AN INDEPENDENT JOURNAL OF ECONOMIC AND PUBLIC APPAIRS

#### WE STAND FOR FREE ECONOMY AND LIBERTARIAN DEMOCRACY

MAKE BUGLISH THE LINGUA FRANCA OF INDIA

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### **EDITORIAL**

#### NEHRU AT THE UNO ASSEMBLY

COR the first time, our Prime Minister has attended the UN Assembly. The occasion has been unique in that the Assembly session this time has drawn the presence of most of the world's chief governmental leaders as a consequence of Khrushchev's sudden resolve to attend the session himself on behalf of Russia. He knew that he was unwelcome in the States this time after his diatribes on Eisenhower and America since the failure of the Paris Summit conference. But he forced himself on the USA as a matter of right, at least so far as the UNO premises in Manhattan was concerned. He cheekily announced that he was prepared to see Eisenhower himself, if only he would apologise for the U-2 spy-plane incident!

Moreover, Khrushchev was chagrined by the failure of his intervention in the Congo in favour of Dr. Patrice Lumumba. His planes and representatives were unceremoniously turned out of the Congo by the new army dictator Col. Mobutu with the consent of President Kasavubu. Khrushchev denounced UN Secretary General Drg Hammarskoeld as being pro-West and biassed against Lumumba, the legitimate Prime Minister of the Congo Government.

As regards the other issues of grave importance such as disarmament, Khrushchev raised the hope of further discussions and negotiations if only the USA were sincere and would refrain from provocation! His attitude was

uncompromising and brutal in language. It was feared that he would turn the UNO sessions into occasions for his own propaganda and put the Western leaders in the wrong and win the favour of the African nations newly enfranchised.

Hence Eisenhower himself was persuaded to attend the Assembly and give a speech setting forth the point of view of the USA, which he did before Khrushchev's performance. Harold MacMillan, Prime Minister of Britain attended the sessions. All the principal neutral nations of Asia and Africa—India, UAR, Indonesia, Ghana and Tito of Yugoslavia were represented by their heads of Government.

Nehru found himself the cynosure of all eyes and the object of much deference and hope. His speech at the Assembly moving a neutral resolution requesting Eisenhowes and Khrushchev to renew personal contacts and negotiations in the interests of world peace was pitched in his best philosophical and ethical key. He took an "Ahove the Battle" attitude and referred to the hopes of humanity that the leaders of Big Powers would somehow adjust their conflicting claims peacefully. He supported Dag Hammarskoeld in a general way and said that the UNO was performing a useful function and was indispensable as a peace maker and reconciler. He agreed that a UN probe into the Congo affairs was necessary and asked the UNO to let Parliament assert itself in the Congo as the only legitimate political authority and straighten itself

out of the tangle of personal rivalry for power between local chiefs. This has picased Lumumba who was demanding a probe into UNO doings himself.

Khrushchev said in answer to a press questioner that Nehru's views were close to his own, in fact exactly his own very often! This has not helped India, for to be claimed as its own spokesman by communism is not exactly gratifying to India who wishes in theory at least to be and to appear independent of both power systems. MacMillan, Khrushchev. Eisenhower have all seen Nehru and have had talks with him on the world situation. Nehru's cordial meeting with Dr. Feudel Castro of Cuba has not pleased Americans.....

Nehru has not endorsed the proposal of the neutral Asiatic nations and Tito for the formation and recognition of a neutral bloc in the UNO.

While generally appreciating the lofty idealism and sincerity of Nehru, diplomats at the UNO have noted the naivete or simple-minded trust that Nehru seems to have in the USSR, and its Chief in spite of all evidence to the contrary. Aso his faith in an unconditional renewal of personal contacts between Khrushchev and Eisenhower has elicited the remark that Nehru is the prisoner of his own simple-mindedness. But high-mindedness and simple-mindedness do not seem to be enough to devise remedies for the world's most obstinate enmittees and suspicions.

Anyway. Nehru's most ambitious goal of being the world's reconciler and mediator and honest broker at the Summit between the world's top statesmen for world peace has been realised in his present role in the UNO Assembly. And this should satisfy him and give him a feeling of profound self-fulfilment apart from all questions of India's own interests. To have contributed to world peace may be regarded as a contribution to Indian security as well, in a real sense.

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Write to the Manager for sample copy and gifts to new subscribers. Arya Bhuvan, Sandhurst Road, Bombay 4. And Indians have been pleased at the deference paid to their supreme leader by the world's top statesmen.

Indian contributions to the UNO's work in Congo through the services of military and diplomatic personnel, airplane technicians and medical people have been considerable.

Mr. Rajeswar Dayal and General Rikhye have made a name for themselves for efficiency and devotion to high ideals in the Congo.

#### THE RESANSSANCE OF AFRICA

MacMillan is right in correcting Khrushchev with regard to the charge of colonialism. Khrushchev and his representatives at the UNO Assembly had demanded the immediate dissolution of colonialism and the freeing of the dependent African nations from European imperialist control. 14 African nations including Nigeria who obtained freedom on 1st October have become independent in the last few months. Cyprus has been conferred independence by the British. Scarra Leone, a British colony, is scheduled to become free shortly. The record of the West is thus remarkably strong in the matter of disengaging themselves from the tangles of imperialism. MacMillan referred with a critical comment to the Russian refusal to confer similar freedom on East Germany in strong contrast.

In fact he might have gone further and enquired as to the fate of all the satellite states under the iron grip of Russia—the Baltic States of Lithuania, Latvia and Estonia and the East European States of Hungary, Roumania, Bulgaria, Czechoslovakia and Albania, not to speak of the Siberian States or people like the Tatars and Kalmuksapart from Muslims of Bactrian extraction akin to the Turks of Russian Turkestan in the Pamirs and neighbourhood.

