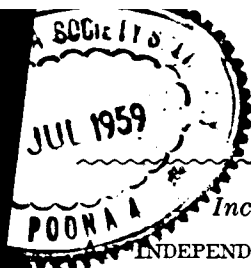


# Indian Libertarian



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Incorporating the 'Free Economic Review'  
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WE STAND FOR FREE ECONOMY  
AND LIBERTARIAN DEMOCRACY

MAKE ENGLISH THE LINGUA FRANCA OF INDIA

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## EDITORIAL

### TWO EDUCATIONAL PROPOSALS

THE Union Education Ministry is contemplating two important proposals, namely the extension of compulsory education for children up to the age of 14 by 1975 and the award of 10,000 scholarships to the poor and deserving students. The only condition in the latter case is that the scholarship would be awarded to those students who would secure 60% of the total marks at the school leaving examination. We heartily welcome the proposals because illiteracy is the great handicap to the working of democracy. Our only regret is that the Government has taken 12 years to take this important decision. Without proper education it is not possible to establish a real democracy in our country.

### NOTE ON COOPERATIVE FARMING

At present the most controversial subject is the implementation of cooperative farming. A few days ago Mr. S. K. DEY, Minister for the Community Development and Cooperation suggested that the approach to this controversial subject should be rather flexible and not rigid. He also reminded that the pattern of foreign countries should not be adopted in our country as the conditions in our country are different from those of foreign countries. He rightly emphasised the point that the cooperative farming should endure that

there was an ample scope for individual initiative without militating against the collective interest of the community of the farmers. But the real fact is that is cooperative farming personal initiative and efficiency would be impaired. In order to allay these fears, Dr. V. K. R. V. Rao in his speech at Madurai suggested that ownership dividends in cooperative societies should be based on work units instead of man units. From the theoretical point of view this may prove sound but in practice it may lead to a number of difficulties. It is very difficult to arrive at work units that will satisfy the large body of men who will be affected by this proposal. Even if it were possible, the other difficulty is the lack of requisite agency and competent staff to go into these complexities in every cooperative farm. Dr. Rao also suggested that cooperative farming would solve the problem of unemployment or under-employment. It is difficult to agree with him on this proposal. How can it be claimed that there will be limitless scope for employment under cooperative farming? Under cooperative farming only optimum number of labourers would be employed in order to keep the average income constant. Every attempt would be made to see that the average income of the farmer does not fall. This would mean that the present disguised unemployment will only come to the open and the responsibility of providing employment would be shifted to some other agency. From this it is quite obvious that many practical issues of this na-

ture are bound to raise their heads and a proper answer has to be found for each one of them before Dr. Rao can silence even the sympathetic critics of cooperative farming.

### RS. 10,000 CRORES DUE FROM PAKISTAN

Our Prime Minister, Mr. Nehru was asked at his last press conference whether our contribution to Pakistan's link canals would be linked up with the debt that Pakistan has to pay us. To this the Prime Minister replied "No; quite separate". One fails to understand the logic of this answer. Pakistan owes us about 1,000 crores of rupees. Pakistan's share in united India's public debt as of 1947 comes to Rs. 300 crores. There are also debts payable to us due to partition of provinces. Pakistan has to pay us 48 crores on account of separation of currencies. Another sum of 16.5 crores is also due to us on account of the defence stores supplied after partition to Pakistan. Besides, Pakistan has to pay 400 crores on the score of evacuee property. Mr. Khanna, Rehabilitation Minister told the State Rehabilitation Ministers who gathered in Srinagar on June 30, that Hindus left property worth of 500 crores while Muslims left property worth of 100 crores in India. He asserted that the debt on evacuee property worth about 400 rupees should be settled sooner or later. He also pointed out that the Government of India had so far spent Rs. 300 crores on the rehabilitation of refugees.

It must be mentioned that Rs. 300 crores for link canals is definitely many times more than what was

spent on major irrigation works in Punjab up to 1947. The original figure of 60 crores given by the World Bank was more reasonable. Secondly, we must adjust our payment to the dues that Pakistan has to pay us. It is immoral and unjust on the part of the Government to play with the finances of the country and fleece the people by imposing confiscatory pattern of taxation. We must make every effort to recover our dues. There is no need for us to throw our good money after Pakistan.

### MR. ERIC DECOSTA ON SOCIALISTS IN INDIA

Mr. Eric da Costa, well-known economist said in the course of a Meeting held in Bombay under the auspices of the Forum of Free Enterprise that Socialists in India are at least 20 to 30 years behind in theory and practice compared to their counterparts.

Just back from a tour of Western Europe and Yugoslavia, Mr. da Costa said that the current of socialist thought in European countries which described themselves as socialist, for instance, in Austria and Yugoslavia, was against nationalisation of existing private enterprise. He added that even Left-wing Labourites in Great Britain, from which so much of Indian socialist ideology had been copied, recognised now that nationalisation seldom, if ever, adds to national income.

Mr. de Costa described various methods in which material incentives had been given in countries like Yugoslavia and Austria to increase production. He also pointed out how the laws of the market were allowed to determine the price structure. In view of these policies, he thought it was not surprising that the rate of economic progress in the last two or three years in Yugoslavia and Austria was the highest rate of *per capita* economic development in the world.

He pleaded that Indian socialists should emerge from the Dark Ages of socialist economic thought and work side by side with the agency of private enterprise on the lines which had been found effective in Austria and Yugoslavia.

He said that disillusionment had started in India with regard to dogmatic socialistic policies, and a new dawn was breaking.

Mr. A. D. Shroff speaking at the same meeting said that business men and industrialists in the country had been treated like untouchables in the last 10 or 11 years instead of their co-operation being enlisted for national development. He deplored the arrogant approach of bureaucrats. He said that the day of deliverance from the horrors of socialist economy was not too far off in India.

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# The Dollar will be on the Defensive

By Lawrence Fertig

WHEN the leading nations of Europe extended the area of freedom by unfreezing currencies earned by foreigners, and making them more freely convertible, the significance of this event was highlighted by a tell-tale statement of Hugh Gaitskell, leader of the Socialist Party of Britain.

Mr. Gaitskell said he was against this move on Britain's part because it would restrict her independence of action, and would exert pressure for deflationary action within Britain. By this statement he revealed how nationalistic socialism really is—how opposed to the basic interests of a free world community which must depend upon the free flow of money and goods among all countries.

He was right, of course, in saying that Britain would henceforth have less freedom of action to do as she pleased. She would not, for instance, be able to honour the new agreement and at the same time increase welfare state measures, increase subsidies for nationalised industries, create more inflation and higher prices for British goods. If she pursued such policies, the result would be a sinking of the pound in international markets and a substantial loss of gold which she could not afford.

But every other country in the ten-nation group will be subject to the same discipline. They have all thrown away a crutch—the control of their currency earned by non-residents—in order to achieve much greater benefits. Trade will be stimulated, exports will increase, and the plain citizens and business people of every country will get a better break because that will be able to use whatever currency they earn in trade to buy the best value in any country they choose.

It is curious that this move was made possible by the fact that the dollar is no longer the Rock of Gibraltar. It has become considerably weaker. It is no longer feared that, given half a chance, every one will rush to convert into dollar every pound or franc or lira he can lay his hands on. A London commentator pointedly said that "the pound now looks down upon the dollar." This is not completely accurate because the dollar is now freely convertible for all purposes while the pound is not. But, in a way, the pound and the lira and the franc do "look down on" the dollar because they are no longer afraid of what the dollar can do to them.

## SOFT DOLLARS

The dollar has weakened for two obvious reasons. In the first place we are pricing ourselves out of ex-

port markets because our costs are rising too rapidly and so are our prices. The U.S. is losing export trade which is being gained by Germany, Japan, Britain, and others. Thus the demand for dollars is not as great as it used to be. Secondly, the dollar has weakened because the world is more fearful of continuing inflation in the United States. Many people who formerly held dollars for greater security sell their dollars to get gold.

This country has lost over \$.2 billion in gold during the last year, and we are still losing it. A continued loss of gold will be a serious matter. This much is certain; We can no longer pursue uneconomic policies with impunity. We cannot price ourselves out of markets, engage in continued inflation, or give away dollars in profligate fashion. If we do, the dollar will weaken, there will be a greater outflow of gold, and dollar revaluation will be the only answer.

## RESTRAINTS ON CONVERTIBILITY

It should be noted that there still remain some great restrictions on the transfer of currencies in practically all of these European countries.

Money invested in stocks, bonds, real estates—in fact any form of invested capital—still cannot be freely converted into other currencies when the capital investments are sold. Like a person who has been fed drugs for many years, these countries are afraid to throw away all their drugs and move at once toward complete freedom of their currencies.

Nevertheless, the limited move they have made toward freedom is highly encouraging and significant. To make this move required both economic strength and courage. Henceforth, these countries can no longer depend upon the European Payments Union for credit when their trade balances become adverse. They must settle their trade payments in gold, since the EPU was abandoned upon the signing of the new agreement. These countries can no longer depend upon tight exchange controls to cover up their inflationary policies. If they inflate, they will have trade and gold. The pressure will be on them to put their economic house in order and keep so.

In substance, the move to infreeze European currencies will mean fewer world trade, will curb their inflationary tendencies, and will give economic strength to the West in the fight against the Soviets. But we must realise that it will put the dollar in the defensive and reveal any inflationary weakness here very quickly.

—From "Freeman" Ideas on liberty from April issue: Pages 40/41/42.

# Behind The News

## PROFITEERING IN THE PUBLIC SECTOR

One of the irresponsible charges made against the private enterprise is that it indulges in profiteering and that it does not fulfill the social objective of serving the interests of the consumer. But even a cursory look at the working of the State Trading Corporation in the public sector will disclose that the public sector is guilty of precisely the same charge which the government levels against the private industries.

The report of the working of the State-Trading Corporation for the two years 1956-57 and 1957-58 show that on a paid up capital of Rs. 1 crore it has made a profit of 32% in 1956-57 and in 57-58 it has made a profit of 105%, after providing for debts taxation and other contingencies.

How does this profit of 32% for the first year and 105% for the second year on the paid up capital of the State Trading Corporation compare with the percentage of profit earned by the three companies in the private sector—Tata Iron & Steel, A.C.C. and Scindias?

On a paid-up capital of Rs. 11.38 crores, Scindias made a profit of only '1-21 lakhs in 57-58. This means that the Scindia Company made a profit of about 1b% on its paid up capital in the relative period.

The Tata Iron & Steel Company made a profit of only Rs. 1.92 crores for the same period which means a profit of 15%.

The Associated Cement Companies for 1957-58 made a profit of Rs. 1.81 crores on its paid up capital. The profit is only 11%.

From the figure given above it is quite clear that the State Trading Corporation has made profits out of all proportion to its investment. It can be safely deduced that it has made such enormous profits at the expense of the consumer. Certainly it is a clear case of anti-social activity. If profiteering in the private sector is enough justification for nationalising private industries, then profiteering by the State Trading Corporation should be an enough ground for de-nationalising industries taken over by the government.

## THE DALAI LAMA'S PREDICAMENT

In the press conference at Mussorie the Dalai Lama gave an authentic account of Chinese perfidy in Tibet. His statements to the press knocked the base out of the Chinese propaganda that he was under duress and that the rebellion in Tibet was inspired by "the upper strata reactionaries." The Dalai Lama has been forthright in his enunciation of the aims of Tibet: namely, the restoration of Tibetan sovereignty and independence and protection of Tibetan lives and property against the onslaught of predatory Chinese communists. To attain these ends the Dalai Lama looks upon himself and his entourage in India as an emigre government whose aim is to liberate the Tibetan people from the Chinese yoke. Nevertheless it is never the intention of the Dalai Lama to indulge in any type of hostile

activity which might embarrass the host-country. All that he expects from India is the same amount of level for the restoration of Tibetan independence as India has offered in the past to other small countries under foreign subjugation, like Algeria and Morocco.

