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EDITORIAL

NEHRU-CHOU ENLAI TALKS AT NEW DELHI

The much suspected Nehru-Chou Enlai talks in mid-month have had the results feared by critics of Government policy. Nehru had suddenly reversed the earlier policy of not having negotiations until the Chinese forces withdrew from Indian soil in Ladakh and Longju. But after Mr. Khrushchev's visit, he invited Chou Enlai for talks in Delhi. He distinguished between talks and negotiations and his trusted assistant Mr. Krishna Menon had already disturbed the country by his statement in Chandigarh that India would not surrender an inch even of administered territory. The Delhi public endorsed in large numbers the demonstrations arranged by Jana Sangh to ask Nehru to stand firm and not to surrender any part of territory for cessation of trouble as a temptation.

The public meeting held on the 17th was attended by all parties. Leaders from the PSP and other parties also spoke to the same effect. The new Swatantra Party was also represented on the platform, though in Bangalore and Madras the party

did not participate in protest meetings, following the direct lead of Mr. C. Rajagopalachari.

The results of the four day discussion, whether they are to be called talks or negotiations, were that the Chinese stuck to their position that they had not crossed the line into genuinely and legitimately Indian soil anywhere, neither in Ladakh nor in Longju! In Ladakh they said that they only built roads in areas in their possession for over two hundred years, partly in Sinkiang and partly in Tibetan Ladakh! With regard to NEFA in the east, they expressed their inability to recognise the so-called McMahon Line, which they said was fixed by imperialist pressure by the British on a weak Tibet when China was not in a position to assert herself at the time (1913-14).

But Chou Enlai held out the bargaining bait that in spite of their non-recognition of the British imperialist Line, they would not cross the line but would maintain the present actual line or status quo, in return for India's acceptance of Chinese occupation of Ladakh.

It appears that in the last eighteen months, they have built a new road creating a pocket in

Northern Ladakh enclosing the Aksaichin—Sinking road and contacting middle Ladakh two hundred miles to the south near Chang Mo where Indian policemen were fired on and a number killed. This bargain was refused and an agreement was arrived at to get details examined by officials of both countries meeting in June-September in Peking. Meanwhile clashes of patrols should be avoided by both sides.

This means that we give a guarantee that we shall not challenge the Chinese aggressors in military language. Our only action will be verbal—asking them to withdraw!

Meanwhile we give a further guarantee that we shall not abandon the policy of nonalignment with the blocs even to take assistance to throw the aggressor out! The Chinese have thus a comfortable guarantee that they need not take military precautions. But they are realists. They are afraid of Western assistance if not military intervention. So we hear of additions to the strength of Chinese military pickets and increased troop movements and concentrations all along India's border from Ladakh to NEFA.

NEPAL AND CHINA

Chou Enlai and his party left for Nepal after their Delhi talks. The Prime Minister Mr. B. P. Koirala stood firm with regard to the astonishing Chinese claim for the Everest. Chou Enlai refrained for the time being from pushing his claim to a conclusion.

Mr. Koirala also refused to sign a treaty of non-aggression on the ground that the old treaty of

peace and friendship and the declaration of Panchsheel sufficed to articulate the cordial relations between Nepal and China and barred all acts of aggression from either side effectively.

In Khatmandu, Chou Enlai gave expression to irritation with Nehru's characterisation of Chinese incursion as aggression in the Lok Sabha. He said with some heat that it was an unfriendly act!

This means that we should not rouse public opinion in India and in the world at large against Chinese aggression. We should acquiesce in it and take it coolly as part of panchsheel! And we are playing the game according to Chou's requirements! This kind of policy with no sanctions has been characteristic of the Gandhi-Nehru Line from before independence. It gave carte blanche to the Muslim League and precipitated partition. It now gives carte blanche to the Chinese and gives them a comfortable guarantee of non-resistance in terms of military action and even assures them that we shall not seek the assistance of the West to thwart their aggressive designs. Thus Chou has been given the Line Clear to go ahead without fear of any untoward consequences.

This is a suicidal diplomacy unheard of in the history of the world and gains the palm for originality and indifference to national interests even in a life and death matter like defence!

THE SPLIT-UP OF BOMBAY INTO MAHARASHTRA AND GUJERAT STATES

The formation of the two States of Maharashtra and Gujerat out of the old State of Bombay took place on the 1st of May. The bulk of Maharashtrans and Gujeratis were overjoyed. The States were heralded by impressive traditional ceremonies with recitations from scriptures—including those of the minorities like the Koran, the Zendavesta and so on. The claim that India is a secular State was forgotten and religious invocations were made in all churches, temples, mosques and other sacred places of worship or prayer. It is vain to try to suppress this passion for ceremonial in Indians. If suppressed in religion, it will show itself in administration. Not a day passes without Ministers taking part in opening ceremonies of factories, irrigation canals, roads, bridges, schools and so on.

The characteristic tolerance of India came out in including Muslim, Christian and Zoroastrian recitations and shawls were distributed to priests of all persuasions. It is doubtful whether a similar honour would be vouchsafed to representatives of non-Christian faiths in Christian and Muslim lands.

Leaders spoke of the need to bear ALL-India loyalty in mind in developing their linguistic or regional States. This is a real danger. These States along with the others are large enough to become independent nation-states on a level with the major States of Europe. They have a historical

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and cultural tradition each its own. It is easy for them to slip into attitudes of intolerant independence. The Dravidas are already on the path of independence so far as claims and propaganda and intolerance are concerned. The Element of sovereignty left in them by the Constitution of 1950 now submerged under the Congress steam roller and the pressure of the Five Year Plans and Central Grants will one day assert itself. It is to be feared that fissiparous tendencies will increase unless administrative and constitutional measures are taken in time to strengthen the Centre and develop the integrating national psychology into dominance subordinating provincial feelings. Nowhere is this more important than in the matter of jobs in government and industrial establishments. There are innumerable complaints in every State that the local people are cold-shouldered in All-India establishments in preference to strangers from other provinces—those from which the appointing authorities hail!

We wish all good fortune to the new States and wisdom to statesmen in charge in all States and the Centre to safeguard the destiny of the country.

DR. SINGMAN RHEE QUILTS OFFICE

The recent presidential elections in South Korea touched off a series of violent protests and demonstrations against Dr. Rhee's regime. Grave malpractices were alleged in the conduct of the elections. Last time, the most serious competitor of Dr. Rhee died on the eve of the elections. This time too some competitors died mysteriously before the elections. The people did not accept the results of the polling that returned Dr. Rhee by an overwhelming majority as fair.

Dr. Rhee worked for the liberation of Korea from Japanese imperial control and continued incessant agitation of the USA for Korean freedom from the war of 1914. He was a student of Woodrow Wilson at Princeton and took a Doctorate in political science under him. As leaders of national liberation go, he is in line with Gandhi, Nehru, Sun Yat Sen, Garibaldi, and others of the kind.

He married an Australian lady who stood by him through thick and thin but it alienated him somewhat from his own people. He had no issue but adopted a son. This son Lt. Rhee killed his parents and a brother and shot himself in the end as part of a suicide pact, it is feared. The father of Lt. Rhee was the Vice-president accused by the people of rigging the elections. On the eve of the success of the popular agitation for trial of culprits and the resignation of Dr. Rhee, the family seems to have committed hara kiri rather than face legal trial.

The efforts of Dr. Rhee to quell the revolt against him through police firing failed. The military were called up but the demonstrations led largely by students did not cease. Over 125 were killed

and 600 wounded seriously. Dr. Rhee was forced to resign. He is 85 years old but very tenacious of power.

He was entitled to power as the principal liberator of his people but he committed the mistake of ruling by police terror. He flouted democracy in the name of containing communists. The bad means destroyed his end of good government and in the end he had to quit. There is a limit to the defiance of law and decency by dictators. His entire cabinet resigned—so great was the popular horror at his methods and he had to yield.

One thing can be said of him—no leader in the East is so profoundly aware of the real inwardness of communism and of the ruthless nature of the Japanese ruling class.

REVOLT OF CITIZENS IN TURKEY

The kind of revolt led by students in South Korea against the unfair and tyrannical ways of Dr. Rhee is being staged in Ankara and other Turkish cities by students against the suppression of freedom by Dr. Menderes. The police have failed to contain the trouble and troops have been called out. Some casualties are reported and the situation seems to be developing to graver issues. Dr. Menderes may have to go the way of Dr. Rhee.

The people everywhere are awake and students are no longer meek and humble as in former ages. Dictators have to behave decently on pain of bloody challenge to their autocracy. The democracy established by Kemal Ataturk in Turkey is still very much of an artificial product. It is a facade covering an ugly reality of tyranny and personal and party aggrandisement. Democracy seems so difficult in transplantation to Eastern countries. Even in the West in countries that inaugurated democracy like France, it is on trial and precarious.

In India, the tiny minority with sufficient knowledge of parliamentary institutions and sufficient will to maintain free institutions seems to be dwindling rapidly under the influence of the socialist pattern of society.

University thinkers like Dr. V. K. R. V. Rao are openly advocating that universities and schools should inculcate socialism. We are passing from education of the intelligence to indoctrination. States have annexed the manufacture of textbooks to their own sphere and this opens the door to many evils. Today the temptation is to enable party men to make money. Tomorrow it may develop into an official passion to indoctrinate the young into "State theories" and values favourable to authority.

C. R.'S TOUR IN THE NORTH

After the Patna Convention of the Swatantra Party on 19 and 20 March, Rajaji toured the

States of Uttar Pradesh, Bihar, the Punjab and Delhi. The response from the politically minded classes was greater by far than expected and hoped for. C. R. was convinced that the people were convinced of the necessity and urgency of changing the ruling party. He felt that the Congress was even more unpopular in the Punjab than generally in the South.

The introduction of the Land Ceilings Bill in the Madras legislature has elicited a demand from Mr. C. R. that the Bill should be postponed till after the coming general elections to obtain a popular mandate, as it is of such a sweeping and confiscatory nature. Also, meanwhile he wants the President to refer it to the Supreme Court for legal opinion whether its central objective of dispossessing a whole class of property owners is within the limits of the Constitution.

Even if the President takes no such action, it is clear that as soon as the Bill is passed, C. R. will arrange for its challenge in the High or Supreme Court. The Swatantra Party is going all out against land ceilings and the introduction of State Trading in Food Grains on a monopoly basis.

The reception of C. R. as Swatantra Party leader at Delhi was gratifying to members and others who have developed hopes of its becoming a real opposition party and acquiring a sizable membership in the legislatures and in parliament in the elections of 1962.

The sloppy, sentimental mouthing of socialist slogans by the Nehruites in Delhi and elsewhere received a sharp challenge from the clear, and incisive enunciations by C. R. of the anti-democratic tendencies of socialism as a doctrine and of the lust for power that Congress is displaying under its auspices. Some real debate between the socialist and individualist adherents has been started in journalist, official and writers' circles by the challenge of C.R., Masani and Ranga. The mere repetition of slogans will no longer do. This is a real achievement for the short period.

The Swatantra party is developing district centres in Kerala. It will not be long before it will have full all-India organisational coverage vis-a-vis the Congress party at the district level.

THE PRESIDENT'S ORDER REGARDING THE OFFICIAL LANGUAGE

At long last the President has issued his order about official language of the Union after 1965, the dead line mentioned in the Constitution. The recent fierce debate has rendered the decision a compromise. It provides for the continued use of English as an associate official language even after 1965 when formally Hindi will be accorded the status of official language of the Centre. There will be no handicap to any by the introduction of Hindi. Candidates for civil service and other central exa-

minations can offer answers in English. They may answer part of their papers in Hindi or stand a test paper in Hindi in which case they will be exempted from passing a test after appointment. Those who pass with English as medium will have to pass a test later after appointment. Assistance will be given to them at official cost to gain a mastery of Hindi while in service. Assistance will be provided to officers unaccustomed to English and Hindi to understand papers and files written in Hindi and English vice versa.

