind. He has no time to think, but has too much time to talk. In the first place, having removed Malaviya from ministership for corruption, he should have consistently rejected him as the prophet of Socialism, if he did not take the more proper step of making him hang his head in shame. Secondly, Nehru repeated that Socialism can come only through Heavy Industries, ignoring that it requires the capital of a crore to create employment for 500, which means that it would require a plan of hundred thousand crores and not merely 8,000 crores of the Third Plan, to employ the 50 million unemployed and underemployed. Even if he cannot make these calculations, he is aware that his Heavy Industries are at a standstill for lack of foreign exchange and expert management. For instance, Rs. 2 lakhs are spent daily on the Gauhati refinery which has not worked for more than one

month since it was opened a year back. The demand of Heavy industries on transport, power and foreign exchange is starving private industries and also creating an inflation which is confiscating the income of the common people.

Thirdly, what is Malaviya's own plan for democratic socialism? He and other fellow-travellers have been insisting that this should be defined and for once the whole country could agree with him because for the last ten years, the Congress has failed to define the socialist pattern it announced at Avadi. In his contribution to the "Link", Malaviya has spelt out his democratic socialism first as free educational and medical facilities, which is unnecessary because the mid-term assessment of the Plan reveals that only targets in respect of this are being reached, quantitatively if not qualitatively. If he has the intelligence, perhaps there is a sinister motive in Malaviya's policy of more education, because this means more educated unemployment, which would create the frustrations necessary for communism. Secondly, he would improve agriculture by new property rights to tillers which is not consistent with Socialism and more co-operatives, which is hostile to his own view that co-operation "enables a few individuals to create scarcity conditions and raise prices at the expense of society". Thirdly, he would nationalise industries and trade which again is inconsistent with his view that the bureaucratic apparatus has failed and therefore the country will suffer more, if it replaces and disengages those now engaged in trade and industry. Fourth, he wants austerity, when the Congress multi-millionaires are not setting the example, while the common people cannot cut down on the three annas which they now spend. I pity the intelligence of Malaviya but I pity Nehru and the Congress more, for acclaiming not only a knave but a fool, as the prophet of socialism.

By all means let us have a "National Minimum" a beginning being made with the 80 million landless workers and their families, who have work for only 200 days on a dialy wage of 96 nP. Before the Bhubaneshwar Session, let a plan be devised for employment opportunities to this population atleast at the minimum wage of Rs. 1.50. If Government cannot find money, let it stimulate private enterprise, particularly in rural housing and other amenities, which bring the villages nearer the living conditions in towns. This is the minimum definition of democratic socialism that the Congress should attempt.

Ganging Up Against Sucheta Kripalani

(From Our Correspondent)

Signs are not wanting to indicate that the Congress High Command, with the help of the dissidents in Uttar Pradesh, is ganging up against its Chief Minister, Mrs. Sucheta Kripalani. The Acting President of the UPCC has consequently been bold enough to advise the Chief Minister as to where she should go on her tour and where she should not. It can hardly be that the Acting President of the UPCC does not realise that a vote of no-confidence in the Chief Minister is implicit in his advice. What is even more significant is that the advice found its way to the Press, perhaps to make dissidence public and to undermine the position and prestige of the Chief Minister. The Kamaraj Plan is really and truly at work in U.P. and those interested in the manner of its implementation will do well to watch the developments there. It seems the dissidents have the freedom to say and do what they like without let or hindrance from the Congress High Command

About the middle of last month Chief Minister Sucheta Kripalani received a communication from the Congress High Command purporting to be its decision on the changes in the Council of Ministers and the appointment of six parliamentary secretaries. The Board still feels that a particular person should find a place in the Cabinet in place of one of two appointed and that the services of six parliamentary secretaries should be dispensed with. Neither the ministerialists nor the dissidents are inclined to think that the Congress High Command would take any high-handed decision to precipitate a crisis at a time when the Congress Party in U.P. has been rent in two after a bitter struggle for leadership in the election fought recently. But the situation remains fraught with explosive possibilities and attempts will doubtless continue to wean away the followers of Mr. C. B. Gupta, the former Chief Minister, and thus add to the strength of the dissidents who at the moment pretend to be more devout followers of Mr. Nehru than those following the lead of Mr. Gupta and his nominee, Mrs. Sucheta Kripalani.