The iron curtain hides their miseries from the world's view and sympathies, while Russia and China make great play with the fading imperialists of Europe who are throwing their imperial burdens off as rapidly as the oppressed peoples demand freedom.

The Russian imperialism is far more ruthless and scientific in the sense of thoroughness in exploitation. Russia controls not merely the bodies and external lives and labour of her dependent peoples but also their intellectual and moral life, their culture and arts.

Eisenhower was right when he demanded that Russia should submit this question to the arbitrament of the secret ballot before she could venture to blame the West.

It is clear that all the African peoples will rise into a status of freedom before long. The next problem before the advanced nations is how to assist these ill-prepared States to make their freedom good and to start on a career of healthy economic and cultural development in peace, uninterfered with by the West and international communism.

In this connection, the independence of mind shown by Ghana. Guinea and the Moroccan States who have refrained from repudiating the UNO and from identifying themselves with Russia in spite of temptation to do so is of good augury. Dr. Iukruma at one time was about to

throw in his armed forces in support of Lumunba and against the UNO forces. But he refrained and came to advise the Congo leaders to go slow and to retain UNO goodwill and assistance.

The new military dictator has seen the danger of penetration by Russia and has got the Russian and Czech representatives to quit forthwith with their planes and technical personnel. And they quit to the chagrin of Khrushchev. Khrushchev had sent men and planes outside the UNO auspices, which was unsportsmanlike and contrary to UNO resolutions. But communism has its own ethics and is not bound by the ordinary bounds of good faith and promises.

It is true that Dag Hammarskoeld refused to take military action in favour of Lumumba and the Central Government against the defection of the provincial President of Katanga. The fact that Lumumba was a volatile and seemingly a quite unreliable ally favouring Communist Russia, must have motivated Dag in his decision not to intervene. This was taken as a move in favour of the West in the cold war. It appears so, to outsiders to be true. The difficulty is in the situation namely the sharp cleavage of interests between the West and Russian communist bloc. To have supported Lumumba was to have handed the Congo over to international communism. There is no use slurring this gulf over with talk of peace and impartiality. Impartiality as between Lumumba and Kasavubu would have let the floodgates open to communism, as the man in power was Lumumba who favoured Russian influence. This problem will confront the UNO in the future as well.

The problem is as to how to assist Africa without giving room for imperialist control whether by the West or by the Russian bloc.

#### INSIDE INDIA. PUNJABI SUBA

The situation at home seems to wear an uneasy peace. The agitation of the Akali Sikhs for their Punjabi Suba alias Sikhistan has reached a stalemate. Over twenty thousand Akalis are said to be in jail. The demand for Sikhistan is as intense as ever.

Even Mr. Dhebar has been constrained to remark that an impression has gone abroad, which was openly mentioned by Master Tara Singh, that Nehru would yield to violent agitation what he will not to reasonable argument. He said this in relation to the concession of a separate State for the Nagas who have kept up a guerilla war against Indian forces since independence.

#### THE NAGAS

The recalcitrant Nagas have not accepted the Indian offer of Statehood within Indian Auspices as part of Indian nationalism and government. They want complete independence outside Indian statehood. They have accordingly started to intimidate Dr. Ao and his colleagues who have concluded an agreement with Delhi. They brought down an Indian military plane recently and attacked Indian railways and ambushed Indian troops and attacked moderate Nagas in their villages.

The Indian hope is that gradually they will give up

their intransigence as moderate Nagas start working their provincial State in peaceful construction activity benefiting the Naga population in impressive measure. Meanwhile Indian troops will have to continue their arduous vigil with a minimum of ruthlessness.

The other Hill areas have already made their demand for similar treatment. Pandy Pant the Home Minister is now in Assam and will no doubt be confronted with the demand of the hill tribes. The reapproachment between the Assamese and Bengalis has not proceeded hopefully and rapidly. The bloodshed and display of hatred shown in the recent unprecedented riots have destroyed all possibility of healing and the restoration of goodwill so necessary for members of the same national society.

A round table conference of different linguistic interests—in effect, different subnational interests—is being envisaged to settle the linguistic configuration of Assam. It seems likely that Assam will have to be divided into three regions and States-Bengali speaking, Assamese-speaking and Hill Tribes' areas. This is the result of the impatience of the Assamese and their short-sightedness in forcing the pace of Assamisation. Force and chairmism cannot persuade even nationals to accept other languages, and cultures or ways of life. The same lesson holds good for I lindi.

#### THE FOOD FRONT

Two questions are to the fore on the food front. Is the situation bad enough for the introduction of State trading in food grains with its implications of rationing and monopoly Procurement? This would entail the deprivation of 30,000 wholesalers from the food grains trade. This would re-introduce the evils of black marketing and official corruption on a large scale. The memory of the last period of rationing is too grim and unpleasant to be welcomed again. The food Minister Mr. S. K. Patil is assuring the public that at present there is no necessity for rationing and controls. He says that the creation of buffer stocks with imported grain and the introduction of Fair Price Depots would be sufficient to tide over the food crisis.

The second question is the possibility of reaching food sufficiency in the Third Five Year Plan which targets for 105 million tons of food grains from the present production of 73.5 million tons. The present rate of increase is only 2.6 per cent per year which compares unfavourably with more than 8 per cent of foreign countries. A great increase in administrative efficiency in the working of the Ford Package Plan is demanded if the rate of increase is to be tangible and to make an impression on the food situation. Mr. V. T. Krishnamachari who has just retired from his Chairmanship of the Planning Commission has said that the single elecisive factor that eletermines success or failure here is the drawback in administrative efficiency! Mr. Patil is aware of this and is going all-out to reach the peasant effectively in all States with facilities of water, seeds, fertiliser, credit etc. The threat of ceilings is interfering with large farmers going all-out to invest in improvement. The outcome remains to be seen.