Meanwhile States are at liberty to switch their medium over to their regional languages for their own provincial purposes.

In Madras, the Government have issued an Order providing for Tamil medium in university classes. But the Vice-Chancellor says that Tamil is yet unripe to serve as university medium and wants time for introducing the measure. There is also the disadvantage of different States using their own regional medium isolating students in their academic work which will lower standards.

For a long time to come, all authorities feel that it is necessary to retain English as the official and educational and common language of the country.

REMOVE THE CHAINS

WHAT IS REQUIRED in India is essentially a redirection of the activities of government, away from policies restricting the energies and opportunities of its subjects, and away from acts of emulation of the pattern of the Soviet world, into directions aimed at releasing the energies of millions of people. These tasks will tax the resources of Indian governments for many years to come.

P. T. Bauer,

A FALSE LIBERALISM

A "LIBERAL" is one who is so preoccupied with spending the fruits of a nation's production, according to his own notion of how they should be spent and regardless of the cost in human liberty, that he is oblivious of the problem of how to produce those fruits in the first place.

Chads O. Skinner,

Examining the plans of developing countries it seems to me that very large projects which serve to arouse the faith and imagination of their peoples, are somewhat over-valued in relation to the necessity to promote industrialisation on a broad basis. Above all, the development of medium size enterprises should be furthered because what matters in these countries is not merely to produce good, but more than anything to create productivity. Looking at some of the highly rationalised plants in small countries, which contain the most modern means of production but few workmen, I wonder whether this is the right path.

Ludwig Erhard.

The Chinese Aggression & How to Check It

(The Failure of the Delhi Nehru-Chou Talks)

By M. A. Venkata Rao

THE April Talks between Prime Minister Nehru and Prime Minister Chou Enlai at New Delhi have (as expected by all including Nehru himself) failed. If anything, it may even be said to have given an advantage to the Chinese in so far as Nehru has agreed for further talks between June and September in Peking between the officers of the two countries and that meanwhile even border patrols should be suspended in the disputed area. This will give time to the Chinese to further consolidate their positions, augmenting their numbers, arranging for supply depots and communications and so on. Indeed it was revealed in Parliament in answer to questions that in the last eighteen months, the Chinese had built a new road in the Aksai Chin area apart from the through-road to Sinkiang (about which the public were so belatedly informed and which revealed the incredible depths to which Indian authorities could descend in keeping vital facts of aggression from the knowledge of their own people!)

This new road starts from the Karakoram mountains where the old road enters Sinkiang and comes downwards creating a pocket of occupied territory enclosing the old road to Sinkiang some two hundred miles southwards and contacts the Tibetan border.

In confirming this news, it was revealed further that the new maps issued by the Ministry of External Affairs give up the old border of the Karakoram mountains towards Sinkiang and show a sizable territory including the Karakoram Pass as included in Sinkiang! Formerly it was part of the Indian border! Not daring to have another issue with China, Indian officials have apparently been instructed to show the Karakoram Pass in Sinkiang and defraud our own country of so much territory! This is unique in the history of the world's diplomacy. The fact that Indian rulers with ultimate authority in these matters entertain a communist world outlook has of course facilitated such surrender of national territory to the Chinese Reds overcoming their national feelings natural to such surrender.

The result is that the new line of the old Kashmir map is no longer straight with a slight slope to the East. But now the new map shows a bend downwards leaving the Karakoram Pass in Sinkiang thus surrendering a sizable pocket cartographically! If the Chinese are cartographic aggressors following it up with military occupation, we are cartographic defeatists surrendering territory without a fight laying the flattering unction to our souls that we are following Panchsheel!

The joint communique issued after the Chou-Nehru talks states plainly that the discussions have failed but reiterates the desire of the two sides to find a peaceful solution through resumption of talks after a study of the border problems by a joint commission of the officials of the two countries confabulating during June-September in Peking. Meanwhile clashes of patrols should be avoided by the two sides.

As Nehru claims, the talks served at least to show the claims of the two sides in clear and bold relief. The Chinese coolly refused to admit any aggression into Indian territory! They say that the Ladakh area that they have occupied had always belonged to them—at least for a two hundred year period! The northern Aksai Chin area in fact, they claim, belonged partly to the Sinkiang province and only the southern region below the road was marked in Ladakh which also belonged to the Tibetan region of China. In fact, whatever part of the country at any time belonged to Sinkiang and Tibet, the Chinese now claim as properly and legitimately theirs in law and fact. They say it was their administered territory. It was not our administered territory at all! If it were, how is it that the Chinese road-building did not come to our notice for years? The Defence Minister of India has already prepared the mind of Indian citizens for surrender of unadministered territory.

It was a feature of the talks that owing to the clear and emphatic expression of the Popular will (just before the talks with mass demonstrations and a deputation to the Prime Minister) it was not possible to effect the surrender of the unadministered territory in this meeting. Nehru stuck to his claim that the Chinese had entered our territory and that nothing could be done until they vacated their aggression or incursion. Of course both sides avoided the term aggression during the talks. But Nehru explained in Parliament after the talks that the expression that the Chinese had entered our country meant aggression. Chou Enlai who was in Khatmandu at the time promptly called this unfriendly on Nehru's part. He said this with some warmth. It was underlined by the vehement addition of his colleague Mr. Chen Yi Marshal and Foreign Minister and the brutal despoiler of Tibet that "China has been wronged—in India, in Hong-kong, in Macao and everywhere!" The Chinese security guards were rough with Indian journalists in Dum Dum airport later when they interviewed Chou Enlai. Chen Yi shouted to them to push the journalists away but Chou, more self-controlled and tactful stopped them and said that "of course

Nehru had his own difficulties." It was clear that Chou was disappointed with his encounter with Nehru this time and was surprised at his firmness. He could realise the strength of Indian opinion and resentment about the Chinese "incursion" and treachery. But he was prepared to continue the peaceful approach as long as possible. For he has nothing to lose and everything to gain. Time is on his side, for we have agreed not to harass or challenge his occupying forces in Ladakh and Longju by sending out patrols!

The technique of the negotiation was that China would not cross the so-called MacMahon Line in the East, even though she does not recognise it at all, if India would allow the occupation of Ladakh without challenge. The central areas around Bara Hoti in the U. P. concern only small towns and do not matter much. We knew of this line of bargaining even before. Nehru seems to have stuck to his claim for full sovereignty of these Ladakhi areas. The Chinese could not agree to have only the right of way over the road since that would entail a surrender of the claim to sovereignty.

It transpired while the negotiations were on in New Delhi that even before the Chinese regime had got settled in Peking, our ambassador Mr. Panikkar suggested our acceptance of Chinese sovereignty and not the suzerainty that the British had conceded subject to Tibetan autonomy and sovereignty. It was put out through unnamed spokesmen of the External Affairs Ministry that the word sovereignty was used in India's communication to China by a clerical error in place of suzerainty! Was it an error or deliberate act of the ambassador who is a well-known fellow traveller? Thus even before Mr. Krishna Menon's advent into the Defence Ministry, we had a personage in a key position to surrender the Pass to the Communists!

On the contrary, Sir Girja Shankar Bajpai wanted a clear acceptance of the treaties of 1913 and 1914 with Tibet which had been allowed by China to negotiate a treaty with India as an independent nation. The Dalai Lama recently proclaimed that Tibet had declared her independence of China repudiating even her suzerainty in 1912 and that it was as an independent nation that she negotiated with India and Britain and agreed to the MacMahon Line as the border between India and Tibet. So if we wish to maintain the legitimacy of the MacMahon Line, we should recognise the independence of Tibet.

But the Panikkar-Menon-Nehru school prevailed and the Bajpai-Dalai Lama view was jettisoned! Thus does the Communist world view of persons in key positions work havoc unconsciously or semi-consciously to the detriment of national interests when they conflict with the interests of international communism.

The crucial blunder (or crime) of the Indian authorities in this sorry affair was therefore their

hasty acceptance of the sovereignty of China over Tibet in complete ignorance or defiance of treaty rights and of national and diplomatic interests.

THE CHINESE AGGRESSION

Apart from history, our spokesmen should have had the elementary knowledge of the function of a Buffer State like Tibet that lies at the meeting point of three empires—India, Russia and China. Our duty as soon as China went Red in 1949 was to warn China of our interests in Tibet as a Buffer and for trade. We should have maintained our military and trade contingents in Lhasa and elsewhere. We should have got them confirmed with a treaty with Red China. On the contrary, our ambassador recommended that we should surrender our positions in Tibet voluntarily as a unilateral measure! Obviously with the hope of earning the goodwill of the communists? And our Prime Minister followed his advice readily oblivious of Indian interests! China was yet unsettled in her new-won mastery over the mainland and we could have asserted our claims as a matter of international right, just as the British maintained their rights in Hingkong.

Our learned Prime Minister is supposed to be a historian but his historical knowledge has only helped him to give undue weight to communist interests in the world conflict between communism and the free world even at the cost of national interests.

We should have stuck to our Sphere of Influence in Tibet and rallied the free world to our side. Startled by the success of Red China in ousting Chiang Kai Shek, America and Britain would have backed us in our claims. But we surrendered our rights without so much as a verbal protest. Indeed we protested when Chinese armies marched into Tibet but without claiming the acceptance of our rights which we had surrendered even before! In fact, our telegraphic and wireless installations in Lhasa were given up without a penny in return as a gift to the Chinese! What a quixotic generosity at India's expense! With Mr. Nehru the Magnate in the saddle it is always give and never take anything in return!

We should have stipulated that the old boundaries between Tibet and India both in the west and east should be accepted and confirmed by China before she was allowed entry into Tibet even as a suzerain. This was called for by Mr. Masani, Mr. Kripalani and Dr. Shyam Prasad Mukerji in 1951 when this question was debated in Parliament. Ten out of 19 speakers criticised Mr. Nehru's surrender of Tibet then but our Prime Minister was adamant, secure in his consciousness of omniscience and of being endowed by superior knowledge and insight into foreign policy matters. And now and for many years, the country has to pay the heavy price of Mr. Nehru's blunders.

So from 1949-50 onwards China has been strengthening her occupation of Tibet, building the

Aksai China—Sinkiang—Tibet military Road, roads parallel to the Indian borders on the trans—Himalayan region from Ladakh to NEFA and air-ports at many places and improving communications between Tibet and the heart of China, transporting Chinese families to settle in Tibet and stocking munitions and food at suitable places. All this took some years from 1949-50 till last year when the Tibetans rose in full-fledged revolt. The preparations helped the Chinese to crush the revolt with savage efficiency. That is why the Chinese contented themselves with "cartographic aggression" against India all these years, for their preparations for an open invasion of Indian territories were incomplete from a military point of view!

Now the result of the woeful neglect of military precautions and preparations on our side to counter the Chinese designs is that today we have to make up much leeway if we mean to challenge the Chinese invaders militarily. It will take years and immense expenses comparable to those of the Five Year Plans and a long-term plan to mobilise the military and economic potential of the country. But a beginning must be made as soon as possible. There is no time to lose. The present agreement to talk further up to September on official level is not a disadvantage if only we use the time as the Chinese are doing to increase our military preparedness.

But unfortunately the situation is further complicated by our Prime Minister's commitment to non-alignment in foreign policy which he does not wish to change even in the face of the present invasion which has made nonsense of his nonalignment so far as China is concerned. As many newspapers have remarked, the Prime Minister seems willing to sacrifice the security of the country to maintain his pet policy! To him nonalignment seems superior in value to the freedom and independence of the country—a strange attitude on the Prime Minister of a country! The price India may have to pay namely national independence itself seems too great in return for Nehru's service to the nation in the earlier national liberation movement!

It is clear that Mr. Nehru does not envisage military action under any circumstances. He will go on talking and trying peaceful negotiation till the bitter end i.e. even if further morsels of Indian territory are gobbled up by the Chinese Dragon. There is no end to this process in Nehru's policy of appeasement.