But the reaction of New Delhi to the expectations of Dalai Lama has been most equivocal and thoroughly disappointing. The Government of India is in no mood to raise the Tibetan question before the U.N.O. and much less to recognise the Dalai Lama and his entourage as having the status of an emigre government. The contention that an emigre government has no international legal status merely because it has fled the country it ruled is hardly convincing. Instances of ex-rulers forming governments-in-exile do not lack precedents. Was not Chiang-kai-Shek carrying Mohammed Ben Bella and Ahmed Bouda, top nationalist leaders of Algeria allowed, if not actively supported to form emigre government in Cairo in their freedom-fight against the French? The case of Dalai Lama should not be made an exception.

As for the second way out for the Tibetan imbroglio, namely raising the issue before the U.N.O. it is being said that no good will come out of it because China is not a member of the U.N.O. But this is similar to saying that a thief should be allowed to go scot free if he happens to be outside territorial jurisdiction.

Moreover the International Commission of Jurors has pronounced a clear verdict of genocide in Tibet. Monastries were looted and innocent lives were killed mercilessly by the Chinese territorists on a large scale.

India has lost her opportunity to convince the Western world that her neutrality was genuine when she maintained a equivocal attitude towards the Russians who massacred the helpless Hungarians. If she is not to be guilty of moral prevarication once again India should realise her own responsibility in relation to Tibet and act without loss of time. He should raise the Tibetan issue before the U.N.O. Failing which, she should at least whole heartedly support Tibet if the issue is raised by other Asiatic countries. Hesistancy to do the first will make us look like cowards. Failure to do the second will betray the pro-Communist bias which lies behind India's pseudo-neutrality.

## THE AGITATION IN KERALA

The upsurge in Kerala is being condemned by Communists and their fellow travellers as being communal and sectarian. This is an insidious propaganda fostered with a view to creating the impression on the observers outside Kerala that the Communist government still enjoys wide popularity among the Keralaites who voted them into power in a desperate bid to oust the Congress preceding the present government. But an unbiased investigation into the forces which go to make up the agitation in Kerala gives the lie to this Red propaganda. Even Prime Minister Nehru who first thought that the agitation had a communal background has now confessed that "the agitation represented a mass-upsurge of the people of Kerala who feel strongly against the continuance of the communist regime." A look at the cross-section of the population

*(Continued on page 5)*

# Aspects of the Kerala Crisis

By M. A. Venkata Rao

—:o:—

## THE VERDICT OF CONGRESS AND OF NEHRU

IT is Mr. Namboodiripad that invited Nehru to visit Kerala and study the situation for himself and give a recommendation. The Reds were confident on the basis of previous experience that the Prime Minister would on the whole favour their regime and restrain the local Congress leaders.

The outcome was that Nehru was impressed with the strength of local feeling against the Communists and the unwisdom of checking the Kerala Congress. That would amount to asking them to commit *hara kiri*, since any slackening or abandonment of the fight on their part would put them out of favour with the Kerala public and that might mean the end of Congress influence in the State.

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(Continued from page 4)

involved in the effort to oust the Communist government will bear out the fact that the Kerala government has become thoroughly unpopular and has lost the sympathy of the people. The following is a list of the number of organisations and bodies who have demanded the resignation of the ministry.

Political: The Kerala Congress, Praja Socialists, Revolutionist Socialist Party, Socialists (Lohia's party), Muslim League, Vimocrana Samiti (Libertarian Committee).

Working Class. The Indian National Trade Union Congress, United Traders Union Congress, The Hindustan Mazdoor Sabha, Cochin Thozhilai Union.

Local Governing bodies: The municipalities of Tellichery, Calicut, Palghat, Trichur, Ernaculam, Kottayam, Quilon etc., besides 730 Panchayats in Travancore-Cochin.

Bar Associations: The Kerala Advocates Association, The Bar Association of Tellichery, Palghat, Alleppey etc., besides other Associations of lawyers.

Schools: The Nair Service Society, The Catholics School Management and the private schools run by Hindus, Muslims and Christians alike.

Teachers Associations: The Kerala Primary School Teachers Association, The Trivandrum Secondary School Teachers Association. The Teachers Guild of Travancore and Cochin.

News Papers: 26 daily newspapers, 11 weekly, 5 monthlies.

It is therefore clear that the agitation in Kerala is neither communal nor a movement engineered by the Opposition but is a broad-based one which is the spontaneous reaction of the people whose liberties and rights have been trampled upon by the Communist regime. The only honourable way out of the impasse is for the Communist government to resign and ask the fresh verdict of the people.

After consultation with the Congress Parliamentary Board, the Prime Minister has refrained from adding any particular direction of his own and has contented himself with letting the Board issue a statement giving their appreciation and assessment of the Kerala problem. The Board has confirmed the charge of the opposition parties and groups that the Kerala Reds have used democratic means to undermine democracy and to feather their party's nests out of public funds indirectly and that they have let a situation of insecurity develop in the State. They hint that something like a *state of emergency* has arisen in the State implying that any action by the President setting the local government aside would be in order. The Board has reiterated Nehru's advice that the only way out would be the *holding of elections*. A round table conference with the opponents of the Educational Act, a temporary suspension of the Act and the holding of judicial inquiries into the several police firings were also suggested by Nehru. While accepting these latter recommendations, the Reds refuse to hold elections. This advice has angered them. The CPI has declared that the suggestions of the Board are partisan and undemocratic. They say that a legally elected government should not be dismissed by the President nor asked to resign voluntarily to renew their mandate from the people at the polls. The Reds are doubtful (in spite of their confidence in jerryandering tactics as at Devicōlam bye-elections) whether they would be returned. So they have started blaming Nehru and complaining that he has succumbed to the pressure of the Congress High Command.

## THE CONSTITUTIONAL POSITION

This crisis is a matter that brings out vividly the utter necessity to interpret the letter of constitutional democracy in accordance with its spirit. It is true that as the Kerala Government and the CPI argue that a legally elected government should run the entire period allotted to it till the next elections and should not be turned out by mob action or unconstitutional pressures. The *Manchester Guardian* and other Western papers as well as Indian leaders like C. Rajagopalachari have given expression to this view. C.R. has pointed out that a government elected by a million people could be turned out by the mobilisation of twenty thousand rowdies irrespective of the merits of the dispute between government and the disaffected groups.

But this is too *formal* a view of the matter and neglects the spirit of the law and the inwardness of democracy.

It must be borne in mind that the CPI (of which the Kerala Government is a subordinate limb) is too manifestly but a limb of international communism with their allegiance elsewhere than to the Government of India.

Also, the actual record of the Kerala Reds in office so far has been such as to exasperate all sections of the people. The rule of law has been set aside. The party is dominating the Government. Insecurity of life and property has prevailed since the first day of the assumption of power by the Reds in Kerala.

They have been relentlessly and systematically strengthening their Party at the expense of right and justice and of the interests of the people. They have broken the constitution from the first day of their rule. They let out of prison murderers (condemned by the courts of law after due process) on the ground of their being comrades! Such rulers cannot have the benefit of the constitution.

The Education Act of theirs is motivated more to control teachers for purposes of indoctrination than for promoting true education. Enemies of democracy cannot claim the protection of democratic conventions.

Messrs. K. M. Munshi and Masani and others are right therefore in demanding that the President should exercise his emergency powers and dismiss the Kerala Government by proclamation. This would be entirely within the Constitution and cannot be complained of as undemocratic.

### EMERGENCY POWERS OF THE PRESIDENT

There are two articles 352 and 356 that deal with the Emergency Powers of the President.

Article 352 provides that if the President is satisfied that a grave emergency exists whereby the security of India or of any part of the territory thereof is threatened by war or external aggression or *internal disturbance* he may issue a Proclamation of Emergency and take over the administration of the State.

The condition of the Kerala State today is clearly a case of *internal disturbance* to the point of threatening the security of a part of Indian territory.

The true nature of the communist government being what it is, they may precipitate a civil war in effect and create a chaos so that they could take advantage of the situation to obtain secret arms from abroad and spread the disturbance to all parts of India.

Today they have armed their party men under the pretext of forming a Home Guard to protect citizens in the confusion of the Opposition Movement. As a matter of fact, they will use them against party opponents and innocent agitators and institute a terror to control the opposition. In fact they have begun to adopt these tactics since the Congress's demand for elections.

However, there might be a doubt how far the present situation could be called a state of *internal disturbance* in a *military sense*.

Hence the alternative article 356 might be more relevant to the issue. It says that the President may declare an Emergency if he is satisfied that a *situation has arisen in a State* according to the letter of the Governor or other sources in which *the Government of the State cannot be carried on in accordance with the provisions of the Constitution*.

The Kerala Government have so misused their powers under the Constitution for party advantage and have so ignored the rule of law and have created such

an insecurity of life and property that the masses of the people are up against them. The strength of the Movement lies more in this *popular upsurge* than in any lead given by opposition parties. The dissatisfaction of the Catholic and Nair school managers is only the last straw and the spark that set fire to the gunpowder.

### DEMOCRATIC CONVENTION

It is true that the majority in a democracy has the right to rule. But it has to *rule in accordance with law* and for the common good and not for the advancement of their own party.

The communist parties of the world are pledged to subordinate national loyalty to the behests of international communism that aims at world domination. They are governed by *socialist internationalism* and have no scruples in subordinating their own national interests to those of Russia or China. This tendency of theirs came vividly to the fore during the recent Tibetan crisis. The CPI issued a statement identical with that of China in preference to that of India.

They do not deserve therefore any concession on the score of democratic procedure.

And even from the democratic point of view, there is an overwhelming case for the view that they have systematically suborned and flouted the Constitution. They have no democratic feeling. They stand for dictatorship.

There is ample room therefore for the President to use section 356, if not also 352 to declare a state of Emergency and supersede the Kerala Government.

There is also the striking fact that the present government of Kerala secured only 35 per cent of the votes during the last elections. They were returned to power by a majority of *two* in the legislature. Even this majority is an artificial one since it was achieved by securing the adherence of *five* independent members *after* election. The constituencies of these independent members are now demanding that their representatives should resign since they no longer have any confidence in the Government of which they are a part. Something like a popular *Recall* has developed in Kerala owing to the intensity and universality of the Opposition.

### ELECTIONS UNDER THE GOVERNMENT

There is a danger in allowing the Red Government to conduct elections while retaining office. Their infiltration into Government staff in all ranks and their jerryandering tactics are so brazen and effective that they might secure a majority through the ballot box, in spite of the people being overwhelmingly against them! The Kerala Government must therefore be dismissed and not allowed to hold elections while in office.

No democratic procedure is violated if they are dismissed.

### DEMOCRACY CANNOT BE REGARDED AS A SUICIDE PACT

A Commission of Enquiry presided over by judges should be held into the ways of the Kerala Administration under the Reds which would be an eye-opener!