# The Impact of Land Reforms on Agriculturists

By M. A. Venkata Rao

THE seminar on land reforms held by the All-India Agriculturists' Federation in Bangalore on 24 and 25 September, revealed the state of opinion and feeling among leading agriculturists in the South regarding the land reforms now being passed through the legislatures in many States—Rajasthan, Andhra, Madras, Mysore, Kerala, in the Hyderabad and Vidarbha areas of Maharashtra and in Guiarat.

After the Nagpur session of Congress, Mr. Nehru and the Planning Commission have put pressure on the States to hurry up their programme of land reforms lest the propaganda of the All-India Agriculturists' Federation and of similar bodies should awaken opposition among rural interests and cause difficulties in getting the reforms passed at all. That would interfere with Shri Nehru's plans of socialisation of agriculture.

The facts and figures adduced by the Federation in their memorials to the Centre and Planning Commission and their appeals to the intelligentsia in criticism of the proposed reforms showing that they were unnecessary and that better programmes were possible citing examples of successful implementation aboard were not considered on their merits by Shri Nehru and his colleagues. Even the critical ideas of supporters like Mr. Charan Singh of the U.P. Ministry at the obvious hesitation of Mr. C. Subramaniam of Madras within the Congress party were uncremoniously brushed aside. The order went forth that the reforms should be implemented in State legislatures as set forth in the Planning Commission's blue-print. Never was truth and fact so cavalierly ignored by a party and Government that proclaim their ideal to be: Truth alone wins in the end: Satvameva javate! It is not truth and reason but the force of a brute majority won on other grounds that is made to crush opposition ideas like a steam-roller.

There is no doubt that the reforms will be put on the statute book in the remaining States of the ryotwari tracts also substantially in the form laid down in the report of the Planning Commission. That report is essentially communist in inspiration and puts more store by socialisation than on realistic economic methods calculated to increase production.

The seminar threw a beam of light on the state of considered opinion among the leaders of agriculture in its several departments—plantations, commercial crops and food grains regarding the prospects before them and regarding the effects of the proposed reforms on the trends of production in the near future. It also revealed in a flash the sombre temper in which the landowning community is receiving the so-called reforms. The former contemplates a period of unsettlement in owenrship and transfer to new and illequipped classes unaccustomed to leadership and responsibility. The latter contemplates the rise of a new psychology of protest and resistance in the country-side animating a new class of less educated and less responsible leadership among the dispossessed classes.

# IMPACT OF REFORMS ON THE LANDOWNING CLASS

One of the significant features of the speeches and papers of the Seminar this time was a clear realisation (on the part of agricultural leaders) of the communist pattern of the proposed reforms. They pointed out that every feature of the reforms was motived more by the goal of eventual socialisation of land property than by any economic aim of increasing production and modernising agriculture. Low ceilings aimed at liquidating large landlords with incomes higher than about Rs. 3600 per year (which implies holdings of around 25 to 30 acres in most areas). This corresponds to the communist salami tactics that aims at eliminating property holders class by class like slicing bread in order to consume it the more effectively.

Much of the criticism was concentrated on this idea of imposing ceillings on holdings. It is an invasion of property rights guaranteed by the democratic Constitution that India adopted in 1950. There is no justification for imposing such restrictions on the extent of land holdings in law and constitution. The government is entitled to impose taxation on income but has no right to limit holdings which is tantamount to limiting property as such.

The constitutional consequence of such a procedure is to render such limitations on urban property and income inevitable. Rural holders demand that urban property should also be subject to low ceilings of around Rs. 7000 a year, if urban earnings are usually twice the size of rural incomes. This is sure to impinge on the government as soon as the present reforms are passed.

It will not do to improvise convenient legal traditions to justify rural liquidation while protecting urban property as Shri Morarji tried to do recently. He is reported to have said that land in the country-side devoted to agriculture belonged in the past to the Rajas while urban property was private in law! There is no justification for such fancy legal history. No doubt the Raja in Indian tradition was sovercign over all the land, village as urban. But he could not ignore private property whether in village or town. Village lands were divided between private holdings and common ownership. Even the Raja could not take private property freely without compensation and the permission of the village panchayat. There are copper plates in South India which record how the Raja purchased private lands whenever he wanted any of them for endowing temples or learned men! The levity with which such serious errors are committed by Ministers to buttress their policies is a symptom of the dictatorial temper which is becoming more and more evident in Congress party leaders. They have been intoxicated by unlimited power!

Low ceilings on land holdings reduce their owners (and the rest of the landowners who own less) to the ranks of second class or inferior citizens! They will not be able to compete with urban citizens on whose incomes there is no limitation in education and political influence.

Their incomes will not permit them to stand as candidates for the legislatures. The expenses to be incurred in elections have proved to be far greater than the statutory limits of Rs. 10,000. Even such sums would be beyond the 25 acre agriculturists to command. They will have to seek the services of city magnates to represent their interests which would swell the influence of urban politicians at the expense of ruralites. They may command a price for such services! This would increase the corruption already so rife in politics and so detrimenant to clean administration at all levels.

If the demand for equality of deprivation becomes too great, the ruling party will yield and will impose ceilings on urban incomes too! They will justify such liquidation on the ground of equalising property and income all round.

Then all incomes will sag to low levels which will reduce the power of all classes to oppose the governing group. The government then will come to exercise unlimited power and will sooner of later pass into One-Party Dictatorship. This will facilitate full socialisation of all economic activity and power and the ushering in of communism of the Soviet pattern. This is indeed the goal of the industrial policy declarations of 1948 and 1956.