He has rejected the suggestion that he should recognise the failure of his nonalignment policy and go in openly for full Western Aid in military equipment and for a full military alliance with the West, particularly the USA. Even great nations like Britain, France and West Germany have aligned themselves fully with the USA for defence against a possible Russian attack. There is no national humiliation in our imitating them and indeed it is a national necessity, a condition of our survival as a national necessity, a condition of our survival as a nation that we enter without delay into a fullfledged military alliance with the USA, a sort of cooperative

collective security Pact with all the South-East Asian nations. No revival of the Bandung conference, no renewal of the Panchsheel mantram will avail.

This means that while we gain time through negotiation we should prepare for action. The first part of the action is full publicity and propaganda. We should inform the world and the UNO of the full extent of the territories that China has occupied. Mr. Eisenhower and Mr. Herter had stated coldly that they did not know the rights and wrongs of the border violation on the Himalayan areas! They should be informed now.

Meanwhile the sympathy of the world should be mobilised for Tibet. China has committed a monstrous genocide, the murder of the culture and economy of a people and scattered them as aliens in their own Country and enclaved them for slave labour in building "socialism" in their own country by alien masters. The full iniquity of the crime should be broadcast to the whole world. This may seem beyond our "milk and water" panchsheel idealists but it has to be done.

Perhaps we should prepare for a large scale military campaign extending for years in Tibet itself to drive the Chinese out of Tibet. This can be effected only with the full military and moral assistance of the whole free world. If we are ready to fight, they will help. We shall be fighting the cause of the free world. The very process of fighting on this scale will serve to consolidate our people who are so dangerously frittering their energies in inter-provincial and inter-caste quarrels.

But it may be that before we are fully launched on such a campaign in right earnest, the USA and Soviet Russia will combine to put pressure on China to desist, even as Britain and France were asked to withdraw from their attack on the Suez Canal. No one wants a world war. Hence the Big Powers will stop smaller wars that may threaten to grow into World War III. This means risking the offending of Russia but it cannot be helped. But the present policy is worse as it threatens loss of territory and even independence itself without resistance and without hope!

LONG RANGE CONSEQUENCES

THE economic consequences of socialism are fairly obvious, and they have been dealt with at length and completely by a number of economists. Government gets into business and industry in a big way, as a producer itself and as the major consumer for industries tied in with government spending. But important as these economic effects are, collectivization has long range consequences of far deeper significance. Political control and direction of economic life, even under the noblest of auspices, carries with it demands and imperatives which are hard to reconcile with the basic assumptions which lie at the foundation of our culture and our institutions.

Ben Moreell, The Admiral's Log.

The Janus that is Nehru

By M. N. Tholal

It is only natural that U.P. Congressmen should know Jawaharlal Nehru better than other Congressmen and, Mr. Nehru being what he is, they should be inclined to show less respect to him than his fellow-Congressmen of other states. It is not at all surprising, therefore, that there should have been hot exchanges between Messrs. Nehru and Mahavir Tyagi at a meeting thus rendered stormy of the Congress Parliamentary Party on April 29, and Mr. Nehru should have told the Party members that those who did not have faith in the Party's basic objectives and policies should resign from it. The trouble with Mr. Nehru is that he thinks he alone is competent to define the Party's basic objectives and policies. That is what it comes to in the last resort.

At the Congress session, which approved co-operative farming, Mr. Nehru went so far as to say that those Congressmen who did not favour co-operative farming should resign from it. Every one will agree that those who do not believe in the creed of an organisation should not be there, but it is ridiculous to suggest that those who do not agree with resolutions of the Congress, passed from year to year howsoever important they may be adjudged by individuals, should resign from that national organisation. The same holds true of what Mr. Nehru calls the Party's basic objectives and policies. Obviously, whether the objectives and policies referred to by Mr. Nehru are basic or not is a matter of opinion. One would have thought that the basic objective of the Congress Party is to maintain the integrity of the country—some of Mr. Nehru's own speeches can be quoted to support the assertion—and that policies which do not clearly uphold that objective are inevitably wrong being contrary to the basic objective. But Mr. Nehru has now for years claimed a monopoly of understanding the Party's objectives as well as foreign affairs, although his speeches clearly show that he does not even understand what cold war means. (The likelihood is that his misinterpretation of the cold war is far from genuine and is only calculated to condemn it and with it its authors, the western Powers, who condemned him on the Kashmir issue).

GAGGING THE PARTY

Such a state of things cannot obviously last a long time, particularly after his policies have proved a miserable failure and placed the country in jeopardy. But Mr. Nehru, far from changing the policies which have spelt disaster for the country, intends, it is now apparent, to keep the Party mum and gagged, through fear of himself and his undoubted powers of patronage. Members of Parliament, being his nominees, and

looking up, as they do, to him for appointments and promotions, will generally support him in their own interest. But some may find the catastrophe facing the country too much for their sensitive nerves and revolt out of sheer patriotism, disregarding their own self-interest, while others may find Mr. Nehru's rules and regulations of bestowing patronage too much for their moral sense. The possibility of the two factors combining cannot also be ruled out and it will not perhaps be going too far to say that the two combined in the revolt of Mr. Tyagi against the whims and fancies of his leader.

There was an uproar at the meeting when Mr. Tyagi interrupted Mr. Nehru and questioned the latter's right to ask any member to quit the Party. The uproar presumably implied that no one had the right to interrupt Mr. Nehru or question his right to ask a member to quit. Those who joined the uproar were certainly qualifying for the patronage at Mr. Nehru's disposal, even though their share in the uproar was hardly consistent with the opinions they have been voicing *sotto voce* in private. So it comes to this that Mr. Nehru, out of the fear of himself that he has sedulously engendered among Congressmen, is imposing hypocrisy on Congressmen. That is exactly what Mahatma Gandhi did after assuming leadership of the country, through his imposition of the charkha and the spinning franchise. Almost every one disagreed with him but none dared to criticise him.

DEMOCRATIC DICTATOR?

Newspaper reports suggest that Mr. Nehru had to shout more than once at the top of his voice to ask Mr. Tyagi to behave, crying: "It is impertinence. It is impertinence"—it referring doubtless to Mr. Tyagi's interruption and criticism of Mr. Nehru in questioning his right to ask any member to quit. Here, as in other spheres, Mr. Nehru displays his Janus mind. He wants all the powers and privileges of a dictator while functioning as the leader of a democratic party, and when these powers and privileges are questioned, he naturally loses his temper. That is how it becomes impertinent to interrupt Mr. Nehru. That is how it becomes impertinent to question his right to ask any member to quit the Party. The most amazing part of it is that the members of the party, instead of rallying round Mr. Tyagi, rallied round Mr. Nehru and shouted down Mr. Tyagi an indication, if one were needed, of the depths of the moral and political degradation the Congress Party has reached.

Some members even got round Mr. Tyagi—Was this surrounding him not meant to intimidate him?—

and asked him to keep quiet. There might have been real trouble—Mr. Tyagi is quite capable of using his fist—had not Mr. Nehru remarked angrily: "Leave him alone. I know him for forty years." The real trouble however lies in the fact that Mr. Tyagi has also known Mr. Nehru for forty years!

The Prime Minister has of late at Congress Party meetings, been deploring in strong terms the attitude of those members who, by their actions and speeches, made it appear to the outside world that they were more in tune with the Opposition than with their own Party and the Government. While individual members can hardly be held responsible for what appears to the outside world, his argument is about the best that can be advanced in favour of dictatorship and totalitarian rule. No one should know better than Mr. Nehru that his policies do not command ready acceptance in the hearts and minds of 90 per cent, if not more, of Congress legislators. The issues have been discussed threadbare since the revelations of Chinese incursions and there is little that can be added to the discussions to make a material change in the situation.

Had Mr. Nehru been a sensitive man and a patriot, he would have confessed his failure and resigned long ago at least when the Chinese incursions began—but, instead, he chose to hide the fact of Chinese incursions from the President, his colleagues in the Cabinet as well as from Parliament, whose sovereignty he is ever ready to acknowledge, to say nothing of the country at large—all of whom were entitled to know what was happening to the country. That in itself was a great betrayal and should have been sufficient to bring Mr. Nehru down from the pedestal where he stands. If leaders of his party had any patriotic or democratic spirit in them, that one act of omission would have been enough for them to decide to have no truck with Mr. Nehru any more. (In a way that shows the foresight with which Mr. Nehru revises the list of Congress candidates for legislatures at election times.) But even that great omission has gone by without creating a ripple, to say nothing of a storm, in the tea-cup of the Congress Party, so that leaders like Mr. Tyagi—all honour to them—have to stake their leadership to bring home to Mr. Nehru the fact, which he seems to have forgotten, that he is the leader of a democratic party.

FATHER AND SON

In this connection it is worth while recalling an incident of more than forty years ago when there were differences between the father, Motilal Nehru, and his only son, Jawaharlal Nehru, who had cast his lot with Gandhi. Motilal Nehru was addressing a meeting when a voice interrupted him with the word: "Question". "Who dare question me?" asked Motilal Nehru, looking round in search of the questioner, and the same voice replied:

"I do." It was the voice of Jawaharlal Nehru. What Motilal Nehru said in response was drowned in the laughter of those who recognised the inter-rupter but no one has ever said that he retorted with "It is impertinence; It is impertinence", although even a democrat might well be inclined to think it was. For one thing, he was interrupting his father. For another, he was doing so in public, and he should not obviously have done so unless he was trying to air his differences with his father in public—which would have hardly been in the best of tastes. Surely his father knew what his views were, like so many others who knew him. Of course he could have sought an opportunity to give expression to his views and then given expression to them in detail. Motilal Nehru was more of an Englishman than any other leader in the land and he doubtless took the impertinence of his (only) son in good part. (That in fact has been Jawaharlal's trouble. The history of the land might have been different if Motilal Nehru had two or three sons instead of one, necessarily pampered despite his best attempts to see that he was not.) In the present instance of impertinence, Mr. Mahavir Tyagi, it must be remembered, is the same age as Jawaharlal Nehru.

But it will be said: "Oh, Mr. Tyagi is a disgruntled man. He has been wanting to get back into the ministry. Only the other day he described the Congress manifesto—drafted by Jawaharlal Nehru—as the greatest piece of writing since *Das Capital* by Marx and was beating the drum at Dehra Dun—his home town—to announce the arrival there of Jawaharlal Nehru." Well well, there is nothing wrong in a Congressman wanting to be a minister. Indeed, that is what he is there for, to be quite frank. At least that is what all Congress M.Ps think and we cannot condemn Mr. Tyagi for thinking likewise. It may very well be that Mr. Tyagi has also been comparing his remarkable work in the Defence Ministry with that of Mr. Krishna Menon and, like journalists, coming to the conclusion—legitimate by all means—that, whereas he saved crores for the country, Mr. Menon has been squandering crores. With that conclusion no one can disagree. But then Mr. Nehru's arithmetic is not particularly strong and five decades have passed since he knew the difference between a thousand and a crore. What I mean is that the effect on his mind of the country losing a Thousand or a Crore is almost identical and the difference between Mr. Tyagi and Mr. Menon is not therefore quite so obvious to him as it is to the generality of calculating men.

Besides, what is the use of being a dictator when you can't say "Bah" to the loss of a few crores by a favourite who has incidentally been the faithful executor of that wonderful foreign policy of Mr. Nehru which has placed the country in an unprecedented quandary. All that is Mr. Tyagi's misfortune, but it is hardly his fault, and that is where the difficulty comes in. I have been a great ad-

mirer of Pandit Hridaynath Kunzru but I have never been able to understand how he could persuade himself to ask Mr. Nehru to repudiate anything said by Mr. Menon, for every one should know that what Mr. Menon says is what Mr. Nehru wants him to say. And that is the secret of Mr. Menon's advancement, even as it was the secret of advancement of Congressmen in that moral upsurge known as the Gandhian era—barring that interregnum when C.R. Das and Motilal Nehru wrested the leadership of the country from the hands of the Mahatma.