Mrs. Kripalani has publicly stated — all honour to her — that she is not lamenting over what she has done in respect of her selection of the Cabinet and the appointment of the parliamentary secretaries. A question that is being asked here in this connection is whether the Congress High Command would have dared to behave as it is doing in U.P., had Govind Ballabh Pant been the Chief Minister, although, so far as Jawaharlal Nehru is concerned, he was almost one of the dissidents. The answer obviously is NO — an emphatic one — be-

cause the bully knows how far he can go with impunity, and if Sucheta Kripalani and her chief, C. B. Gupta, keep that in mind, all will be well with them. And what about the moral aspect which Mr. Nehru has always in view? Is it part of his job to weaken the position of Sucheta Kripalani, when obviously an honest implementation of the Kamaraj Plan demands its strengthening? A wag suggests that the reason why the High Command is angry with Sucheta is that she is not behaving like Kairon.

THE PUBLIC SECTOR

The public sector has been coming in for a good deal of criticism at the hands of the public of the Capital. Transport here is a monopoly of a Government undertaking which has never been able to measure up to the task facing it. Month after month, year after year, we are spoonfed with promises of better service from the following month or year, with no improvement at all in the bus service of the Delhi Traffic Undertaking. Millions of man-hours are lost every day because the intending passengers have to wait for hours sometimes for admission in the bus. It does not seem to matter at all to the authorities, who talk so much of welfare of the common man, although more frequent services will mean more profit to the Government.

Unable to meet the needs of the Capital, for which purpose the Delhi Traffic Undertaking was created, it has been extending its services to towns in Punjab, Rajputana and U.P. and thus competing with the Government's own Railways. In the Capital itself it is now providing transport for students of schools who have "influence" with the authorities, thus replacing private buses which were doing the job previously. This service is for schools of children of well-to-do people who have cars of their own, and in any case the schools concerned charge such high tuition and transport fees that they can very well afford to arrange their own services. Instead of passing on certain routes to private bus services, the DTU is driving them out of their services to educational institutions — thus making the waiting time of its own patrons longer and longer.

A common comment here is that the Central Ministers, including Mr. Nehru, should be deprived of their cars and made to utilise the services of the DTU to make them realise the latter's callousness towards the needs of the public. Such a thing could never have happened during British rule, is another comment heard on DTU buses. To put it briefly,

the DTU itself cannot cope with the demand and, having the monopoly, will not allow others to help it do so. Why? Obviously because it has no regard for the welfare of the common man. This disregard is inherent in the public sector, for it is not answerable to either the Government or the public, the Government meaning those in charge who want flattery rather than public service and are, in the nature of things, too busy to go into the excuses put forward by the defaulters. Had this service been operated by a private undertaking, its licence would have been cancelled long ago and passed on to some one showing better promise. But where there is a monopoly there does not seem to be any need of even a show of better promise. So the man in the street suffers and in desperation talks of Calcutta where the travelling public demands of conductors and drivers reasons for their being late and even threatens burning their buses.