The president of the Seminar, Professor M. Ratnaswamy made this point clear in his speech. He said that the social goal of equality was more in evidence in the proposed reforms than any earnest desire on the part of the Planners to arrange for increased production.

It was pointed out that such small holdings were incapable of enabling their owners to afford modern farming methods which require higher incomes and capital. The obvious remedy for such a situation is to increase the area of permissible holdings. But instead of arranging for such increased holdings, the Planning Commission take the Communist road of suggesting cooperative joint farming to afford scientific know-how and use of modern improve-The Nagpur Resolution of the Congress party even goes the length of suggesting that the land released by the ceilings should not be handed over to the tenant or landless labourer but should be pooled into cooperative farms in which they could be given shares! So the promise of land to the tiller is to be broken after all. Not land but membership in cooperative farms is to be given to the tenant or landless agricultural labourer. treachery is dictated by the communist goal of cooperativisation of land ownership which is the ultimate form of all land work and holding in the country-side envisaged by the Plans. This has been clearly laid down even in the First and Second Plan Reports.

The landowners realised that the cooperation envisaged by the Planning Commission is not service cooperatives as a final form of affording organised assistance to farmers with independence holdings but full cooperative joint farming or collective farming of the Soviet pattern.

For service cooperatives are intended to lead to cooperative joint farms in due course. Meanwhile, while encouraging the formation of large numbers of cooperative societies of the usual kind for sale, purchase and credit, it is laid down in the Plan Report that 3200 cooperative farms should also be tried out and helped to function.

Immense sums would be drawn into these costly and futile schemes and experiments on projects which are bound to fail, as all previous experience indicates. But ideology is more important to the Planners than economic success or efficiency! Just as the public sector is to increase in extent and influence in the 1 hird Plan, (State trading extending to many new lines beyond the fifty already taken up) and State monopoly trading in food grains is to be introduced in due time, land ownership will also pass into the collective farm phase on an exclusive pattern. This would socialise much of the economy urban and rural, reducing millions of self-dependent income earners into a huge proletariat owning nothing but their hands!

Some landowners questioned the legality and moral justifiability of such huge assumptions of totalitarian power on the part of the present government. Ultimate questions were raised by some of them. One landlord recalled the slogans being uttered in the time of the Ryots' Rebellion in Mysore in 1829-30 when the British were obliged to take the State over from the Maharaja for mistule.

Basavanna (bull god of Siva) ploughs the land, God Indra of the heavens sends his beneficient rain, Who is this Surkar Raj to demand taxes?

And come between the Tiller and his Land? Surely this is a reasonable cry, if all land belongs to the Tiller? The revolutionary is thus hoisted with his own petarel!

At a stroke of the pen, the legislator-pulitician takes away lands in excess of the ceiling arbitrarily laid down by him in his urban office! This reduces tens of thousands to poverty and prevents thousands from rising above the prescribed level in economic status! Who has given this power to the urban politician? Many landowners are asking this tremendous question in anger and frustration. They may not know how to prevent such colossal exercise of arbitrary power on the part of the new rulers. But their resentment is bound to take effect in unforeseen ways in the coming distrurbed period. Language is not the only pretext for trouble-making. Land ceilings and the abolition of the intermediary owner who lets his land out to tenants for cultivation on share-cropping custom will also become sources of revolutionary upheavals before long. the impression derived from participating in the Seminar of Landowners held at Bangalors in September.

Another aspect of the matter has made a deep impression on the landoweners. It is the utter lack of necessity for such heroic and extreme measures as land ceilings. Such limitations on individual holdings are only reasonable if there were no other alternative whereby the land hunger of the landless could be satisfied. But statistics beyond the pale of doubt reveal that something like 10 crores or 100 million acres are available with Government, unoccupied by individual owners. A large part of this unoccupied land can be reclaimed at little cost for cultivation. Like the Dandakaranya Scheme, land could be reclaimed and allotted to applicants from all over the country. And if it comes to pass that more land is required than available with Government to satisfy genuine applies nts capable of farming work, ceilings on cultivated holdings in private possession could be thought of. The Planning

(Continued on page 6)

# Five Neutrals' Nostrum

By M. N. Tholai

R. C. RAJAGOPALACHARIAR and many others who lack a realistic outlook towards Communism thought that Mr. Khrushchev was going to the UN Assembly to make amends for his behaviour at the Paris Summit meet where he insulted the President of the United States. He has certainly enlivened the proceedings of the Assembly but has neither raised his stature by his uncouth behaviour there, nor brought peace or disarmament nearer by further insults to the American President and, this time, to the British Prime Minister also. He told an American reporter: "You know your President does, not make serious decisions. But soon you will have a new President and he will be ashamed of what happened in the past, and I

#### (Continued from page 5)

Commission do not proceed on any such reasonable manner. They do not begin by calculating how much land is required and by offering free land to applicants in the first instance. They begin on the other hand with declaring the necessity and wisdom (as if it were the most natural thing in the world) of cutting the holdings of private owners to a certain arbitrary level.

A former director of agriculture revealed that in Old Mysore, something like 22 lakhs of culturable waste lands were available according to Government statistics. But only 2½ lakh acres would be released by imposing the ceiling proposed on private holdings. This is flying in the face of common sense to deprive thousands of owners to obtain 2½ lakhs of acres when 22 lakhs of acres of free land is available. Ideology has truly blinded the Planners to make such proposals!