I have often been wondering why it is that the Hindu members of the Cabinet cannot develop the guts to give expression to their differences with Mr. Nehru, like Maulana Abul Kalam Azad and Rafi Ahmad Kidwai. Since the death of these two great Muslims there is not a soul in the Cabinet who can dare differ with Prime Minister Nehru. That being the case, it is only natural that Mr. Nehru should have contempt for his colleagues and should even show it at times by his flashes of temper. Every one knows how respectful he always was towards these two Muslim leaders and those who know him know that there was no question of any show of temper so far as these two men were concerned. If Hindu leaders were frank like these two Muslims, Jawaharlal Nehru would be a different man. No one can deny this simple proposition. It is the hypocrisy of Hindu Congress leaders which makes Nehru what he is and which made Gandhi what he was. After the death of Motilal Nehru and C.R. Das, there was not a soul in the country, except Maulana Azad, who could tell Gandhi to his face that the Congress was not committed to nonviolence in thought, word and deed, and that he could keep it to himself.

So here we are back to the situation in which almost no one agrees with Mr. Nehru and every one is prepared to shout down any one who gives expression to his differences with him. Mr. Nehru has himself frankly stated that it is impertinence to criticise him or interrupt him, and by trying to force Mahavir Tyagi to keep quiet the members of the Congress Parliamentary Party have given expression to their agreement with their leader. There is one great difference between Mr. Nehru and Mahatma Gandhi. The latter was never rude and kept his temper under control. Mr. Nehru's "flashes of temper"—as he himself wrote in an article on himself in the thirties (which appeared under a pseudonym)—are well-known. Lacking the great intellect of his father he discovered in flashes of temper a fairly good substitute to overawe his colleagues. That would not have been possible if the latter were not cowards. In fact these flashes of temper were responsible, more than anything else, for the creation of Pakistan. Khaliqzaman and his colleagues began saying openly, "No gentleman can work with Jawaharlal". It is these flashes of temper, which Mr. Krishna Menon translates in his own inimitable manner in foreign lands, particularly for the benefit of those who

condemned us on the 'Kashmir issue, that have landed us in the quandary of non-alignment which made even the anti-Chinese American Secretary of State say regarding the Sino-Indian boundary dispute that the Sino-Indian boundary has not been defined. Mr. Krishna Menon has been doing his job very well, his rudeness being his greatest qualification. It is the hand of Esau and the voice of Jacob over again, and both are absolutely unconcerned with the interests of the country.

MINIMUM GOVERNMENT

THE purpose of our Constitution was that it should define the limits of the power to be exercised by each of the institutions created by it to exercise authority and it consequently provided safeguards to guarantee the observance of those limits and the protection of the individual rights against abuse of power. It was in fact what may be called 'Constitutional legislation' not a mere Constitution. The nation and its citizens were told in advance the limits of the powers and obligations that would issue out of the acceptance of the Constitution. Only a restricted field or discretion was left to Parliament and the legislatures of the States.

But what in fact has evolved out of the exercise of power by the Congress majority, which was large enough to intoxicate it, is an almost total overthrow of the guarantees provided in the Constitution. The obstructions placed by the State and its interference in the individual's enterprise and avocation have become intolerable. Property, what one has acquired, moveable or immovable, is not secure. The citizen's occupation is not free from drastic soul-killing annoyances at the hands of officials acting under governmental authority. If this is not questioned and checked at once we shall soon have a servile State without even the saving feature of efficiency.

The middle classes are the greatest victims of these evils, for they have not the means of buying off the annoyances and obstructions. Instead of a welfare state, we have a condition of affairs wherein all the active people—men with initiative and imagination—curse government every day. It would be wise for the present generation in our country to limit the main activities of the Government to the task of collecting taxes and preventing crimes of violence, fraud and exploitation. If we could accomplish this, we should feel satisfied and can well leave to later generations any enlargement of the powers of Government that they might find desirable. It would be best in the meantime, to leave men to work each in his own clearly understood individual interest, so that the totality of our national production may grow to the fullest possible extent, without being hampered, restricted and dwarfed by imaginary notions of general welfare seen through narrow party spectacles and borrowed ideas.

—C. Rajagopalachari

The Indian Libertarian

Economic Supplement

Inflation and The Plans

By Prof. G. N. Lawande, M.A.

In spite of nine years of planning our rulers have failed to tackle the problem of inflation; on the other hand the inflationary pressures have become very strong during the Second Five Year Plan and if we take into account the deficit financing proposed, they are likely to become still stronger during the Third Five Year Plan. The inflation that we witness is an inevitable product of the types of the government policies followed during the war and of certain other conditions created by the war. The inflationary impetus came from the fiscal policy of the government. In the post war period inflation can be characterised as a situation where investment was in excess of saving. It was expected that our national leaders would solve the problem but all our hopes were shattered to pieces when we examine the policy that is being followed in the post war period." In this country there are now only two primary sources for any significant increase in money supplies. First and foremost is Deficit Financing of the expenditure of Central and State Governments, resulting in increasing the direct governmental indebtedness to the Reserve Bank much of which is from time to time converted via Treasury Bills into Ad Hoc Securities lodged with the Issue Department of the Bank against the equivalent issue of Currency Notes and secondly, there are the new issues of the Government Loans to the extent they are taken up and retained by the Reserve Bank of India plus any open market purchases of Government Securities by the Bank. On top of this foundation comes the consequent increase in the demand liabilities of the commercial banks and in their loans and advances. The basis of this whole process is excessive spending by all Governments in India on a scale which in the aggregate is altogether beyond the capacity of the economy to sustain either in terms of the present taxation potential or in terms of available current savings—that is to say, in relation to the over-all availability of real resources at a stable price level'. From this it is quite clear that Government expenditure is greatly financed to a large extent by the created money.

"The Government has shown little inclination to attack the root cause of inflation which is its own extravagance supported by deficit financing. Instead, it merely keeps protesting against the symptoms by saying that primary producers should not hold back their produce from the markets, con-

sumers should refrain from making purchases and employees should be reasonable in their demands for higher wages. These exhortations are supplemented by appeals to manufacturers to "hold the price line" and by tirades against middlemen for hoarding, profiteering and blackmarketing. In fact, inflation is already so serious that people find it prudent to hedge against steadily rising prices, and it is not unlikely that if the Government should go on pumping new money supplies into the economy at the present rate, we may reach a stage of galloping inflation when there will be an open flight from the currency."

Deficit financing and price line as opposed to real income and true savings go together but in opposite directions. This is the crux of the problem of inflation. Both inflation and population growth are the enemies of planned economic development but between the two, inflation is a greater enemy because it is easy to generate it by planning itself and especially by communistic method of planning or centralised planning. Population growth may tend to fall as the standard of living increases but as more money is injected in the economy by means of deficit financing inflation is created. "It is an inherent defect of centralised planning that it magnifies the overall picture and tends to inflate the cost of many development schemes which with local initiative and enterprise could be carried out more economically. In a country of India's size the small contribution of productive effort which millions of peasants and others can make by utilising their spare time can make up in the aggregate a substantial addition to national income. The encouragement of mixed farming, for instance, by enabling every small farmer to take to dairying, poultry keeping and kitchen gardening, in addition to staple crop that he may be growing, will considerably increase the farmers' earnings with much less outlay per head than what is envisaged under various agricultural and irrigation projects. This will become real only if the States take up seriously the task of surveying their resources and drawing up district-wise plans for the development of industries. With more decentralised planning and local initiative the problem of resources will become more manageable at each level, while all-India planning is limited to certain objectives. Unless this basic shift in emphasis and inspiration takes place, our planning will continue to give rise to the problems which we have had

to face in the past ten years—the problems of inflation, of regional imbalance and mounting unemployment. There must be a subordination of ideologically-inspired agrarian reforms to the supreme need to increase production. Economy in the administration and in the execution and operation of public enterprises is another vital requisite which has been ignored in the past. By emphasising monetary outlays as the visible index of development, the Planning Commission had unwittingly encouraged public expenditure without regard to the results that may be expected from it. And infructuous expenditure, when it occurs on a national scale and runs into many crores becomes the driving force behind inflation."

In order to achieve rapid economic development of the country it is imperative that price level should be stabilised. Anti-inflationary policies create growth because people are inclined to save more when they are convinced that every 'naya paisa' that they put aside today for future use will not be eaten up by the price increase of tomorrow. The Prize Bonds that are now floated by the Government in order to mop up small savings will lead to more and more inflation in future. As a consequence of this the value of rupee which has already gone down by 29% will go down still further. What is needed at present is more production. Unless production is increased all talks of economic progress is nothing less than mockery.

In India 50% of the national income is derived from agriculture and stability of agricultural prices is the key to the stability of the general price level. In order to fight against inflation there is an urgent need of increased agricultural production and this can be achieved not by cooperative farming and State Trading in Food-Grains but by giving every incentive to the farmer to use up-to-date and scientific methods of productions. From the point of consumer the price of food-grains constitutes the main element in his expenses. Prices of industrial products can be stabilised only if the prices of raw materials and food stuffs do not fluctuate. So far the official policy has failed to tackle this problem and undue rise in prices of food stuffs and raw materials have far-reaching social effects. The success of the Third Five Year Plan will greatly base upon the stabilisation of price level. At present we rely more and more upon the imports of food stuffs from America and our Food Minister has recently arranged 17 million tons of food-grains to cover the deficit in the next four years. It is expected that besides an annual supply of 3 million tons of wheat for current requirements in the four year period, the U.S. will also provide an agreement of four million tons for the buffer stock. The wheat supplies under the new agreement will play a considerable part in stabilising food and general economic situation and counteracting the stresses and strains of the Third Plan. They would also enable the Government of India to devote their energies more fully to the programmes for increasing agricultural production,

relatively free from distraction of having to deal with recurring food shortages. The establishment of buffer stock may help in holding the price line and reduce the need for resort to physical controls and expedients such as State Trading for restraining prices or dealing with hoarding and profiteering. But it must be remembered that the aid should be properly utilised and that agricultural production is expanded fast enough to make reliance on imports unnecessary by the end of Third Five Year Plan. The existence of a reserve built out of imported grains will not obviate the need for internal purchases from surplus areas. But this policy with regard to internal purchases and sales will have to be determined by pragmatic considerations." Those who have clamoured for the State taking over the entire wholesale trade in food grains have not realised either the enormous magnitude of the operation or the risks and costs involved in it. Nor is such a step necessary for protecting the interests of the consumer or the producer. So long as the food-grains trade is competitive and State can influence market prices by purchases or by sales from reserve stocks when they tend to go up unduly, the balance of advantage for the consumer and the community will lie in letting the free market operate with the State playing marginal interventionist role.

It must also be remembered that food prices alone cannot be kept under control—whatever the devices adopted short of compulsory procurement at one end rigid rationing at the other—unless inflationary forces are kept in check over the whole field of public and private finance. This means not only a rigorous limitation of recourse to deficit financing but also the complete elimination of unproductive expenditure of every kind—from the creation of super-numerary jobs to the erection of expensive buildings. If every rupee of development expenditure is made to yield an adequate productive return to the community by way of goods or services the problem of stabilising prices would not be so formidable as it has been in the past five years. What is needed is a coherent policy applicable over a wide front to restrain such inflationary pressures, but the tendency to concentrate attention on slogans like State-trading makes such a comprehensive solution a distant if not a vain hope.

