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Editorial

PAKISTAN — THE IMPORTANT SUBJECT

THE most important subject from the Indian standpoint that should engage the earnest attention of our people, (both masses and intelligentsia) these months, is the containment of Pakistan. No doubt the situation in Kerala is also serious and if not firmly handled, the Communist Party of India may succeed in making their hold on Kerala a decisive stepping-stone to permeate to other provinces before the next elections and capture the country for communism. But there is time for measuring swords with Kerala communism, however short. What is required is only firm action on the part of the Central Government within constitutional procedure to call a halt to the extension of communist influence. Also, the Kerala people are now thoroughly aroused and are capable of taking a decisive share in choosing a better government opened with a view to serve their own interests.

PANDIT NEHRU'S U.P. INHERITANCE

Pakistan is more difficult to deal with, not because of any military inferiority, (though this factor too has become a matter of doubt and anxiety on account of the inexcusable neglect of it by our Government) but because of the inexplicable mentality of our Congress rulers, particularly that of our Prime Minister who was the supreme agent of Partition in 1947. Pandit Nehru was brought up in the U.P., the province ruled by the Nawabs of Oudh till the British annexed it. The province was ruled by the Nawabs for over 500 years. The strange thing is why the large majority of the Hindus did not rally and drive out the handful of Muslim invaders in the period of the Sultanate over such a long period. No doubt there were revolts but

how was it that after the terrible suppression of one such revolt by Alauddin, the people subsided into somnolent acquiescence?

Thereafter the Hindus accepted foreign rule and lost all thoughts of recovering independence. Today a glance at the physique and bearing of the Hindu agriculturists in Lucknow and Allahabad areas will reveal their pitiful, stunted growth and their timid, weak appearance. They are an example of the most remarkable emasculation and demoralisation in all history!

Mentally, too, the people accepted foreign culture and neglected their heroic tradition. Pandit Nehru and the Hindu upper classes come from these frustrated and demoralised strata of the Hindus who played second fiddle to Muslim aristocracy for centuries. It is only during British rule that the Nehrus and their like lifted up their heads and dared to ask for *swaraj!*

But deep in their minds, a strain of acceptance of Muslim rule with all its barbarism with regard to *kafirs* has found a home. This accounts for the favouritism to the Muslim shown so obviously and unpatriotically by Pandit Nehru. He has grown up closer to British and Muslim culture than to Hindu and Indian. As he himself confesses in his autobiography, he lives in two worlds but is at home nowhere. But this trait of his biography would have been harmless and even a gain if his activities were confined to literature.

NEHRU'S SURRENDER

But unfortunately circumstances and the uncritical hero-worship of our people have placed supreme and decisive power in Nehru's hands. And he is using it to the limit. The latest example is his surrender of

Indian border areas to Pakistan. The one-way concession would not have mattered in terms of actual loss of land. But unfortunately, it goes to confirm the Pakistani's deep conviction that Nehru and the Hindus will surrender incontinently to violent aggression what they resist to argument, request and negotiation!

In the Nehru-Noon negotiations, Noon has triumphed through the weakness of Nehru for Muslims and Pakistanis.

Thus does personality play a decisive part in historical crises. Major decisions in history are due to the force of personal intervention by powerful individuals placed in important positions at the time.

CHALLENGED AT THE SUPREME COURT

Nehru's surrender challenged by appeal to the Supreme Court.

It is good to know that Nehru's surrender of territory has been referred to the Supreme Court by a Bengali professor in regard to its tenability in terms of the Constitution, whether the Prime Minister has the authority to gift away integral portions of the national territory without sanction of Parliament. The assumption of supreme power bypassing Parliament by Nehru in this instance is particularly galling inasmuch as Parliament *was sitting at the time*. Pandit Nehru's cool statement that Parliament might censor him but cannot veto the agreement is clear evidence of his deliberate transcendence of Parliament. But this is now *sub judice* and we have to wait for the judgment of the Court for further comment.

CONFUSION BETWEEN SECULARISM AND APPEASEMENT

Another confusion that has facilitated the people's tolerance of the appeasement policy of the Prime Minister and his followers has been the fear of offending the *secularism* adopted in the Constitution as a fundamental principle of national reconstruction.

Though the word secularism does not appear ex-

PLICITLY in the Constitution, its meaning has been written into it in the fundamental rights secured to all irrespective of creed and race.

But secularism in the sense of the State being *impartial* to all religious groups is one thing. This is quite legitimate and is part of the integral meaning of liberalism in all modern progressive States. Though Britain is theoretically a defender of the faith, (which is part of the title of Britain's royal house,) in actual law and policy, Britain is secular in the sense of affording equal laws for all and in the sense of impartiality to all religious groups. This is part of democratic equality and freedom and is quite acceptable to all.

But in India, the secular principle is applied in a strange way without precedent in any other modern country. In India, under cover of secularism, the authorities interpret secularism in the sense of privilege above the normal conceded to Muslims. This was pointed out even by the correspondent of *The Manchester Guardian* some time ago. She said: It is *posh* to be a Muslim in India!

Now in the surrender of border areas, the secularism of Pandit Nehru shines out conspicuously! According to this strange interpretation, India has to favour even her bitterest enemies who are pledged heart and soul to her destruction at the cost of her own interests!

It is high time that this perversion of the meaning and obligations of secularism was shown up for what it is: a *plain case of anti-national conduct, which in lesser mortals would receive the opprobrious epithet of Treachery to the nation.*

THE TRUE MEANING OF SECULARISM

Secularism does not demand in logic, propriety and national morality any surrender to hostile interests for fear of favouring the nation (which naturally contains the national majority of Hindus.) This attitude on the part of Nehru and his Congress Government and Party expressing itself in innumerable cases to the detriment of the nation amounts to the doctrine that *Hindus* have no rights when they conflict with the privileges of the minorities! They then cease to be treated as Indians to which they are entitled as Indians as much as, if not more than, others. This matter requires fundamental thinking which it has not received at all. The considerable literature thrown out during the birth and growth of the Indian Congress has nothing to say on this basic question. Slogans and weak and woolly-headed sentimentalities exploiting generosity and tolerance and broad-mindedness of Hindus have been coolly availed of by Congress leaders to destroy national solidarity by means of offering bribes to minorities. Gandhi began this fatal policy by his flirtation with the Khilafatists, which was both ignorant and unprincipled.

DEFENCE MINISTER MENON FLIES FROM THE BORDER TO UNO

It is typical and perfectly symptomatic of the distorted sense of duty afflicting the Indian authorities that our Defence Minister should go to the UNO as a delegate to plead for the umpteenth time for the admission to Red China to membership of the UNO. In the first place; why should India continue (in season and out of season) to plead for Red China to the

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ECONOMIC PHILOSOPHY

By M. A. Venkata Rao

THE more one thinks of the current muddle in economic policy and administration, with the consequent failure of the Five Year Plans both in the industrial and agricultural spheres, the more one is driven to realise the utter necessity for a clearer and more fully articulated economic philosophy of the country, for the country and by the country. We need an economic philosophy, for today our policies and goals of economic effort are being scattered and frustrated by conflicting directions and tendencies. Official drivers are seeking to dragoon the country, classes and masses alike into a socialist pattern of society or a socialist structure of the communist variety that is now confronting the world in the Soviet countries. The commercial and industrial classes together with a large number of uncommitted groups and persons in various occupations hope that India may yet be spared from the full consequences of a socialist transformation. They are more keen on democratic values than on socialism and equality.

The situation is complicated by the fact that there is a perceptible gulf between the ideals and promises of current social objectives on the one hand and on the other, the actual effects and repercussions they have on the societies that have sought to realise their respective goals. Democracies have proved far from satisfactory in their fulfilment of the hopes of liberty with which they recommended themselves to societies in crisis. Socialist societies behind the Iron Curtain have also signally failed to fulfil to the heart the promise they made to the ear in the blood-stained streets of Moscow and Peking.

We in India today seem to have inherited all the streams of historic inspiration indicated by the individualist libertarian revolution of America and France as well as those of the socialist-communist egalitarianism of October 1917 (Moscow). Eur-america has never so far reconciled the contrary pulls of liberty and equality through the cement of fraternity. Class and rank have so far overwhelmed both equality and liberty.

We find the tension today in our country in the socialist pattern of society adopted at Avadi and embodied in economic and social planning, making of the national effort a sorry tug of war between opposite forces, neither the rulers nor the ruled having any clear idea of the rationale and outcome of the different ideals espoused by them.

These observations were reinforced by a perusal of the impressions of the Indian scene carried by Prof. Galbraith of the USA who was in India on behalf of the Government of India for research into Indian economy and constructive suggestions. He has made some caustic comments on Indian as well as Soviet and American failures to grasp the inwardness of the Indian economic situation and for making ideological suggestions unrelated to the operative conditions of Indian economy. He charges all three of these groups with a failure to realise the actual facts and relations and lack of relations between parts of the economy in India on account of which they have been unable to

make realistic and fruitful contributions to the policy and administration of the Government of India in their tremendous task of national reconstruction and industrialisation.

It is refreshing to read a competent and sympathetic foreigner (*Foreign Affairs* for July 1959. USA) pointing out that academic and official economists in India do not have any first hand acquaintance of the industrial, commercial and agricultural milieus in their own country. Too many of them dwell in the abstractions of top-level theories evolved in the West and are as unable as foreigners almost of supplying the practical awareness of facts and situations in the light of which theories have to be modified before application. It is true that too many of the academic economists trained in Western universities and equipped with mathematical statistics and analytical methods fail to evolve suitable *know-how* to enable the Government to build from the ground upwards and get a real move on in development processes.

It is true that recently academic economists have started a few rural and urban surveys in an effort to get liaison with their surroundings but this is a bare beginning and has not corrected the defect spoken of by Professor Galbraith.

This indicates the great need for a new method of using Western learning to train our own thinkers in the economic and indeed any other social field. Advanced students should be trained abroad not in theory but in *practical or case studies*, especially the ways in Eur-american economists frame policy in different lines of their economic scene with a view to practical legislation or guidance to Government in their regulatory functions. It is the mediation between theory and application, between university and economic centres of production and trade that should become the object of study by our personnel abroad. After return home, they should have positions, official and industrial or agricultural such that their new insight could be applied to Indian conditions from our own points of view. It is of no use Indian students studying Marshall and Keynes and Marxism abroad and coming to India to apply their ideas bodily to our affairs.

The mischief wrought by this defect of Indian economist by and large (of course with a couple of notable exceptions) is revealed in the passive way in which most of them endorsed the official socialism adopted at Avadi Congress and passed by Parliament. Parliament or no Parliament, our economists and social thinkers generally should have separated the purely economic side of their results and recommendations from the social philosophy into which they framed them for the most part. Professor Mahalanobis was asked at a public meeting at Delhi in the days of the publication of his Plan-frame as to why he gave a socialist Plan, at a time when socialism behind the Iron Curtain had failed economically either to produce social equality or high standards of living for the masses (as distinguished from a few elite). Khrushchev himself had to admit the failure of So-

viet economy in these respects. Mikoyan, a high Soviet Executive, confessed in Delhi and Karachi that Russia had failed to reduce economic disparities between the highest and lowest classes of incomes. They were as great as 10 to 100! Professor Mahalanobis replied that his Plan was intended to realise the socialism passed by Parliament as the goal of Indian official Planning and that he was not concerned with the validity of the ideological goal. But as is well known, Professor Mahalanobis did less than justice to himself. His ideological goal coincides with that of Nehru's Government. Hence his enthusiasm for his Plan-frame proposals and hence also their acceptance by Pandit Nehru, who is a socialistic-communist at heart. Indeed he makes no secret of it.

Now the question before the economists of the country is to separate the economic from the socialistic aspects of the Plan proposals both in industry and agriculture. But they failed to do so—by far the large majority of them, barring a few notable exceptions like Professor B. R. Shenoy.

The economic aspect consists of all those facts and laws and tendencies concerned with revealing the best lines of production, the best policies leading to smooth development in the economy with a minimum of dislocation and strain. It is not the concern of the pure *economists as such* to suggest ways and means of realising socialism or communism or other social ideal. His recommendations should be scientific in the form—if A, then B. If you do A, then inevitably B follows.

For instance in the context of agriculture, the economist has to bring together all the relevant facts and methods for increasing production. He should study the actual conditions of Indian agriculture—economic holdings, primitive implements and ignorance of modern know-how—well as paucity of adequate, cheap credit and facilities for cooperative purchase and sale. He should evolve recipes of creative agriculture in view of these conditions with the applications of modern methods and the provision of credit and purchase and marketing facilities. It is not for him to suggest changes of social relations and property rights as an economist. He may point out that given *certain social structures, certain economic consequences follow*. The choice between different consequences following different social customs or legal arrangements ancient or modern, individualist or cooperative or collective, should be *left entirely to the free citizen*. It is no business of the economist as economist to advise on such matters.

But we find Professor V. K. R. V. Rao out-Heroding Herod time and again suggesting socialist economics as if it were the only economics or as if its superiority intrinsically or for Indian conditions were *proven beyond doubt* or as if it were self-evident needing no explicit argumentation and persuasion. His latest utterance as reported in the public press is to the effect that American offers of capital investment in India in aid of Indian private enterprise should not be countenanced by the Government. He seems to think that Indian citizens have lost their democratic right to borrow capital from abroad or to have partnerships with foreign entrepreneurs in the interests of Indian industry and production and assimilation of know-how. In this suggestion of his, he is going beyond his purview as an economist proper and is

trespassing into the sphere of social philosophy for which it does not appear that he has any particular qualification.

So too Professor Mahalanobis. He is a statistician and mathematician but *no economist*. His advice on economic planning should not be given any decisive importance in his own right. But unfortunately it has been given such importance by the Prime Minister.

This does not mean that specialists should not at all go beyond their specialism but only when they do so, they should be valued precisely in the degree to which they have acquired competence in such extra subjects and not by virtue of their qualification as economists.

Professor D. R. Gadgil is another of these latter-day socialist economists who offer economic advice loaded with socialism. The public have to ask what their qualifications are for pronouncing on the superiority of socialism to individualism or free economy and free society in all matters. Their economic studies do not entitle them to pontificate on the issue between socialism and individualism. The issue pervades the whole range of human experience from their respective points of view—religion, morality, view of nature, view of mind, idea of society, of the supernatural, status of the self, the meaning of social union, the existence or otherwise of national mind or general will or social will etc. These views have to be analysed on their own account and settled on the basis of their own relevant evidence and reasoning. The issue of maximum production or satisfactory distribution and easy exchange, of prices, wages, salaries, of profits and other such economic matters do not afford any justification to economists to transcend their specific fields and pose as legislators for mankind on all social matters.