It was pointed out by men of experience that all that was necessary to settle the land question and put it on a fair way to increased production was to fix security of tenure and fair rent. For the rest, a systematic and thorough provision of facilities of pure seeds, fertiliser, machinery, implements, credit, roads and transport, fair price fixation, water facilities by reclamation of minor tanks and the digging of channels etc. would, if honestly carried out so as to reach every cultivator, help to increase production and assure steady development of agriculture. The present land unsettlement and liquidation and their violent repercussions were all unnecessary. But the Planners were more bent on communist transformation than on increased production, plain and simple!

The papers and discussions at the seminar revealed a sense of despair in the minds of agriculturists. But since the loss will be shared by a large number of middle and small farmers also, the gain accruing only to ingorant tenants and landless labourers, the leadership is the country-side is overwhelmingly critical of Congress policies. The attempt to put such revolutionary proposals into force would, it is feared, provoke counter revolution on a large scale not altogether non-violent in character.

hope he will normalise our relation." This can hardly be considered wishful thinking on the part of the Russian Premier, for he must be aware of what the leaders of both the American parties think of Mr. Khrushchev and of his colleagues in the Kremlin.

#### RUSSIAN PREMIER OBJECTIVE

Despite his denials, it is obvious that Mr. Khrushchev is thinking of influencing the American elections, even as he hoped to do at the time of the Summit meet in Paris. And that, it should be remembered, is the main objective that brought the Russian Premier to the USA. If any one is inclined to doubt this assertion, he has only to count the number of Press conferences Mr. Khrushchev gave to reporters—one of them in drizzling rain on the pavement in front of his Park Avenue headquarters. Like others. Mr. Khrushchev thinks that the Americans are a soft people and the present, he has obviously come to the conclusion, is a splendid opportunity to make one of the two candidates for the Presidency go soft towards the U.S.S.R. in the hope of catching the votes of those in mortal dread of nuclear war-a dread which he has been sedulously engendering in the minds of the people of the world.

That he has succeeded to some extent is apparent from observations made by leaders from time to time. In a BBC television discussion, Lord Russell the other day accused the Americans of "murderous antics" in the East-West cold war and urged that Britain should become a neutral country. This very man, who advocated appeasement of Hitler before World War II, said during the discussion: "I think the Labour Party has been losing in recent years because it did not stand for anything much and I think that the young specially, of whom I know a great many, have a feeling that it would be rather nice to be allowed to grow up and that, if the present policies of the world continue, they will have very little chance of reaching maturity before they are dead."

Lord Russell might have told the young "Don't be yellow", but he seems to have done nothing of the kind. He should know that peace will not come by shouting 'Peace, Peace, We want peace," or by exhibiting yellowish symptoms. That is realised by all mature politicians. That Mr. Khrushchev is mistaken in his estimate of the American people is obvious from the generally accepted proposition that any of the two American candidates for the Presidency who gives signs of truckling to the Soviet demands will be denounced by the leaders of his own party and by the newspapers supporting his party. It may be that Mr. Khrushchev does not fully understand the working of democracy. In any case, he has decided that the attempt is worth making and hopes that, with a little luck, it may prove successful, paving the way to Soviet domination of mankind.

He has good reasons for making the attempt. At every turn he finds himself baulked by President Eisenhower-

Is it Cuba? President Eisenhower has declared that the USA will not allow the USSR to make a satellite of her. Is it the RB 47 affair? President Eisenhower has threatened instant retaliation if the Soviet Government repeats the performance. Is it the Congo? President Eisenhower has declared that unilateral aid by Russia to Congo will be resisted by the USA. Is it Berlin? President Eisenhower has declared that the air corridor to West Berlin will be maintained. Is it Formosa? President Eisenhower has declared that the USA will rush to the aid of Formosa in the event of a Chinese attack on her. Baulked at every turn by President Eisenhower. That is how the leaders at the Kremlin must be summing up the situation. No wonder if they think that their primary objective is to prevent a man of like determination succeeding him, and Mr. Khrushchev is there, with his wonderful instinct for propaganda, to try for it for all he is worth.

There is hardly a day when Mr. Khrushcrev does not mention the strength of the USSR, to drive fear into the hearts of democratic people all over the world. But the reason why he is so sore about the U-2 affair has come out with the declaration of Pilot Power's father that, according to his son, his plane was not shot down by a Russian rocket. In other words, Mr. Khrushchev's anger stems from the inability of the vaunted Russian rockets to reach the height at which U-2 flies. And it is to hide this inability that he is frequently threatening to shoot any other U-2 that may be sent to spy over Russian territory!

#### THE IRON CURTAIN

Mr. Khrushchev told American reporters that it was quite possible that Russian spies operated in America, but added, "It is one thing if a spy spies, it is another thing for a state to say, it has a right to fly over countries." What is the difference? Spying is spying, whether it is underground, on the surface or above it. The only difference is in the mechanism supplied to the spy. The spy pays the penalty for illegal activities, and no one has so far contended that Pilot Powers should not have been arrested or sent to prison, though there may have been comments on the severity of the sentence.

Mr. Khrushchev says, "We don't threaten you. We do not fly over your territories." But what is the Iron Curtain, if it is not a threat? It may not have been so ten years ago but, in this nuclear age, it certainly is. Why should the USSR insist on retaining it, if it is not for the purpose of making aggressive preparations? The Russian Premier stands convicted out of his own mouth, for has he not been boasting of fantastic weapons being prepared in his country? That being so, are the countries desirous of retaining their freedom and independence to go to sleep in the hope that the USSR will not use those weapons to bring the whole world under Communist domination, even though Mr. Khrushehev has been warning them that the world is going to go Communist in his lifetime, i.e., within a few years? The fact of the matter, therefore, is that the Iron Curtain is itself a threat and any country which maintains it cannot honestly talk of peace or even of disarmament.