# Public Versus Private Sector

By M. N. Tholal

WITH the growth of the public sector in Indian industry in the interest of the country's Five-Year Plans, and the consequent progressive diminution of the private sector, controversy has naturally arisen over their merits and demerits. The Prime Minister has practically thrown his powerful weight on the side of the public sector, almost in the belief that it is a necessary corollary of socialism. It may be mentioned here in passing that the British Labour Party, the leading exponent of socialism in the world, is having second thoughts on the necessity of nationalisation of some industries, which was taken for granted only a few years ago. Socialism in India is a mere imitation of British and European socialism and has not produced any outstanding socialist, barring perhaps the late Acharya Narendra Dev, who had the courage to criticise Jai Prakash Narain for his Bhoodan activities which, he rightly said, had nothing to do with socialism. Prime Minister Nehru is in a class by himself and can afford to lay down the law even on socialism by dwelling on the necessity of adapting it to Indian conditions, while socialists listen with open-mouthed astonishment as if Indian conditions as well as socialism were entirely beyond the scope of their intelligence.

These are the circumstances under which the controversy is developing. Democracy demands continuous debate on every issue before the country and it is no respecter of persons. In the firm belief that, if not today then tomorrow, reason and commonsense will prevail over dogmatic *ipse dixit* each one of us must in the interest of the country thrash out the pros and cons of this, perhaps the greatest, problem facing the country. If the growth of the public sector is demonstrably in the interest of the country, then obviously nothing should or can be allowed to stand in its way. But is it?

## A PRE-REQUISITE

The success of the public sector, it should be obvious to the meanest intelligence, depends entirely on the presence of public spirit in those running it. Is this public spirit—zeal for the public good—present in any appreciable degree in our educated classes on whom the public sector must depend for its very existence? Can any one lay his hand on his heart and say that public spirit is not conspicuous by its absence even in those who have been talking of the need of selflessness in public works. We have the testimony of no less a person than a Congress President, Mr. Dhebar, that this prerequisite of public work is almost entirely lacking in those who are running the Congress organisation. If that is the case in the Indian National Congress, the less said the better regarding those who do not place selflessness in the forefront of their ideals.

Let us throw a look around the neighbourhood. What do we find. Here is what is called the Van-mahaotsav. The saplings are planted with diligent care by an army of Government servants in obedience

to the directives of their Minister. But how many of them survive the heat of the land, the depredations of roaming cattle and the destructive mischievousness of the rising generation. If you interfere with the latter, as I often do, a crowd gathers to support the query of the mischief-maker: "Is it yours?" Some of the crowd even go farther and make bold to inquire: "What do you lose?". I have yet to see a man who would go out of his way to pour a gallon of water occasionally around the trunk of a growing tree to stimulate its growth, even when right in front of his own house it is bound to provide him shade and coolness in summer and purify the atmosphere all the year round. We all behave almost as if the success of the tree-planting campaign will somehow do us incalculable harm.

## BUS SERVICE

Let us now take a ride on the Government, now municipal-run buses of the capital of the country. Neither the Government nor the Corporation (after the former) has yet been able to provide an adequate bus service for the capital, despite promises every year since the advent of independence to satisfy the public need in this matter. But what of the citizens themselves? What is their share in the inadequacy of the bus service? At almost every stop someone tries to get in despite the conductor's "No sorry, no space", and an argument ensues between the conductor and the intending passenger, the latter supported by vocal elements among bus passengers with the observation "What does one more matter?" although inscriptions inside the bus give the number allowed to stand and there are others outside threatening that they would jump in if the disobeying gentleman is allowed to stay in. Often, as a result, buses take twice the normal time to complete their trip and naturally miss trips.

It may also be added in passing that the police indirectly co-operate with the public in promoting the extent of inadequacy of the bus service. Almost every stop where buses are scheduled to stop to admit passengers is occupied by tongas or motorcycle rickshaws

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with the result that buses cannot stop where they should and the passengers, who have formed a queue, run helter skelter to get into the bus where it has had to stop, lest they miss it altogether. This of course adds to the strength of the argument of the man disobeying the conductor for he is able to say, without any fear of contradiction, that in the queue he was occupying an earlier place than so and so in the bus. Since the refugees arrived in the capital the queue has tended to lengthen in the reverse direction and any one objecting is greeted with the remark, "All right, you get in first when the bus arrives." Of course, nothing is farther from the rule-breaker's mind. They seem to think that is a sort of recompense for the losses they have sustained while having had to leave their homes in what is now Pakistan.

### CENTRAL SECRETARIAT

Let us peep into the Central Secretariat which is likely to provide the model for the offices of the public sector. The fear of the white man left the heart of the clerk with the departure of the white man and the inevitable result was go-slow tactics. Formerly an officer told me, they were expected to expedite work lest the inordinate delay come to the sahib's notice with the attendant risk of some kind of punishment being meted out to the offender. But now no one is interested in getting things done and delay is the natural result. There are many reasons why this delay is getting longer and longer. First and foremost is the fact that, all ministers being Indians, they have their "jat-wallas" (men of their community) if indeed not their relatives in their departments which *ipso facto* prevents action being thought of, to say nothing of being taken, to expedite work. Indeed, if those mentioned have the ears of their minister their superiors know that discretion demands treating them as friends rather than as subordinates. The process incidentally throws open avenues in which the greasing of the palm becomes possible by those who may be in a hurry to get things done. The number of employees in the Central Secretariat multiplied twenty times in the first ten years of Indian independence, increasing from about four thousand to eighty thousand. It is likely to increase much farther with the increase in the number of girl typists whose relatives have naturally to be accommodated by the boss of the office!

The question always is: What do you gain? or "What do you lose?" Do you gain by flattering the boss or by working hard? The answer in most cases is obvious. If we gain by flattering the boss, it is sheer folly to work, hard, the former being so much easier while the latter only results in your being by-passed when the time for promotion comes. You have only to compare the staff of a Government weekly with the staff of a weekly run under private auspices to see how, on the least pretext, vacancies are created to provide for relatives or friends. For, in a Government enterprise, the boss says while adding to the staff "What do I lose?" whereas in private enterprise the boss knows that that kind of thing is sheer lunacy because in the long run it will mean sheer bankruptcy. That is why the number in the Central Secretariat is rapidly increasing. They hardly do an hour's honest

work a day now. In other words, *corruption is suicidal in private enterprise and therefore out of the question while it is natural in the public sector.* And corruption of course means waste of funds.

### LACK OF CHARACTER

That in fine is the difference between the public and the private sector. In the public sector the boss is a trustee, the money comes from an ignorant public whose representatives can themselves be easily fooled, if they are not a party to the corruption prevailing, for, after all, what do they lose? The house of the Right Honourable Sir Tej Bahadur Sapru, when he was alive, was a forum for the intelligent men of the town for discussion of public affairs and almost every discussion boiled down to lack of character among our countrymen, although the subjects of discussion were generally the leaders of the land. The public sector demands a high degree of character without which it will naturally tend to develop into a white elephant, and of that character there is yet no trace in the country.

The Prime Minister may be justified in saying that he has not been much impressed by the captains of industry in the country, even as the intelligentsia has not been much impressed by the quality of the socialist leaders of the land. But that is no justification for wresting their fields from the hands of the captains of industry and handing them over to those who cannot look after them as their very own business where success and failure is a matter of life and death. Whoever heard of a Government officer bossing over a concern spending sleepless nights because of the growing cost of production? Are these sleepless nights not common enough in the private sector? In the public sector the tendency inevitably is towards squandermania—as Government reports themselves consistently show—while in the private sector the tendency, on the other hand, is toward miserliness.

It will be said that what is called squandermania only results in more people being employed and the public money thus goes into the hands of the public—sort of robbing Peter to pay Paul. So where is the harm? Quite true, but the result is rise in the cost of production. And what happens to exports when prices go on rising, to say nothing of inflation within the country? Exports just stop. This is what has begun to happen in the country. And we know what it means for a country, not self-sufficient in all the goods it needs, to have to stop exporting goods.

The profit motive is a natural motive and its unsocial aspect is being daily curbed by an evergrowing number of laws designed to disperse the profits among the producers while taxes take away an evergrowing percentage of the same. Nobody objects to humanitarian laws being passed. But to go on expanding the public sector at the expense of the private sector is to go on increasing the cost of production with resultant inflation as well as increasing an army of Government servants who may naturally be expected to support the party in power and thus tilt the balance in its favour in all elections. This is not democracy. It is not fair either and on both these grounds should be ruled out in a democratic country.



# India's Pakistan Policy

By Balraj Puri

THOUGH the problem of canal waters is one of the major disputes between India and Pakistan, an agreement over it likely to be formalized soon, does not promise a significant change in the pattern of relations between the two countries. For one thing, the canal waters problem is being treated in an isolated manner, so to say. Secondly, the good offices lent from outside and financial help from the same source tend to overshadow the role of mutual goodwill in the solution of the problem.

No determination has at this stage been expressed by either of the Governments to solve the rest of the problems, even though the present is an occasion full of immense potentialities and there was never need greater and chances brighter for fostering good relations between India and Pakistan. General Ayub recently suggested that concord between the two countries was possible only as long as Mr. Nehru was living and at the helm of this country's affairs. The hope of the Pakistan Foreign Minister that the Tibetan tragedy might bring the two countries closer was also widely shared in this country. To the extent Pakistan is supposed to be under the Western influence, these two observations may be taken as pointers indicating that, in view of their greater appreciation of India's crucial position as a bastion of democracy in the East, these powers are anxious to induce Pakistan to be friendly to this country.

The advantages of Indo-Pakistan amity have often been enumerated. They are not denied even by those inclined to be pessimistic or sceptical. Who would, for instance, not like that the large slices of the national income that are being consumed at present by the defence budgets in both the countries should be diverted to development needs? Unfortunately, thinking is largely dominated by fear and prejudice, some of which are based on bitter experiences. When there is no fear or prejudice pious and platitudinous, declarations are used as substitutes for action. A conscious Pakistan policy based on enlightened self-interest is the need of the hour.

Indo-Pakistan relations deserve to be viewed against the background of the new trends in the Afro-Asian region. Thanks to intra-regional conflicts in recent years, the broad solidarity witnessed at Bandung has suffered a serious setback. The U.A.R. has failed to lead members of the Arab family into a harmonious relationship. China no longer inspires confidence, and cannot be trusted by small nations as long as the question of Tibet remains unsolved. These are dismal facts. Clearly, if the enthusiasm of the struggles for freedom of the unliberated areas is to be kept up and if the newly liberated countries are not to be forced to seek alignments with and protection of Big Powers, a new pattern of relations in Asia and Africa will have to be worked out. India has to provide the answer to the problem of mutual relations of the countries of this region and of solving disputes between them amicably.

A certain amount of greatness, whether we deserve

it or not, has been trust upon us. Let us seriously consider whether we should pay the price for it—and to what extent. Our effectiveness in the comity of Asian and African nations, as also of the world, would obviously increase if we can remove the skeletons in our own cupboard. This is neither a plea for surrender nor for compromise at any cost. It is a plea for a conscious calculation of the advantages and disadvantages of a deal with Pakistan and for making up our minds as to the extent of a compromise in our national interest.

If we are convinced that an improvement in our relations with Pakistan is in our interest, it is our duty to take the initiative. And it is simple common sense that Pakistan too has to seek in its own self-interest an honourable settlement with India. Mutual self-interest may be the initial basis for the talks for settlement of Indo-Pakistan disputes.

To be sure, the formidable list of disputes that have remained unresolved make the very suggestion look barrenly academic. Individually most of the disputes are also extremely complex. Nevertheless, collectively these are perhaps less so. An attempt at the solution of all problems may have a better chance than attempts to deal with them separately—and piecemeal. For, when things are done in a big and spectacular way, the sentiment of goodwill generated thereby itself becomes a great asset and a calculable factor in future relations.