Today our Prime Minister has taken upon himself the tremendous and wholly unnecessary and unjustifiable responsibility of forcing (by prestige and patronage and the indirect pressure of the social leader and political advancement) the doctrine and practice of socialism on the Indian people. He has adduced little valid reasons for doing so. The economists are following suit for reasons of their own, partly conscious and partly unconscious.

Hence in addition to the relevant charges against their professional expertise made by professor Galbraith to the effect that have not assimilated the bed-rock economic situation in the matter of the vast rural population as well as in the matter of the lacunae between the administration and the life and daily concerns of the villagers, we have to add the further charge of going beyond their legitimate limits in recommending economic socialism to the country.

This distortion in the orientation of Indian economists recommending the Plan of Professor Mahalanobis was pointed out in dozens of newspapers and magazines at the time of consideration of the Plan-frame in 1955.

In fact there are plenty of grounds for thinking that the main reason for the Crisis in the Plan is the socialistic ideology embedded in it contradicting the economics of the Indian situation and its resources. The Plan and its *ideological under-pinning*, namely, *socialism*, is destroying the economy. The economists are

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THE PAKISTAN NAVY

By Varahamira

TRAINING for war has been the keynote of all Naval activity in Pakistan during the past few years. Following an initial period of build-up and consolidation, which included addition of modern and bigger types of warships to the country's fleet, and reorganisation and expansion of the shore establishments and logistic bases, the Pak Navy has now settled down to an intensive round-the-year programme of training both at sea and ashore. The sea and shore components of the Navy have been striving hard to keep pace with the progress and developments attained by other modern Navies of the world. Pakistan is taking part in multilateral exercises alongside other advanced and progressive Naval forces, which go a long way in providing the necessary practical training to the Units and to the Officers and men of Service, from integral part of the Pak Navy's training programme.

One such multilateral exercise, called CRESCENT sponsored and conducted by the Pak Navy, was held in Karachi towards the end of 1957. Warships, including submarines, destroyers and cruisers, belonging to Iran, Turkey, the U. S. A., U. K. and Pakistan took part in the exercise, while air co-operation was provided by the Air Forces of the U.S.A., U.K. and Pakistan. Observers from a large number of other countries also witnessed the sea and air operations. The fact that the young Navy of Pakistan managed to sponsor and conduct a large scale multilateral Exercise came as a glorious climax to the development programme of the Service launched about ten years ago. CRESCENT thus stands out as a major landmark in the brief history of the country's navy.

In April-May 1958, the two P.N. ships, BABUR (cruiser) and JAHANGIR (Destroyer) carried out intensive training manoeuvres in collaboration with five units of the Iranian Navy. The ships were at the time on a goodwill visit to Iran. The Exercise — called GULISTAN — was conducted by Vice-Admiral Choudri.

Pakistan Navy's cruise of the Persian Gulf came as a sequel to similar goodwill-cum-training cruises carried out by ships of the Pakistan Fleet during the past years. Thus P.N. units have visited countries in the Mediterranean, the Middle East, East Africa, the Far East and Pacific.

Vital additions — which made an exercise like CRESCENT possible were made to the Pakistan Fleet during the past year. Firstly, two Battle Class Destroyers fitted with "push button" fighting devices, joined the Fleet at the beginning of the year, and the Fleet was further strengthened by the addition of a Cruiser on the eve of the Exercise CRESCENT. The Cruiser, which is the largest warship serving with the P.N. is the symbol of the growth of Pakistan's naval force. In combination with the two Battle Class Destroyers, it has brought the operational capacity of the Pak Fleet to many times what it used to be ten years ago.

A Dido Class Cruiser, BABUR was formally handed over to Pakistan at a ceremony in Portsmouth on 5th July, 1957 after undergoing a thorough refit and

modernization, and arrived in Pakistan water on the 25th September, 1957. The Cruiser has been named BABUR after the Moghul warrior King.

In addition to the cruiser, the Pak Fleet now comprises two Battle Class Destroyes, KHAIBAR and BADR; two CR Class Destroyers JEHANGIR and ALAMGIR, three "O" Class Destroyers — TIPPU SULTAN, TARIQ and TUGHRIL, 4 Frigates, four coastal minesweepers — MUHAFIZ, MUJAHID, MAHOOD and MUBARAK, and a large number of ancilliary vessels. The four coastal minesweepers have been provided to Pakistan by the U.S.A. under the Mutual Defence Aid Pact, while a large amount of American aid has also contributed to the refit and modernization of the Cruiser and a number of other units of the Pak Navy.

Keeping pace with the Fleet, the shore organisation of the Pak Navy too has expanded rapidly, and to many times its original size. Pakistan in the recent months has given a very high priority to plan for the consolidation and expansion of the shore installation in East and West Pakistan. An elaborate network of shore units, capable of providing the necessary logistic support to the Navy afloat, has now come into being as a result of this plan.

The Pakistan Navy Dockyard at West Wharf, Karachi, is an important addition to the shore installations in Pakistan. What was utter waste land a few years earlier, has now been converted into a first class naval base, comprising a graving dock, repair and maintenance units, and a fitting-out berth. The repair and maintenance shops are fitted with some of the most modern high-precision equipment, designed to carry out intricate repairs on the complex machinery of modern warships.

In addition to providing periodical docking and repair facility for the P. N. Ships, the Dockyard has also been engaged in the docking of warships belonging to allied navies.

Conspicuous among the shore training establishments of the Pak Navy are PNS Himalaya — Combined Training Establishments, PNS KARSAZ — Electrical and Mechanical Training Establishment, PNS BAHADUR — Boy's Training Establishment and Pakistan Naval Academy—Cadets' Training Establishment.

The island of Manora, situated across the channel in Karachi Harbour, is an ideal venue for the training schools of the Navy. Consequently, it houses most of them: only KARSAZ is located on the mainland on Drigh Road.

Pak Navy's training institutions endeavour to maintain a high all-round standard, and have already drawn spontaneous appreciation from distinguished visitors from various foreign countries.

The shore organisation plan of the Pak Navy includes a multipurpose project for the construction of a base in Chittagong in East Pakistan. The foundations of the base were laid in 1955-56; when completed, it will include a Boys' Training Establishment,

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IN DEFENCE OF BRINKMANSHIP

By M. N. Tholal

THE crisis in the Far East, it may safely be said, is a creation of neutralists who are prepared to equate the democracies with the Communists. Those who do so, sincerely believing in the honesty or dishonesty of both, must be reckoned beyond redemption, for even imperialist Britain, whom no one can honestly place on the same pedestal as the USA, has been showing heartwarming signs of liquidating her imperial rule over civilised as well as uncivilised people—signs which are nowhere in evidence so far, as the far-flung empires of the two main Communist countries are concerned—empires over peoples much more civilised than the Russians and the Chinese themselves.

Those of us who believe in democracy as an article of faith cannot help believing that Communism is a retreat from civilisation, that it is many steps back into the old world tyranny when human life was held so cheap that it could be sacrificed at the whim of the petty tyrant of a tiny kingdom. The fact that the present tyranny is not religious or feudal but economic

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docking facilities, a permanent depot for personnel recruited in East Pakistan and a chain of recruiting centres.

In addition to Exercise CRESCENT, units of the Pak Navy have been taking part in multilateral exercises, organised on an international basis. In fact, CRESCENT was a part of the Navy's programme to hold large-scale multilateral exercises alongside other modern navies. Vice Admiral H. M. Siddiq Choudry, has been attending international conferences as Pak's military adviser in SEATO. He also paid a visit to the U.S. Navy at the invitation of the U.S. Chief of Naval Operations.

Pakistan in the past few years has not only modernised her Navy but her armed forces and air force too. Hectic war preparations are going on in Pakistan with a view to attack India. But we in India with smug-complacency are keeping quiet, singing the hymns of Pancha Shila, Non-Violence and all that!

We request all our readers to listen to news from Radio Pakistan on the following wave bands if they want to know the gravity and intensity of Hate-Indian campaign that is being carried on by Radio Pakistan.

| Indian Standard Time | Meter Band |
|-----------------------|------------------------------|
| 7.30 to 7.45 a.m. | 41.21, 49.80, 25.24 & 19.56 |
| News in English | |
| 12 noon to 12.10 p.m. | 16.90 & 13.90 |
| News in English | |
| 1.30 to 1.40 p.m. | 31.10, 25.33, 16.90 & 13.90 |
| News in English | |
| 5.30 to 5.40 p.m. | 41.15, 31.10, 16.90 & 13.90 |
| News in English | |
| 8.15 to 8.30 p.m. | 41.15, 31.10, 19.21 & 25.16. |
| News in English | |

makes it all the more inexcusable, having regard to the fact that imperialist nations have already reversed the process of loot and exploitation by financial aid to undeveloped areas, whereas those who have raised the banner against exploitation of the undeveloped areas are mercilessly exploiting, at the point of the bayonet, the over developed areas of Europe.

NO NEW POLICY

That being so, the determination to contain Communism cannot be taken exception to by any honest democrat. In fact it was not when it was being repeatedly announced by American Presidents and Secretaries of State. But Mr. John Foster Dulles, the present Secretary of State, who is perhaps the keenest political intellectual in the world today, took the containing theory to its logical conclusion by declaring, almost with justifiable pride, that the United States has been on the "brink of war" with Soviet Russia several times. Fellow travellers of Communism jumped on the phrase as if it was the same thing as war-mongering, and began attacking Dulles for his brinkmanship. Yet only a moment's reflection is enough to prove to those who have not lost the power of clear, unbiassed thinking that this brinkmanship, which is being so widely attacked by neutralists and their friends, to say nothing of the Communists, is only carrying the theory and practice of containing Communism to its logical conclusion and is and has always been implicit in the democratic determination to contain Communism. For, how on earth is Communism going to be contained except by letting the leaders of Communist Russia and China feel—and feel it in their bones—that further expansion is out of the question except through a world war involving the certain risk of their own annihilation? And no one in his senses embarks upon a course of annihilation.

There is in fact no alternative to brinkmanship except allowing the Communist giants to get away with what they want and whenever they want it. It is not a question of much or little, a few thousand square miles or a few square miles. The basic issue, as President Eisenhower emphasized at a Press Conference on October 1, is to avoid retreat in the face of force, not to resort to force, and to solve these questions in the international world. Once you retreat in the face of force you encourage the opponent to expect the same retreat whenever he threatens the use of force. That can only lead to war unless surrender to force is the clearly accepted alternative. It is not brinkmanship therefore that involves the risk of war but lack of it that will clearly land us in war.

FOR THE SAKE OF PEACE

There can be no denying this simple fact. As the Nationalist China representative in the UN Assembly pointed out, four years ago they were pressed to evacuate the Tachens for the sake of peace, "today it is

Quemoy and Matsu". The policy of yielding, as he said, does not work for the enemy's appetite grows with eating. And where is the point in pressing for the evacuation of Quemoy and Matsu when the Chinese Communists are declaring from the housetops that Taiwan (Formosa) is theirs and they will have it? What is the use of yielding something which is not going to make any difference for the better in the international situation and can only make it worse?

From this point of view Prime Minister Nehru has taken up a more logical position. He is in favour of handing over all the KMT islands to Communist China, lock, stock and barrel. He rightly says Formosa is Chinese though his (assumed) muddleheadedness becomes apparent when he interprets that to mean that it rightly belongs to Chinese Communists. However, as almost every thinking Indian now knows, Mr. Nehru's attitude towards the Far Eastern crisis stems from the two guiding principles of his life, one of which is the cult of personality and the other emotional integration. After all, it is the Communists who have been suggesting his inclusion in the Summit Conference and that is enough, at least almost enough, for the emotional Mr. Nehru to forgive the Reds all their trespasses and all their sins of omission and commission, even as Gandhi always pardoned those Moderates who referred to him as Mahatma Gandhi.

Also, Mr. Nehru seems to believe that his holding the brief for China in regard to the latter's claim over Formosa and the Chinese seat in the Security Council would induce the Chinese to exclude that one thousand miles of Indian territory from their map of China which has been included therein in publication after publication despite Mr. Nehru's private protests. This attempt at emotional integration has so far been a failure despite the fact that, by withdrawing Indian forces from Tibet, Mr. Nehru practically handed over Tibet to Communist China in defiance of his lifelong anti-colonialism and creed of self-determination. Any man with a little foresight can see that India will have to suffer for Mr. Nehru's fondness of the cult of personality which has landed Chinese Communism on the borders of India. But Mr. Nehru's main principle, like that of his Guru Gandhi seems to be: "After me the deluge". (In the case of his Master the deluge came within his lifetime and he had to exclaim in 1947: "This is Sarvanash"—the reference was to partition of the country.) Mr. Nehru is steadily pursuing a path which can end only in another *Sarvanash* (total destruction). His visit to Bhutan has incidentally spotlighted that land and it has come to be known that Bhutan means "End of Tibet". I have begun wondering what Mr. Nehru will say when China, the overlord of Tibet, begins claiming the "End of Tibet". No one can deny that this inland claim will be logical, much more logical than the claim to the off-shore islands. It has been said that the anticipation of difficulties is the quintessence of wisdom. What are we to think of a man in whose presence difficulties cannot be mentioned lest reference to them annoy him and produce the inevitable flash of temper? All this stems from the ability of Mr. Nehru (with the connivance of his timid Congress colleagues) to consider India to be his inherited Jagir.

STEVENSON'S LAPSE

But what is logical in Mr. Nehru, having regard to

the two guiding principles of his life mentioned above, is hardly logical in the British Labour Party or in Mr. Adlai Stevenson, the spokesman of the American Democratic Party. On September 30 he declared at a Democratic fund-raising dinner that the USA should defend Formosa but it had no business to fight for Quemoy and Matsu, as if the withdrawal of KMT troops from these off-shore islands would be the end of the trouble. Chinese Communist leaders have been shouting from the housetops that Formosa is theirs and they will have it. After this neither the British Labour Party nor Mr. Stevenson has any right to assume that the cession of the off-shore islands to the Chinese will be the end of the trouble.

It is always time for straight-thinking and plain-speaking in a democracy and the two need not be resorted to only when the guns begin to rumble, as Mr. Stevenson seems to think. But it is obvious from Mr. Stevenson's own declaration that straight-thinking is conspicuous for its absence in his plain-speaking, in which he seems to be indulging now with the irresponsibility associated with Opposition leaders. The American policy, he said, had brought the country to the brink of war with Communist China, adding that he did not believe that war would break out. It has to be admitted that the brink-of-war policy involves the possibility of war breaking out, otherwise it is not brink-of-war policy. But Mr. Stevenson obviously believes it correct to condemn as brink-of-war a policy which in his opinion will not result in war. Surely this is the height of absurdity and amazing in a leader of his eminence. If he does not believe that war would break out as the result of the Eisenhower Administration's measures in the Far East, he has no right to sum them up as brink-of-war policy. To do so is to bid goodbye to all ideas of containing Communism for which his illustrious predecessor, Harry Truman, stood foursquare.