KENNEDY'S FUNERAL: A GLARING ABSENTEE

The Hindustan Times correspondent at Washington draws attention in a message on President Kennedy's funeral to a glaring absentee there. Says he: "Princes, Presidents, Premiers and Ministers from 53 countries in all parts of the world are gathered here to be present at President Kennedy's funeral. But there is one glaring absentee: nobody of comparable rank has come from the country for which he did so much: India. Mrs. Vijayalakshmi Pandit has come from New York to attend the ceremony. But the Governor of Maharashtra and chief delegate to the United Nations is in a company that includes Prince Philip and Prime Minister Sir Alec-Douglas Home of Britain, President de Gaulle of France, President Leubke and Chancellor Erhard of West Germany, First Deputy Premier Mikoyan of Russia, Emperor Haile Selassie of Ethiopia, King Baudoin of Belgium, Queen Frederika of Greece, Chancellor Gorback of Austria, Prime Minister Inonu of Turkey and Foreign Minister Fauzi of the United Arab Republic. Ill-health has not prevented President de Valera of Ireland from coming. Nor has distance deterred President Macapagal of the Phillipines, Premier Ikeda of Japan or Prince Norodom Kanthol of Cambodia." The Prime Minister's excuse offered in the Lok Sabha was a lame one. As Dr. Lohia said, the Prime Minister is losing his grip over the situation. Has this something to do with his non-alignment which keeps popping up like King Charles' head everywhere?

FAST AGAINST CORRUPTION

Mr. Brij Mohan, Chairman of the Standing Committee of the Delhi Corporation, deserves to be congratulated on his going on an indefinite fast over the corruption prevailing in the Delhi Corporation. It must be said to his credit that he has done all he could to eradicate corruption. But what is to be done when even Corporation counsellors are in-

involved in it, as they must be said to be when they intervene for unjust causes. Thirty-five thousand employees of the Corporation have taken a pledge to be honest henceforth. This looks very much like the New Year resolves of most of us. They must be mistaken if they think it is so easy to be honest! If corruption has to be tackled in right earnest, many steps can be taken to eradicate it, and suggestions should be invited in that behalf. Something, however, is being done and something is better than nothing. What needs being done, first and foremost, is to make sure that complaints lodged by individuals in private are not made public to the employees, who pass on the information to their colleagues and vendetta results. Also, there is no sense in saying that anonymous complaints will not be listened to. Some anonymous complaints are true on the face of them, and no hard and fast rule should be laid down for ignoring them.

FLIGHT FROM COMMUNISM

Attempts made by people in the Soviet Zone of Germany between August 13, 1961 and June 10, 1963, to leave East Berlin and reach West Berlin have involved the loss of at least 54 lives. According to a police report recently published by the Press Service of the Berlin Senate, the actual number may well be much higher, because no precise estimates are possible from West Berlin owing to the political difficulties in the divided city.

According to the report, in the very same period 341 members of the armed services and of the police force of the Zone have escaped or deserted to the western sectors of Berlin. West Berlin policemen have observed the arrest of no less than 1,416 persons at the sector and zonal boundaries.

Since August 13, 1961, when the Communists raised the Berlin Wall, more than 100 sailors have left fishing and cargo vessels in the Soviet Zone and sought refuge at ports in the Federal Republic of Germany.

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Workman Quarrels With His Tools

By C. RAJAGOPALACHARI

A workman who quarrels with his tools is a bad workman. Amendments to the chapter on Fundamental Rights in the Constitution are an insult to the intelligence of those who framed the Constitution, besides being a demonstration of the incapacity of the Government to govern. Before going into this matter, let me make a Swatantra affirmation so that the ground may be cleared.

The Swatantra Party and the Swatantra movement have often been classified by foreign observers as 'conservative'. Swatantra does want the State to conserve what is good in anything before proceeding to reform it. It can be called conservative for that reason. But the word 'conservative' has been put to such various uses that it has become quite a misleading appellation. The Swatantra Party wants the fundamental rights guaranteed in the Constitution of 1950 restored and preserved intact. What Swatantra stands for, as its name implies, is the restoration of the citizen's freedom of action not inconsistent with the general welfare, and therefore it wants the removal of the barbed-wire entanglements known as the permit-licence-quota raj, which sits heavily over all national production and trade. This was conceived with the intention of preventing chaotic development and illegal exploitation; but in fact it has impeded development and actually promotes exploitation. What appears as progress has been achieved *in spite of the incubus*, and not on account of the regimentation. Swatantra wants this permit-licence-quota entanglement removed. It wants the constitutional guarantees of fundamental rights fully restored.