The recent agreement on border adjustment with East Pakistan in an isolated way led to an understandable resentment in our country. It had no compensation either in terms of increased goodwill between the two countries or in terms of any other concession to India on some other dispute. But when many disputes are settled, losses get cancelled and only gains remain to inspire greater confidence. Let a package deal, therefore, coincide with the proposed settlement on canal waters. If necessary, the settlement of the canal waters dispute may be synchronized with the other major effort I suggest.

The change in Pakistan's attitude towards India deserves to be noted in this connection. As an enemy, Pakistan does have an enormous nuisance value; as an ally it can never be a serious rival. The only *raison d'être* of Pakistan's membership of military pacts is its hostility to or fear of India. Once Indo-Pak relations improve, this *raison d'être* will disappear; so also will the popular backing which Pakistan's membership of those pacts has at home today. As a consequence, there is bound to be a shift in Pakistan's foreign policy—and that would be no small satisfaction to India. The border of cold war will recede and the area of non-alignment will expand, thus helping the achievement of the twin objectives of India's foreign policy.

A rise in India's moral stature abroad will have its impact on national politics also. With lessening of tensions and hostilities and increase of tolerance, the basis of democracy will have been laid more securely.

—Thought

# The Truth About Communes

By T. L. Kantam

THE special "second session" of the Eighth Congress of the Communist Party of China which met in May 1958 was epoch-making. The proceedings were marked by a combination of invective against revisionism and demands for "leaping progress" in economic development. The connection between the two was the contention that revisionism was indirectly responsible for the slow progress in production.

## THE GREAT LEAP

The whole idea of gradual economic progress was given up. Progress should be by "leaps". Nothing was impossible for China's vast population. The task of the party cadres was now not so much to stimulate the masses to greater efforts as to break down the obstacles which were "restricting the forces of production". Mao Tse-tung is reported to have declared that "the liberation of the productive forces of the labouring people has the same effect as smashing the nucleus of an atom". Officials in charge of production must cease to obstruct the people's wonder-working "initiative". Whether the people had really any such initiative was not a matter to be questioned; it had to be accepted as an article of faith. Thus while the leaders were representing themselves as acting in deference to the mass initiative, they were at the same time preparing to justify a great campaign of repression and coercion in the name of removing impediments to the will of the people.

## THE COMMUNES

It soon became clear that the new effort at economic expansion was no ordinary production drive but a new stage in the "uninterrupted revolution", in which there was to be a decisive break through in the process of industrializing China. All difficulties were to be overcome by taking the offensive, by a relentless attack carried out with what used to be called, in the days of Stalin's first Five Year Plan, "Bolshevik firmness." To get the maximum out of the productive force of the masses and operate it with a minimum of capital equipment and virtually without any incentives in the form of improved conditions of living, a new form of social organisation was needed and this was to be provided by what was called the "communes".

What exactly is a commune? A simple definition is that it is an administrative unit under absolute Communist party control; but this does not convey a proper idea of the magnitude of the revolutionary concept involved in the commune. A comparison with the collective that preceded it is necessary to present the commune in its proper perspective.

The commune is big. The average commune contains about 23,000 persons. The largest to date holds about 95,000. The collective farms contained a few dozen, at the most a few hundred, families.

Whereas the collective concerned itself only with

agricultural production, the commune supervises all agricultural, economic, cultural, political, social, educational and military activities within its limits. The commune, according to Peking, is the *final step* in the march towards collective ownership of society as envisaged by Marx, Engels and Lenin. Unlike the collective farms, where members were permitted to own their tiny plots of land and private property the commune is its own owner. Personal possessions are a thing of the past. Everything belongs to everybody.

The communes scheme was sprung quite suddenly on the Chinese people. Mass propaganda for it began only in July but once started it was carried on with great intensity during August and September and very soon covered 98.2 per cent of China's half-billion rural population.

The commune movement has several aims. One of the most important is the creation of a huge manpower pool, which could be thrown at will into massive industrial, conservation, communication and other capital construction projects. Another is the complete destruction of the family system. This is what the September number of the Communist Party's theoretical journal "*Red Flag*" write: "... We must undermine the capitalist type of social living built on the basis of the class exploitation system and at the same time we must also undermine the family built on the basis of the class exploitation system..."

"That kind of family which carried out individual production with the family or the household as the unit... was nothing but a poor cage for the working people... Individual domestic labour... is also a remnant of the family under the conditions of individual production."

Over 100 million women have been "liberated" from the house-keeping, husband-caring and child-tending duties of the anachronistic "small family" and are now working instead—on farms or steel plants or communal tailoring shops—for the "big family" of the commune. Children are looked after in the nurseries and in some communes they see their parents twice a month. Wives see their husbands only at meal-times, which are devoted half to eating and half to discussion in vast communal mens-halls. Grandparents are kept in "Happiness Homes" where they will serve the "big family" by tilling communal vegetable plots, weaving communal baskets or feeding communal chitchens.

As important as the increase in manpower is the fact that the new manpower is mobile and interchangeable. The commune member may be a teacher one day, a farmer the next, a steel-smelter another day, depending on the wishes of the commune cadres or on the varying industrialization needs of the commune concerned.

## WAGE SYSTEM

A powerful weapon in the hands of the rulers in en-

forcing compliance with their insatiable demands, is the wage system. The normal wage system is based on a precise work unit but by its very nature forced labour has none. The length of work varies as does its nature—depending upon the demands of the moment. The methods of calculating wages are subject to arbitrary administrative decisions. Commune members are paid *only* if they satisfy the “main requirements” of “attitude towards labour, production techniques and intensity of labour”. The following extract from the “Draft Constitution of the ‘Sputnik’ Commune”—the first model commune set up last year—will give an idea of the arbitrary nature of the wage system:

“The communal shall operate a wage system when it acquires stability of income and adequate funds and its members are able voluntarily to consolidate labour discipline... After the institution of the wage system, there must be periodic reviews and comparisons of work done by various units and individuals. Those who have worked energetically and do well shall be rewarded while those who have worked in a slovenly way and failed to carry out their assignment may be penalized by deductions from their wages.

“With the institution of the wage system, every member may have two days’ paid leave each month and women members three days...”

#### HALF SUPPLY, HALF WAGES

Along with the arbitrary wage system, a new pattern of food distribution in the communes has been introduced. Food is centrally distributed on the basis of ration coupons. The computation of food rations has been entrusted to the officials and this has given room for complaints of extortion, blackmail and corruption.

The future intentions of the authorities in this matter have been made clear in a New China News Agency message of September 5, 1958: “When the growth of farm production and the unanimous consent of the members of the communes permit, a system of distribution to each member of part-payment in kind will be applied. This system is a better guarantee of the income to each member of the commune and it allows the commune to reinvest the profits from production; it will also facilitate the development of industry, transportation, education and culture and will thus be in a better position to contribute to the welfare of all”.

What are the wages like? They vary between 4 and 15 yuans per month. (The unofficial exchange rate is 1 yuan equal to about 2 rupees). As a general rule each member receives about 50 per cent in cash and 50 per cent in supplies. In some communes the supply portion is greater than the wage portion and in others it is the reverse.

Even this partial wage system will disappear if the communes work out as the leaders plan and expect. It has been made explicit that in the communalized society, even money will eventually become meaningless. It is expected that in less than a decade, every one of China’s teeming millions will be entirely dependent on the communes. At the present time, the communes are eliminating all “bourgeois” differences: between industrial workers and peasants, between town

and country, between mental work and manual work, between peasants and intellectuals, between collective ownership and ownership by the people. It has been claimed that the commune has enforced the four guarantees and has “basically solved the problems of the members relating to food, residence, education and medical attention”.

#### “DIZZY WITH SUCCESS”

The Sixth Plenary Session of the Central Committee of the Communist Party of China, held between November 28 and December 10, 1958, marked a new phase in the developments in China. The communique issued on December 17 showed marked concessions to the Soviet point of view on several of the controversial issues between China and Russia but they are beyond the scope of this article. The same plenum adopted a lengthy resolution on the “People’s Communes”. While the essential features of this revolutionary transformation of China’s economy were maintained, the resolution indicated a limited but noteworthy retreat before the Chinese peasants. This was dictated by the need to consolidate the new set-up, to train the cadres on proper lines and to stop wholesale encroachments on the peasant’s family life, his small private possessions and his spare time. One sentence of the resolution deserves special mention: “Because of the big leap forward in production and the victory in setting up communes, some cadres are beginning to get dizzy with success...” This recalls what Stalin said on 1930: “... successes sometimes engender a spirit of conceit and arrogance. “We can achieve anything!” “We can win hands down”. People are often intoxicated by such successes, they become dizzy with success”.

#### PEASANTS IN UNIFORM

From the outset, Peking has laid emphasis on the military functions of the communes. It has declared that the same organization which will be used to mobilize labour for whatever purpose it is needed can be used also for defence in times of war. All able bodied members of the communes are enlisted in the militia but the rifle-carrying young men and women (men between 16 and 30 and women between 17 and 22) are the “key militia” or the core of the militia force. They also serve as a shock brigade labour force.

#### END OF THE FAMILY

Finally, the design of economic life in the communes is aimed at breaking down what the Communists regard as the principal obstacle to the attainment of their objective—the cohesion of the forces as the traditional basic of Chinese society. As stated earlier, young children are cared for in creches so that women can work on the land or in mines and factories. All meals are to be taken in canteens or mess-halls. Household work will be done by squads going from house to house, so that there will be virtually nothing left to be done privately in the home. In this way, it is believed that the family, already weakened by the setting of children against their parents, will lose all significance as a social unit.

#### WHITER CHINA?

The communes have thus deprived the Chinese pea-  
(Continued on page 12)

# Why Creative Education?

By Anthony Ellenjmittan

EDUCATION, in modern times, has become a department of the Government in power. A Communist Government in power will enforce a communist pattern of education, eliminating every other form of education that does not fit in with their policies and programmes. A Fascist Government would enforce the Fascist system of education, as it happened in Italy. The Nazis in Germany had their own concept of education which they tried to enforce ruthlessly on all, even on the most unwilling citizens of the state.

In Russia and China there is the Communist totalitarian pattern of education. In Kerala, the first elected Communist Government, passed the Kerala Education Act which reveals how governments, once in power, would enforce their own system of education on unwilling subjects. The common man everywhere takes it for granted that the Government has the right and power to enforce their own laws. He does not raise his little finger to oppose the Government directives and policies, which, by degrees, sap human personality, creative dynamics and fundamental ethics of *homo sapiens*.

The obvious proof of this helpless compliance of the common man with Government directives is the mania to get their own educational institutions recognised by the Government. The only motives that compel private educational authorities to seek Government recognition is the greed for the Government grant, and the hope that their children could there-

(Continued from page 11)

sant of his liberty, his land, his goods and the traditional family ties. Yet the communes seem to be but a temporary phase in the fundamental changes that have been wrought in the fabric of Chinese society, in the system of labour control and the production processes.

What about the future? This is what the party organ *Jen-min jih-pao* has has to say about it.

"From private property we will change to public property. All the land still held by individuals, private houses, animals, woods etc. must progressively become the property of the commune. Individuals will knowingly continue to hold small numbers of animals and fowl which will gradually be absorbed by the commune. Thus the last vestiges of personal property will slowly die out. Such an organization of production will favour the development of the society and that of the national economy."

Whether this forecast will come true remains to be seen. Already there are indications that the "great leap forward" has brought on a crisis within China as well as within the entire Communist bloc but these temporary set-backs are not going to deter the leaders of Communist China from going on with their programme of communization of the whole country.

by pass on to other Government-recognised educational institutions.