Mr. Stevenson said a sound American position should be based on: A cease-fire withdrawal of the KMT armed forces from Quemoy and Matsu; joint renunciation by Formosa and Peking of the further use of force against each other; and the declaration by the UN and all concerned that the future of Formosa would be decided by the island's population at a time and under conditions to be determined by the UN. Surely the Warsaw talks are designed to bring about this joint renunciation of the use of force by Peking and Formosa without which talk of withdrawal of KMT forces from Quemoy and Matsu is surrender to force. Is it part of wisdom to encourage the Chinese Reds to believe in the efficacy of threats of use of force or the use of force itself, particularly when he himself says: "We should make it clear that we will fight to defend Formosa". It is exactly this renunciation of the use of force which Messrs Eisenhower and Dulles have been insisting on. Any respite, Mr. Stevenson warned would be temporary. Is a temporary cease-fire worth having when its only result can be encouraging and heartening the Communist warmongers who simply do not believe in the population determining its own destiny.

For the American Government to slip from its present position on the advice of men like Stevenson and leaders of the British Labour Party—the irresponsible Opposition in short—is to make war more likely in the

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responsible for not bringing this truth prominently home to the authorities. They are honoured by being consulted and they should do their duty as economists undeterred by considerations irrelevant to economic facts and principles.

Both the economies of private enterprises and of socialistic communism seek support from a general social philosophy. It is of the utmost importance to separate the two and test them on independent grounds.

Socialism and communism assume that private enterprise led by the lure of profit is not capable of producing the maximum of goods and services needed by the community, the maximum possible out of the economic factors available in society at any time. Their economics based on the labour theory of value has been annexed by Karl Marx to uphold the idea of the iron law of wages tending to hover at the level of subsistence and representing the lowest possible portion of the profits realised by the capitalist. This represents *unearned income* since he does not contribute to labour which according to Marx is the sole creator of value. The root of this disparity in sharing profits lies in the capitalist's right of private property in the means of production. Abolish this root; the State as the new owner representing all workers will then be able to give them the full value of production.

This general point of view in favour of state capitalism is supported by a new theory of the economic man. Man is supposed to work best in production in his collective capacity. Since his egoism gets no opportunity for deployment and growth, it is supposed that he will subordinate himself to the State and

its planned economy. Since no one can have profits, (it is thought) all will be content with wages! The communist philosophy argues that man can and ought to work for the community without the profit incentive. Competition in production and sale is immoral and working for the community is moral. Cooperation in production under the direction of State officialdom is better for man than private production profit which is supposed to be selfish and degrading.

Further, Marxists develop this point of view into the historical materialism dialectic of classes on which they base their philosophy of history, psychology and sociology of classes and classlessness.

Private enterprise on the other hand has been supported largely from the last century on the individualist philosophy of J. S. Mill and others (linked to naturalism and atheism.) They have stressed the fact and nature of individuality as the source of the highest value and the essential dignity of man as an individual being. They have opposed collectivism as destructive of the essential liberty inherent in the individual. To Mill, freedom was not only the *means* of the good life but also an *integral part of the end or intrinsic value* in which individual well-being consists.

Economics has to decide on economic grounds alone, between individualist and collective systems of production, without assuming either philosophy. Economics is not called upon to choose between these two rival philosophies. Economists have only to declare the laws of production which promote the creation of the greatest amount and number of goods and services.

DID YOU KNOW...

By Scio



The first article of the U.S. Bill of Rights protects the freedom of each American to choose his or her own church and faith and to worship or not. It states: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."



During the International Geophysical Year, which began in July 1957 and will end in December 1958, scientists of 66 countries have been making an unprecedented study of man's physical environment. Their studies range from the earth's molten core to outer space. What they learn will be valuable in crop raising, transpolar air travel, improved radio communications and navigations.



Warm-blooded creatures, such as birds, dogs, horses and human beings, maintain their normal body temperatures whether the air around them is warm or cold. The bodies of cold-blooded animals, such as fishes and frogs, change to the same temperature as their surroundings.

BURMA IN TRAVAIL

CIVIL AUTHORITY SURRENDERED TO MILITARY

By T. L. Kantam

EVENTS have taken an unexpected turn in Burma. While the election campaign for the General Election—the second since independence—scheduled for next month was in full swing, on the night of Friday, September 26, came the unexpected announcement by Premier U Nu over the Rangoon radio that he had asked General Ne Win, Chief of Burma's Defence Forces to form an interim government on October 28 till the general elections were held before the end of April 1959 and that the General had agreed to do so.

The main reason given by U Nu for this extraordinary step was "We came to realize, more and more, day by day, that the general election to be held in November could not at all be a fair and free election". He had therefore "invited General Ne Win to make arrangements essential for holding such a free and fair election...for the sake of maintaining a firm and durable democracy".

In his letter to the Army Chief, the Prime Minister laid special stress on the imperative need for maintaining internal peace and suppressing violence by army personnel and others.

U Nu's proposals include summoning of parliament on October 28, his own resignation on that day and his suggestion to the Chamber of Deputies to elect General Ne Win as Prime Minister.

Whether one regards this as a military *coup d'etat* or not, there is no doubt that it is a surrender of civil authority to the military. One may see in this a parallel to what happened in France in May last.

For a proper appreciation of the present situation in Burma, it is necessary to go back to the years before World War II. But first a word about the country and its people.

In spite of its proximity to India, Burma remained an isolated country. This was probably due to its natural barriers. Its Western coastland is tropical forest, washed by the waters of the Bay of Bengal. On the North its frontiers disappear into the snow-bound mountains of Tibet. On the East and South, it forms a continuous part of the mountain system of China, Indo-China and Thailand. The Irrawaddy, rising in Tibet and navigable for some nine hundred miles, is Burma's main highway. Southward of Prome, before entering the sea, it branches into creeks and rivulets and forms the Delta, which is one of the great rice granaries of the world, covering an area of about 10,000 square miles.

The people of Burma belong to many races and speak many tongues. Burma is in the interesting position of being an under-populated country (roughly sixty to the square mile) lying between two of the most densely populated countries of the world, India and China. The Burmans occupy the fertile lowlands. The other races including the Arakanese, Chins, Kachins, Shans, Thais are mostly confined to the hills. Before the War there were about one million Indians in Burma. Even to-day there are bet-

ween 500,000 and 600,000 of our countrymen still there. The influence of China at work in Burma is immense. Without ostentation, the Chinese come, marry and conquer and their absorbing power on a Mongol race like the Burmans is immense.

GROWTH OF NATIONALISM

Before the war, Burman national leaders had become increasingly distrustful of British intentions. Though the British administration had ensured peace, order and justice, their agricultural and industrial policies led to bitterness among the Burmans. The peasants had to rely largely on Indian moneylenders, the Chettiars, for the capital required for their agricultural operations and had become heavily indebted to them. It is estimated that the Chettiars had invested about 300 crores of rupees in Burma. Big business was in foreign hands, mostly British. Industrial labour was largely Indian or Chinese. The Burmans naturally shared in the increasing prosperity of the country but very soon it became apparent that most of the rich people in the country were foreigners, who also monopolised the best jobs and that the Burmans from being poor in a poor country had become poor in a rich country. They felt that they were being lorded over by all kinds of foreigners, who looked down upon them as inferior beings.

The seeds of nationalism took deep roots in the fertile soil of social discontent. Political leaders strove to increase their personal following in the name of nationalism.

U Saw, an astute politician, with little more than a school education who had founded the Patriotic Party, became the Premier in 1939. The same year, Dr. Ba Maw, a European-educated, ambitious, colourful Burman organized a "Freedom Bloc" pledged to win immediate and unconditional independence. In October 1940, he was arrested and given a year's sentence. Another organisation which played an important part was *Dobama Asiayone* ('We Burmans' Association) or Thakin Party, which roused among the students and workers the strongest nationalist sentiments. The Thakins were socialistically inclined and participated secretly in Dr. Ba Maw's Freedom Bloc. Some were caught and sent to jail; others on the invitation of the Japanese Consul fled to Formosa, where they were prepared for the collaborationist role which the invading Japanese assigned to them in 1942. Among the latter was Aung San.

JAPANESE OCCUPATION

The Japanese attacked Burma principally because the Burma Road (726 miles long from Lashio, the Northern terminus of the Burma railway to Kunming and on to Chungking) was the vital life-line for supplies to China. After a campaign which lasted but six weeks, they hoisted the Rising Sun flag on Rangoon early in 1942. Dr. Ba Maw was installed as head and leading members of the Thakins were named as

Ministers. Aung San became Minister of Defence. Thakin Mya, a leading Socialist and Thakin Nu (later U Nu, the present Prime Minister) joined forces with the Japanese.

BIRTH OF ANTI-FASCIST LEAGUE

In August 1943 Burma proclaimed its independence, signed an alliance with Japan and declared war on the Allies. Japanese actions belied Japanese promises and the disillusioned Burmans organised a resistance movement under the noses of the Japanese. It was called the Anti-Fascist People's Freedom League and included all the parties and groups pledged to fight the Japanese. Its leader was Aung San.

GUNS FOR PLOUGHS

Burma suffered irreparable damage during the war. Oil wells, river boats (the chief means of transport in Burma), mines, railways and harbours were damaged or destroyed in actual fighting or as the result of scorched earth tactics. Bombing by both sides and the struggle for existence drove people into the jungles and hills and forced a generation to live by guns instead of by ploughs.

RETURN OF BRITAIN

Immediately after the liberation of Burma, the British returned. They promised ultimate Dominion status but postponed political reforms until the country's devastated economy had been restored. They failed to realize the depth of the feeling which had been aroused in the Burmans by the impact of the Japanese. The British government denied the right of the AFPFL for dominant representation in the country's political set-up. This led to the steady increase of strikes, lawlessness and banditry. Aung San organized the Burman Army into a People's Voluntary Organization and demanded immediate independence.

BURMA GETS INDEPENDENCE

Prompt action on the part of the Attlee government (the "silent revolution" had taken place in Britain and Labour was in power) averted civil war. London agreed to the election of a Constituent Assembly and to negotiations for independence, within or without the Commonwealth. The Constituent Assembly, dominated by the AFPFL declared Burma an independent Republic on June 17, 1947.

A month later, on July 19, occurred an event which shook the whole world and changed the course of Burma's history. Gunmen hired by U Saw machine-gunned Aung San and six of his colleagues while they were holding a meeting of the Executive Council. The mantle of Aung San fell on the shoulders of Thakin Nu (later U Nu: U is an honorific term applied to Burmans when they reach a certain age), who did not attend the meeting on the advice of his astrologer. (Astrology has played a notable part in U Nu's life). He went to London and concluded with Prime Minister Attlee a treaty by which Great Britain recognized the complete independence and sovereignty of her former colony. On January 4, 1948 the Union of Burma came into existence.

THE CHANGE-OVER

The change-over in Burma was unique. On January 3, 1948 there were hundreds of Britishers holding

the highest posts in the judiciary, civil service, police, forest and other departments. On January 4 there was none. It was a complete transformation. This was not all. High-ranking Burman officials (to mention only one, the Financial Commissioner) were either retired or chose to retire. One explanation given to me was that the men who newly came to power were formerly schoolmasters, clerks or small officials, who had hitherto looked upon the high Burman officials with awe and reverence and now suffered from an inferiority complex.

REVOLT

Separatist tendencies asserted themselves even before the Union came into being. Extreme Communists called Red Flag Communists revolted rather than co-operate with Aung San in his efforts to reach an understanding with Britain. Resenting the residual ties with Britain, particularly the Defence Agreement, the remaining Communists, the White Flag Communists, withdrew from the government fold. In pursuance of the decisions taken at Calcutta in the spring of 1948, the Communists fomented strikes and resorted to terrorism. In the midst of this chaos, the Kerens revolted when they found they did not get complete autonomy. In 1949 nearly three-quarters of the country was in the hands of the rebels. They had occupied Insein, nine miles from Rangoon and had advanced upto the University campus. The Indians in Rangoon played a creditable part in this predicament. They negotiated with the insurgents, organized refugee camps and arranged for the evacuation of Burmans.

Slowly the Government extended its authority beyond Rangoon, overcame its enemies and introduced bold political, economic and social reforms.

"BURMESE MARXISM"

The initial programme of the AFPFL was based on the Soviet type of socialism. Land was to be confiscated without compensation; industries and mines were to be completely nationalised. The leaders took pride in calling themselves Marxists. But the force of circumstances led to the toning down of "Burmese Marxism". After a great deal of debate, a scheme which was called Pyidawtha or Welfare State, was adopted. It was somewhat on the lines of the "Socialistic Pattern of Society" of the Indian National Congress. This was held out to be a "Marxist" programme suited to the genius of the Burmans and the conditions in the country.

SPLIT IN RULING PARTY

The growing rift in the AFPFL, the ruling party, came to a head when on June 10, U Ba Swe and U Kyaw Nyein former Deputy Prime Ministers brought a motion of no-confidence against U Nu. The Prime Minister survived the motion by the narrow margin of eight votes, thanks to the support he got from the Nation United Front (45 votes), made up of Communists and extreme Socialists. After this, U Nu's wing styled itself the "clean" AFPFL and Swe-Nyein group, the "stable" AFPFL.

At the conference of U Nu's clean AFPFL held at Rangoon from August 31 to September 2, the delegates complained that the army, the civil servants, the Home Guards and the military police were openly siding the

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GOD'S WORK FOR NEHRU

(Below we publish an extract from the abovenamed article which appeared in the September, 1958, "Filmindia".—Ed.)

LET us review in short the Communist ideals of democracy as practised by the Communists of Kerala during the last 17 months in spite of the tight-jacket of our democratic constitution. Here are some of the things which the Communists did—things which "horrified" our peace pigeon:

1. They commuted the death sentences of nine Communist murderers who were tried and convicted by judicial courts.
2. They opened the gates of the jail wide and let out 425 Communists sentenced for various violent political and social crimes.
3. The sentences of 941 more Communists undergoing imprisonment for various political offences were remitted. All this was done within a month of the Communists assuming power.
4. They seduced the lower-class Government employees by raising their salaries slightly and encouraged them to rebel against their superior officers thus creating a strong fifth-column Communist wing in the administration.
5. They got new text-books for children—printed-text-books containing blatant Communist propaganda and vulgar references to the religions of the people. In these text-books, the symbol of our secular democracy, the three Asoka Lions, has been printed upside down to create ridicule among children for our Constitution and democracy. The contracts for printing these text-books were all given to the Communist printing presses.
6. They tried to rush an Educational Bill to nationalize education on the usual Communistic pattern with a view to indoctrinate little children in the Communist way of life right from their early years.
7. They encouraged Communist labour to blackmail and threaten all industrialists with organized violence and cold-blooded murders.
8. They extracted from businessmen and property owners regular tolls for the Communist Party funds as the price of peace.
9. They organized violent labour demonstrations

(Continued from Page 10)

stable AFPFL and that the authority of the Union Government was not felt beyond Rangoon. U Nu had another jolt. The Independence Party, to which he belongs, had aligned itself with the National United Front but in the preparations for the general election, it became increasingly clear that he could not any longer depend upon the support of the NUF, as all the leftist parties were attempting to form one single Marxist party with a common platform.