Swatantra wants less government and more freedom. At no time in the history of India did Government press so heavily on the minds of the people at all levels as now. And this pressure is an incubus, not a contributor of health or strength to the individuals who after all compose the nation, and whose health and strength make up the nation's health and strength.

Let it be clearly remembered that Swatantra wants everything to be done to give full security to tenants and every opportunity for the welfare of workers, rural and industrial. Swatantra wants urban and rural workers to be well protected against any tyranny on the part of those who furnish capital and manage production and distribution. It holds at the same time that sound management and capital are necessary both for production of goods and for the welfare of all those engaged in that production. Swatantra opposes State regimentation and State interventionism for any purposes other than such protection and such welfare as aforesaid; Swatantra is opposed to interventionism to prevent free competition, and is opposed to every policy that tends to frighten capital out of its function. We

cannot produce without capital, and we should not levy taxes to obtain capital but furnish incentives for savings voluntarily to become capital. It is only this that distinguishes progress and prosperity under freedom from a mere appearance of prosperity.

Swatantra wants the Congress to realize the complicate nature of our large country. Agricultural practices and the structure of the agricultural apparatus vary from region to region. Steam-roller 'reforms' designed by people ignorant of conditions and by persons scheming to develop popular prejudices and exploit ignorance for party purposes, have caused widespread uncertainty and damaged production. Swatantra wants land reforms to be based on informed leadership, to be executed without attempting to extinguish the fundamental freedoms guaranteed in the Constitution. Swatantra is opposed to Statism dressed up in attractive garments.

The authors of the Constitution desired all the tenancy reforms and all the protection for workers that Congress policies now seek to achieve, but they were convinced that they could all be achieved without withdrawing any of the fundamental rights they wrote down as inviolable in Part III of the Constitution. The Directive Principles formulated in Part IV of the Constitution were framed for the purpose of achieving general welfare, without subtracting from the principles of the free way of life guaranteed in the earlier chapter, viz., Part III of the Constitution. It was taken for granted that there was no contradiction between these two chapters of the Constitution and that the two parts can stand together, and the nation can march to progress without asking the people to accept the economy or the way of life of communist countries. It is an insult to the intelligence of the Fathers of the Constitution to presume that there is any contradiction between the principles underlying one part of it and those formulated in another.

The Swatantra Party and Swatantra movement cannot be equated with the conservatives or the liberals or any other party in UK or US. It would be best to call it a 'Constitutionalist Party' if Swatantra is not enough of a name.

The ruling Congress Party's conceptions are bodily lifted from communist conceptions of the short and coercive way to progress and prosperity. The original of this copy has failed, as we are able to see in the present plight of those countries which adopted the communist economy. The communist conception was based on coercion and does not provide an adequate substitute for the functions performed by competition and self-interest in the free way of life. Any system working against human nature is bound to fail, even if it began with deceptive promise at the outset as a result of brutal

compulsion. Some human activities can be kept up at a good pitch through pure idealism — art or science, for example. But the hundreds of humble and difficult jobs like rice-growing or brick and mortar work, or fruit-gardening or weaving call for the satisfaction of the urge to earn and save and keep something for oneself; further, this must be adequate in relation to the work and drudgery involved. The desire to have property is rooted in human nature and civilization itself is rooted in it. In a free economy, zeal and enthusiasm are automatically guaranteed: whoever is not owner today hopes to become an owner tomorrow. In the socialist world, the only proprietor is the State; therefore, neglect and apathy become the national climate where coercion is evaded or removed. This cannot be counteracted by the wasteful proliferation and enlargement of the bureaucracy.