But, few stop to think and ask themselves. "Why, on earth should our schools seek Government recognition, if we are sure of our own grounds, stand on our own legs and preserve the sacredness of individual freedom and creative dynamics in education?" Governments are badges of man's lost innocence, and we need not bow before these custodians of opportunist positive laws and throw overboard the inviolable commandments of God. Most governments today decry religious instruction in schools. They set up a syllabus and curriculum of studies which the recognised schools are bound to follow. Nay, they even go to prepare a panel of teachers—as the communists do in Kerala —, fix the conditions of work, the number of students in each class, paper-qualifications of teachers and a hundreds of restrictive and totalitarian highhandedness, offering the bait of an annual grant to the schools recognised by them.

In modern India we have a few pioneering prophets, Mahatma Gandhi, Rabindranath Tagore, Sri Aurobindo and their likes who set up their own schools in defiance of the Government sponsored system of education. From the days of Plato, Socrates and Aristotle to our own days, the best representative educationalists of both the East and West concentrated their attention on man-making education, the formation of character and the will-power of their disciples, in that man-making education with firm ethical moorings which most of our Government-recognised or Government-managed schools of today ignore, side-track or impugn.

## ATTENTION

Scholarships granted to Post-graduate students in Economics, who are able to undertake research in Free Economy from Libertarian point of view. Send full particulars of age, qualifications and occupation etc. to:

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Governments are not gods. Often enough, as history bears witness, governments are the policemen against anti-government agents and firebrands. They make and unmake laws at the stroke of a pen or at a mere assembly debate. But Nature's laws are the very essence of our being, the *conditio sine qua non* of human development and progress. Often we have to transgress Nature's laws in order to submit to Government directives and policies. How low we have to bow in order to secure a few crumbs from the Government bosses' tables! In order to get a grant for our schools and colleges we have to submit to all the Government restrictive and punitive enactments, while, all that was needed was to aim at a system of education that will form Man out of the herd, superman alone from the sheep and will enable our pupils to stand fearless before governments and potentates.

India, like ancient Greece, has set the system of Gurukul as the best and highest form of education. In simple, natural and unsophisticated environment did pupils and teachers perform their duties. There was honesty and truthfulness in their speech; and there was no need to fabricate forged vouchers to satisfy a Government accountant. There was no need of charging children exorbitant fees, because the basic essentials of human life are not costly at all, nor are they to be bought with gold and silver. It was not

paper titles or government-given diplomas that qualified them to become teachers, but their lives, a life of dedicated service to man and society, that competency and capacity to impart knowledge which far outweigh a paper title or qualification. It was the ability to teach and mould character of the pupils that mattered more than conformity to a government pattern or policy, or holding of paper titles from kindred recognised schools and colleges.

We believe that we have to review the whole educational problem of India afresh. We must give scope for individuals and groups to try out various educational methods and systems and, through a process of trial and error, choose that system of education that will give creativity and ethical basis to our educational system. We need stay for a while outside the chess board in order to see the game better, and judge the right and wrong moves more correctly. Players at the chessboard are not likely to see things objectively as one who stays a bit outside the Government-dictated policies and Government-recognised institutions.

We need that creative education that will enable children to unfold their potential powers, that will teach them the art of right living and earning their bread and butter without selling their souls. This education can only come when man is rooted in Nature and Ethics. That is creative education.

## America's First Millionaire Family

By Norman Casserley.

VINCENT ASTOR died on February 3, 1959, from a heart attack, at 67. The tiny mansion in which he was born has grown with his fortune to become a well known one-hundred storey, quarter-mile-high, television mast called the Empire State Building. He was the grandson of John Jacob Astor who emigrated to America from Germany in 1783.

Since that year, the Astor family has lobbied its influence in every important aspect of American life. In two decades from that date, they had become America's first millionaire family, through land deals. This success in turn put them in a position to name the noted 'upper 400' of society, a number limited by the size of the family ballroom. Their combined financial and social success snowballed to include incidental railroad and shipping interests. All these together led to vast, though silent, political power.

On the death of his father in the sinking of the Titanic in 1912, twenty-one years old Vincent was saddled with some \$50 millions worth of family land in Manhattan and some \$25 millions worth of other allied interests like railroads. Today, half a century later, this has reputedly grown to a round few hundred millions. No one seems to know for sure within a few dozen millions or so. This merely represents what is saved after annual turnover and living expenses. Manhattan lands alone reportedly bring the family about \$100 millions annually. The family is, of course, by no means America's richest.

One of Vincent Astor's first steps on receiving his inheritance was to take his lands out of the hands of

agents and administer it himself. The spoken family principle on land was that property investments are better limited to land only. Those who built tenements on Astor land, therefore, had little interest in improving or even maintaining their buildings, which have become infamous in Manhattan under the name of the "Astor flats". They have been among the very worst slums in New York. Buildings incidentally owned by the Astors themselves, however, were luxury prestige showpieces. Somewhat moved by seeing the slum houses named after him, he condescended to allow the Municipal Housing Authority to move into action in return for an agreed cash consideration and just a few interesting mortgages.

The family instinct for land, in distinction to buildings or business, seems to have faltered somewhat with Vincent Astor in recent years. He attempted just before his death to divert some \$80 millions of his spending money into a proposed skyscraper monument on Manhattan's (or, rather his) Park, Avenue. This was to commemorate his name with the title of Astor Plaza. Waldorf Astor, who owned the plot that was to go under Vincent's little skyscraper, objected. That ended that. Waldorf Astor, a great grandson of Vincent Astor's father, John Jacob, later became a British subject and a Viscount. He founded the British branch of the fortune about 1900.

It has been announced by his family that Vincent Astor's fortune has now been willed to The Astor Foundation, to help human misery.

# Congress and the New Party

By S. M. "In Hindustan Times"

WHY does Mr. Nehru react so violently to the formation of the new Swatantra Party? As a good Congressman, he must meet a political challenge, no matter what source it comes from. But the acerbity of Mr. Nehru will tempt many to look for some personal motivation in his remarks. That kind of suspicion will help rather than hamper the new party. There is no doubt, after his latest Press conference, that Mr. Nehru is letting his views about the new party to be coloured too much by his own personal estimate of Mr. Rajagopalachari. Mr. Rajagopalachari admittedly is not everyone's idea of a companion in arms. It is plain that the driving force in his latest political activity is a consuming sense of bitterness and frustration, not unnatural in a man who till the other day enjoyed a rare reputation for sagacity and astuteness and now finds himself put on the shelf.

Still, Mr. Nehru might do well to remember sometimes that he himself was mainly responsible for building up that reputation. There was a time when he delighted in making it obvious to those who cared to see that he leant rather heavily on Mr. Rajagopalachari for advice. He all but succeeded in making him first President. And when he failed he made him Home Minister, surely a bad precedent for a retired Governor-General. Some of the things Mr. Nehru then said in public about Mr. Rajagopalachari, as indeed a lot of things Mr. Nehru has said on other subjects, might prove absorbing reading for him on his holiday—absorbing and educative.

I rather incline to the view that Mr. Nehru's present estimate of Mr. Rajagopalachari is nearer the mark. I welcome the change. But the thing that should worry a lot of us is that Mr. Nehru was if anything much more convinced before the parting came of the correctness of his then estimate of Mr. Rajagopalachari as some kind of an oracle.

The shifting basis of the relationship between Mr. Nehru and Mr. Rajagopalachari, though there is a cautionary moral in it, is not however of very great public moment. Mr. Rajagopalachari, whatever his inspiration, presents a political challenge in serious, adult terms and that challenge will have to be answered in serious, adult terms.

Mr. Nehru's method of sneering a challenge away may add to our gaiety (an end that, heaven knows, has its own justification in these days of shortages and perpetual demands for the tightening of our belts) but is not a contribution to sane discussion. What was the point made, for example, in the statement that the Swatantra Party is a "projection of the Forum of Free Enterprise." I suppose Mr. Nehru wants to popularize the notion that the Forum is a body of parasites given to overfeeding on the blood of the toiling masses. Supposing we grant that point, though he is going to find it mighty difficult to persuade anyone to see Mr. Rajagopalachari as a shining example of over-indulgence. Where does it take us? Does it mean that they are incapable of producing some good ideas on the solution of our pressing problems? Mr. Nehru

surely carries his guilt by association gambit too far in suggesting obliquely that the Swatantra Party approach has a trace of fascism. One of the more admirable planks of the new party is that it stands for less governmental interference in the lives of the people. This is the very antithesis of fascist theory or practice.

It was even more unfair of Mr. Nehru to talk about the new party's financial support. After all, the Congress has relied on the same people for its funds in the struggle for independence and, later, to win elections. I doubt that Mr. Nehru will refuse their donations come next election time and I have a suspicion that the Congress chest will end up with rather more of this "tainted" money than the Swatantra Party.

If only Mr. Nehru were to examine the political challenge of the Swatantra Party without heat or passion, he would see much to welcome in it. It may not amount to the Congress, but it is a party that stands for stability, for responsible opinion and for democracy and freedom. At the moment, Mr. Nehru's main political opposition comes from the Leftist parties which, having little prospect of being asked to deliver, trade exclusively in wild promises of painless plenty. The Congress may discount the promises, but there is much to suggest that many Congressmen think it electorally expedient to appear as if they too are in the race for a miracle solution to the country's economic problem. A party of the Right will provide the necessary leverage to these extremist pulls from the Left and save the Congress from its present delusion that the only way to resist the political appeal of the Left is to pledge more ambitious experiments in Statism.

Quite obviously, we cannot return to the *laissez-faire* policies the Swatantra Party advocates might urge, but there is wisdom in a pause for stock-taking. Nobody can seriously contest that there is a lot that has gone wrong with planning, that we have been achieved the progress that should have been achieved and, most serious of all, no enthusiasm to help themselves has been generated among the people. This alarming situation after eight years of planning must indicate some fundamental deficiency of approach. It is not a mysterious deficiency. It is the simple one of continuing in the belief that it is enough to think up a good paper programme to make it work. No account is taken of the lack of administrative sources and the inevitable resistance of the people to governmental encroachments. But the worst result by far is the inculcation of a tendency among the people to look to the Government to provide both the initiative and the sinews for progress. This is not the way to build up a resourceful, self-reliant community. No doubt, resource and self-reliance are not absolutely necessary ingredients of progress, as Russia and China have proved. The mistake is in thinking that we can do without compulsion as well as popular initiative.

As I see it the Swatantra Party will have justified itself if it succeeds in administering the necessary corrective to Congress thinking in these matters.

# India And America

By G. N. Lawande

Under the auspices of the Indo-American Society, Mr. A. D. Shroff well-known economist of India and founder of the Forum of Free Enterprise delivered an illuminating lecture on America and India. He was of the opinion that there was no evidence anywhere in America of hostility towards India; on the contrary American investor was ready to invest in India if proper climate was created for such investment. He said that flow of foreign capital was necessary for the rapid economic development of an underdeveloped country like India. The foreign aid received on government level was not sufficient. At present there is no such climate and the American and the other foreign investors are not enthusiastic for investment. Mr. Shroff was optimistic that in the next five years there would be a swing to the Right and this would enable the American and other investors to invest in India on long term basis and this would assure fruitful results.