Indications were not wanting to show that the elections, if held in November in the present temper of the people and the politicians would lead to a bitter civil war. U Nu's action in asking the army Chief to take over the civil administration and arrange for fair and free elections on his own responsibility, though unusual, and unorthodox, was perhaps the best method he could have adopted to avoid this dire calamity.

against tea-planters and other local industries and stopped the police from giving any protection to the victims of this blackmail.

10. They have asked the police to be neutral in agrarian and industrial disputes with a view to remove the security of law which the landlords and the industrialists enjoyed and further encouraged the "tiller" and the "toiler" to secure his rights by "direct action"—which means organized violence by Communist goondas.

11. They have encouraged murders of managers, watchmen, landlords and political opponents by Communist goondas and no action in law has been taken against these criminals.

12. They have either demoted, suspended or transferred Magistrates, Session Judges and other members of the Judiciary, who dared to sentence Communist criminals to jail, with the result that both the police and the judicial officers are now afraid to take any action against Communist Criminals.

13. The Communists have murdered many Congressmen and other political opponents in cold blood and all attempts by the police to trace the culprits have been summarily stopped by the Government.

14. When Krishna Aiyer, the Communist Minister for Law, visited the Trichur Central Jail, a convict asked him "Those Communist workers who stole into the police station during the night and stabbed to death several sleeping constables are now released from jails. Yet, such of us who might have stolen a small cucumber or other trifles to calm our burning stomachs are neither released nor allowed any remission. Is this the sort of communist justice people should expect from you?" There was no answer.

15. In the villages of Kerala, the regular law courts have no work to do because Communist Party units are functioning as self-appointed people's courts and delivering Communist "justice" with various coercive methods to the poor and helpless villagers.

16. Armed Communist goondas in big groups and in Party-owned jeeps are roaming all over the State and are violently assaulting non-communists, especially Congressmen, wherever they are found. This reign of terror has compelled thousands of respectable citizens to hide in their homes and organize small self-defence units at great cost.

17. In the Devikulom election, the Communist Government themselves admitted that Rs. 1,50,000 were distributed by the Government among the voters on the eve of the elections under the guise of a "loan". The electoral rolls have been fabricated and a few revised electoral rolls just published by the State show 130,000 more communist voters than the last year's list. This, it seems, has been done by registering the name of one Communist worker in several adjoining villages simultaneously.

18. In Trichur, P. Govinda Menon, The ex-Chief Minister of the Congress Ministry, was attacked while travelling in his car by the Communists. One of the attacking Communists was the brother-in-law of the Communist Finance Minister C. Achuta Menon.

(Continued from Page 2)

obvious annoyance of America? Britain too has recognised Red China but she does not display such offensive persistence in displeasing America. She is more tactful and is more concerned with her own interests than with championing the cause of aggressive nations like Red China.

In the second place, it is strange that Mr. Menon should hurry to the other side of the world to bask in the UNO limelight at a time when the Pakistanis are rampaging on our border and when our Prime Minister is exercising his secular generosity in favour of the aggressor on our Assam and West Bengal and Tripura borders. Mr. Menon had made brave statements that even though Indian policy is pacifist, India will defend her borders with military action. But at the first touch of practical challenge, he is *nowhere* to be seen near the spot putting his brave promises into action. On the contrary, he flies post-haste to the UNO and plunges into a long-winded advocacy of Red China's claims for a seat in the UNO! It is crystal clear that for the Prime Minister and his Defence Minister, the defence of Indian borders does not appear to be a matter of the highest importance! For them, it is more important for India to demand American withdrawal from the Middle East and from Quemoy and Matsu and even Formosa than to secure the withdrawal of Pakistani forces from the soil and border of India! If India cannot find more patriotic Ministers with a more natural scale of priorities, it will have to be reluctantly conceded that India has received independence rather too soon! But there is also the distressing question that further prolongation of British rule would have effaced the patriotic sentiment from *further groups* of our intelligentsia! This is the dilemma that free India faces—the intelligentsia that has secured power is insufficiently nationalistic and patriotic, that is to say, is insufficiently aware of the priority of defence and other national interests for them to dominate their thoughts, actions and sentiments.

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Secularism and rationalism do not entail such watery attitudes to defence and territorial integrity. Socialism and Communism has blunted the edge of national feeling in too many of our intelligentsia who take their ideas from abroad and do not digest and re-translate them in terms of the Indian situation.

Sentiment in the country should rouse itself and demand a reorientation in favour of attention to *immediate national* interests.

(Continued from Page 7)

near future, for then the Chinese Communists will be able to argue with a show of conviction that the Americans threatened to fight over Quemoy and Matsu and didn't, and they are again threatening to fight over Formosa and won't. A world war would be a result of miscalculation and neither the British Labour Party nor Mr. Stevenson, in the interest of peace, should encourage such miscalculation. But that is exactly what they are unfortunately doing.

WEAKEST POINT

In their probes all over the world, the Communists have found in the Formosa Straits the weakest point in the armour of the democracies. Is it for the latter to show that here is a point over which they are divided and will not present a united front in the event of war? Is not such showing ushering in the world war, although it should be obvious to the meanest intelligence that if it breaks out over Quemoy and Matsu, all of them will instantly be on the side of the USA in their own interest? For, where will they be, once the U.S.A. is crushed by Russia and China? That is why British Prime Minister MacMillan said it is better to be wrong together than right separately. The folly of the stand adopted by the British Labour Party leaders and Mr. Stevenson therefore deserves outright condemnation in the interest of world peace. Mr. Stevenson has not risen in stature as a result of his hasty condemnation of Republican policy at a fundraising party in the name of American boys whose lives he is not prepared to waste in a war over Quemoy and Matsu.

As for the much-maligned brinkmanship, either the USA and the democracies are prepared to fight to prevent forcible expansion of Communism or they are not. If they are, it is much better that their intentions should be known to their opponents so that there may be no misunderstanding and no miscalculation about it. For, when all is said, it is miscalculation that leads to war.

A SOCIALIST PRAYER TO NEHRU

Our Father which art in Delhi
'Cesar!' be Thy name,
Thy Socialism come
Thy Will be done in Bharat
As it is in China
Give us this day our daily bread
And forgive us our trespasses
As we forgive jeeps, tube-wells and pre-fabs
Lead us not into Five Year Plans
But deliver us from Taxes!
For Thine is Socialism, Power and Glory
For ever and ever. AMEN

By Theo

KEYNES AND FREE ECONOMY

By H. M. Pai

THE publication of the epoch-making work of Keynes, "General Theory of Employment, Interest and Money" "has raised profound and controversial economic issues. A contemporary American financier might be inclined to view the work as a terrific encroachment on Individualism which, the keen sense of Lord Keynes did not fail to foresee. The Messiah of the new economic Bible has justified his stand and the case for Individuality is excellently stated on pp. 377-381 in his General Theory.

We have a correct case made out for Keynes and his deep anxiety to preserve free economy and reform capitalism can be gauged in unmixed words from what he himself has to say upon this topic in the concluding pages of his "General Theory". Brushing aside other extraneous issues let us proceed for a correct appraisal of Keynes and his relation to the capitalist economy.

Keynes wisely repudiated the classical view in respect of the self adjusting nature of the modern economy and his proposals for government control of investment did not lead him to advocate collectivism. He was deadly against Marxism and communism and this can be easily gathered from his general theory. In fact, he is much farther from the socialist position than the arch-classicist and Laissez-faire economist thinker, Prof. Pigou, who in his *Socialism versus Capitalism* (1937), becomes virtually a socialist. For the most part, Keynes violently attacks the socialist argument that the collective ownership of the means of production is essential and his references clearly indicate a strong opposition to collectivism. It is best illustrated in a positive fashion by his utter disregard for the work of Marx and his violent invectives against the essentially unscientific character of Marxian socialism.

Apart from a bare recognition that Marx had something to say about effective demand, Keynes was always scornful of the work of Marx. "Marxian socialism," he wrote in 1925, "must always remain a portent to the historians of opinion — how a doctrine so illogical and so dull have exercised so powerful and enduring an influence over the minds of men; and through them, the events of history." Reviewing the social conditions, obtaining in the U.S.S.R. after his visit to the Soviets in 1925, Keynes wrote, "How can I accept a doctrine, which sets up as its Bible, above and beyond criticism, an absolute economic text-book, which I know to be not only scientifically erroneous, but without interest and application to the modern world?" Keynes praise of what he calls the "Anti-Marxian Socialism" of Silvio Gessel, the stamped money reformer, illustrates his own anti-Marxian bias. Gessel was just such a critic of financial capital and staunch defender of private industrial capitalism as we have indicated Keynes to be.

Keynes was much rather a financial reformer and he did not advocate the social ownership of the means of production and regarded this as an altogether un-

important issue. He wrote in 1926 that large scale enterprise tends to socialise itself, because the shareholders turn into a proletarian class, some times with a small financial interest and become dissociated from management. What is denounced as the exploiting capitalism, by the Marxists, is itself a proletarian class of capitalists, so widely scattered and disunited as to have no capacity to exploit the fruits of labour. So the Marxian stunt about the exploitation of labour by the capitalists utterly stands to no reason, in the light of the new healthy trends that capitalism is assuming today. Under these circumstances as Keynes observes, the making of large profits becomes a secondary or even an unimportant subsidiary aim to the management of corporate undertakings, which is divorced from capitalistic ownership. Giving out his considered opinion about the effect of nationalisation of railways and public utilities undertaken by the Attlee government, he says, 'there is no so called important political question, so really unimportant, so irrelevant to the reorganisation of the economic life of Great Britain, as the nationalisation of railways'. In spite of the high degree of government intervention involved in Keynes' programme it is clear that he remained fundamentally an individualist in his economic and social philosophy.

Keynes suggested reform of the capitalist economy is a compromise, which in the ideal society reduces all income to the reward of labour, including profits as a special type of wages, but eliminates "usury" that is income from lending money. But his attack does extend to property or private means of production, which he rightly views, in common with the classical economists, as the greatest incentives to technological progress and advancement of civilisation. He was not an iconoclast of capitalistic institutions but he was only a burning and enthusiastic reformer. Because a private economy lacks pre-established harmony, social controls are needed to prevent it from plunging to its own destruction, the greatest dis-harmony of laissez-faire capitalism is that full employment becomes increasingly difficult to attain with the progressive accumulation of wealth. The dilemma of poverty in the midst of plenty arises because the increase of wealth necessitates a greater quantity of investment, while at the same time accumulation weakens the inducement to invest. The dilemma is heightened because the power to consume is limited by the unequal distribution of wealth which is the characteristic of laissez-faire capitalism.

Keynes proposed the following immediate panaceas to set the clock of capitalist economy to orderly functioning: 1. Progressive taxation to raise the community's propensity to consume. 2. The public investment and public control of private investment to compensate for and to reduce the magnitude of fluctuations in the marginal efficiency of private investment. 3. Strong monetary authority to control the supply of money and lower the rate of interest. 4. The appro-

aches to full employment are to increase the propensity to consume and to raise the volume of investment to a level at which it will fill the gap between total income and consumption at full employment. Keynes' main suggestions for increasing the propensity to consume is to use progressive taxation to redistribute the social income from individuals with a low propensity to consume (the rich) to those with a high propensity to consume (the poor) and thus raise the community's average propensity to consume.

Investment may be increased either by raising the marginal efficiency of capital or lowering the rate of interest. Keynes' suggestion as to raise the marginal efficiency of capital is the socialisation of investment." Keynes does not clarify precisely as to what he means by "Socialisation of investment." But we can deduce that those proposal suggests control of private investment as well as public investment in non-competitive enterprises, such as public works on a very extensive scale. However Keynes forbids the state to enter into any competitive field with private enterprise. To him such unproductive and non-cooperative state enterprises as leaf-raking and digging up of pits and consequent refilling of the holes are socially beneficial to the extent of their multiplier effect, less the unproductive wages paid. He says, "Let us suppose a million dollars is paid out to men for some activity like leaf raking, which we can assume adds nothing to the social income or real wealth of society (by way of useful products). If the multiplier is three, the total addition to money income is three million dollars. Subtracting the one million dollars of money payment for which no corresponding value of output has been produced, the addition to real income and wealth is two million dollars. . . . Pyramid building, earthquakes, even wars may serve to increase the wealth, if the education of our statesmen on the principles of classical economies stands in the way of anything better." A government which deserves to stimulate a higher level of employment combine spending, borrowing and taxing in any one of at least three types of fiscal policy. Keynes deals primarily with one method, the case in which government expenditures are increased while tax rates remain unchanged. Instead of altering the propensity to consume, (because taxation rate remains undisturbed) this type of fiscal policy aims at increased investment, which includes in this connection private capital formation plus loan financed government expenditure. Consumption increases because added investment causes higher incomes according to the multiplier principle, and out of larger incomes more will be spent for private consumption even though the propensity to consume remains unchanged. Since taxes remain unaffected there is no reason to assume that such a fiscal policy would change the propensity to consume. But even though the tax rates remain unchanged, the increased income will cause an increased yield in taxes.

Some of the devices to social control of investment policy envisages a heavy transfer tax on stock-market transaction in order to reduce unhealthy speculation leading to unwanted reduction in the marginal efficiency of capital. A public investment authority, like the board of public investment suggested by Keynes in 1938 should stand prepared to compensate for fluctuations and inadequacies of private investment with public investment projects.

Keynes was aware that once a bomb collapsed into a slump, the profit expectations of potential investors would only probably fall so low that no reduction in interest rates could stimulate recovery from depression. It is important not only to push down the interest rate, but to give assurance that it will stay down in the future, since one of the greatest obstacles to long rate is the anticipation that the rate may rise in the future.