The Swatantra Party thus opposes the ruling Congress Party's Statist policies based on 'a repudiation of the fundamental principles of the Constitution and the freedoms guaranteed therein. To those who are in the Swatantra movement and who feel abashed at the power which the ruling party has secured by being in office and acquiring control over the economy, I say, let us do what we should do and not be concerned about results; let us not yield to the temptation of non-doing and become apathetic.

Let us have faith in the national mantra *satyam eva jayate* and carry on our work, not looking for results.

—Swarajya

Book Review

Government by Committee by Dr. K. C. Wheare, F.B.A. (An Essay on the British Constitution). Clarendon Press, Oxford, 1955. 28s. net in U.K. Pages 264.

Dr Wheare of All Souls College, Oxford is well known as a judicious, well informed writer on constitutional matters. His books on *Federal Government* and the *Statute of Westminster* and *Commonwealth Constitution* and on *Modern Constitutions* have become accepted textbooks and works of reference combining as they do much useful knowledge of detail garnered by actual experience of government and administration illuminated by constitutional theory.

This book adds substantially to our knowledge of how the democratic government and administration of Great Britain works in day-to-day practice.

Democracy is government by discussion of the people *by* the people and of course for the people.

This means that the various issues of daily administration in the several affairs of common good or public weal need to be clarified by the pooling of experience by many members of the public as

well as by the experts of the administration. This means government with the help of committees.

Dr. Wheare says that as many as seven hundred committees in various departments function from day-to-day in the British Government.

Democracy functions by and through group thinking and through the evolution of *group minds* in action and interaction. We see this process illuminatingly explained with restrained enthusiasm and judicial balance emitting more light than heat in this work of Dr. Wheare.

It affords an aperçu or insight into the working of British administration in a democratic way and as such is very educative to us today in India, particularly to legislators, officials, experts in touch with government, pressure groups or interested parties, journalists, lawyers and students.

Dr. Wheare distinguishes seven kinds of committees in a broad way from the functions they perform—committees to advise, to enquire, to legislate, to negotiate, to administer, to scrutinise and to control.

Dr. Wheare makes the important point that such committees should normally *publish* the *evidence* as well as the *recommendations* or *conclusions* or *advice*. The public will then be in a position to judge whether the conclusions has been fairly drawn from the evidence. This serves the very important end of public education which is a great value of the democratic form of government.

Dr. Wheare is aware that committees may be sometimes misused by Governments — to appease popular outcry, to bypass strong emotions and gain time, to hush up wrong acts of government, to mislead the people etc. These belong to the pathology of government against which the people and publicists should be on guard.

Seven types of functionaries are mentioned in the committees — the official (or bureaucrat) member of parliament or representative of the party and people, opposed to the ruling party and belonging to it, chairman, lay persons (non-experts), scientific experts (as distinguished from administrative experts, pressure groups or interested parties or special interests like trade unions, employers, teachers, philanthropists etc.). Their several specific utilities are mentioned with judicious insight.

The qualities required of all who partake of public work in one way or another if democracy is to be made a success and a great means of achieving common good in public weal are sketched with refreshing candour and first-hand acquaintance and a rare combination of idealism and realism in this work of Dr. Wheare. This makes it an indispensable book in democratic education for all, particularly in newly enfranchised countries like ours.

—M. A. Venkata Rao

The Mind of the Nation

FORETASTE OF DEMOCRATIC SOCIALISM

The Government of India has prohibited the sale or distribution of a book entitled *Peking Vs. Delhi* by Mr. George N. Patterson, published by M/s Faber & Faber Ltd., on the ground that it contained prejudicial reports. The order is issued under the Defence of India Rules. Mr. Patterson is an authority on Tibet and is a correspondent of high repute.