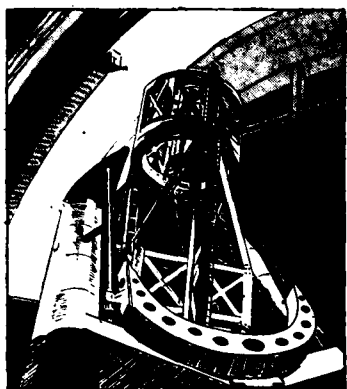
In the course of his address, Mr. Shroff said that America—the leader of the free world was aware of its responsibilities and obligations. At present a greater emphasis was placed in America on economic rather than on military aid. There was a great fund of goodwill in America towards India and Dr. Radhakrishnan, Vice-President of India, had played an important role to create that goodwill by his peculiar spiritual appeal. In spite of this, American investors outside had not much knowledge of India and our embassy had failed miserably in this direction. Mr. Shroff was of the opinion that there was a great need of in-

formation service so that the American investors might get proper information before taking part in investment in large scale enterprises in India. He said that India had a large number of friends occupying important positions in Washington and there was sympathetic understanding of her problems but the good work done by Mr. G. L. Mehta, Former Ambassador and the Union Vice-President was neutralised by our chief delegate at U.N.

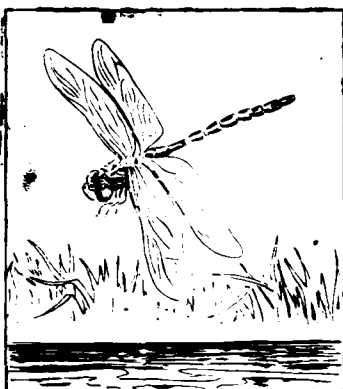
Mr. Shroff rejected the idea that capitalism was in decay in America and he quoted figures to substantiate his point of view. He came to the conclusion that America was the greatest Welfare State in the free world. He also said that there was no fear of communism in America but on the contrary there was firm determination among Americans to meet the communist challenge. This, according to Mr. Shroff was mainly due to the firm policy followed by the late Dulles who followed a policy of not yielding to the communist threats. Isolationism was practically dead in America he asserted. He described in detail the growth possibilities in America. According to Mr. Shroff, Consumer Credit had reached the fantastic figure of 45 billion dollars. Out of every four cars bought, three were bought on hire purchase basis. Only one per cent of the amount involved in these transactions had to be written off as bad debt showing thereby the integrity of the American citizens. He was of the opinion that the saving habit of American people would enable them to face any prolonged recession.

## DID YOU KNOW

By Scio



The largest telescope ever made is the Hale reflector on Palomar Mountain in California. Its main mirror is 200 inches wide and weighs 14½ tons. This huge instrument can make the moon look just eight miles away.



Dragonflies have been known to eat more than twice their own weight in horseflies in two hours. Contrary to popular belief, dragonflies are harmless to human beings.



The largest consumers of the cereal products in the world are the people of Southern Rhodesia. Colombians are the greatest sugar eaters. Icelanders consume the most milk and Uruguayans the most meat.



# Congress, "A Selfish and Greedy Party"

## Socialist Programme is Denounced by "C. R."

Continued enjoyment of power had corrupted the Congress, said Mr. C. Rajagopalachari, leader of the newly formed Swatantra Party, Bombay, on Sunday.

In a vehement denunciation of the socialist programme of the Congress, the veteran leader said that the ruling party has now become a "rank" selfish, careerist and greedy organisation."

A former associate of Mr. Nehru at the highest level in the Congress organisation, Mr. Rajagopalachari was addressing a public gathering in the city for the first time in his new role as the leader of the Swatantra Party, which aims at dislodging the Congress from power.

The meeting held at the Kanada High School Hall at Wadala, was also addressed by Prof. N. G. Ranga, Chairman of the Swatantra Party.

Mr. M. R. Masani, Chairman of the Organising Committee of Swatantra Party in Bombay, presided.

The hall, which could accommodate only about 2,000 was fully packed an hour before the meeting started. Several hundreds stood outside in pouring rain to listen to Mr. Rajagopalachari.

Mr. Rajagopalachari told the gathering that he was aware that his party's programme was directed against a "darling organisation under a darling leadership." The new party had come into existence by the efforts of a few persons, through their persistent expression of opinion, without fear and without consideration of what they might lose or gain.

Referring to the remark made earlier by Prof. Ranga that in Mr. Rajagopalachari he had found an avatar who could save the country from totalitarianism, he said that he had intended to speak on religion. But he would certainly say that religion was the basis of life, even of political life, and that religion should be the basis of national welfare. That was the difference between the Congress and the Swatantra Party.

Mr. Rajagopalachari said that some people might think that "we should somehow or other convert Mr. Nehru to our point of view, rather than start a new party." That would be a vain effort, he said. "They have committed themselves too far and they cannot change," he said.

He stated that it was not the differences over the policies of the Congress alone that had necessitated the formation of a new party. The Congress had become corrupt. It had failed to take in fresh blood. The character of a party depended on its rank and file. And the rank and file of the Congress had become selfish and greedy.

Mr. Rajagopalachari said that people must also have heard of the criticism from Congress quarters that the Swatantra Party represented vested interests. That was the slogan raised by the Congress when the Swatantra Party was about to be formed. Looking into the history of the Congress one would find that it was that party which had helped vested interests, he said.

He declared that his party stood for social justice, whether it was for the small man or the big man.

Mr. Rajagopalachari stated that Mr. Nehru thought that wherever he went large crowds greeted him. He should understand "why crowds meet him." They meet him because "our crowds are an affectionate lot." But Mr. Nehru seemed to imagine that they "affirmed all that he had done." While they did not approve all that he had done, the Congress had, in fact, succeeded only in "spreading uncertainty about the future of our country." Everybody, whether in big business or small business, whether owner of a few acres of dry land or a big landlord, was uncertain about the future. What the Congress had done so far had only "dried up inspiration" and killed individual enterprise.

Turning to the industrial policy of the Government, Mr. Rajagopalachari said that it had taken away all the incentives for expansion. He blamed the existing tax system for it. The present heavy taxation led to tax evasion. People with wealth tried to conceal it and what was concealed could not grow. "Rich people are living like thieves, who have stolen something," he said.

He accused the Congress of nursing "class hatred." But class hatred was not half as venomous as that developing between the rich and the poor.

Mr. Rajagopalachari stated that it would be the endeavour of his party to dispel the illusions that had been created by the Congress.

Prof. Ranga, who was the first to address the gathering, said, that if India was to be saved from Communists totalitarianism, it could only be under the leadership of Mr. Rajagopalachari.

He stated that the Congress had been trying to compete with the Communists not in doing anything constructive, consistent with India's own culture, traditions or social environment, but having in view what was being done in other Communist countries.

The so-called socialist policy now followed by the Congress would reduce the peasantry, now enjoying economic independence, into landless people, and wage-earners into helpless workers. That was not socialism, at any rate not the socialism of the Gandhian type.

—*The Times of India*

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**THE INDIAN LIBERTARIAN,  
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# **NEWS DIGEST**

## **11,000 KERALITES ARRESTED BY RED GOVT.**

### **March of Red Hooliganism AGITATION GATHERS STRENGTH**

More than 2,000 persons were arrested on Thursday in Kerala State for picketing Transport Buses, public offices and schools. More than the atrocities by police the picketers experienced at Trichur the heinous goondaism of communist comrades, it is reported. The goondas were seen to be armed with daggers and other weapons. One of the daggers that fell from one of the fleeting goondas is in the possession of student picketers, it is stated. Several of the goondas have taken shelter in the hospital, it is added.

From Tellicherry comes the report that the 47 persons arrested at Manantoddy were taken to a lock-up 51 miles away in a lorry which could accommodate only 20. Of these 5 were girls and six policemen also squeezed into the lorry. They were not given a single drop of water or anything to eat till late in the night, and the girls swooned and vomitted.

Cruelty of an unprecedented nature are reported from various other centres.

The P.S.P. has announced a mass picketing of all public offices at Trivandrum from Monday, 29th instant. Their decision is to picket and agitate till their goal is reached.

The total arrested till yesterday exceeds 11,300.

—'THE MALABAR HERALD'

## **RED CHARGE-SHEETS AGAINST PUNJAB, ANDHRA**

COMMUNISTS are preparing charge-sheets against the Governments of Punjab and Andhra Pradesh. The Chief Ministers of Punjab and Andhra Pradesh have been warned about it by the Congress authorities in Delhi.

—Blitz.

## **SMUGGLERS' PARADISE**

RAJKOT: Smugglers are very active again on the Saurashtra coast and gold from the Perian Gulf and Kuwait flows in, regularly, via Karachi, in motor launches.

The smgging is not confined only to the yellow metal, but other luxury goods to enter Saurashtra illegally as if the whole sea coast were a free port.

The main points where these illegal landings of the smuggled cargo are effected are the Salya creek in Halrar District and the Mahuwa creek in the Gohilwad District. Some black sheep in the Customs department are allegedly turning a blind eye to these activities.

Excise and Customs personnel, who are keeping a watch on the smuggling operations, are said to be concentrating on a particular gang in Salaya and thus other operators have almost a blank check.

A surprise raid on village Khatpur on the Mahuwa creek resulted in the confiscation of gold worth Rs. 50,000 and arrest of a dozen people.

Country craft coming from Calicut are also said to

bring gold which the Arab dhows bring there and at the dead of night transfer to Saurashtra—going country craft in mid-stream.

—Blitz.

## **CONFIRMED NEPOTISM**

HYDERABAD: Four senior officials of Andhra Road Transport Department have been confirmed in service after five years, thanks to their junior colleague who happens to be the son-in-law of the Congress General Secretary, Mr. A. S. Raju.

Normally such confirmations take about a year or two, but all their requests went unheeded all these years.

Now Mr. Raju was wangling a cushy job for his son-in-law in the Inter-State Transport Commission at New Delhi. But the snag was that he had not been confirmed as Assistant Secretary in the State Transport Department.

When his confirmation was sanctioned, the State Secretariat could not overlook the other colleagues of Mr. Raju's son-in-law. So orders were issued confirming them as Assistant Secretaries together with favourite Rajagopala Raju.

Unconfirmed officials in the other departments of the Andhra Government now ardently hope that their departments too will be blessed with relations of ministers and bosses of the ruling party, so that they also can, because of them, get the benefit of service rules, which are otherwise ignored.

Mr. Rajagopal Raju has now luckily landed for himself a cushy job in Delhi.

—'Blitz'

## **ENGLISH WILL GO ON AS MEDIUM OF INSTRUCTION**

Shri Thakorebhai Desai, President of the Bombay State Congress Committee, said in Bombay on Thursday that he was convinced that English might remain the medium of instruction in the country.

He said that English had a definite place in our educational system but its exact place in the curricula needed to be determined by the teachers and educationists.

Shri Desai was delivering the inaugural address of the Teachers' Training Academy at the Bharda New High School. He commended the efforts of the small band of workers who had got together to form the Academy.

Shri J. H. Trivedi, Director of the Academy, welcomed Shri Desai and Prof. A. J. Trivedi, secretary of the Academy, proposed a vote of thanks.

—Free Press Journal

## **EX-GOVERNOR OF RESERVE BANK WEL- COMES THE SWATANTRA PARTY**

Mr. B. Rama Rau addressing a meeting of the Bombay Rotary Club said that the newly-formed Swatantra Party could play an important role in our political system if it was properly led and organised. There had been widespread dissatisfaction with the Congress policies and achievement during recent years. Honest businessmen who have to depend on the Government for licences and concessions in a rigidly controlled economy have become very nervous and would not ex-

press their views in public lest they lose their licences. This Mr. Rama Rau said are unhealthy symptoms in a democratic system and are more characteristic of a totalitarian regime.

He added that the Democracies of Europe and America have demonstrated that without a revolution and without the destruction of fundamental freedoms both of which are inevitable in the Communist system, it was not possible to establish a prosperous welfare State.