Even if these immediate proposals were put into effect and worked successfully, they would prove inadequate in the long run because the marginal efficiency of capital would continue to decline, whereas the rate of interest could not be lowered by ordinary means below a level of, say, two percent. Investment would therefore cease, and widespread unemployment would return to plague the economic system. Consequently some means other than conventional bank control over the quantity of money must be found to lower the long term rate of interest from two percent down to zero. Keynes makes this specific proposal for accomplishing this necessary step. He praises therefore the principle behind the stamped money plan of Gassel, who suggested that money, like other commodities, should be made to income carrying costs in order to discourage storing wealth in the form of money. This would ensure that a zero percent rate of interest means the marginal efficiency of capital to be zero, thus removing once for all, the instability causing the marginal efficiency of capital to vary. Beyond the stamped-money reform, Keynes makes no other concrete proposal to bring down the long-term rate of interest to zero.

Keynes regards greater equality as one of the conditions of progress, but he did not recommend that everyone should be equally rewarded as the Marxists. He saw social and psychological justification for "significant inequalities." Keynes regards the socialisation of income yielding property as unnecessary and undesirable. He regards that because the capital assets are scarce they yield income to rentiers. When they cease to be scarce, they will cease to be a source of income to their owners. When property ceases to yield income, only labour, both mental and physical, will constitute the basis of receiving income. Therefore, if capital assets can be made sufficiently abundant, property income will disappear and with it the inequality of income distribution, which is a great barrier to a high level of consumption and employment. However, the elimination of income from mere ownership would probably not eliminate the desire to save out at full employment. Presumably the socialisation of investment would take care of the task of finding offsets to saving. This perspective of Keynes leads to the view that labour is the sole factor of production and to a sympathy with the Marxian labour theory of value. But his difference from Marxism is that Keynes includes the activities of entrepreneurs as a form of labour.

But it seems utopian to suppose that private enterprise can continue to function after the rewards of ownership have ceased. We can only remark that this long term view of income yielding assets as propounded by Keynes is nothing but utopian, placing Keynes in the niche of other visionaries, who did much to benefit mankind but were themselves unable to get rid of their visions and reveries.

Prof. Roepke's Comments On European Economic Integration

By G. N. L.

AT the outset Prof. Roepke remarks that his intention to comment on European Economic Integration is to present "the case of economic sense without a sugar coating" and "not to discourage the enthusiasm at work" On the contrary his intention is to serve the best interest of Europe and to dispel illusions and errors." He asks a simple question whether the contemplated "common market" can bring benefits of better division of labour and increase the wealth of Europe. He points out that it is a mistaken view to hold that any regional removal of tariff barriers would increase the international trade as it can take place under the general abolition of trade barriers. According to him the benefits of better division of labour will be greater if more countries join in the contemplated union. Even though by establishing internal barriers are removed, yet the external trade barriers will be erected against third countries i.e. those which have not joined the Union. If the external tariffs of a common market are higher than the previous tariffs of the various countries which have participated in the formation of the Union, then the internal common market will come into existence at the cost of "less common" external market. So the result is that the common union will adopt a common tariff which will be higher than they used to be at the national levels and "the danger of increasing external tariffs will be greater, if of the uniting countries is greater than most others, if it is of considerable political weight and with a protectionist tradition and where the country refuses to join the union unless a high tariff is agreed upon". If this danger cannot be overcome then according to Prof. Roepke the whole scheme should be dropped and a better method of economic integration should be adopted on OEEC's principles of establishing FREE TRADE AREA in spite of embarrassing complications. Even without external barriers regional free trade would not help international trade but on the contrary it will hinder it as it is two-faced. Though regional trade means internal freedom yet it also brings external seclusion. "Though one door is opened yet another is closed." The one thing that is most important to consider whether more doors are opened than closed. The regional trade would result in the substitution of a less favourable for a more favourable flow of trade. International division of labour will be less advantageous than before and "the free trade would be little less than the facade of a very clever protectionism". If the benefits from the common market will be less than the setbacks, the union will be nothing but a disappointment. If the external tariffs are lower, then the integration will be beneficial, but under the present conditions the contemplated common market does not look promising in that respect and it will be hardest on those countries which have very close trade relations outside the common area.

Another most important feature according to Prof. Roepke that will decide whether the effect of freedom or that of seclusion will prevail is the economic structure of the countries involved. If there is a great similarity then so much the better, but if they are

complimentary rather than similar, then the prospect is not very bright. If aim and purpose of the international trade is to achieve better division of labour and which should be the case then the custom union of complimentary economies will result in "artificial and wasteful distortion of the already existing international division of labour"; the union of competing economies will permit the regrouping the production which will ensure the desired efficiency that an improved international division of labour is expected to bring about." Even in favourable conditions the custom union will be trade diverting instead of trade creating" if the abolition of tariffs will be riddled by exemptions with the result that goods which are in any case bought from third countries are duty free while the goods produced inside the union's territory remain protected. If the integration is to fulfil its purpose i.e. to increase the overall gross regional product, the abolition of tariffs must hurt and it is for this reason that it is so difficult to get it done. The common market in Europe can only be advocated if it provides as nearly as possible a complete community, otherwise a general reduction of tariffs for the benefits of the supplier countries would be preferable. If the common market is to fulfil its promises, i.e. if it is to be a real step ahead toward a "genuine and productivity increasing integration of the various national economies, then it must meet requirements which are above what has been planned to date and which probably have little chance of being met anyway, as they exceed the limits of what can possibly be done in a custom union; the project of the common market is a combination of tendencies toward both a market economy and economic planning;

Prof. Roepke also points out one more danger i.e. harmonization of labour costs as demanded by France before setting up the common market. France wanted that other countries should raise labour costs to that of French level. It must be admitted that no economist in the past has ever claimed that free trade presupposes equal cost of labour. On the contrary it is the free trade that will reduce the existing differences of labour and capital cost. Even though the labour costs in France are higher, yet they do not show the superiority in their productivity. French costs have been pushed up and out of proportion with productivity by political and social forces and recently they have become the spearhead of inflation as in other countries only more so. The only sensible course would be to devalue franc in order to remove the serious disequilibrium in the national economy, but unfortunately France insists that there should be no devaluation and that the system of import obstacles and exports aids must be retained to the maximum extent even in a common market and their wage and welfare policies should be imitated by other countries which have been moderate in sinning. So, in the last analysis "social harmonization means harmonization of inflation." This example of France is highly instructive as it indicates the direction in which the solution will be sought in future common market for
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Population Problem and Food Supply In India*

By G. N. L.

UNDER the auspices of FORUM OF FREE ENTERPRISE, Dr. S. Chandrashekar has delivered a lecture on the above subject and according to him: "the basic economic problem in India is one of finding a balance between the total available resources and the irreducible minimum needs of the population". There are several aspects to this problem, but the most important aspect is the relation between population growth and food supply. There is an agreement among the thoughtful people that there is at present an imbalance between population growth and food supply. The population is increasing faster and the food supply cannot keep pace with it. As a consequence of this the standard of living of the people is deteriorating. To raise the standard of living in an underdeveloped country like ours means that we should produce more goods and services so that per capita consumption of the commodities is increased. Our birth rate is the highest in the world. It is around 40 per thousand, but it is more or less constant, if we ignore the minor fluctuations. All of us sooner or later get married and have babies. Not even ten per cent of the total married couples plan or limit their families. Not only birth rate but also the death rate is the highest in the world. Our infant mortality rate today is around 115 per 1000 live births. Due to serious efforts of the Ministry of Health, the rate of mortality is declining. Our maternal mortality figures are satisfactory. With all the schemes of the Ministry of Health envisaged in the Second Five Year Plan are implemented, with better sanitation, environmental hygiene, we can bring down our death rate among all groups of our population. So the population problem according to learned doctor is how to raise the standard of living, cut down our death rate as well as birth rate so that the existing population may lead a decent standard of life.

According to Dr. Chandrashekar the population problem is understood in terms of food supply. At present the food problem has become very serious. The food problem is how to increase the supply of food to meet the needs of the increasing population and at the same time how to increase the nutritional level of our population. In 1947 the Government of India estimated a deficit of 4 million tons of food grains "on the basis of one ounce for producers and three quarters of an ounce for the rest of the population." The Report of the Food Grains Enquiry Committee appointed by the Government under the Chairmanship of Shri Ashoka Mehta estimated a deficit in food grains to be nearly 3 million tons. If these people had looked at the food problem from the point of long period then they would have realised that it is never safe to be confident about the future, especially as our food production is still a gamble of rains. The only way to overcome this is to assume that we shall have a deficit and build a sufficient bufferstock of some 4 to 5 million tons against one or more lean years, but buffer stocks mean surplus over consumption. In order to solve the population problem in rela-

tion to food supply we must bring new lands under cultivation and make cultivated land yield more. Unfortunately we have no reliable statistics and hence we cannot say whether we can bring more lands under cultivation. Secondly it would involve financial outlay as the land has to be reclaimed and colonised. The other difficulty lies in the field of public health, but the only advantage is that we shall not be spending any foreign exchange unless we adopt mechanised farming. The yield will be uneconomic in beginning for several years to come.

The measures suggested so far according to Dr. Chandrashekar apply to the soil and crops, but no one has thought of the man behind the plough. Nothing has been done to raise the farmer from his traditional and miserable hole of despondency. What is most important is the need for a radical change in his outlook by which he looks upon agriculture as a pathetic losing way of life and not as a successful economic proposition." No plan can have any chance of success unless millions of small farmers (and there are about forty millions farmers scattered over an area of one and quarter million square miles) in the country accept its objectives, share in its making, regard it as their own and are prepared to make their sacrifices necessary for implementing it" (G.M.F. Inquiry Committee Report Pages 49-50)" So long as there is no sense of direct participation in this great adventure of raising India's productivity on the part of every farmer and citizen, the direction emanating from distant capital through soulless officialdom is simply so much dead matter."

Dr. Chandrashekar is also of the opinion that the unwanted cattle should be destroyed. The ultimate solution of the overall problem of population and food lies in bringing more land under cultivation irrespective of investment costs making two or three ears of corn grow where one or none grew before and thus increase the yield per acre; in destroying the useless cattle and making our women bear two healthy children that will survive in the place of five or six famished ones.

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a general problem which has from the very beginning been the central problem of European Economic Integration, a most uncomfortable subject which has again and again been ignored or pushed beneath the surface only to come up again like a dead body one throws in the river in the fond belief that that is the way to get rid of it.

In trying to create a common market one should realize that it is impossible to have all the three things, namely, free trade, national differences in monetary discipline and stable exchange rate. One of them must be sacrificed and we must consider which combination is most advisable and which is likely to be achieved in practice.

There is a danger that the common market will give rise to common regimentation with so much less external community of markets but there is another danger that the outcome may be a common inflation.

* Based on a lecture by Dr. Chandrasekhar

India saved from National Bankruptcy—but the same misguided policy-makers will lead her into the same trouble again

FIVE leading free enterprise countries, America, Britain, Germany, Japan and Canada, have decided to give India credit sufficient to cover her foreign exchange needs for the rest of the Plan. It is not clear what the "core" of the Plan is, but we may assume that it is a substantial fraction, and it will be carried out within the remaining three years; or a little more.

This is the best news India has heard for a very long time. Her industrial and general economic progress will be greatly assisted, and the ugly effects of national bankruptcy, which ten days ago seemed very near, have been averted. The financial authorities of the more prosperous countries have shown a degree of imagination and have set themselves a precedent which must be welcomed as most hopeful for the future of the backward countries.

The *Economist* has hinted its suspicion that the planning authority in Delhi deliberately budgeted beyond its means, trusting that the inevitable crisis would force the western powers' finance ministers to help her out. We almost wish it were so: it would point to an economic sophistication and political realism in high quarters which we fear are simply not there.

The truth of the matter is that India's leading planner, the Prime Minister, knows nothing about economics, that his advisers in the Planning Commission, some of whom know their business, dare not contradict him, while the real drafting of the second Plan was done by a group of Russian, Polish, French and Indian communists, who followed the established communist fashion of planning in purely physical terms. This is the method of planning of the despotic government of an autarchic economy, which can ignore financial considerations, foreign economic relations, and the suffering of its own people, and can insist on given physical targets at any cost.

But India is in the world market, and in the end cannot defy its laws. She also has an electorate which has to be considered, for if in order to make steel the people are deprived of food and cloth, and their earnings evaporate in continued inflation, they will vote down even the Congress.

We are pleased by the relief given to India's exchange difficulties. We should be delighted if we could think that the root cause of the trouble, namely the Prime Minister's ill-chosen advisers, were no longer present at his ear to continue getting the country into ever-repeated economic trouble.

There are heartening signs that the Congress party in the Central legislature is at last becoming impatient about food. It is indeed a scandal that after eleven years no substantial progress has been made in assuring the citizen food from his own soil.

Admittedly the problem is difficult. But its high priority has always been acknowledged, in words at least, and in eleven years India has received very substantial amounts of financial and technical help from abroad specifically for the improvement of agriculture.

Undoubtedly the responsibility lies on the supreme economic policy maker in Delhi. His assistant currently in charge of that department was fiercely criticised last week and offered to resign. Members refrained from directly attacking the man whom they all knew to be responsible. But he was made sufficiently aware of the feeling in the party to find it necessary to hold a special party meeting and try to soothe it with an appeal for all-round cooperation.

Unfortunately mere good will, persuasion, patriotism and private economy on food are quite inadequate. What is needed is an economically and technically sound policy, and the resolution to push it through. It is by now fairly clear that neither will be forthcoming.

If the Prime Minister is ill advised, he is also lacking in decision. We have often remarked that his policy on almost all the country's main problems is one of drift. It is again pleasing to find that the Congress party in Parliament is becoming aware of that defect.

An illuminating report this week from a correspondent who is known to be in close contact with M.P.s gives a list of major problems on which the High Command have shilly-shallied so long as to provoke audible discontent even from their disciplined followers in the Central legislature.

Apart from the food scandal, the correspondent mentions foreign economic aid, which really means planning, the official language question, the partition of Bombay State, and the communist regime in Kerala. It is a formidable list; and the despatch closes with a hint that M.P.s are also not very easy in their minds about the way in which riotous groups in various States have been allowed to violate the law, while the police have been instructed not to interfere.

As an opposition member pointed out, the Madras Government, on the plea of not encouraging "blacklegs", allowed the strikers in the *Hindu* press, a private concern, to use violence against those workers who wanted to work; but the same Madras Government ordered the police to shoot and killed two strikers who were trying to do exactly the same thing against "blacklegs" in the Madras Port, because that is a State concern.

The proprietors of *The Hindu* have published a full documented account of the affair, and have prefaced it with a brief report on the suppression of the famous Argentinian liberal paper, *La Prensa*; by Peron's labour front. The parallel is indeed striking, most uncomfortably so.