To fight inflation and to raise real savings of the people topmost priority should be given to the agricultural production. This will alone enable the Government to maintain stable price level in the absence of which economic progress of the country will be greatly retarded. Investment should be in project including those for producing consumer goods which take a short time to mature. According to Mr. Dandekar, President of Bombay Chamber of Commerce among the projects preference must be exercised in favour of those which constitute the core of the Plan—food, fuel, transport and power. Inflation has already produced grievous

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Entrepreneurs Versus Bureaucrats

By Robert Eagle

HISTORY records continual change. As man moved out of caves and into tents, as he began domesticating animals and devising and improving tools, as he developed the science of specialization, as his tastes and desires underwent alterations, as he began to envision different ways of living than he had dreamed of, before, and to realize that comforts and amenities which at first seemed visionary were really possible—these ever-changing phenomena altered the status quo. Existing patterns of conduct, production, distribution, consumption, and social relationships were more or less constantly being revised, sometimes slowly, sometimes fast. And these changes continue.

To suppose that human action will ever become static and stationary, all changes abolished, is hardly tenable when one considers the nature of human wants, the insatiability of man's desires, and their variety. Because of these facts of human action, any effort to maintain the status quo in

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distortion in our economy and reduced the real value of the savings of the millions of people with small incomes to a small fraction of their value ten years ago. Such a process cannot go on indefinitely without undermining the economy of the country. We can achieve our objective of stabilising price level not by Communistic methods but by the methods adopted by Japan, France and West Germany.

These countries were able to solve their economic problems by adopting a free market economy and not government-controlled economy. As a result of this they were able to achieve rapid industrialisation, raise the standard of life of the people, establish a stable and hard currency. On account of these benefits free market economy is regarded as the only remedy to solve economic ills of a country. This fact has been ignored by our half baked leaders on whom Marxism has exercised a great influence. Under this influence they have introduced cooperative farming and State Trading in Food-Grains which have aggravated our food problem and the prices of food grains are causing greater anxiety to the middle-class people who form the backbone of a democratic society. Under inflationary pressures which have become stronger during Second Five Year Plan the middle class has practically been extinguished. The industrial policy that is adopted by the ruling party in the post war period is certainly detrimental to the economic growth of the country. It has only worsened the situation and the deficit financing that is proposed in the Third Five Year Plan will strengthen the inflationary pressures. Unless the economic policy is changed in time plans will lead the country to bankruptcy instead of prosperity.

economic life is doomed to failure. As new productive processes are developed, as new products are invented, existing ones revised, and others discarded, the patterns of production, distribution, and consumption will continue to be subject to alteration. Prices and wages must themselves change to reflect these more basic changes.

Rigidity and flexibility cannot coexist in harmony, as long as desires for changes and improvements require change, and change requires flexibility. A dynamic economy that is sensitive to people's wants and needs, must be flexible. Rigid prices and wages are barriers to progress. As long as man's desires and relative values are changing and he conceives more efficient productive processes, such rigidities cause industrial conflict and chaos.

WHEN GOVERNMENT INTERVENES

However, for decades, we have been witnessing two sets of countervailing human forces in constant conflict with each other—one set of pressures resisting change, the other set demanding change. Into this melee steps the State, the apparatus of compulsion and coercion, presumably to help both sides. It will try to maintain the prices of farm and industrial products, thus freezing the pattern of production and productive processes in industry and agriculture. Then, when new goods and services are not forthcoming in given amounts at the prices people are willing to pay, the government attempts to ameliorate these ineluctable results by expansion of credit, creation of additional money, by public works, social security, unemployment compensation, and so on.

By trying to keep everything as it is, the government represses progress, thus depriving the population as a whole of a large portion of the potential increase in living standards. Then, when large segments of the economy are depressed as a result of the first policy, the government adopts a second policy to allay the results of the first. This is like running over a pedestrian forward and then trying direction and backing over him.

First, the government creates restrictions which are intended to resist changes and their effects which people believe harmful to them. Then it intervenes to help stimulate the sort of changes it first tried to prevent.

Price supports make price-supported goods more bountiful, until production quotas are instituted for the purpose of making them scarcer. These interventions reduce real income which would otherwise be available for such things as school construction and other wants and needs. Having held production down and prices up, thus resisting change in the form of greater output at less cost, the government then turns around to take care of the resulting "inadequacies" and "deficiencies" in the economy, usually asserting such deficiencies to be implicit in

the free enterprise system. The government then attempts to allocate from the remaining resources funds for school construction, low price public housing, and the like.

In a free economy, however, the forces making for change (including more goods at lower prices) provide an increase rather than a restriction of output and productive capacity which are available for meeting the wants and needs of the people, as the people see their own wants in accordance with their own scale of values.

The free market makes increasing resources available for meeting such wants and needs through changes—through more efficient production processes and the increase and utilization of capital accumulation. But capital accumulation is much more forthcoming when the value of money is not being constantly eroded by monetary expansion on the part of the government. Government price supports and production quotas are the very antithesis of economic growth, if by economic growth one means more goods and services of the kind people want most. It is only in the free market economy, unhampered by price maintenance and restrictions on production, that needs are optimally met.

GRADUAL CHANGE IS TOLERABLE

One consideration put forward to urge state intervention is that economic change affects some people adversely compared to others. This fact cannot be denied. One must always adjust to necessary changes. However, the most drastic changes, the upheavals in the economy, the crash programs, have resulted from governmental intervention. Left alone, the economy tends to progress in a more normal manner. Capital accumulation, essential to increased productivity, results from individual savings. There is a natural tendency, when economic growth is left in the hands of individuals working alone or voluntarily through corporate instruments, for new and expanded projects not to outstrip their potential profitability, or more accurately, profitability as it can be foreseen and predicted by individuals risking their own savings in new ventures.

However, when investment comes out of heavy taxation falling upon the public as a whole, and directed by functionaries whose own savings are not as directly involved, vast projects are undertaken which draw away from other potential projects the required factors of production. Whether these projects are the ones that people would willingly support through their voluntary purchases is another question. And if the people don't want these projects enough to indicate their approval by paying freely for the services offered, then why should such "services" be undertaken by taxation, borrowing, and the creation of additional money which does not represent actual willing abstention from current consumption on the part of individuals? What the people cannot do for themselves, the government cannot do for them except by making a government decision which the people have

not made independently, and then enforcing the decision on all. Even so, the government cannot of itself "provide services." Only people can. So interventions on the part of government themselves make for changes—the effects of which the government in the first place intervened to ameliorate.

ENTREPRENEURS vs. BUREAUCRATS

When an entrepreneur sees a potential profit in a project, what is he really envisioning? That by borrowing money which has been saved by those who have not consumed all their income or wealth, accumulated in banks and insurance funds, he can hire men and buy materials, build plants, and produce products at a price which will pay the wages, interest, and other charges which constitute the costs of the potentially profitable project. The profits accruing to the entrepreneur under free enterprise reflect the approval the consumers have bestowed on his enterprise.

But we should also observe the factors that bring about undesirable results. They include increasing the money supply artificially, causing misinvestments of capital and maladjustments in labor, and handouts to industries which are not profitably serving the public. Such interventions, by postponing adjustments necessary to reflect the changing demands of the people and improvements in productive processes, make the inevitable adjustment much more severe when it finally occurs.

Restrictions on production, price supports, tariffs, embargoes, quotas, and wage and price control, dampen the changes that are latent and inherent in economic and social life. Like a dam which builds up an overpowering volume of water, they finally inundate society like a tidal wave. But our presentday politicians seem to reflect the attitude of Louis XV and Madame de Popadour: "After me the deluge".

UNCHANGING BASIC PRINCIPLES

Is there, then, nothing changeless and absolute? The changes discussed here come about as a result of decision and choice (conscious or unconscious). In other words, change is directed toward a goal or goals. It is the very existence of eternal principles and immutable laws that makes human progress a possibility. Progress consists of gaining a better understanding of the changeless and eternal laws of the universe and living more in accord with them. Change for the better consists of acknowledging the changeless values of individual liberty and moral responsibility, and taking the realistic, rational steps that follow from an ever clearer discernment of those timeless ideas inherent in the human spirit. Change for the better consists of a greater realization of the idea of freedom as opposed to slavery in any form and under any guise—the idea of individual worth as opposed to the deification of "the masses", the idea of human equality before the law as opposed to special privileges and immunities.

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The Economic Foundations Of Freedom

by Ludwig von Mises

ANIMALS are driven by instinctive urges. They yield to the impulse which prevails at the moment and peremptorily asks for satisfaction. They are the puppets of their appetites.

Man's eminence is to be seen in the fact that he chooses between alternatives. He regulates his behavior deliberately. He can master his impulses and desires; he has the power to suppress wishes the satisfaction of which would force him to renounce the attainment of more important goals. In short: man acts; he purposively aims at ends chosen. This is what we have in mind in stating that man is a moral person, responsible for his conduct.

FREEDOM AS A POSTULATE OF MORALITY

All the teachings and precepts of ethics, whether based upon a religious creed or whether based upon a secular doctrine like that of the Stoic philosophers, presuppose this moral autonomy of the individual and therefore appeal to the individual conscience. They presuppose that the individual is free to choose among various modes of conduct and require him to behave in compliance with definite rules, the rules of morality. Do the right things, shun the bad things.

It is obvious that the exhortations and admonishments of morality make sense only when addressing individuals who are free agents. They are vain when directed to slaves. It is useless to tell a bondsman what is morally good and what is morally bad. He is not free to determine his comportment: he is forced to obey the orders of his master. It is difficult to blame him if he prefers yielding to the commands of his master to the most cruel punishment threatening not only him but also the members of his family.

This is why freedom is not only a political postulate, but no less a postulate of every religious or secular morality:

THE STRUGGLE FOR FREEDOM

Yet for thousands of years a considerable part of mankind was either entirely or at least in many regards deprived of the faculty to choose between what is right and what is wrong. In the status society of days gone by the freedom to act according to their own choice was, for the lower strata of society, the great majority of the population, seriously restricted by a rigid system of controls. An outspoken formulation of this principle was the statute of the Holy Roman Empire that conferred upon the princes and counts of the Reich the power and the right to determine the religious allegiance of their subjects.

The Orientals meekly acquiesced in this state of affairs. But the Christian peoples of Europe and their scions that settled in overseas territories never

yielded in their struggle for liberty. Step by step they abolished all status and caste privileges and disabilities until they finally succeeded in establishing the system that the harbingers of totalitarianism try to smear by calling it the bourgeois system.

THE SUPREMACY OF THE CONSUMERS

The economic foundation of this bourgeois system is the market economy in which the consumer is sovereign. The consumer, i.e., everybody, determines by his buying or abstention from buying what should be produced, in what quantity and of what quality. The businessmen are forced by the instrumentality of profit and loss to obey the orders of the consumers. Only those enterprises can flourish that supply in the best possible and cheapest way those commodities and services which the buyers are most anxious to acquire. Those who fail to satisfy the public suffer losses and are finally forced to go out of business.

In the precapitalistic ages the rich were the owners of large landed estates. They or their ancestors had acquired their property as gifts—feuds or fiefs—from the sovereign who—with their aid—had conquered the country and subjugated its inhabitants. These aristocratic landowners were real lords as they did not depend on the patronage of buyers. But the rich of a capitalistic industrial society are subject to the supremacy of the market. They acquire their wealth by serving the consumers better than other people do and they forfeit their wealth when other people satisfy the wishes of the consumers better or cheaper than they do. In the free market economy the owners of capital are forced to invest it in those lines in which it best serves the public. Thus ownership of capital goods is continually shifted into the hands of those who have best succeeded in serving the consumers. In the market economy private property is in this sense a public service imposing upon the owners the responsibility of employing it in the best interests of the sovereign consumers. This is what economists mean when they call the market economy a democracy in which every penny gives a right to vote.

THE POLITICAL ASPECTS OF FREEDOM

Representative government is the political corollary of the market economy. The same spiritual movement that created modern capitalism substituted elected officeholders for the authoritarian rule of absolute kings and hereditary aristocracies. It was this much-decried bourgeois liberalism that brought freedom of conscience, of thought, of speech, and of the press and put an end to the intolerant persecution of dissenters.