Peace will not come by shouting "Peace. Peace." It will come by the vague assertion that much can be said for both sides. It can only come by standing foursquare for the basic principles enunciated in the United Nations Char-

Peace will only come if it is sought with justice and with freedom. It will never come through appearement, And to retrain from condemning Soviet Russia where as in the case of Hungary—it deserves unequivocal condemnation, is appeasement. It is immaterial whether this lapse stems from tear or from a desire to gain political advantage in respect of personal leadership or even for the country, To say that condemnation will have no effect on Soviet Russia is to deprive oneself of the moral basis on which the just and the impartial-and the peacemakers have to be just and impartial—have to take their stand. To say that well-deserved condemnation of Soviet Russia of China will only antagomise them further, and therefore should not be resorted to, is to play their game and to put a premium on their intransigence and to say that world opinion is of no value. Besides, to be just and fair, this tear of antagonising people, it applied to all, as in fairness it should be applied to all, will paralyse moral sense and make it absolutely ineffective. Is that our objetive?

#### KHRUSHCHEV LAW UNTO HIMSELF

If anything is to come out of the great American and Russian leaders' meeting again, we have to see if the necessary atmosphere is there. We have to see if Mr. Khrushchev's bullying mood is over. For, it will be worse than useless if the proposed meeting ends in another fiasco, followed by mutual recrimination. The first requisite of a statesmanlike proposal is that its acceptance should not make the situation worse. That has to be guarded against at any cost. There is in Mr. Khrushchev's part of the proceedings of the United Nations' Assembly nothing to suggest that his bullying mood is over, and everything to suggest that it is in its most vigorous state. Let Reuter describe it:

"During Mr. MacMillan's address to the Assembly, tension in the chamber became electric as the Soviet leader thumped, pointed his fingers and once rose anguly to his feet shouting. When Mr. MacMillan referred to the Summit Conference, Mr. Khrushchev called out, "Don't talk about that. You were supporting aggression."

Again: "One of Mr. Khrushchev's desk-pounding actions came when Mr. MacMillan referred to the integrity shown by Mr. Hammarskjold. Other delegates clapped the reference with vigour."

And again: "Mr. Khrushchev rose angrily to his feet, shouting and pointing his finger at Mr. MacMillan as the Prime Minister referred to the Soviet position that inspection and control of disarmament would be merely a cover for espionage,"

And yet again: "Mr. Khrushchev pounded with both fists on his desk when Mr. MacMillan was speaking of Communist allegations against West Germany which, he said, were "backward looking"."

And to top everything, during his second speech in the UN Assembly: "Mr. Khrushchev was sharply called to order in the middle of a violent tirade against Gen. Franco of Spain. He continued for some minutes shouting at the top of his voice before he finally stopped at the behast of the President, Mr. F. H. Boland of Ireland. The President repeatedly used his gravel before Mr. Khrushchev stopped. Mr. Boland ordered Mr. Khrushchev's remarks about Gen, Franco to be struck off the record. The Rus-

sian Premier callenged the ruling, saying, "We demand equal conditions. We are not here on sufferance." And the Assembly President retorted by having the microphone in front of the Soviet Leader whisked away.

As the chief American delegate Mr. James Wadsworth remarked. "All who heard Mr. Khrushchev's statement must have a feeling of deep disturbance about the UN itself. The statement casts a good deal of doubt upon the possibility of serious, constructive, calm negotiation for disarmament, or for any of the larger aspects of peace in our time."

#### **BULLYING TACTICS**

It is not enough to ascribe all these intemperate outbursts to a hysterical temperament and be done with it. It may be true that they are mainly due to the fact that Mr. Khrushchev is an irresponsible person, in the sense that he does not have to think of what his people will think of him. In the first place they will get mutilated reports. In the second place, their approval or disapproval being beside the point for him, he can jolly well behave as he likes in an attempt to bully all and sundry, including the President of the United Nations. But the fact remains that there is a method in his madness, that all these intemperate outbursts are not without some purpose, and that purpose all too plainly is bullying.

Under the circumstances, the five neutral nations' resolution calling for a Summit meet between President Eisenhower and Premier Khrushchev invites Mr. Eisenhower to agree to a meeting in which he is likely to be further insulted by the Russian Premier. And, therefore, far from being a constructive suggestion, it is a piece of propaganda intended to show to the world the sponsors' anxiety as men of peace. It cannot even be called a serious attempt at making a sensible suggestion in the direction of peace. Surely, the sponsors of the resolution must have been aware of Mr. Khrushchev's intemperate outbursts in the United Nations Assembly, and also of the fact that he did not even show the courtesy of escorting the British Prime Minister to the pavement when the latter called on him. (That was the first time Mr. Khrushchev failed to pay such respect to an important guest.) What then is the use of meeting such a fellow? The proposition, however saturated with peacefulness it may be, is only likely to further aggravate the international situation. As a claptrap for the ignorant it is certainly excellent.

At the moment, the five neutral nations' resolution puts a premium on insolence, intransigence, aggressiveness. No wonder Mr. Khrushchev has started insisting on an apology first from President Eisenhower, although only a few weeks are now left for him to retire and Mr. Khrushchev himself has been saying for months that there is no point in meeting an outgoing President. He may revert to that position even after the apology is offered—which is fortunately out of the question. It will be said by way of retort, "What then is to be done?" The answer is, "If you cannot think of doing anything sensible, anything that will really serve the cause of peace, must you do something that serves the opposite purpose, that make peace still more difficult to achieve? There are occasions when to do nothing is the best thing to do, when, to quote Milton's famous lines,

"They also serve who only stand and wait."