Clearly the position of the Government is indefensible. The rot of tolerated mob rule has not yet gone very far, and it can still be checked quite easily by a decisive lead from the High Command. But a decisive lead from that quarter, in a direction which might appear to weaken the party's electoral position, is exactly what is not to be expected.

Acharya Kripalani's denunciation of the myth of

Pancha Shila in the Assembly last week was entirely just. It is only to be regretted that he did not state his case in more general terms.

The world is a system of sovereign states, almost all armed and depending ultimately upon force, their own and others', to maintain their territory and independence. If any two of them have no intention of attacking each other, declarations to that effect are empty, and have value, if at all, merely as propaganda for peace.

If, however, one state does plan to expand at the expense of another at some future date or in certain contingencies, a declaration to the contrary can be useful as camouflage. Among the pancha shila treaties signed up to the present, some are empty and have only propaganda value, but some are certainly camouflage.

Now it is quite clear from the course of events that it was the entry of the American and British troops which enabled the settlement to be achieved and peace to be restored to the area. The foreign troops had this effect because, though only a division strong, they showed the disorderly governments of the area that they could not get away with it indefinitely, and showed the peaceful and conservative governments and people of the area that the ultimate protectors were prepared to protect them: they restored confidence in the balance of power.

Such restoration of confidence was necessary. In the past few years the prime disturber of peace in the Middle East, Egypt, has been able to achieve the withdrawal from the neighbouring countries of almost all the troops of the western powers to their bases thousands of miles away across the sea, while her patron Russia, remains in full strength across the Turkish and Iranian frontiers only a few hundred miles away.

Thus the local balance of power has been greatly upset, while the western powers, by their quarrels among themselves and their supine acquiescence in the expansionist activities of the communist bloc, had led their friends to fear that in a crisis they would once again be let down. The despatch of troops to the Lebanon and Jordan restored confidence, because it showed that there was a point at which even the somnolent Eisenhower would wake up and do something.

Peace and the integrity of all the weak (and the strong) countries depend, not on debates in the United Nations, but on the world balance of military power. In the absence of ability and willingness on the part of America to strike back effectively at Russia and China, the vast power of the 900 millions of the communist bloc would be exerted at once to carry out their declared and passionately cherished intention of spreading the communist system over the rest of the world. We hope it was a sudden realisation of this obvious fact which caused the Prime Minister's unexpected silence in the last days of the Middle East crisis. After all, if America were to allow Russia to obtain control over the Middle East, India's remaining years of independence would be few indeed.

There has been much ill-informed alarm and misplaced ridicule about the American policy, enunciated by Dulles, of carrying resistance to the brink of

war. Those who disapprove of what they call "brinkmanship" should be asked to say what they would do instead.

There is nothing new in brinkmanship. It is merely a new name for the ancient policy of preserving peace threatening war. A threat is of no use unless the enemy is made to believe that you mean it.

At no time, probably, were words enough to convince a strong power that in certain circumstances its potential antagonist would fight. There has to be from time to time, a military demonstration. This is more than ever necessary today, when the value of the words of politicians have depreciated to such a deplorable extent. Brinkmanship is nothing more than the conventional military demonstration.

The long-suffering Dulles is once more being assailed from all over the world by a torrent of criticism of his brinkmanship in the China seas. Cynics insinuate that the villainous Chiang Kai-shek has manoeuvred him into this dangerous position, and faint-hearts argue that he ought to abandon all the off-shore islands, and indeed Formosa itself, and to drop his opposition to red China's entry into the United Nations.

Such ideas betray a total misconception of the trouble. Dulles is not denying China her "rightful" territory; nor is he "insulting" a "proud" nation, though doubtless Chinese propaganda uses these themes. Peking is not "bitter" about being deprived of her U.N. seat, though she likes Asian nationalists to believe that that is what is worrying her.

Both sides are concerned about something far more important — the cold war. The off-shore islands are not valued as national territory. They are valued as indices of the fortunes of the cold war. The U.N. seat is valued not for itself, but as a conspicuous (more conspicuous than really important) prize in the cold war.

Dulles's statement early last month makes his purpose quite plain. He is concerned above all to keep alive internal opposition to the communist regime.

If Peking takes her seat in the U.N., that will be a terrible blow to those Chinese who are still hoping for a return of freedom. If Peking takes one small island from those defended by the Kuomintang, that will have the same effect. Dulles is fighting a psychological war: that is why he clings to every position, whether it is important in the military sense or not.

But even in the military sense he is right. There is not the slightest reason to expect China to become a "satisfied" power even if she gains all her territory, exterminates the nationalists, and enters the U.N. On the contrary, she will then be more aggressive than ever.

The history of the relations between Russia and the West fully supports this view. Russia has never behaved as if "satisfied". She has expanded when allowed to; she has refrained only when threatened.

That is the communist way. There are only two policies; fight the cold war. or surrender and prepare to welcome the communist extermination squads. With all his faults, Dulles has the great merit that he sees the world situation correctly, understands his enemy, and fights him like a man. Would there were more Dulleses in the world.

—Mysindia

CURRENT TOPICS

TYRANNY OF SLOGANS

Land reform has been bungled in the past by too much addiction on the part of the Congress rulers to slogans sounding grand and impressively leftist. In the name of "land to the tiller" some positively atrocious feats of cruel dispossession at the expense of existing owners have been worked into government policy.

The patent injustice to the individuals affected by this land policy does not fully reveal the extent of its evil. It has tampered with food production and forced the Nation to depend on imported foodstuffs at a time when the saving of foreign exchange to the utmost extent possible has become an essential requisite for the success of our Second Five Year Plan that is being enforced with severe strains and heavy taxation.

Politics has played ducks and drakes with agricultural stability, and in the pursuit of slogans we have landed ourselves in experiments abandoned after trial as destructive and harmful by the Socialist regime in other parts of the world from whose inspiration we profess to draw the pattern of our economic planning.

OUR LABOUR LEADERS

Labour in recent times in our country has been getting unmanageable in every sphere of activity and holding the pistol at the head of the management. Frustrated people with no ostensible profession take up the role of mouthpiece of labourers. All the time they are instilling—like Manthara to Kaikeyi of mythology—the poison of discontent, go-slow policy, and strikes into the minds of these labourers who cannot think for themselves. Not once has any labour leader been known to have advised labour to give of its best. While all the time they are making much of their grievances, their rights and privileges, not once are they told of their duties and responsibilities. Government has certainly to be blamed to a great extent for too advanced labour legislation in this country, for pampering them, and for kow-towing to them on crucial occasions. Even when labourers were prepared for reasonable conciliation and for carrying on the work, the labour leaders were intransigent just out of a desire to enhance their importance, thus bringing ruin all around. Nobody wants to oppress labour and cheat them of their rights and privileges. But let them be guided by patriotic leaders who cherish goodwill to all and entertain no malice or hatred to anyone.

Our present labour leaders, like the doctors who ride on the tide of public ill-health, have got vested interest in labour discontent. If there is no labour discontent, they become "unemployed;" so they must create some labour trouble or the other to keep their profession going.

KERALA COMMUNIST LEADER'S THREAT

A leading communist named V. S. Keralayan has been reported in a Cochin newspaper to have told a gathering at Pullat near Kozhencheri, that if Nehru was ever so ill-advised as to remove the Namboodiri-

pad ministry, the communist powers would instantly intervene. Another communist leader Mr. B. T. Rana-dive is reported to have said recently that no power on earth can oust the communist ministry in Kerala.

What will the Kerala Government do if the Central Government intervenes? It might declare the Kerala State as a sovereign state. The Communist countries will immediately recognise it and might even enter into mutual defence pact. Soviet Russia will then warn the Government of India against any "aggression" on the Sovereign State of Kerala and might even declare that any "attack" on Kerala would be considered as an attack on Soviet Russia. Our government will then have to either surrender Kerala to Soviet Russia or give up its neutrality at last and enter into military alliance with America, and take back the state of Kerala by Police Action.

CONGRESS LEADER IN PAK SPY RING

The Union intelligence men and the West Bengal Police department, we understand from some reliable source, have briefed the Government of India about the widespread Pak spying network functioning in the border states. Among the spies working for Pakistan, it is reliably understood, are some high-powered regional and national politicians, four trade union leaders, two officers of the West Bengal Police and Labour Departments and some journalists.

The Pak spies are carrying on their nefarious activities from a secret centre in Calcutta with the co-operation of some high officers of the State Government. These Pak spies are also reported to have infiltrated into our various non-official organisations and political parties working in our border states.

Our police have already arrested six men for alleged anti-Indian activities in the border sub-division of Basirhat. These men who are now members of the Congress were active members of the Muslim League only a couple of years ago! A Pakistani flag is reported to have been seized from the house of one of these arrested men.

The Nehru-Noon agreement is reported to have caused panic among the Hindus of the border areas of Basirhat while the jubilant Muslim leaders are organising feasts in mosques. Even responsible Muslim office-bearers of the Congress are reported to have joined these feasts.

OUR FINANCIAL TROUBLE DUE TO PAK'S WAR PREPARATIONS

Pakistan's war-preparations are responsible for a good deal of our financial troubles. The aid India has asked for from the West is almost equal to the foreign exchange she has expended in buying armaments to counter the strength Pakistan has built up with military weapons received as a gift from the U.S.A.

Hatred of India is the bedrock of Pakistan's foreign policy and so long as this is so, there is no alternative for any Pak government but to hang on to their Western allies for all they are worth. If the Indian leaders and Indian press were also to preach hatred of

Pakistan and contempt for Pakistanis in the way the Pak leaders and Press are preaching hatred of India, it is easy to see what the result would be. The Muslim leaders of Pakistan who brought on Muslims of this sub-continent the greatest disaster in the history of India by partitioning our country are evidently not satisfied with their achievement of the goal of separate land for Muslims. They are thirsting for more blood, and hence the Pak's hectic preparations for a final showdown with India. We hope wisdom will dawn at least on the people of Pakistan who have had enough of these blood baths and believe that they would replace their fanatic and war-mongering rulers by peace-loving democratic leaders in the coming general-elections in Pakistan.

THE DELHI PARLEYS

The Delhi parleys are over but the border problems will continue to remain with us for ever as the border disputes are only symptoms of a deeper malady, and merely to deal with symptoms is not likely to lead to any permanent improvement in the relations between the two countries—India and Pakistan.

Out of the total border of 1476 miles with West Pakistan, only 160 miles have been demarcated so far. In East Pakistan, out of a border of 2492 miles, only 1306—miles have been demarcated.

WASTE

A three man delegation is reported to have been sent to Europe to explore the possibilities of securing purchasers for Indian Sugar in any European country. We wonder why the government thought of sending special missions, commissions and delegations abroad when the requisite information could have been collected by Indian embassies there. What are our embassies meant for? Why should our government waste lakhs of foreign exchange on these delegations?

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would replace their fanatic and war-mongering rulers by peace-loving democratic leaders in the coming general-elections in Pakistan.

INDO-PAK AMITY

An acute state of tension exists in the Indo-Pak border area since April last, especially in the borders between East Pakistan, and Assam and West Bengal which have lent themselves to systematic encroachment by the fishermen, peasants, traders and fifth columnists of Pakistan. Both their frequency and magnitude, have increased beyond measure during the last three months and the passing forays have grown into attempts at even permanent occupation of certain disputed territories between Assam and East Bengal. Even the Pakistani security forces have taken part in this activity, thus leading to repeated firings into and violations of our territory.

Border differences are intrinsically trivial and can be generally settled on the spot with a little tact and good will. Both these virtues, however, are conspicuous by their absence in Pak's relations with us. On the contrary, the tendency in that country is to magnify and twist every incident in its war of nerves with India. Where so much ill-will and hatred is assiduously cultivated, even a stray border incident may act as a spark on a tinder box.

There can be no hope of ultimate reconciliation between Pakistan and India unless Pakistan gives up her policy of hatred against India, and learns to live as a good neighbour. History counsels it and geography compels it. In the ultimate analysis, political stability and economic prosperity of the two countries are complementary to each other.

U.S. ASSISTANCE

The visit of Finance Minister Morarji Desai to the United States has coincided with the announcement in Washington and New Delhi of additional U.S. assistance to India.

The announcements covered three things:

1. The assurance of \$100 million in loans repayable in rupees from the U.S. Development Loan Fund for economic projects in India for the period ending June 1959.

2. Discussions on a new cultural commodities agreement which would provide India with food grains worth about \$ 200 million in export value. This would be under U.S. Public Law 480 which permits the sale of agricultural products to India for rupees, with a large portion of the rupees then loaned to this country for its economic development projects.

3. Deferment of principal and interests payments due to the United States on the 1951 Wheat Loan of \$ 190 million for a period of nine years. The repayment period has been extended for the nine years but without additional interest accruing. The total involved is about \$ 62 million.

Ambassador Ellsworth Bunker called the latest announcement "evidence of the United States continuing interest in India's economic progress."

This echoed a statement made by Secretary of State, John Foster Dulles, in his press conference yesterday in Washington. Asked about U.S. aid to India, Mr. Dulles said, "The U.S. is willing now, as in the past, to help . . ."

ON THE NEWS FRONT

PAK SEAMEN ON OUR SHIPS AND HARBOURS

There were at present about 16,000 Pakistani seamen registered in India, of whom about 475 were employed in Indian ships at one time, Mr. Raj Bahadur, Minister of Shipping, told Mr. N. G. Goray and Mrs. Mafida Ahmed.

He added that at the ports of Calcutta, Bombay and Madras there were 2,528, 708 and 16 Pakistanis, respectively, working as dock labourers.

Asked what steps were being taken to replace these Pakistanis, Mr. Raj Bahadur said it was not the policy of the Government to displace the existing Pakistani nationals, but when they went away the resulting vacancies were filled by Indian nationals.

—Organiser

BASIRHAT ARRESTS

Mr. Mohammed Abdul Gaffar, a Congress leader of Basirhat, was arrested here yesterday under the Security Act. His bail petition was rejected by the Sub-Divisional Officer of Basirhat.

Mr. Gaffar is the Joint Secretary of Basirhat Sub-Divisional Congress Committee and a member of West Bengal Provincial Congress Committee. He is also a member of the 24 Parganas District School Board.

Five former members of the Muslim League of the Sub-Division and Swaroonpnagar in 24 Parganas East Pakistan, were also arrested during the last few days under the Security Act for alleged anti-Indian activities.

—Indian Express

BOMB WAS PLANTED BY PAKISTANI JAMMU EXPLOSION

Mr. Saifuddin, Deputy Inspector-General of Police, who visited Khaur where two bomb explosions took place on Thursday, said yesterday that in addition to the two bombs which exploded, explosives of foreign make were also recovered from the same place.

He added, that it had also been established beyond doubt that the man who was killed while planting the bomb was a Pakistani. The lorry driver who was injured in the second explosion, also died later.