A free country is one in which every citizen is free to fashion his life according to his own plans.

He is free to compete on the market for the most desirable jobs and on the political scene for the highest offices. He does not depend more on other peoples' favor than these other depend on his favor. If he wants to succeed, he has on the market to satisfy the consumers and in public affairs to satisfy the voters. This system has brought to the capitalistic countries of Western Europe, America, and Australia an unprecedented increase in population figures and the highest standard of living ever known in history. The much talked-about common man has at his disposal amenities of which the richest men in precapitalistic ages did not even dream. He is in a position to enjoy the spiritual and intellectual achievements of science, poetry, and art that in earlier days were accessible only to a small elite of well-to-do people. And he is free to worship as his conscience tells him.

THE SOCIALIST MISREPRESENTATION OF THE MARKET ECONOMY

All the facts about the operation of the capitalistic system are misrepresented and distorted by the politicians and writers who arrogated to themselves the label of liberalism, of the school of thought that in the nineteenth century has crushed the arbitrary rule of monarchs and aristocrats and paved the way for free trade and enterprise. As these advocates of a return to despotism see it, all the evils that plague mankind are due to sinister machinations on the part of big business. What is needed to bring about wealth and happiness for all decent people is to put the corporations under strict government control. They admit, although only obliquely, that this means the adoption of socialism, the system of the Union of Soviet Socialist Republics. But they protest that socialism will be something entirely different in the countries of Western civilization from what it is in Russia. And anyway, they say, there is no other method to deprive the mammoth corporations of the enormous power they have acquired and to prevent them from further damaging the interests of the people.

Against all this fanatical propaganda there is need to emphasize again and again the truth that it is big business that brought about the unprecedented improvement of the masses' standard of living. Luxury goods for a comparatively small number of well-to-do can be produced by small-size enterprises. But the fundamental principle of capitalism is to produce for the satisfaction of the wants of the many. The same people who are employed by the big corporations are the main consumers of the goods turned out. If you look around in the household of an average American wage-earner, you will see for whom the wheels of the machines are turning. It is big business that makes all the achievements of modern technology accessible to the common man. Everybody is benefited by the high productivity of big scale production.

It is silly to speak of the "power" of big business. The very mark of capitalism is that supreme power in all economic matters is vested in the con-

sumers. All big enterprises grew from modest beginnings into bigness because the patronage of the consumers made them grow. It would be impossible for small or medium size firms to turn out those products which no present-day American would like to do without. The bigger a corporation is, the more does it depend on the consumers' readiness to buy its wares. It was the wishes—or, as some say, the folly—of the consumers that drove the automobile industry into the production of ever bigger cars and force it today to manufacture smaller cars. Chain stores and department stores are under the necessity to adjust their operations daily anew to the satisfaction of the changing wants of their customers. The fundamental law of the market is: the customer is always right.

A man who criticizes the conduct of business affairs and pretends to know better methods for the provision of the consumers is just an idle babler. If he thinks that his own designs are better, why does he not try them himself? There are in this country always capitalists in search of a profitable investment of their funds who are ready to provide the capital required for any reasonable innovation. The public is always eager to buy what is better or cheaper or better and cheaper. What counts in the market is not fantastic reveries, but doing. It was not talking that made the "tycoons" rich, but service to the customers.

CAPITAL ACCUMULATION BENEFITS ALL OF THE PEOPLE

It is fashionable nowadays to pass over in silence the fact that all economic betterment depends on saving and the accumulation of capital. None of the marvelous achievements of science and technology could have been practically utilized if the capital required had not previously been made available. What prevents the economically backward nations from taking full advantage of all the Western methods of production and thereby keeps their masses poor, is not unfamiliarity with the teachings of technology but the insufficiency of their capital. One badly misjudges the problems facing the underdeveloped countries if one asserts that what they lack is technical knowledge, the "know-how." Their businessmen and their engineers, most of them graduates of the best schools of Europe and America, are well acquainted with the state of contemporary applied science. What ties their hands is a shortage of capital.

A hundred years ago America was even poorer than these backward nations. What made the United States become the most affluent country of the world was the fact that the "rugged individualism" of the years before the New Deal did not place too serious obstacles in the way of enterprising men. Businessmen became rich because they consumed only a small part of their profits and ploughed the much greater part back into their businesses. Thus they enriched themselves and all of the people. For it was this accumulation of capital that raised the marginal productivity of labor and thereby wage rates.

Under capitalism the acquisitiveness of the individual businessman benefits not only himself but also all other people. There is a reciprocal relation between his acquiring wealth by serving the consumers and accumulating capital and the improvement of the standard of living of the wage-earners who form the majority of the consumers. The masses are in their capacity both as wage-earners and as consumers interested in the flowering of business. This is what the old liberals had in mind when they declared that in the market economy there prevails a harmony of the true interests of all groups of the population.

WELFARE THREATENED BY STATISM

It is in the moral and mental atmosphere of this capitalistic system that the American citizen lives and works. There are still in some parts of his country conditions left which appear highly unsatisfactory to the prosperous inhabitants of the advanced districts which form the greater part of the country. But the rapid progress of industrialization would have long since wiped out these pockets of backwardness if the unfortunate policies of the New Deal had not slowed down the accumulation of capital, the irreplaceable tool of economic betterment. Used to the conditions of a capitalistic environment, the average American takes it for granted that every year business makes something new and better accessible to him. Looking backward upon the years of his own life, he realizes that many implements that were totally unknown in the days of his youth and many others which at that time could be enjoyed only by a small minority are now standard equipment of almost every household. He is fully confident that this trend will prevail also in the future. He simply calls it the "American way of life" and does not give serious thought to the question of what made this continuous improvement in the supply of material goods possible. He is not earnestly disturbed by the operation of factors that are bound not only to stop further accumulation of capital but may very soon bring about capital decumulation. He does not oppose the forces that—by frivolously increasing public expenditure, by cutting down capital accumulation, and even making for consumption of parts of the capital invested in business and finally by inflation—are sapping the very foundations of his material well-being. He is not concerned about the growth of statism that wherever it has been tried resulted in producing and preserving conditions which in his eyes are shockingly wretched.

NO PERSONAL FREEDOM WITHOUT ECONOMIC FREEDOM

Unfortunately many of our contemporaries fail to realize what a radical change in the moral conditions of man, the rise of statism, the substitution of government omnipotence for the market economy, is bound to bring about. They are deluded by the idea that there prevails a clear-cut dualism in the affairs of man, that there is on the one side

a sphere of economic activities and on the other side a field of activities that are considered as non-economic. Between these two fields there is, they think, no close connection. The freedom that socialism abolishes is "only" the economic freedom, while freedom in all other matters remains unimpaired.

However, these two spheres are not independent of each other as this doctrine assumes. Human beings do not float in ethereal regions. Everything that a man does must necessarily in some way or other affect the economic or material sphere and requires his power to interfere with this sphere. In order to subsist, he must toil and have the opportunity to deal with some material tangible goods.

The confusion manifests itself in the popular idea that what is going on in the market refers merely to the economic side of human life and action. But in fact the prices of the market reflect not only "material concerns"—like getting food, shelter, and other amenities—but no less those concerns which are commonly called spiritual or higher or nobler. The observance or nonobservance of religious commandments—to abstain from certain activities altogether or on specific days, to assist those in need, to build and to maintain houses of worship and many others—is one of the factors that determines the supply of and the demand for various consumers' goods and thereby prices and the conduct of business. The freedom that the market economy grants to the individual is not merely "economic" as distinguished from some other kind of freedom. It implies the freedom to determine also all those issues which are considered as moral, spiritual, and intellectual.

In exclusively controlling all the factors of production the socialist regime controls also every individual's whole life. The government assigns to everybody a definite job. It determines what books and papers ought to be printed and read, who should enjoy the opportunity to embark on writing, who should be entitled to use public assembly halls, to broadcast and to use all other communication facilities. This means that those in charge of the supreme conduct of government affairs ultimately determine which ideas, teachings, and doctrines can be propagated and which not. Whatever a written and promulgated constitution may say about the freedom of conscience, thought, speech, and the press and about neutrality in religious matters must in a socialist country remain a dead letter if the government does not provide the material means for the exercise of these rights. He who monopolizes all media of communication has full power to keep a tight hand on the individuals' minds and souls.

THE ILLUSIONS OF THE REFORMERS

What makes many people blind to the essential features of any socialist or totalitarian system is the illusion that this system will be operated precisely in the way which they themselves consider as desirable. In supporting

socialism, they take it for granted that the "state" will always do what they themselves want it to do. They call only that brand of totalitarianism "true," "real," or "good" socialism the rulers of which comply with their own ideas. All other brands they decry as counterfeit. What they first of all expect from the dictator is that he will suppress all those ideas of which they themselves disapprove. In fact, all these supporters of socialism are, unbeknown to themselves obsessed by the dictatorial or authoritarian complex. They want all opinions and plans with which they disagree to be crushed by violent action on the part of the government.

THE MEANING OF THE EFFECTIVE RIGHT TO DISSENT

The various groups that are advocating socialism, no matter whether they call themselves communists, socialists or merely social reformers, agree in their essential economic program. They all want to substitute state control—or, as some of them prefer to call it, social control—of production activities for the market economy with its supremacy of the individual consumers. What separates them from one another is not issues of economic management, but religious and ideological convictions. There are Christian socialists—Catholic and Protestant of different denominations—and there are atheist socialists. Each of these varieties of socialism takes it for granted that the socialist commonwealth will be guided by the precepts of their own faith or of their rejection of any religious creed. They never give a thought to the possibility that the socialist regime may be directed by men hostile to their own faith and moral principles who may consider it as their duty to use all the tremendous power of the socialist apparatus for the suppression of what in their eyes is error, superstition, and idolatry.

The simple truth is that individuals can be free to choose between what they consider as right or wrong only where they are economically independent of the government. A socialist government has the power to make dissent impossible by discriminating against unwelcome religious and ideological groups and denying them all the material implements that are required for the propagation

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and the practice of their convictions. The one-party system, the political principle of socialist rule, implies also the one-religion and one morality system. A socialist government has at its disposal means that can be used for the attainment of rigorous conformity in every regard, "Gleichschaltung" as the Nazis called it. Historians have pointed out what an important role in the Reformation was played by the printing press. But what chances would the reformers have had, if all the printing presses had been operated by the governments headed by Charles V of Germany and the Valois kings of France? And, for that matter, what chances would Marx have had under a system in which all the means of communication had been in the hands of the governments?

Whoever wants freedom of conscience must abhor socialism. Of course, freedom enables a man not only to do the good things but also to do the wrong things. But no moral value can be ascribed to an action, however good, that has been performed under the pressure of an omnipotent government.

—The Freeman.

(Continued from page IV)

CHANGES THAT BRING PROGRESS

Recognizing the inevitability of change in technology, production, and taste—the mutations of physical phenomena—we also need to recognize the immutable framework of universal laws and absolute values within which they exist—recognize those things that remain constant. The recognition of the existence of those things that never change enables us to work most effectively with the changeable. So-called changes for the better that ignore basic principles are not feasible and eventually result in chaos and turmoil. Operating in accordance with the laws and values that are changeless enables change to be progress, brought about rationally, based on principle, and consciously directed toward the enduring goals of mankind.

These goals, ideas, values, laws, absolutes, never change. But as long as they are not fully realized, any step toward a greater expression and implementation of them implies a change—a change for the better. It is only because of the existence of immutable laws and ideals that there can be any pattern, guide, or rationale for purposeful change in contrast to purposeless drifting—a meaningless ebbing and flowing. The immutable relationship between cause and consequence furnishes a framework within which all changes take place.

Change for the better, the status quo, or retrogression—which shall it be? Our problem lies in understanding the ultimate goals of human action in recognizing the available alternatives for that action, and choosing the appropriate means for attaining the desirable ends. Then change will mean a better life for all mankind.