Without a perusal of the book, it is difficult to gauge to what extent Mr. Patterson's reportage would contain items prejudicial to the security and defence of the country. But from the general tenor of his writings it may well be that having studied the attitude and policies of the Government of India prior to the Chinese war, he might have indicted Mr. Nehru's foreign policies. If so, his indictment can be no stronger than that of a large number of Indians themselves within and without the congress, who have felt that the Chinese would never have dared to attack but for the pusillanimous and ambiguous foreign policy of Mr. Nehru, this policy allied with the counsel of the then Defence Minister who is a phenomenon in himself — a vegetarian, non-smoking, tea-drinking, non-violent except to pressmen, non-defence minister, equal to another India's invention, the figure zero in mathematics.

Obviously, he regards the people of India as a dangerous type of morons who would be swayed, presumably, into conduct prejudicial to the security of India, if such comments as of Mr. Patterson were allowed to be brought to their notice.

I suppose Mr. Nehru and Mr. Nanda have reached a point where democratic values of complete liberty of thought, of erudite information which might assist formation of correct opinion, have no place if they adversely affect the image they have set up of themselves and their colleagues as men of vast wisdom and unique patriotism.

—R. DESAI in *Freedom First*.

News & Views

INDIA'S NAVY GETTING MODERNIZED

With Jet Air Arms And Submarines

The modernisation of the Indian Navy is going on apace despite the apparent concentration of government efforts on strengthening the Indian Army and Air Force.

The training of naval personnel is being speeded up and reserves are standing by to meet any real emergency situation.

Experts are looking into equipment problems of the Navy and an important step taken is to order more jet aircraft, "Sea Hawks", for the aircraft-carrier "Vikrant" to meet its normal complement of combat planes.

The airfield at Dabolim in Goa is being converted into a jet airfield, making it a full-fledged naval air sta-

tion. Runways are being extended and other facilities are being provided for the Sea Hawks.

This will be the most modern air station the Navy will have for sometime to come, together with two others — one at Cochin and the other at Coimbatore.

The Indian Navy carries out its own exercises with its aircraft participating, giving it valuable combat experience to the crew. In addition, Commonwealth sea exercises give an opportunity to the naval personnel to renew their experience in handling of modern equipment.

There has been insistent talk of providing the navy with submarines which undoubtedly requires considerable investment.

This question, and the high expense involved in maintaining the submarines at sea, are being considered at the highest level.

CHINA ORGANISES NEW COMMUNIST INTERNATIONAL

A pro-Peking Communist news-sheet says the Chinese Communists have planned to set up shortly a "new Communist International," says a Reuter report.

The news-sheet, *Ritorniamo a Lenin* (Let us Return to Lenin), asserted that the Chinese Communists had the support in their dispute with Moscow of the Communist parties of Korea, Vietnam, Indonesia, Japan, Burma, New Zealand, Norway, Venezuela, Puerto Rico, Cameroun and Albania.

It said "strong minorities organized in the Indian, English and Belgian Communist parties," also supported Communist China.

The Chinese Communist line would gradually supplant the "bureaucratic-revisionist line of Khrushchev" and the Communist parties which backed him, the news-sheet said.

ERHARD AGAINST U. S. TROOP-WITHDRAWAL FROM EUROPE

The West German Chancellor, Dr. Ludwig Erhard, said today he would have the "greatest objections" to American troop withdrawals from Europe.

"The presence of American troops is a strong comfort and reassurance for the German public.....For the German public the American forces are a security and a safeguard in itself," the Chancellor said in a nation-wide radio-television interview.

The interview with four U.S. newsmen was taped in Washington, where Dr. Erhard attended the funeral of the late President Kennedy.

"All Europe was shocked.....We were all numbed with grief," Dr. Erhard said on the death of the late President. He said he was certain there would be no changes in relations between the two countries because of the shift on the top of the U.S. Administration.

"President Johnson is known to me and he knows Germany," Dr. Erhard declared.

He repeated that there was no opportunity for detailed discussions during his visit which he termed as the "first official contact" with the new American leader. He said he would come back for meaningful negotiations in mid-January.