—Hindustan Times

DACCA TROOPS MEN HARASS INDIAN VILLAGES ON BORDER

Agartala: Pakistanis, backed by their armed forces, illegally entered Indian territory and opened fire on being challenged by Indian police in the Radhanagar area of Belonia Sub-division, about 100 miles from here, on Wednesday last.

According to reports reaching here, the incident occurred in the evening when Indian police detected the Pakistanis this side of the border. The intruders, on being challenged, ran away and, crossing into East Pakistan, started firing across the border along with the Pakistani troops there.

The Indian Police fired back. No report of casualty has been received.

Pakistani depredations in the Belonia area are frequently being reported of late. On August 15 last, one Indian forester and two villagers working on their field were kidnapped from Radhanagar. Later two Indian Muslims were severely beaten by Pakistani nationals who had entered the Indian territory illegally.

Within the last month 50 heads of cattle were stolen and taken away into East Pakistan.

Another report said that one Hindu landlord who is a Pakistani national and possesses land in the Raphanagar area was murdered by Pakistanis on September 3 last. The report said that the Chouddagram Police Station in East Pakistan did not entertain the case of murder on the ground that the incident had occurred on the landlord's plot of land lying on the Indian side.

—Indian Express

KERALA POLICE AND ARMS MANUFACTURE

Following reports of the discovery of Red Arms manufactories in the coastal areas of the Natika Firka in the Trichur District, it is learnt that the Kerala Police is now on an urgent mission to find out these manufacturing centres with a view to uproot them before the Central Intelligence Department becomes active in the matter. The manufacture of crude bombs and acid was a heavily guarded secret and the leakage of this information is attributed to the activities of Fifth Columnists in the Communist ranks.

—Thozhilali

PAK PIRATES RAID KUTCH COAST

A gang of Pakistani pirates raided the Kutch coast yesterday and drove away some 50 buffaloes, according to a report received here today.

The pirates, who came by country-crafts to Narayansarovar of Lakhpatt Taluka, decamped with the buffaloes, worth Rs. 20,000/- and returned to Pakistani territory before police could catch them.

—Free Press Journal

THE DEAD ARE ALSO BEING LIQUIDATED IN RED CHINA

It has recently been reported that in the Chaoyang and Swatow areas a million graves had been removed to give way to vegetable plots, and that coffin and gravestones were used for paving roads, building bridges and erecting awnings.

Why did the Chinese Communists remove the graves? It was stated that they wished to break the superstitions of the people and to increase the acreage of arable land. But these reasons were not very convincing. Virgin lands were still available for development and it was not at all necessary to grab land that had been earmarked for the dead.

A recent despatch from Pan-Asian News Agency of July 13 from Hongkong stated that according to a report by the secretary of the CCP Committee of Chaoyang and Swatow areas, two-million graves had been removed in the Chaoyang and Swatow areas during the last two months. The dead had since

been buried in collective graves. In the process of removing those graves, 2,411 taels of gold, 1,222 taels of silver and 3,898 pieces of jade had been removed and confiscated as public property, it was reported.

The reason is now clear. The exhumation of millions of ancestral graves by the Chinese Communists was to plunder burial treasurers from the dead to fill up their coffers. Thus in the Chinese Mainland, even the dead are forced to go on contributing to the coffers of the Chinese Communists and taxation does not even cease at the graveside.

—New Path News

MALENKOV COMMITS SUICIDE

The "Daily Express" reported that former Soviet Premier Georgi Malenkov committed suicide about eleven weeks ago at Ust-Kameogorsk, being the central figure in a new big Soviet trial.

The newspaper's correspondent, Stephen Constant, a specialist in Soviet Affairs, said the news of the suicide had come to him from a particularly sound source.

—Nagpur Times

MUSLIM MINISTER SAYS GANDHI-GARLANDING WOULD BE IDOL-WORSHIPPING

Assam's Food and Agriculture Minister, Mr. Moinul Haque Choudhry, hoisted the National Flag but pleaded inability to lay a wreath at the foot of Mahatma Gandhi's statue while presiding over the Independence Day celebrations at Nowgong on August 15.

This complaint has been sent by two Nowgong Congressmen to Sri Mahendra Mohan Choudhry, President of the Assam Congress, who had ordered an inquiry.

One explanation that is available is that the Muslim Minister's religious susceptibilities could not be reconciled with a practice which he regarded as being akin to idolatry.

In view of the "delicate points" involved in the issue, Sri M. M. Chaudhry has referred the complaint to the Central Congress Parliamentary Board, it is understood.

—Organiser

PAN-ISLAMIC CONFEDERATION—DISASTROUS FOR INDIA

Criticising the foreign policy of Mr. Nehru, Dr. Radhey Shyam Tiwari, a prominent Hindu Mahasabha leader held that by supporting Arab Nationalism, the Prime Minister and the ruling party were actually supporting the establishment of a Pan-Islamic confederation, extending from Morocco to Jakarta, which would prove highly disastrous for India and the Hindus.

—Sunday Tribune, Ambala

TAGORE ON GANDHI

Rabindranath Tagore told Dr. M. R. Jayakar after his visit to Sabarmati Ashram: "What a wilderness of white colour; the walls of the buildings are white, the river sands are white, the khaddar is white, everything is white at the Ashram. Mark you, before long it will develop into a political cult as intolerant and tyrannical as the civilization born of the sandy deserts of Arabia. The white colour is a colour of intolerance. Gandhi has adopted it, it will have its consequences."

—Organiser

STAMP VENDOR'S BIG HAUL

A stamp vendor, no longer in India, misappropriated Rs. 1,69,000 of Government money by manipulation of entries and the closing balances in the stock register. The misappropriation was detected in 1955.

A loss of Rs. 50,000 in the Agriculture Department was found in 1951. A supervisor suspected of the embezzlement had left India for Pakistan before the detection of the fraud.

—Blitz

INDIA RECEIVES FURTHER FORD FOUNDATION GRANTS

NEW YORK: The Ford Foundation has announced grants of \$5,25,065 for its overseas development programme.

Large grants include a second grant of \$225,000 to India for training engineers in the American steel industry and \$800,000 to Iran for establishing an economic bureau.

The grant to India supplements a 1957 Foundation grant of \$1,500,000 for training 200 engineers in management and production methods of the United States Steel Industry. Co-operating are the Indian Government; Carnegie, Illinois, and Case Institutes of Technology; Lehigh and Youngstown Universities; the American Iron and Steel Institute; the United Steelworkers of America; and one Indian and seven American steel companies. The new grant according to the Foundation, will help finance the training of about 100 more engineers.

A grant of \$226,000 to Nepal will support a rural higher institute to train personnel for agricultural and community development.

The proposed institute, the Foundation reported, is intended to help boost food production by training village development workers, junior agronomists, veterinary stockmen, and village artisans. About 350 students will attend each year. Later it is hoped to add an intermediate course for boys and girls who have finished sixth grade and courses for village teachers, overseers, engineers, and public health workers.

Other grants for international activities include: \$62,645 to Burma, India, Indonesia, Pakistan and "Near Eastern Countries," to enable them to send participants to the advanced management programme in the Far East to be held in the Philippines this summer.

\$15,000 to the Carnegie Endowment for international peace for an evaluation of the United Nations Economic Commission for Asia and Far East (ECAFE) as a guide in the development of the Economic Commission for Africa.

\$11,000 to the Government of India for a consultant from the University of Chicago on examination methods in education.

\$72,300 to the India Statistical Institute for visiting foreign experts, overseas training of institute staff members and acquisition of library materials.

\$44,300 to the Gokhale Institute of Politics and Economics in India for training in methods of applied social-science research through one-year visiting professorship.

\$20,000 to the University of Delhi to continue a training and orientation centre for foreign technicians in India.

—The American Reporter

An American Libertarian on India

Dr. Ralph Borsodi, Chancellor of the University of Melbourne, now on a visit to this country is scheduled to address a number of meetings in the city under the auspices of educational and cultural institutions. He inaugurated them with an address which he gave to the students and staff of the Poddar College Commerce, Matunga on the evening of the 25th September. The distinguished visitor is seventy years old, but looks so compact and trim as to be mistaken for one in the early fifties. This youthful appearance was further reinforced by a mental alertness and spiritual awareness to basic values of human life which rendered his talk at once fresh and stimulating.

The theme of his discourse was: 'The Libertarian versus a socialist economy.' But before plunging into it, the learned doctor took a bird's-eye view of the world-situation today in which rival ideologies were at grips with one another, and the atmosphere was none too congenial for unbiased or independent thinking. He modestly disclaimed any desire to lecture others, and confessed that he had come on his present voyage of discovery and exploration of the new India more to hear and see than to lecture or advise us. He recalled how the architects of American Freedom were libertarians through and through, and how they sought to ensure the primacy of the individual and his claim to freedom and happiness as the justification of government itself. He acknowledged however that the prevailing trends even in America were against the libertarian outlook and philosophy of men like Jefferson, and how as an inevitable and unfortunate corollary of it, there was little prospect of America giving a proper lead to the world on the fundamental issues of the right relations that should grow between the individual, society and government.

If America's position was thus rendered dubious, that of Russia confronting it with a diametrically opposed ideology and philosophy offered still less scope for the peaceful emergence of a better world-order based on justice, liberty and freedom. The technique as well as the philosophy of communism were based on the cult of violence and the negation of human personality,

and mankind could not therefore hope for a way out of the present impasse from Moscow or its satellite system.

Coming as an outsider, it seemed to him that India by virtue of her past history and present strategic situation, was far better fitted to initiate a third force which might bridge the gulf that yawns between America and Russia, and lift mankind to a plane of thought and feeling which would make for a better world order. In that connection he referred to the pioneering and missionary labours of the late Wendell Wilkie whose book 'One World' written after a world-tour as the unofficial ambassador of the U.S. to the nations on earth sold a million copies within six months of its publication. That showed how there was a general and intense longing all over the world for an era of peace and good-will among men. Mr. Wilkie was welcomed with as much warmth in Russia as in other countries, and hopes rose high that Mr. Roosevelt who had been co-architect with Stalin of victory in war would also usher in the new world of peace. But the high hopes of mankind were dashed to the ground.

One reason for that parting of the ways between war-time friends was the cynical philosophy underlying the communist system of thought. The democracies had ever striven to maintain a correspondence or parity between means and ends; but the communists have made violence their sheet anchor, and that meant the denial of liberty and freedom to the individual. It was not the least of the services of Mahatma Gandhi to world-progress that he demonstrated the feasibility and necessity of means squaring with ends. That was why too he hoped that Indian leadership might still succeed where the mighty rivals of the West have failed. In an abstract view, he admitted that there could be no organised society or state without the use of force; but the libertarian creed was intent on reducing the range and scope of this inevitable violence to a minimum.

Coming to the subject proper, the learned doctor referred to the antiquity of Eastern cultures and their amazing vitality. When the whole of the Western world was steeped

in primitive barbarism, light came from the East in successive waves. China, India and the Arab world were the torch-bearers of learning, culture and the arts of the good life. For a few centuries the West forged ahead with the help of technology and Force, and cast its spell over the Orient. Two world-wars and the tremendous changes wrought by them in the conditions of life have resulted in the overthrow of Western supermacy, the first signs of which are now plainly visible.

The conflict that is now raging in men's minds has too often been over-simplified as one between capitalism and communism. For this assumes that there are no alternative ways of resolving the issues. What is to be India's role in the counter-attack on the forces of barbarism and scientifically organised tyranny of which communist practices have given us many examples?

He knew of course that India had set before itself the ideal of a Socialist state, but it was for leaders to determine whether and what degree of individual freedom and personal liberty should go with it. An imposed order whether on the economic or political plane involves an abridgement of liberty which is repugnant to the principles of libertarianism.

India by virtue of its situation is best fitted to adopt the moral approach to the solution of the world's ills. This would consist in the squaring of means with ends, and in seeing to it that the balance is always maintained. Material and technical advances are valuable, nay essential for the greater enjoyment by man of his fundamental freedoms. But they must be in consonance with the high ethical standards. It is assumed that any single ideal will infallibly deliver the goods. The doctor warned his hearers against such a view, and gave illustrations to show how capitalist economy is not always economical nor socialist economy always ruinous or inefficient. He referred to the baking of bread at home by each housewife for her own family needs which turned out to be cheaper than buying from a huge centralised bakery. The Post office rendered services of far-reaching importance which private initiative might not ensure to the same extent.

The truth of the matter would seem to lie in our prevailing obses-

sion with what he termed monetary economy. Division of labour does not always guarantee cheapness of price of the finished product, for what is gained in costs of production is lost in the costs of distribution. Thus in the current notions of 'productive economy' a wide range of activities and services which we render to ourselves by our own labours does not get included in the over-all total. Consequently a false picture is given of total productive activity of any group or nation.

In the light of these considerations, the learned doctor pleaded for a break-away from the tyranny of either capitalism or communism which now characterises all polemics in the political field. In between the two he said we could find four alternatives which he proceeded to elaborate in order. First of all, we may have what is called a mixed economy—something of capitalism and something of socialism. This may be called pluralist; but the success of it should be measured primarily in terms of the extent to which either the one or the other subserves basic liberties and freedoms. Secondly we may have a politically free society but economically tyrannical order. Protective tariffs as against the outside world and monopolies as against the consumer may vitiate a free society. America and most other countries have experienced these difficulties at some stage or other in their development. Thirdly, we may devise a just economy. By it the learned lecturer sought to convey the idea of every kind of service being paid for justly—neither more nor less. The cooperative system as worked out in the Scandinavian countries furnishes many hopeful pointers to a socialised economy which does not abridge the freedom of the individual, and which also ensures for him at the same time, the just fruits of his own labour. Lastly we have the undiluted socialistic pattern with state-control of all activity. The justification urged in favour of socialism is that backward countries have to make much leeway and unless they hustle themselves and others, they cannot reach the goal quickly enough. The speaker drew the attention of his audience to the miseries experienced by the people in England and America as a result of the heightened tempo at which industrialisation was introduced in them. The motive that impelled

the leaders was cupidity, greed and exploitation of the miserable and poor.

India should beware lest in her eagerness to make up for lost time, she sacrifices too much of her basic principles in furtherance of what might after all prove a disappointing goal. The infliction of widespread misery in the name of a future prosperity is not ethical, and should not be accepted as inevitable since it would destroy the fundamental need of freedom for the individual. For it is on this virtue that all other desirable things can be securely and enduringly based. He concluded by expressing the

hope that India's progress in her planning adventures would not make a casualty of Freedom and liberty for the individual.