#### "THOU SHALT NOT STEAL"

MY dictionary defines stealing as "taking from another, without right, for one's use and advantage." It is an odious crime, which earns the contempt of every decent person. Yet the biggest thief in the world, the thief who steals with impunity, and the thief who steals in a perfectly legal manner, is probably the most highly respected institution in the modern world.

I am reminded of this by an apparently trifling incident of which I have been the victim, but which in the aggregate and in numbers of persons who are the victims of thefts of this kind, is staggering.

When I left the States, a merchant to whom I have returned something I had purchased from him, promised to send the sum, ten dollars, by money order. I have just received the money-order from the Indian post office—Rs. 46.60. But had the Indian government permitted it, my American merchant could have purchased Rs. 65 in America, and mailed them to me. What happened was that as a result of what was mine as a matter of right—Rs. 78.40—was taken from me by this legal legerdemain and pocketed by the Indian government for its "use and advantage".

The amount of money which is stolen in this fashion by every government which includes in the control and regulation of foreign exchange, runs into millions every hour. By every moral test, it is barefaced robbery, since it is done with force. But the robbery is rationalized by those who include in in it, in the same way that Robin Hood rationalized his banditry. He stole from the rich, according to the legend, in order to help the poor. Governments which steal in this fashion say substantially the same thing—they steal, not for the support of the army of bureaucrats who include in this crime, but in order that the government might "promote the general welfare."

When I return to America, the American government will levy a protective tariff on everything I bring in over and above a minimum amount, and this is another form of the same kind of stealing, "taking from another, without right, for one's own use and advantage." A tariff for revenue is one thing, but a protective tariff is an outright legalized form of stealing. I could cite a dozen instances in the history of America in which this sort of stealing has been indulged in by the government without having to refer to any history. It goes on in every nation in the world. But because we have come to identify what is legal with what is moral, we are for the most part unaware of the manner in which the government bureaucracies of the world are constantly violating the commandment, "Thou shalt not steal."

And yet in the face of this sort of thing, the people of every nation have been conditioned to venerate the institution which shamelessly steals in a perfectly legal manner. Let a private person do this, and we call him a thief and criminal. Let the government do it, and we call it our "fatherland," or sometimes our "motherland," and we stage elaborate festivals, at which we honour the government officials who happen to be in power, and are completely unaware of the irony of what we are doing.

-An American Tourist

# Twentieth Anniversary Of An Aggression

THE year 1960 marks the twentieth anniversary of the invasion of the Baltic States by the Red Army, the suppression of their independence, and their forcible incorporation into the Soviet Union.

Soviet aggression against and occupation of the Baltic States, the somber anniversary of which will be commemorated everywhere in the free world, was but a starting point for Soviet Russia's continuing assault against Europe.

In August 1939, Soviet Russia, while simultaneously negotiating with France and England, struck a bargain with Nazi Germany. On August 23, 1939, the infamous Nazi-Soviet Pact, that unleashed the Second World War, was signed in Moscow. In a secret protocol affixed to this pact, Molotov and Ribbentrop discussed in "strictly confidential conversations" the question of the boundaries of their respective spheres of influence in Eastern Europe.

By virtue of another secret protocol, signed on September 28, 1939, Lithuania, still an independent state maintaining normal diplomatic relations with both the USSR and Germany, was handed over to the Soviet Union as a part of its sphere of influence, while Germany was compensated with Polish territory.

Following the signing of this new secret supplementary agreement. Soviet Russia imposed upon the Baltic States the so-called Mutual Assistance Pacts and installed Soviet garrisons on the territories of Estonia, Latvia and Lithuania.

On June 15-17, 1940, when Nazi troops were ravaging France, large contingents of the armed forces of the Soviet Union invaded Lithuania, Latvia and Estonia. In the wake of the Red Army, Sovie, "pro-consuls"—Dekano.ov, Vishinsky and Zhadanov—were hurried to the capitals of the Baltic States. They removed the legal governments of these states, staged mock elections to the so-called "People's Diets," and imposed communist pupper regimes. The "incorporation" of Lithuania, Latvia and Estonia was completed. The once prosperous countries were turned into colonies and thoroughly exploited; hundreds of thousands of Balts were deported to Siberia from where, with few exceptions, they never returned.

Twenty years have elapsed since the heavy boot of the Soviet Union was first set upon the soil of the three peace-loving Baltic countries—Estonia, Latvia and Lithuania. The independence of these countries was rudely terminated. The treaties of the Baltic countries with the Soviet Union and other international commitments and laws were grossly violated. The whole life of the Baltic peoples was turned upside down. Their property was confiscated; their associations were disbanded; their way of life was moulded into Soviet image. The free peasant was turned into a slave and forced to enter a collective farm. The people were thrown into indescribable poverty and destitution.

A harsh regime of terror was imposed upon the Baltic peoples. Many thousands were executed and thrown into mass graves. Tens of thousands disappeared into NKVD dungeons without further trace. Many more tens of thousands were seized under cover of night and deported to forced labour camps in the Soviet Union, to die slowly under inhuman conditions.

On the occasion of the twentieth anniversary of the aggression, the Baltic States' Freedom Council, representing the free Estonians, Lativians and Lithuanians, has issued a manifesto appealing to the free world not to lise sight of the problem of the Baltic States. The following is the concluding portion of that manifesto:

We accuse the Soviet Union of committing and continuing an international crime against the Baltic countries:

We demand that the Soviet Union withdraw its military, police and administrative personnel from the Baltic countries:

We request that the governments of the free world, especially those of the Great Powers, undertake all peaceful ways and means to restore the exercise of the right of self-determination in the Baltic countries and in the rest of East-Central Europe;

We appeal to the conscience of all mankind to perceive the magnitude of the injustice perpetrated upon the Baltic countries and to support the efforts towards the restoration of the liberty of these countries;

We convey to our people at home our pride in their resolute resistance against the endeavours of the oppressor to destroy their national and personal identity;

We express to our people behind the Iron Curtain our deep conviction that the Soviet system—as all tyrannies throughout history—carries within it the seeds of its own destruction; that it cannot and shall not prevail;

We pledge to intensify our joint organized activity in the free world to promote the cause of liberty for the Baltic countries.