Controversial question

Elaborating on the issue of troop withdrawals, a controversial question which caused much irritation in Germany earlier this autumn, Dr. Erhard said that while the Germans greatly admired the big lift operation during which an American division was airlifted to his country, they reject the thesis that such an operation could substitute for the presence of U.S. troops in Europe.

"A potential aggressor who determines himself the hour of his attack, and the means of his attack, is in such an advantageous position that such a big lift-like operation cannot be a substitute for the real presence of U.S. forces, and a willingness of the United States to protect the German eastern frontier defence," Dr. Erhard said.

INFAMOUS CONDUCT OF PEKING

The "New York Times" today contrasted the "extraordinary measures" taken by the Soviet Union to make clear its regret at the death of President Kennedy with the "infamous conduct of Peking."

The newspaper said in an editorial: "President Johnson and Premier Khrushchev have moved swiftly and apparently effectively these past few days to make sure that the change of leadership in Washington produces no needless damage to Soviet-American relations.

"From the very first moment when Moscow received the news of President Kennedy's assassination, the Soviet regime took extraordinary measures to make clear its regret over that event, creating an atmosphere in which even ordinary Soviet citizens could express their sorrow.

"President Johnson has replied in a similar spirit, pledging himself to continue his predecessor's effort to improve relations between Moscow and Washington....."

"The constructive attitude taken by both Washington and Moscow these past trying days contrasts vividly with the infamous conduct of Peking. No note of sympathy has yet been heard from Communist China about last Friday's tragedy. Instead, the pro-Peking Press in Hong Kong, almost certainly acting on instructions, has used only the most vituperative language in describing the late President's policies", paper added.

DE GAULLE PAVING WAY FOR FRENCH MONARCHY!

The Malabar Herald reports: An increasing number of Frenchmen believe that the next President of their Republic will be, simultaneously, King of France. His

Royal Highness Prince Henri, Count of Paris and would-be King Henri VI, has been working fervently for the restoration of his throne, "10 hours a day for the past 34 years," as a French journalist recently remarked. Behind him is a large personal fortune, the esteem of General de Gaulle, and a group of devoted followers. His availability has been a fact of life ever since the death of his father, the Duke of Guise, who was the previous pretender.

The question mark is the attitude of General de Gaulle, whose term as President ends in 1965. Has he, as some suggest, been consciously preparing the way for restoration of the Monarchy? Serious political commentators as well as the popular press are devoting more and more attention to the subject.

'CONGRESS RULE FAILS TO DEFEND COUNTRY'

Mr. Atalbihari Vajpayee, member of Rajya Sabha, criticised the Congress regime for its failure to defend the country against the Chinese aggression and to deliver the goods to the masses.

He was addressing a session of the State Jan Sangh here.

Mr. Bajpayee said India's economic planning had proved to be an utter failure.

The rate of the growth of economy was very, very low, he said. Although production in certain sectors had increased, it had not improved the purchasing power of the people and consequently the common man's standard of living had gone down.

Taxation

He referred to the "growing burden of taxation, the rising spiral of prices, enormous growth in corruption and growing unemployment" and said these ills had brought diffidence in the masses.

Socialism was not fitted to the genius of the ancient country, he said and added that socialist thought did not reflect the myriad facets of Indian life and it was not suited to the country.

Dear Editor.....

APPRECIATION

I acknowledge with immense gratitude that we have received your celebrated magazine, "The Indian Libertarian". It shall be my privilege to inform you that the Indian Libertarian occupies a unique and honoured position in our reading room and serves the varied literary tastes of the members of the society.

I find your magazine informative, educative, and instructive. The articles therein are inspiring and thought-provoking. I conclude wishing a long life to your magazine.

11-11-1963
Madras.

Md. Athaur Rahman
(Hon. General Secretary,
The Blooming Literary
Society.)

ANNOUNCEMENT

We have a few back issues of "Freeman" a monthly journal published by the Foundation for Economic Education, U.S.A. They are available free on request to us. Requests for copies should be accompanied with 15 nP. stamps.

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