—Freeman

Nehru-Chou Election Pact

(From Our Correspondent)

It can be said by superficial observers and it is being said by them with reference to his own statements that Prime Minister Nehru has been outwitted by Premier Chou En-lai. But a deeper analysis of the situation reveals a different story. The joint communique signed by the two Premiers at the end of the talks between them said inter alia:

"The two Prime Ministers explained fully their respective stands on the problems affecting the border areas. This led to a greater understanding of the views of the two Governments but the talks did not result in resolving the differences that had arisen.

"The two Prime Ministers were of opinion that further examination should take place by officials of the two sides of the factual material in the possession of both the Governments.

"The two Prime Ministers therefore agreed that officials of the two Governments should meet, check and study all historical documents, records, accounts, maps and other material relevant to the boundary question, on which each side relied in support of its stand, and draw up a report for submission to the two Governments.

"This report would list the points on which there was agreement and the point on which there was disagreement or which should be examined more fully and clarified. This report should prove helpful towards further consideration of these problems by the two Governments." (Emphasis mine).

Mr. Nehru later said that the officials will have no authority to discuss anything or to decide anything. More than that. He said he did not think that the officials' meetings are going to lead to anything. Why then did he sign a communique in which most of the space was devoted to further examination of the position by the two sides and which clearly said that the officials' "report should prove helpful towards further consideration of these problems by the two Governments"? He signed the communique because it says, significantly enough: "During the period of further examination of the factual material, every effort should be made by the parties to avoid friction and clashes in the border areas".

One would have thought that between friends, particularly eternal friends, as Mr. Chou En-lai would like to put it, avoidance of friction and clashes in the border areas should not have been expressly limited to the period of further examina-

tion of the factual material, but that is the concession India seems to have gained by agreeing to a course which her Prime Minister knows to be futile, while the course itself shows that India has agreed to look into the evidence China produces to prove her stand. That being the case, the Chinese Premier has reason to feel offended at the use of the word aggression by Mr. Nehru with reference to China, since the evidence which both sides have decided to produce and examine has yet to be produced, and it is hardly fair to pronounce judgment before the evidence re-begins to be taken.

But in view of the fact that Mr. Nehru has to keep the electorate pleased with an eye on the coming general elections, friend Chou En-lai should easily forgive the lapse, since it is in his interest that Nehru should remain Prime Minister of India. That is the only common ground between Nehru on the one hand and Messrs. Khrushchev and Chou En-lai on the other, and it is with that common ground in mind that the communique and all proceedings between the Indian and Chinese Governments should be studied, if they are to be properly understood. Without that common ground in mind, everything between India and China and India and Russia would appear senseless. And it is that common ground that makes Mr. Nehru lean so heavily on the side of the Communist countries, and it is lack of that common ground between Mr. Nehru and the western powers that makes him so antagonistic to them. What about India? the reader will be inclined to ask. My answer is: Heaven help India, since there is no one in the country who thinks in terms of the poor motherland.

ALL TRUMPS IN CHOU'S HANDS

But let us not be too harsh on Mr. Nehru. What was poor Mr. Nehru to do? All the trump cards are in the hands of his friend, Chou En-lai. (The recent re-emphasis on their friendship reminds me of Lord Byron's famous words: "And blessings on the fallings-out that all the more endears".) All the trump cards are in the hands of the Chinese Premier, including those which were in the hands of Mr. Nehru but which Mr. Nehru has kindly transferred on a platter to his friend, Chou En-lai including also the latest bombers and fighters from our friend Nikita Khrushchev! So firm is our stand on non-alignment in thought, word and deed that we cannot even threaten alignment, which is all that we need to do in order to get out of an impossible situation. Yet how can we threaten alignment and eat the humble pie after having gone out of our way to

be rude to the western powers for their condemnation of India on the Kashmir issue? And how can we displease Khrushchev without being sure that we are (or can be) in the good books of his rivals? And how can we expect Mr. Nehru to confess that he has been wrong, wrong politically and morally, after declaring to the world time and again, albeit indirectly, that he was Moral Avalanche the Second, having succeeded his master Gandhi, Moral Avalanche the First, even before the latter shuffled off his moral coil?

Yet, if Mr. Nehru is and was really determined on the vacation of aggression by the Chinese in the Ladakh area, one cannot help wondering why he declared from the housetops that not a blade of grass grew in the areas occupied by the Chinese, and why his conscience-keeper, Krishna Menon, talked of Indian determination to retain hold of their administered areas. This is by no means the language of those who are determined on the vacation of aggression. It is, on the other hand, clearly the language of those who want the aggressors to continue to occupy the areas they have occupied. Of course this cannot be admitted officially for fear of Mr. Nehru's opponents making capital of the admission for election purposes. Indeed, there is reason to suspect that the Chinese advanced farther in Ladakh after these two most unpatriotic observations by our Ministers, followed as they were by a recapitulation of our unreadiness to fight China. As for the reasons why Messrs K. D. Malaviya and Krishna Menon were thrown into the discussions with the Chinese, it was only fair that they should know that they have two kinsmen in the Indian Cabinet.

The communique seems to suggest that respite from friction and clashes in the border areas has been gained at the cost of our readiness to examine the Chinese case for their occupation of Ladakh, but that too would be a superficial conclusion in the light of the directive from Khrushchev to his Chinese friends to go as far as they can without throwing Nehru out of the Prime ministership of the country. And with that directive Mr. Nehru naturally has no quarrel

Any one could have seen that what is happening on the Sino-Indian border was bound to follow, as the night follows day, the Chinese occupation of Tibet but Mr. Nehru's anger against Anglo-Americans made him an easy prey to the wiles of Chou En-lai who flattered him into signing away Tibet. Side by side with our insistence on the vacation of aggression in Ladakh we must insist on independence for Tibet, without which India will never be safe from China. The editor of a local daily writing under his initials says, "I can see dire consequences for the country unless it wakes up fully to the dangerous facts of life with an expansionist neighbour like China". But readers of his paper may well wonder if the paper itself has really done so. In any case the communique settles the fact that there will be no farther Chinese advance till the 1962 elections

are over. That is as far as the Chinese could possibly go to accommodate Mr. Nehru. This is an aspect of the situation—and by far the most important aspect—which has been lost sight of altogether by commentators.

DEFEAT FOR NEHRU

The elections to the executive of the Congress Parliamentary Party proved, in one instance at least, a tussle between the pro-Nehru and anti-Nehru elements, and to the surprise of everybody, the latter won. A day before the elections Mr. Nehru had told Party members that he did not approve of the plain-speaking against his policies by Dr. Ram Subhag Singh, among others. Dr. Singh was contesting one of the two key positions of Secretary of the Party. He was not keen on the contest and was unaware of the fact that his candidature was being considered as a challenge to the leadership of Mr. Nehru. Mr. Krishna Menon jumped into the arena to make that plain to everybody in the party and to prevent Dr. Singh from being elected Secretary. A powerful Cabinet Minister and another Minister known for his support of Mr. Menon also went about canvassing against Dr. Singh on the ground, made explicit by them, that Dr. Singh's election would be a vote of no-confidence in Mr. Nehru. Nevertheless Dr. Singh won easily.

This is the first instance in which the wishes of Mr. Nehru, given expression to indirectly by himself, and directly by his close associates, have been flouted by the Congress Parliamentary Party with the full knowledge that it was doing so. The truth is that the myth that "Nehru knows best" has been exploded. Perhaps the most telling blow is being dealt by those in the Opposition who are regaling their listeners with the observation that Nehru is Wajid Ali Shah the Second of Indian history. (Wajid Ali Shah of Lucknow was busy with his musicians and dancers when the British troops were approaching his Palace to put an end to his rule). The observation is becoming current coin in the Capital.

OUR PUBLIC SERVANTS

A correspondent in the *Hindustan Times* draws attention to a grave scandal which is becoming common in the States governed by the Congress. He rightly says that Mr. Islam Ahmed, D.I.G. Police, Agra, showed real moral courage, rare in service men, when talking to newsmen, he complained that the police force in his range was unable to carry out its normal duties on account of the time and attention it had to give to visiting VIPs. He disclosed that during the visit to Agra of a VIP "so much of police was requisitioned from Agra range that nearly 50 per cent of police stations were left with only one constable for a number of days with the result that there was a spate of dacoities and other crimes during that period." Mr. Islam Ahmed has suggested that the Police Commission should consider the provision of an additional force for

this purpose. Our Congress Ministers seem to think nothing of the overtime the policemen dancing attendance on them have to put in or of the under-manning of police stations even near dacoit-infested regions. Local leaders giving parties to visiting Ministers almost always ask superintendants of police to make special police arrangements near their houses to show off their importance to local officials and the public and they have to oblige them to be in the good books of the Ministers.

THE OFFICIAL LANGUAGE

The President has broadly accepted the recommendations of the Committee of Parliament on official language, i.e., that after 1965 when Hindi becomes the principal official language of the Union, English should continue as an associate official language. He has not, however, indicated the deadline for a complete switch over to Hindi, presumably because he realises that that is going to take a very long time indeed. The Hindi maniacs, as they are called here, have definitely received a set-back during the last two or three years, and for this they have their own enthusiasm to thank. When a cause is weak it is no part of wisdom to shout over over it and attract attention and thus make people think of it. They would have perhaps done better had they been content with the victory they scored when the Constitution was being framed, instead of being strident over what was an absentminded decision in the first flush of nationalism when the giving up of English seemed to be the only appropriate and patriotic thing to do. Much water has flowed down the bridges of the Jamuna since then and people have begun to realise that this Hindi mania is more of an election stunt than a desire to raise the intellectual level of the people through the adoption of the most widely understood language in the country.

Take, for example, judgments in courts. A Supreme Court Judge has given it as his opinion that he cannot visualise any time in the near future when Supreme Court judges will be able to deliver judgments in Hindi, for the double reason that the language is not developed enough for the purpose and people all over the country will take a long time to attain the requisite mastery over it. No wonder the President has accepted in principle the Committee's recommendation that Hindi eventually should be the language of the Supreme Court when the time comes for a change-over. But will that time ever come?

In regard to recruitment to all-India services, the Home Ministry has been asked to take necessary action in consultation with the Union Public Service Commission for the introduction of Hindi as an alternative medium of examination after some time. The fact that no restriction is to be imposed for the present on the use of English for any of the purposes of the Union and that, to quote the President's order, "necessary action may be taken....

by the Ministry of Home Affairs for the preparation and implementation of a plan or programme which will be concerned with preparatory measures for facilitating the progressive use of Hindi in addition to English for the various purposes of the Union," shows that even after 1965, when Hindi becomes the principal official language of the Union, it will be that in name only and that English will continue to be the real principal official language of the Union.

It is not Hindi alone that is responsible for the deterioration of standards in universities. The other official languages, constituting the mother tongues of people in the states, which are becoming the media of instruction in colleges, are equally responsible for the deterioration, and there does not seem to be any sign anywhere of the realisation of that fact. Or it may be that public sentiment is so strong in favour of the mother tongue vis-a-vis English that no one dare raise his voice for the latter, although patriotism clearly demands that course.

MR. NEHRU'S BLUFF AND BLUSTER

It is becoming increasingly clear that Mr. Nehru intends to maintain his supremacy in the country by bluff and bluster and use these weapons to hide his own incompetence to meet the situation created by the "tremendous menace" from China—to use his own words. One can understand Mr. Nehru's failure to enlighten the House regarding what transpired between him and the Chinese Premier, because it is not always possible to take the public into one's confidence regarding secret talks with a foreign Premier claiming huge chunks of Indian territory, but to use the occasion of a debate on them or their result—the communique—to abuse members of Parliament and tell them: "Either listen to me or get out;" or inform them that they are "amazingly incompetent to even understand the situation, far less to face it," is surely undemocratic in the extreme and hardly in consonance with his acknowledgment of the sovereignty of Parliament. It must have been the inferiority complex of the rebuked members of Parliament which prevented them from making their retorts more withering—not one was good enough to pass from mouth to mouth.