The lecture was followed by a series of questions which revealed how the students had been following the speaker with rapt attention. There was a widespread appreciation of the need for quick progress as well as for the preservation of the democratic ideals, which we have adopted in our constitution. The meeting came to an end with a vote of thanks to the speaker for a stimulating and lucid exposition of the role of Freedom in the field of economics.

Plan for a New World Order

AN ANSWER TO COMMUNIST CHALLENGE

MR. Ralph Borsodi, ex-Chancellor of Melbourne University, Florida U.S.A., who is on a tour of India, addressed a meeting at the Democratic Research Service, Bombay on the 3rd October. Dr. Miss Dastur who was in the chair introduced him to the audience as an economist, educationist and a famous writer.

The distinguished visitor pre-faced his talk with an explanation as to why he chose to visit India. He felt that the centre of gravity was shifting from the West to the East. Western domination was coming to an end. After the Second World War, America found herself at the helm of world-affairs, the evidence of which was chronicled by Wendell Wilkie in his "One World". Now America is fast losing that leadership because she was totally unprepared for it when the leadership was thrust upon her. In a decade India will, in all probability assume the leadership of Asia and the world. He was anxious to see that India was well-prepared to take up the challenge. The ideological vacuum in the world was sought to be filled by Russia. But communism is immoral both as to the means as well as ends. The communist concept of a new world order is based on violence, and it seeks to overthrow the existing governments and cultures by subversion and genocide. But Marxists defend this by describing it as "revolution".

The learned speaker depreciated the negative criticisms usually hurled at the communists by the demo-

crats: but however pulled the rug under the Marxists when he asserted that "moral values move more deeply than material values". History is replete with illustrations of people who sacrificed their lives and material wealth for the sake of an idea, an illustration of which can be found in the American civil war. Five thousand American sacrificed their lives and millions lost their properties in the struggle for the abolition of slavery, which was just an idea, he pointed out.

India's struggle for independence was motivated by one single purpose to overthrow the foreign yoke. It is useless to compete with the Marxists in promising a better utopia than a socialist heaven: for they could always outshine the democrats in promising better things. Neither can we afford to ignore the defects of the existing capitalist order. The advocacy of democracy is not enough. Democracy can never be a sufficient guarantee against totalitarianism. The people of Germany for instance voted Hitler into power who was out to destroy every vestige of democracy. A positive approach to meet the Communist challenge is essential and an adequate platform should be provided. Political liberty, economic justice and humanisation of our institutions should be the three basic aims of such a new social order. The powers of the government should be limited to preserve the political liberty of the individual. Justice does not mean equality. It is not just to treat the inefficient, unskilled worker as though

he is equal to the efficient and skilled worker. "Justice is in accordance with natural law. Justice provides incentive to work; equality removes it. Equality is a form of compulsory charity". Mr. Borsodi outlined seven essentials of a moral order.

1. **The Free market.** It means abolition of all price controls, fixing up of wages and profits. Competition will be fraternal in such a market.

2. **Free Trade.** It involves abolition of tariffs. That all nations belong to the same human race is itself a sufficient warrant for the establishment of a free international trade. If trade within a nation is good, then trade between nations is equally good.

3. **Abolition of monopolies.** There will be no economic justice unless all special privileges, patent rights and subsidies are abolished.

4. **Cooperative ownership of all natural monopolies.**

5. **Free Banking.** Banking should be a public utility and not a private business. The debauching of currency by the government is im-

moral and the function of banking should be taken out from the hands of the government.

6. **A just property system.** There must be a distinction between what can be privately owned and what can be privately possessed. One can own property but cannot claim a title to the minerals, oils and forests which are gifts of nature. They should be held in trust by the community.

7. **A just land tenure.** The ground rent and royalties collected should be used to support the public treasury.

Mr. Borsodi felt that these seven points should be implemented before a rational and moral economic order can be established. They call for political reforms, institutional changes. But above all, right education is the only hope for bringing about a humane social order. Men must be imbued with moral values so that a good society can be formed.

Dr. Miss Dastur who presided over the function expressed deep appreciation of what the learned visitor spoke and the meeting came to an end with a vote of thanks.

LIBERTARIAN SOCIAL INSTITUTE, CHAMRAJPET, BANGALORE

LECTURE SERIES ON SOCIAL PHILOSOPHY. SECOND LECTURE ON INDIVIDUALISM by M. A. Venkata Rao

Individualism is a recurring form of philosophical outlook.

In modern philosophy, Locke, Berkeley and Hume are typical philosophers of this school of thought. It is largely empiricist in inspiration believing that all knowledge is derived from sense-perception. What is real, according to them, is what sense-perception reveals to us together with whatever is implied in such revelation. The contemporary school of Logical Positivism is a fresh reconstruction of empiricist thought, with the stress in some thinkers on semantics and analysis of meaning.

But we are concerned in this course of lectures with individualist thought as appearing in social philosophy.

We shall study J. S. Mill and Herbert Spencer as typical representatives who have had great influence and may still have a fresh

lease of influence in some modified form.

2. Every comprehensive system of thought has to take a stand on three divisions of human experience — view of nature, view of mind or self or soul and view of ultimate reality or God.

1 INDIVIDUALIST VIEW OF NATURE

The broad point of view of individualism with regard to nature is that it is an aggregate, not a system, at least that we cannot prove that it is a systematic whole.

Individualism stresses the aspect of atomicity, particularity, or granularity in the universe. In fact, it prefers to speak of the pluriverse like William James. As Russell says, there may be areas of order in the world but there is no reason to think that the whole of the universe is orderly through and through.

Individualist Anarchism

By
HENRY MEULEN

"Communism has faith in a cataclysm: Anarchism knows that social progress will result from the free play of individual effort."

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2. INDIVIDUALIST VIEW OF MIND, SELF OR SOUL

Individualism rejects mind or self or soul as a continuous soul substance. It tends to think of mental activities as states of consciousness, discrete, succeeding each other. The passing State swallows the preceding state and in turn gives place to the next. J. S. Mill adopts the theory of association to account for the connections among States of Consciousness.

Mill develops his ethical view on the background of mind as phenomena. His moral ideal of the greatest happiness of the greatest number is consciously based on mental phenomenalism. But his view of conscience and sense of dignity as the basis of democratic politics encounters difficulties.

So too his view of logic in history struggles with the difficulties of phenomenalism.

3. INDIVIDUALIST VIEW OF GOD

Individualism in its empiricist form tends towards agnosticism like Herbert Spencer and since agnosticism is a half-way house, it results finally in scepticism.

Book Review

BABAISM

1. **England's Challenge To Meher Baba:** John Bull, London, May 7, 1932.

2. **Meher Baba — The Greatest Hoax Of The XX Century, Or How An Irani Youth Bloomed Into a World Teacher:** Edited and Published by sampige Venkatapathaiya, Bangalore City, 1941.

The tow brochures expose the religious racket carried on by 'an extremely hirsute humbug, Meher Baba' and his chelas.

His real name is Merwanji Shehryar Irani. On losing his business he forgot that he was a toddy-seller, a school-teacher and the owner of the Circle Cinema, Nasik: he suddenly became God-realized(!). He got the heritage of holiness from filth-eating, anus-wor-

shipping and virgin-loving saint, Upasani Maharaj, the Sadguru of Sakori. The Sadguru found God in the human excreta and in the genitals of virgin girls. "My disciples can drink, fornicate, thief or tell lies with impunity."

On one occasion the chelas of the Baba were discussing the whereabouts of God. One said, 'Everywhere'; another replied, 'In the Soul'; the third pointing at the heart softly whispered, 'Here'. One argued about the conception of God and then tried to answer. Thus the question went round till it came to the turn of Dr. D. He came out with the spontaneous assertion, 'In Baba'.

Meher Baba has, as alleged by his chelas, performed many miracles.

But the half-credulous Mr. Venkatapathaiya says: "He has not performed even a single miracle nor can he perform any, and all this blatant talk about his miracles is not founded on facts but is undiluted bunkum. If he can perform miracles, . . . why does he not answer the open challenge thrown at him to show one real miracle or cure one single incurable case in public? He has not had the courage to answer this in a straight forward manner; instead, all that we hear is the curious shriek why he does not perform miracles."

Mr. Venkatapathaiya calls this self-contradiction on the part of the Baba. He forgets that the law of contradiction does not hold good for Avatars of God, even as it does not in the case of modern gods, the supreme leaders of totalitarian states. And statistics will show the dupes of politicians far outnumber those of Babas.

—B.S.S

In Lighter Vein

Dr. Radhakrishnan said the other day that complete sanity was an abnormal condition — A Report.

That accounts for the normalcy of all congressmen.

Once a Nawab, a man fond of games and riddles, posed this riddle to one bandit captured by the Nawab's troopers: "You make one statement. If you tell the truth in it, you will be shot. If you lie, you will be hanged." The bandit put everything in a fine mess with this reply; "I am going to be hanged."

"Look at me, I am a self-made man," said a Congress leader to a gathering. One voice in the gathering said, "That is the trouble with cheap labour."

There was once a pretty young widow with four children, who some years after the death of her husband married a charming widower with three children of his own.

In due course, they had two children of their own, and one day the husband received an urgent phone at the office: "Darling, come home quick! My children and your children are beating hell out of our children;"

Walter Slezak was persuaded to attend the dress rehearsal of a very serious play by a very serious young dramatist, but unfortunately slept through the greater part of the performance. The outraged author cornered him later: "How could you sleep when you knew how much I wanted your opinion on the play?" "Young man, sleep is an opinion" Slezak replied.

A small advertisement in a foreign newspaper recently brought a terrific response. "What every young girl should know best before she marries," it read "Profously illustrated. Explicit instructions. Sent in plain wrapper."

Thousands of eager souls requested the volume. Every one of them received a very good cook book.

One agricultural graduate was showing off in front of an illiterate farmer "Why, your methods of cultivation are hopelessly out of date," he jeered.

"I would be surprised if you got even ten pounds of apples off that tree." "So would I" said the farmer.

"What do you mean?" "I see you agree with me" "I would be surprised," the farmer interrupted, "because it is a pear tree."

"Lennie," the father told his son, "You are a pig. Now, do you know what a pig is?"

"Sure" said Lennie. "A pig is a hog's little boy."

A wise old Scotsman, who was a judge, was once asked to settle a dispute between two brothers about the fair division of a large estate left to them by their father. The Scotsman's decision is classic:

"Let one brother divide the estate, and let the other brother have first choice."

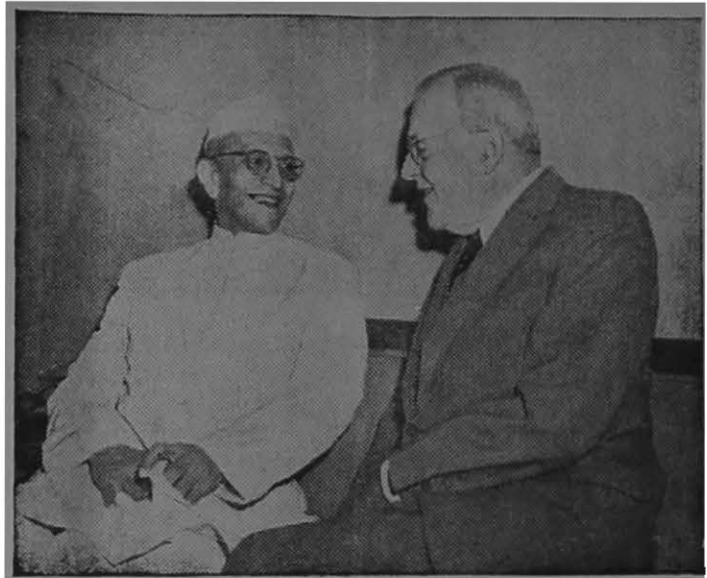
A man was writing a letter in the Post Office. He ended with: "I would better not say any more; there is a fat man behind me looking over my shoulder and reading every word I write."

Suddenly the man behind him shouted: "You are a God-damned liar!"

**FINANCE MINISTER MORARJI DESAI
IN U.S.**

Union Finance Minister Morarji R. Desai was in the United States recently for an eight-day visit. In Washington, he conferred with top U.S. Government officials, discussed increased private investments and negotiated additional credits needed to complete India's Second Five Year Economic Development Plan. New loans and other financial aid totalling about \$ 303 millions were announced by the United States on September 9 as a result of the visit. The Finance Minister said that the response of friendly countries, including the United States, in helping his country surmount its current foreign exchange difficulties makes him more certain than ever of the success of India's economic development programme.

Here, at the Department of State in Washington, Finance Minister Desai and Secretary of State Dulles enjoy a light moment during their discussion of India's economic development plans.



**Letters
To
The Editor**

Dear Madam,

I have critically read Gesell's "Natural Economy" Part II and closely examined his analysis of the money problem and the solutions he has offered.

I find that (1) theoretically Gesell's assumption on the value of money is improper and (2) his solutions are impracticable. Here are my objections:

(1) Gesell's contention is that the value of money remains unchanged in term of time but the value of the commodity decreases as the time passes off. Hence the disparity between the two adversely affects the producer of the commodity while the capitalist (or whoever is in possession of money)

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gains in proportion to the fall in the value of the commodity offered by sale. But the fact that Gesell ignores is that the value of the commodity cannot be affected without relation to the value of money. For, "value" is the relation between two commodities whether it be between one commodity and another or, between a given quantum of money and a given quantum of commodity. When Gesell says that the value of the commodity has depreciated, what he obviously ignores is the fact that the value of the money has also appreciated at the same time and vice versa.

Besides the value of money is based upon various factors like velocity quantity and transaction. Even though the supply of money may remain constant, yet its value may rise or fall according to the V and T. But Gesell wrongly assumes that it remains constant. While the value of commodity is based on its supply, the value of money is based both on its supply and velocity.

His criticism of "unearned income" is untenable. When the capitalist derives "interest or profit" on his investment, he receives only a reward for undergoing a sacrifice, during the course of the capital accumulation. Non-consumption is a sort of "abstinence" in the words of Senior, or "a sort of waiting" in the words of Marshall. Hence this reward which he receives in terms of interest cannot be called "unearned income."

As for the commodity, we cannot agree with Gesell that its value falls

in terms of time because it is indisputable that the value in terms of the commodity cannot fall unless at the same time the value of money also increases. For, value is the ratio between two commodities, as we pointed above.

Besides, if the value of money falls in terms of commodities, it is so depreciated in relation to other commodities also which are either exported or imported from foreign countries. Money can never be depreciated internally unless the value of the internal commodity also rises.

Gesell's "dated money" is impossible of practical application and the difficulties in executing his plan in this modern age of a highly developed economy, are too numerous to discuss here.

Hence we cannot make any use of Gesell's solutions to the money problem in our "Free Economy."

I shall give you further clarifications in this matter if you so desire.

Bombay. G. N. Lawande.

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