Depreciating the tendency of some top-Congress leaders to condemn the profit motive in the private sector, he said that there was nothing ethically wrong with the profit-motive. On the other hand there was something worse than the craving for profits and that was craving for power. Profits could be taxed heavily but the abuse of power by those in authority was difficult to curb. It was therefore necessary that the politician should give up his superior attitude to businessmen and seek their cooperation in the formation of policies and programmes to implement them, he concluded.

### AMBASSADOR BUNKER HONOURED

Yale University, named for Elihu Yale, Governor of Madras in the early eighteenth century, has honored one of its distinguished graduates, Ambassador Ellsworth Bunker, with an honorary degree of Doctor of Laws.

The Ambassador, now on leave in the United States, was one of 12 recipients of honorary degrees from Yale last week. . . . The citation accompanying the degree said that the LL.D. was awarded to him for his having "combined intelligence, thorough knowledge and integrity of character with humor, unassuming modesty and personal charm."

Before coming to India early in 1957 Ambassador Bunker was president of the American Red Cross, Ambassador to Italy and Argentina and, for more than 30 years, a businessman and industrialist.

Mr. Dillon cautioned the alumni group, "*If these countries find that they cannot achieve progress in freedom, they will surely be tempted to try an alternative route to their goal. . . . And, today, international communism loudly proclaims just such an alternative route.*"

Mr. Dillon said he was sure that "Americans can rise to the challenge. . . . We cannot simply pass along the assignment to our successors. . . . *It will not wait.*"

### NEW \$20-MILLION LOAN TO AID INDIA'S SECOND 5 YEAR PLAN

WASHINGTON: A new U.S. loan to India for the purchase of steel products will help India's programme to expand and modernize her industrial plants.

This was noted on June 18 in an announcement of a \$20-million new loan to India by the U.S. Development Loan Fund (DLF).

A previous loan for the same purpose was signed last December.

### CONTINUING ASSISTANCE

The new loan is part of the continuing U.S. aid in

keeping with India's Second Five Year Development Plan.

Text of the DLF announcement follows :

"The United States Development Loan Fund today announced basic approval and commitment of funds for a \$20-million loan to the Government of India to purchase heavy and light structural steel and other steel products.

"The steel will be used to expand and modernize existing industrial plants and to establish new ones, in the private sector, under India's Second Five Year Development Plan.

### PRODUCTION VERSUS LEISURE

The driver for a shorter workweek (less work and less production) is gaining momentum. Simultaneously, complaints about inadequate "purchasing power" or real income are rising. How can we have more if we work less?

The people of Switzerland seem to have a little more sense on questions like this than we do. On October 26, 1958, in a popular referendum on a shorter workweek, the Swiss male voters by nearly two to one rejected a constitutional amendment which would have provided for a reduction in the workweek.

This was the proposition: "The normal working time shall not be more than 44 hours a week."

The Swiss voters decided against such a limitation. Had women been allowed to vote, it's a fair guess that the result would have been even more overwhelmingly against a shorter workweek!

This vote does not mean that the Swiss people wouldn't like to see a shorter workweek; rather, that they apparently do not believe this is a matter for legislation or constitutional control. As one observer put it, "Those voting against the amendment to shorten the workweek think it would be more appropriate to achieve that goal by a gradual process of give and take, negotiation or collective bargaining to take care of individual situations as they arise."

If we are deadly serious about the importance of more growth and more real *per capita* income, a shortened workweek does not make much sense. Furthermore, most students of unemployment would say that we should never use a temporary labor surplus to graft upon the economy a permanent workweek reduction. The unemployment problem should be met in other readily available ways unless we are prepared to take more "economic growth" in the form of more leisure.

### INTELLECTUALS FLEE EAST GERMANY

According to West German official statistics, a total of 119,300 persons fled from the German Democratic Republic to West Germany during the year 1958. The proportion of young people under twenty-five among them is surprisingly high (nearly fifty per cent) and seems to be increasing. These are exactly the people on whom the communist regime relies for support.

Another interesting aspect of the statistics is the high number of intellectuals leaving East Germany. During 1958 over 3,000 teachers, 1,200 doctors, 2099 engineers and 400 professors of East German universities and other institutions of higher learning sought freedom, a higher living standard and better working conditions in West Germany.

## DULLESALEE

A tree-shaded avenue in West Berlin got a new name last week. Zeltenalee, cutting through the famous Tiergarten between the bomb-battered Reichstag and the Red Army's war memorial, was renamed DULLESALEE, in honour of the late U.S. Secretary of State.

Dullesalee joins the list of other well-known streets in Europe, named after famous Americans. Among them: Geneva's Quai Woodrow Wilson, Rome's Viale George Washington, Athens's Odos Roosevelt, Paris's Avenue Franklin D. Roosevelt.

### PAK SABOTEURS IN KEY INDUSTRIES

The Government of India is posting its own Intelligence staff at the key industrial establishments in the Public Sector. There are reports that Pakistan has hired some people to sabotage industrial development of the country.

—'Blitz'

## Book Reviews

### THE ROOTS OF CAPITALISM

By John Chamberlain

In his foreword to John Chamberlain's *The Roots of Capitalism* (Van Nostrand, \$5.00), Claude Robinson has observed with fine understatement, "Books that expound the desirability of Government organization of the economy appear to be in full supply." One thinks immediately of a great variety of works by such learned, urbane and utterly wrong-headed authors as Stuart Chase, Barbara Ward and John Kenneth Galbraith. The great bull marked in left-wing economics apparently goes on and on. These days, one is tempted to add, a profit is without honor in its own country.

A few astute critics of ideas, however, refuse to concede that statism, the "mixed economy" or creeping socialism necessarily represents the wave of the future. One of the most eloquent of these is John Chamberlain, whose new book makes a vastly persuasive case for the theory and practice of private enterprise. Down through the ages, he shows, political liberty and freedom to "truck and barter" traditionally have repaired the same philosophic standard. Both have made common cause against the tyranny of government whether in the guise of the divine right of kings or the so-called welfare state. At the same time, capitalism has yielded mankind what even its critics concede to be an affluent society.

On the first count, as the author demonstrates impressively, human rights and property rights in the Western world have been linked inseparably since the early thirteenth century. The barons who wrested the Magna Carta from bad King John at Runnymede may have been concerned primarily with securing their status as nobles. At one stroke, however, they also succeeded in winning—and codifying—a number of fundamental rights for the lower orders. Thus, says Mr. Chamberlain, "Under Magna Carta, no free man could be de-

prived of his freehold except by the 'law of the land.' All merchants were guaranteed safe and secure entry to or exit from England, with the right to tarry there and to buy and sell 'quit from all evil tolls.' Sheriffs and bailiffs were forbidden to take the carts or horses of free men, or wood which was not theirs, or 'corn or other provisions...without immediately tendering money therefor.'" In short, five hundred years before the U.S. Constitution and the Bill of Rights, men recognized the indissolubility of life, liberty and property.

In such hospitable, political and philosophic soil, free enterprise has flourished ever since. Though the fact seems to have escaped most observers (with the honorable exceptions of General Francis Amasa Walker in the nineteenth century, and Ludwig Von Mises in the twentieth), its particular genius has been technological advance. In a competitive market the goal of every entrepreneur, as the great and sadly neglected General Walker was among the first to perceive, is to increase profits not by raising prices but by cutting costs and expanding markets. Moreover, to the dismay of those who view the economic system as some kind of static model, the entrepreneur constantly is seeking to turn equilibrium into dynamic change in order to profit thereby. General Walker died in the age of the horse-and-buggy. However, as Mr. Chamberlain observes, he "cleared the theoretical ground for Henry Ford in particular and for the American system in general."

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By dint of what Mr. Chamberlain neatly calls "contrived fecundity"—a combination of scientific management, technical know-how and entrepreneurial daring—the U.S. has moved from one production miracle to another. Assembly-line output of Model Ts was just the beginning. Under the aegis of Henry Ford II, aptly enough, the moving belt was destined to yield to the completely automated line; as developed by such ingenious concerns as the Cross Company of Detroit, a fantastic series of machine tools, "as long as a football field," converts a cylinder block from the raw metal to "its finished state as a polished and purposeful thing—all without the intervention of a human hand." Though the author does not mention them, equally marvelous triumphs of the same kind have occurred outside the auto-industry, notably in such electronic devices as tiny transistors (which replace vacuum tubes for many purposes) and giant brains.

Despite all the prating about imperfect competition and administered prices, as Mr. Chamberlain demonstrates, the blessings of contrived fecundity, to wage earner and consumer alike, have been enormous. To woo its customers, "big industry has put on a dazzling show of price reduction over the years," in such products as aluminium, rubber tires, gasoline, cellophane, nylon and the whole spectrum of antibiotics. Just the other day, under heavy competitive pressure, the domestic can manufacturing industry, an oligopoly if ever there was one, was compelled to cut its prices. In short, if inflation continues to threaten the U.S. today, the claim cannot be laid to Detroit or Pittsburgh. Left to its own devices, industry, as history shows, continually would be lowering not raising prices.

As all the foregoing suggests, this is a book which takes a sweeping view of ideas of men. In the limited span of 200-odd pages, Mr. Chamberlain also offers the reader a brief but enlightening guided tour of the high-lights of economic thought, ranging from Adam Smith to the late Lord Keynes; a penetrating critique of the critics of private enterprise, from that eminently successful mill owner and muddled reformer, Robert Owen, to New Dealers such as Gardiner Means; as well as trenchant commentary on the role of labor unions in the free society. In covering so much ground, the author necessarily makes broad statements to which some might take exemption; others, as he says, may consider the book "an indefensible mixture of technology and theory." However, for this unique approach to the subject, which is that of a skilful journalist rather than a professional economist, as well as for capitalism itself, Mr. Chamberlain makes no apology. Whatever their defects, both, he rightly feels, can stand on their merits.

As to the future, Mr. Chamberlain is optimistic—perhaps overly so. He is as well aware as anyone that capitalism in the U.S. is under assault, and that effective defenders of the faith are few and far between. Nonetheless, he discerns a new and hopeful groundswell toward conservatism abroad, especially in Great Britain and Germany. The Old World, he seems to think, yet may redress the balance of the New. The welfare state eventually may yield to what he calls the welfare society, in which such matters as social security, slum

clearance and unemployment would be left to private rather than public initiative. That happy event may be a long time coming. However, by writing *The Roots of Capitalism*, John Chamberlain undoubtedly has helped to speed the day.

—'National Review'

**R. S. S. From The Inside**, by K. Nagaraj; Published by The Libertarian Social Institute, Bombay, 22 Pages. Price As. 4|.

As the title itself indicates, this pamphlet gives an insight into the working of the Rashtreeya Swayamsewaka Sangh by one who was connected with that organization for eight years (a sufficiently long period to become a part of the organization or to be disillusioned)! The organization, according to the author is based on the motto "Hinduise all politics and militarize Hindudom." Physical culture and sport play constitute some of the important means and methods of the organizational tactics of the R.S.S.—Mass drill, games like Kokko, Kabbad, dummy sword fights and dagger fights, far from developing sportsmanlike qualities contributes to the collective spirit. And as Mr. Nagaraj puts it, such games as "Delhi Kiska hai?" "Shivaji and Afzal Khan" etc. lead towards fascism. Indeed as the author says, "nobody can question the patriotism of these heroes, but is it right to consider Indian history as only the struggle between nationalist politics and foreign invaders?" But what is really disturbing is the similarity between the R.S.S. and Communist tactics—the methods are the same, though the aims may be different. Whether it is the R.S.S. or the Communist Party, individual rights are completely submerged. In this peroration, he makes a ringing plea that it is necessary to check "this growing evil of totalitarian and fascist ideologies and to defend the freedom of every Indian to live not as a machine but as a free man in a free society. As I have written on a previous occasion, we should see that India does not degenerate into a state of socio-religious collectivity based on linguistic monism, authoritarian politics and collectivistic economics.