Mr. Nehru's own understanding of the situation is obvious from his declaration that China had created "a comic situation" and then referring to that situation as a "tremendous menace". Can any one say after this self-contradiction on the same subject within an hour that Mr. Nehru's mind is functioning rationally? There was hardly any provocation for the attack on members of the Opposition—they had not even attacked him or his policies—particularly having regard to his admission—"we may have misjudged some events"—concerning China's growing strength. A probe into this and other such confessions will reveal the tremendous harm Mr. Nehru does to his country by his happy-go-lucky judgments.

Arguing again in favour of non-alignment, Mr. Nehru said, giving up of non-alignment means: "Take shelter under somebody else's umbrella, seek help of others to defend yourself, to protect you because you are weak." And he added: "The moment a person thinks of giving up non-alignment, it means exhibiting a sense of weakness, a sense of non-reliance on ourselves. I say nothing could be more fatal for our future than to spread this feeling of despondency or lack of self-reliance."

Every one will agree that taking shelter under somebody else's umbrella and seeking help of others to defend oneself is not an ideal situation. But if a country is attacked or threatened, what should she do, particularly if she is admittedly much weaker than the aggressor? There are, in that case, only two alternatives. Either the country attacked or threatened should seek others' help to defend herself or she should submit to the aggressor, with or without, before or after, war. There is no third alternative, and Mr. Nehru, who cannot deny the aggression or the threat of aggression, obviously prefers the second alternative, having rejected the first demanding alignment. He prefers submission to alignment. Such is the Prime Minister of India and there are many who still consider him to be a patriot!

Where is the harm in exhibiting a sense of weakness if one is weak? It is only being realistic. Have not Messrs. Nehru and Menon been harping on our lack of equipment and preparedness—weakness, in other words? The other course is bravado, which will deceive no one. Mr. Nehru is against exhibiting a sense of weakness when it is made an argument for alignment, but he is not against exhibiting a sense of weakness when it is an argument for not resisting the Chinese aggression. Any stick seems to be good enough to beat the patriots with!

It is sheer folly for a country to rely on herself knowing she is too weak to resist the aggressor successfully. Far from being fatal, the spread of the feeling of lack of self-reliance—self-reliance, should not be there at all faced with a much stronger power—is only patriotic as well as realistic. What is always fatal is wishful thinking in which Mr. Nehru is past master. Did he not for years go on saying, "Pakistan is only a bargaining country"? If a country cannot rely on herself, owing to her weakness, her lack of equipment, or her unpreparedness, the only sensible course open to her is to proclaim the truth from the house-tops so that those inclined to help her may be left in no doubt regarding her helplessness and her determination to resist the aggressor and may come to her help. What is clearly lacking in Mr. Nehru is the determination to resist Chinese aggression. His own words have made that plain several times.

Book Review

India Demands English Language, edited by Isaac Mathai. Mathai's publications, Blavatsky Lodge, French Bridge, Bombay-7. 95 pages, Rs. 3/-

The importance of the English language as the medium of instruction in our Universities and as the language of administration has been emphasised by eminent thinkers, patriots and all those who are genuinely interested in the welfare of the country. Unfortunately however, the present controversy arises out of a political bias since the educational problem is sought to be tackled on a political and not on the educational plane. In this context, it is necessary to focus public attention on the importance of English if we are to survive as a modern nation. As readers might be aware, the 'Indian Libertarian' has always been stressing the importance of English as a vehicle of progress in modern India. And this reviewer was encouraged to write a pamphlet on this subject by Mr. R. B. Lotwala who is particularly interested in his problem.

Dr. C. P. Ramaswamy Iyer, Pothan Joseph, General Cariappa, S. N. Moos, K. M. Munshi, Frank Moraes, Mirza Ismail, C. D. Deshmukh and Rajaji are among the contributors to this volume. Mr. Mathai has also published excerpts from the speeches of Nehru, the proceedings of 'The All-India Language Conference' and the deliberations of the Kher commission apart from contributing two informative articles which give a bird's eye view of the problem.

Dr. C. P. Ramaswamy Iyer has discussed the problem with his characteristic versatility. After analysing the constitutional implications, he has shown how the English language is serving as an instrument of culture, as a medium for the transaction of business and as a vehicle of international progress. Dr. C. P. has also referred to an incident which is reproduced here: "Recently in Parliament, a Member put a long supplementary question regarding the Nagas. The Deputy Minister for Foreign Affairs, Mrs. Lakshmi Menon, said that she could not follow it. When Mr. Nehru got up to reply, several members wanted to know the meaning of the question and thereupon he said 'I have not understood it myself. I have not understood it fully, but I am prepared to give it an answer! When I was Vice-Chancellor of Banaras Hindu University I noticed that the Bihari students could not make themselves fully understood to those from Uttar Pradesh'. If such is the state of affairs, how can Hindi be forced down the throats of the non-Hindi speaking areas? As usual, Pothan Joseph has written a delightfully humorous piece. He breaks a lance with a Hindi champion who described Indian lovers of English as 'Macaulay's bastards' and winds up his essay thus: "In the realm of live-wire culture and science, the destiny

of 'Macaulay's bastards' "is to increase and multiply throughout the world, Pahela Varg. General Cariappa has argued the case in a matter-of-fact style. (It was published in the 15th November 1957 issue of the Indian Libertarian) Munshi has sounded a note of warning against the growing trends of the linguistic Balkanization of India, bringing serious consequences in its wake. Mr. Frank Moraes's article entitled "Lever of progress"—is one of the best pieces in this collection. As he puts it admirably, it is clear that "with English rapidly disappearing from our schools and even our Universities blithely adopting the regional languages as the media of instruction, not only have our standards of education been lowered but the feelings of linguistic separatism are also being insidiously nourished". Rajaji's article dealing with the "Five Fallacies about Hindi" is undoubtedly the best article in this collection. With his incisive mind, he points out the absurdity of some of the objections raised against the retention of English. His advice is simple, but none-the-less effective. Rajaji says "I beg of them (Hindi-speaking people) to concentrate on their work at the state level and declare the match drawn at the Union level and the status quo intact with no threats hanging over the heads of people. Let English continue." This bit of advice comes from a man who has done his best to propagate Hindi in the State of Madras as early as 1937. And switching on to Deshmukh this reviewer is in agreement with Mr. Deshmukh's thesis that the development of our minds "will be impossible without extensive and reinforced resort to one of the most advanced languages of the world, i.e. English".

Mr. Mathai ought to be congratulated for editing this book with taste and care. One looks forward to the pleasure of seeing the proposed volume of Mr. Mathai entitled "Documentary Evidence—India Demands English language". What is required is not only documentary evidence, but also greater publicity. This reviewer hopes that Mr. Mathai would bring out more publications and collections of articles and speeches on this subject and win more laurels in this field of dedicated endeavour.

—A. Ranganathan

Gleanings from the Press

De Madariaga writes in Time and Tide: "The Berlin crisis arose because Krushchev unilaterally backed out of an agreement freely arrived at with the three Atlantic Powers. To want to negotiate another agreement on the same subject with him is to submit in advance to periodical revisions and withdrawals. To seek 'an accommodation' amounts to ignoring the dynamic, ever-advancing forward pressure of Soviet foreign policy.

"Therefore, it is idle to yield today in the hope of stopping the rot, for the rot will go on, and the free world will have to yield tomorrow not only as it yielded yesterday but because it yielded yesterday. It all began with the ignominious surrender of the

Baltic States, then the Bulgarian peace treaty, then the Lubian Committee and the imprisonment of the Polish resistance leaders in violation of a Soviet parole, the withdrawal from the Elbe, the rape of Czechoslovakia, the murder of Hungary.... and at every step backwards those who sought an accommodation were loud in their protests that the withdrawal would be the last. The next came and it also was 'the last'".

We agree with de Madariaga. Russia, with armed force, put a minority of Communists into power in East Germany. Neither Britain, USA nor France attempted to influence the election held in the zones of Germany that the western powers occupied. To give even de facto recognition to Russia's shameless actions in the satellite States is to encourage her to fresh aggression, and we know already how easily Russia can manufacture reasons for her actions.

News Digest

RUSSO-CHINA BHAL-BHAL

NEW DELHI, MAY 5. Dr. Raghuvira, M.P., addressing a press conference, showed photographs of strategic roads recently brought by him from China which refuted the view held in certain quarters that there was a lot of contradiction between Russia and China and that Russia was afraid of Chinese expansionism. These roads led to the Indian borders as well as to the border of Burma and North Viet-Nam and connected China, Tibet and also the Soviet Union. He gave the names of Russian scientists and also quoted extracts from the papers in China to show that Russia was helping China in every possible way in nuclear science. One of the roads links Irkutsk in Siberia and a Tibetan town close to the Indian border near Kalimpong. These roads, he said, would facilitate the easy movement of military supplies. Dr. Raghuvir quoted a Chinese publication which said that Ladakh, NEFA, Tibet and Bhutan were the four "molar teeth" with which China would grind its way to the Southern seas.

FLIGHT FROM COMMUNISM

Between April 8 and 22, 1960 a total of 7,326 refugees from the so-called German Democratic Republic sought asylum in the Federal Republic of Germany.

FUTURE OF THE RUPEE

To meet the heavy demand for the special paper used in printing notes during the third five year plan, the Government of India, with a rare precision, has decided to manufacture its own bank note paper. A security paper mill is going to be set up in the public sector, near the Security Printing Press in Nasik. It will cost only Rs. 10 lakhs but will produce enough paper to print notes worth thousands of crores.

HOW CHINA'S ETERNAL FRIENDSHIP WITH INDIA WORKS

New Delhi, May 8: The second Chinese road

through north eastern Ladakh cuts deeper into Indian territory than earlier believed.

According to reports reaching here, the new road enters India over the Qara Tagh Pass from Malik Shah in Sinkiang.

Thereafter it follows the valley of the Qara Qash river in a southerly direction and turns south-east to the Kongka Pass and then east to the Lonak La, at which point it leaves Indian territory and enters Tibet.

On the basis of this alignment, the new road would appear to run parallel to the older road through Aksaichin and about 30 to 50 miles to the west of the latter.

MALAYA NOT TO RECOGNISE PEKING

Kuala Lumpur, April 23: Malaya's Minister for External Affairs, Dr. Ismail, said in Parliament yesterday that the Federation Government had decided not to recognise the People's Republic of China. There were two "claimants" to mainland China and therefore, "We cannot recognise either of them," the Minister said in reply to a question from an opposition member.

CHARITY BEGINS AT HOME

New Delhi, Friday.—A decision has been taken at Cabinet level that the Government may provide residential accommodation to leaders of political parties, rent being charged on the same basis as from officials, it is learnt.

This facility will be given only to heads of recognized political parties.

The issue arose out of the need to provide a Government bungalow for the President of the Congress, Mr. N. Sanjiva Reddy.

PEACE THROUGH STRENGTH GEN. CARIAPPA'S APPEAL

Coimbatore, May 1: Gen. K. M. Cariappa yesterday said that he believed in "peace through strength" in the same way as the United States and the Soviet Union did.

Gen. Cariappa regretted that we had not made the best use of 12 years of freedom and said that many serious problems, including Kashmir, Goa, food and inter-State boundaries, remained unsolved.

PEACEFUL SOLUTION OF GOA ISSUE THROUGH IMPOTENT ANGER NEHRU'S STAND

London, May 6: Prime Minister Nehru stated here to-day that India's handling of the Goa problem demonstrated "our desire to solve problems peacefully without recourse to violence even though it greatly irritates and may take some time."

The reference to Goa and the Portuguese colony of Angola in Africa came in the course of the Prime Minister's address to the India League on apartheid and racial discrimination.

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