A. Ranganathan

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## THE SWATANTRA PARTY

### A STATEMENT OF PRINCIPLES

1. We are of opinion that social justice and welfare can be reached more certainly and properly in other ways than through the techniques of so-called socialism.

2. We hold that social justice and welfare should not be sought to be brought about by violence or State compulsion with all their necessary accompaniments of injustice, expropriation, and repudiation of obligations but must be brought into being by the spread of the doctrine of trusteeship adumbrated by Gandhiji.

3. We stand for every effort being made to preserve what is good in our culture and to replace by spiritual values the materialistic philosophy of life that has resulted from the efforts merely to raise what is called the standard of life.

4. We believe that all the educational activities of the Government, direct and indirect, should be such as to emphasize the moral obligation of those who possess wealth to hold it in trust for society, and a doctrine of life based on that moral obligation as distinguished from seeking to establish a socialistic structure based on legislative sanctions, involving expropriation and loss of incentive for the individual to work, and increasing dependence on the State and its officials in every walk of life.

5. We are opposed to all those policies and forecasts of future Governmental action which have created an all-pervading and deep sense of uncertainty, drying up all interest in land and factory alike.

6. In agriculture, we recognise the paramount need for increasing food production, but believe that it is best attained through the continuance of the self-employed peasant-proprietor who stands for initiative and freedom and is interested in obtaining the highest yields from the land.

7. We believe in an intensive programme of agricultural improvement without disturbing the harmony of rural life amongst the elements that compose it, but by promoting the material and psychological inducements for more production.

8. We should in special seek to introduce a more intensive programme than is now being followed in respect of the supply of material, implements and credit to the farmer without in any way interfering with the cultivator's rights of ownership, management and cultivation of the land.

9. We believe in the need for every kind of servicing for agriculture, but are opposed to cultivation through organisations which are a loose kind of multiple ownership, certain to sap the incentive of the farmer, reduce farm output, and end in a collective economy and bureaucratic management.

10. We believe that the level of life of the farmer can and should be raised by taking steps to maintain a reasonable and fair price for his produce.

11. In industry, we believe in the encouragement of the incentives for higher production and expansion

which are promoted by competitive enterprise, with adequate safeguards against excessive and unreasonable prices, profits and dividends where the competition itself does not secure these ends.

12. We stand for the restriction of State enterprise to heavy industries to supplement private enterprise in that field, such national services as railways, and the starting of pioneer industries where private initiative is difficult.

13. We believe that taxation should be kept at such levels that it does not interfere with reasonable living standards for the people, both rural and urban, and which, while being necessary and sufficient for the carrying on of administration, nation-building and social services, is yet not so high and exacting or ubiquitous as to prevent capital-formation and investment by individuals.

14. We are opposed to urgent and lopsided development based on heavy taxation, deficit financing and foreign loans out of all proportion to economic repayment capacity.

15. We are opposed to policies which lead to excessive and immediate inflation.

16. We hold that the guarantees specified in the original Constitution in respect of freedom of property, trade, employment, and just compensation for any property acquired for public purposes should be restored.

17. We are against the expansion of bureaucratic services which involves the bringing into being of "Statism" with a hierarchy of officials made to do work which is best done privately and independently and an unproductive waste of national resources.

18. We believe that the State will best serve its citizens by giving facilities for a proper decentralized distribution of industry and limiting its regulatory function to the prevention and punishment of unsocial activities whenever called for.

19. We are of opinion that a broadbased Opposition Party should be formed on the above principles to safeguard our democracy and that a Convention be called for taking steps for that purpose.

**JUST OUT!**

**ENGLISH**

or

**LINGUISTIC CHAOS**

(Our Language Problem in Perspective)

By

**A. RANGANATHAN**

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## THE CRIMES OF CHINA

Writing in "Current" dated July 1st, Mr. H. V. Kamath voices his dismay over India's supine foreign policy especially in relation to China. He sees no reason why India should champion the cause of Chinese admission to U.N.O. particularly after having tasted China's villification of India following the grant of asylum to the Dalai Lama in India. No sane person could ever plead the cause of China after her perfidy in Tibet. Mr. Kamath makes the following charge-sheet against Communist China which we fully endorse:—

1. China has violated the Sino-Tibetan Agreement of 1951.

2. China has violated the Sino-Indian Agreement of 1954.

3. China has made mockery of the noble precepts of Panchshila to which her Prime Minister solemnly swore allegiance five years ago.

4. China has, heedless of India's protests and friendly advice, committed military aggression in Tibet, annexed it, and is busy with colonizing it.

5. China has committed cartographic aggression against India, and refused to rectify the map.

6. China has harshly treated Indian traders in Yatung and Gyantse while Chinese traders in Kalimpong, Calcutta and other parts of India are having a roaring time.

7. China put the Indian Consul-General in Lhasa and Trade Agent in Gyantse under virtual house-arrest for weeks during the Tibetan national revolt, while Chinese Consul General in Calcutta and Trade Agent in Kalimpong were moving up and down, directing their Intelligence and other operations in Sikkim, Bhutan and N.E.F.A.

8. China despite Nehru's emphatic denial, reiterated, with sheer cussedness, that Kalimpong was the "Command Centre" of the Tibetan revolt.

9. China refused to let Nehru visit Tibet last year, breaking the promise that Chou-En-Lai had made to him in 1956.

10. China has occupied Indian territory in Almora district of Uttar Pradesh.

11. China arrested some officers of the Indian Army in Ladakh sometime ago alleging that they had trespassed into Chinese territory whereas they were on Indian soil at the time of arrest.

12. Chinese troops are regularly patrolling the Indian border along Sikkim, Bhutan and N.E.F.A. Against which enemy?

13. China is sending spies and agents provocateur in the guise of Tibetan refugees into India.

14. China has refused Indian air-link with Lhasa whereas Chinese planes fly all over India.

15. China has built or is building airstrips in Western Tibet near the Indian border, not far from Spiti, also near the Almora district border, as well as on the Nepal and N.E.F.A. border.

16. China is stepping up insidious propaganda

among the border-people that they belong to the Chinese Family and that all their affinities are with China and NOT India.

## HUMOUR

A bedridden man asked a doctor "What are the chances of my recovering? The doctor replied: "One hundred per cent." Medical records show that nine out of every ten die of the disease you have. Yours is the tenth case I have treated. Others all died, and so you are bound to get well. Statistics are statistics."

The three degrees in medical treatment.—Positive-ill. Comparative-pill. Superlative-bill.

An Editor's job:—

Getting out a paper is no picnic.

If we print jokes people say we are silly.

If we don't they say we are too serious.

If we clip things from other magazines,

We are too lazy to write them ourselves.

If we don't we are stuck on our own stuff.

If we don't print every word of all contributions, we don't appreciate genius.

If we do print them the columns are filled with junk.

If we make a change in anybody's write-up we are too critical.

If we don't, we are blamed for poor editing.

Groucho told a contestant from a travel agency: "I met my wife in a travel bureau. She was looking for a vacation and I was the last resort."

"Johnny, name three things that didn't exist fifty years ago," asked the teacher.

Johnny: "Yes, teacher, the jet plane, the H-bomb and...."

Teacher: "Hurry up, or I won't give you any marks."

Johnny: "And-er-me, teacher."

The following books have been added to the R. L. Foundation Library, Arya Bhuvan, Sandhurst Road, Bombay 4.

*Outline of Economic Theory*: by Gadgil, G. G.

*Elementary Practical Mathematics*: by Castle, Frank.

*Modern Economic History of India and Economic Problems since Independence*: by Srinivasaraghavan, T.

*Modern Economic History of England, United States and Soviet Russia*: by Srinivasaraghavan, T.

*Modern Economic History of England and India, Part II*: by Srinivasaraghavan, T.

*Social Science and Social Pathology*: by Wootton, Barbara.

*Forty years of Foreign Trade*: by Yates, P. Lamartine.

*Short History of Civilization*: by Lucas, Henry S.



*Doctor Zhivago*: by Pasternak, Boris.  
*Notes in Costing*: by Joseph, D.  
*You and Heredity*: by Scheinfeld, Amram.  
*Theoretical Anthropology*: by Bidney, David.  
*Anthropology*: by Koreler.  
*Brothers Karamazov*: by Dostoyevsky, Fyodor.  
*Economics of Real Property*: by Turvey, Ralph.  
*Cricket at the Crossroads*: by Johnson, Ian.  
*Prosperity through competition*: by Erhard, Ludwig.  
*International economics*: by Harrod, R. F.  
*Poverty and Capital Development in India*: by Rangnekar, D. K.  
*Principles of Political Science*: by Kapur, Anup Chand.  
*Fiscal Policy and Economic Development in India*: by Tripathy, Ram Niranjana.  
*Progress through Democracy*: by India, Government.  
*Cost Accounts*: by Bigg, Walter W.  
*Economic Backwardness and Economic growth*: by Leibenstein, Harvey.  
*Economic Development*: by Kindlebeger Charles P.

## FROM MANY VOICES

"Nehru is a pre-Marxist. He is at least 50 years behind the times."

—Mr. M. R. Masani

\* \* \* \*

"Mr. Krishna Menon is more a Foreign Minister of China and the Champion of Communism than the Defence Minister of India."

—Mr. P. Vishambaran of Praja Socialist Party.

\* \* \* \*

"Co-operative Farming will only mean a field for officialdom and will kill initiative."

—Mr. V. K. Rameswami Mudaliar, M.L.A., Madras.

\* \* \* \*

"There are and there must be gross inequalities under Communism which is the culmination of all Socialist Theories."

—Mr. Milovan Djilas.

I fear nobody. I am not religious and I do not fear even god.

—Prime Minister Nehru, *Indian Express*, June 2.

\* \* \* \*

I wish Mr. Nehru could convince us that he also does not fear Mao Tse-tung and Chou En-lai.

—"Dim," *Current*, June 10.

Mr. Nehru is at least fifty years out of date. His economic policies today are policies adopted by Stalin years ago, but now discarded by his own successors.

—M. R. Masani, M.P., *Times of India*, June 10.

\* \* \* \*

Mr. Nehru has tried to create in this country a One Man Democracy.

—D. F. Karaka, *Current*, June 10.

\* \* \* \*

We say with all responsibility that in fighting Kerala

Mr. Nehru is fighting himself.

—*Blitz*, June 20.

\* \* \* \*

Panchasheela is too short a spoon to sup with the devil.

—*Indian Express*, June 4.

\* \* \* \*

The extreme fighters in our country are the Communist Party, while the extreme Leftists are Acharya Vinoba Bhave and Jayaprakash Narayan.

—M. R. Masani, M.P., *Times of India*, June 4.

\* \* \* \*

We agree with Mr. Nehru that the Indian Communists have committed blunders galore, yet we urge him to use his patriarchal influence to rehabilitate them rather than throw them to the dogs of communalism and reaction in Kerala.

—*Blitz*, June 20.

## FUNDAMENTAL TRUTHS

When will we know these fundamental truths?:

That all wealth comes from production.

That we cannot distribute more than we produce.

That production comes from applying human energy to natural resources with the aid of tools and that anything that discourages the invention of, or investment in tools, injures the welfare and security of the worker.

That employment comes from customers—not from corporations.

That there is no such thing as job security without customer security.

That the unending fight for higher wages is not a fight between capital and labour, but between labour and labour, because the workers who are earning the wages they get must, as customers, pay (in the form of higher prices) the unearned wages of the others.

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