- Freedom First

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# \* Red Lure For The World's Youth

At the World Youth Festival in Vienna, Russia scored a propaganda victory that should teach the West a lesson

#### By Frederic Sondern

EVERY other year, for more than a decade, long-range planners high in the Moscow hierarchy have staged a huge propaganda jamboree called the World Youth Festival. The Kremlin has come to regard this enterprise as crucial in its unflagging drive to capture the minds of young people in the non-Soviet world.

The seventh and most recent of these Festivals, held for ten days last summer in Vienna, was attended by some 16,000 delegates from more than 100 countries. In Britain's House of Commons, the Foreign Secretary said he hoped that no British organization would have anything to do with the Festival; and, in fact, the major youth groups boycotted it. But there were still more than 200 British delegates, about 100 of them members of the Young Communist League.

Moscow's main targets were the large Asian and African groups. Under the slogan "Peace! Friendship!" they were to be convinced that their future lay with Soviet Russia.

Russian stage management is superb. The Festival opened in Vienna's football stadium with a spectacular two-hour parade. The Chinese, 400 strong, had brought along the entire famous Peking Circus: huge paper dragons undulated, and daring acrobats performed as they marched. A big dance troupe from North Korea followed: graceful girls in gossamer sheaths of a hundred hues, like rhythmic flames. Czechs, Hungarians, Poles, Ukrainians in colourful native costume whirled in their gay folk dances in the line of march.

As a dramatic finale, 1,000 smartly uniformed Russians, men and women, strode through the stadium gates and made a circuit of the track. Marching with military precision, a smile on every handsome face, they chanted "Peace! Friendship!" quite convincingly. Behind this phalanx came two lorries, one bearing a full-sized replica of a sputnik, the other a towering contraption depicting the firing of a rocket to the moon.

Then, suddenly, hundreds of white pigeons were released. As the "doves of peace" wheeled overhead, rockets exploded above the stands, showing the spectators with little parachutes lettered PEACE! FRIENDSHIP! "And there you have 'Big Brother'," an Austrian observer sitting beside me said, with a grim smile.

By comparison, the delegations from non-Communist states, slouching along in disorderly formation, seemed

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dreary. Of these delegates, about a third were loyal Communists or reliable fellow travellers. The bulk of the others were either naive young people who actually believed the Festival slogans, or curiosity-seekers taking advantage of a low-cost trip. Only a small percentage were actively anti-Communist.

The American and non-Communist British delegates, for example, were mainly university students untrained for the task at hand. One U.S. group did realize the implications of the Vienna show and tried hard early in the summer—with pamphlets and special classes—to shape prospective delegates into some sort of organized front equipped to oppose Soviet propaganda. But the Free World's delegates were amateurs playing against seasoned professionals.

Moscow had put six months of intensive work and well over £7 million (Rs. 9 crores) into the Festival. The manager of the operation was Jean Garcias—officially chairman of the "non-political" Festival Preparatory Committee. In his late 20's, he is a member of the small clite international corps selected and trained by the Kremlin for difficult propaganda missions.

"You will find him," remarked a French journalist who has followed Garcias's career, "both nasty and dangerous,"

Vienna's biggest auditoriums had been hired for more than 100 performances by the finest musical and theatrical talents of the Communist world, including the Moscow; State Symphony, the Leningrad Ballet and the Peking Opera. Art exhibitions, a fashion show and several elaborate balls were staged to underline further the "Communist cosmopolitan culture."

This was the Festival back-drop, a most impressive one to young people. Most important to Commissar Garcias, hwever, were the so-called seminars—carefully rigged group discussions where the youth from India, Algeria, Ghana, Latin America, etc., were subjected to a concentrated barrage of Soviet thinking. Always an accomplished multilingual Communist was in the chair, with well-trained assistants deployed in the audience. Invariably, whatever the subject, the Red speakers used the big lie to hammer in the alleged sins of the West. For instance, the Hungarian revolt was instigated by reactionary intelligence agencies: the West supports cruel French colonialism in North Arica, and so on. Such statements were made countless times, in the casual but persuasive way of Soviet dialecticians.

"One could laugh," says a correspondent after one of these seminars, "but it's no laughing matter. I've been watching those Asians and Africans. I like them, but I certainly don't like their reactions."

# The Indian Libertarian

# Economic Supplement

# The Gold Standard and Its Significance

By Walter E. Spahr

(Whether it is feasible to return to the gold standard in an age given to unprecedented commerce and world-trade is debatable. But there is one compelling argument for the issuance of a redeemable currency: that is, it would put a stop to the orgy of spending by the governments by keeping in check the fiscal policies and practices of the governments which accept a gold-standard. In India, the issuance of a redeemable currency would make all the difference between a genuine economic prosperity based on the integrity of the Rupee and the will 'o the wisp of economic welfare sought to be created by over working the Nasik Security Press—Ed.)

F all institutions, the gold standard apparently occupies a paramount position as an instrumentality of human freedom, private property, private enterprise, and responsible government.

The nature of the gold standard should reveal something as to why it is a necessary and natural companion of human freedom. By definition, a gold standard involves a fixed standard monetary unit composed of gold of specified weight and fineness; free coinage of standard gold; free exchange of standard gold bullion and standard gold coin; redeemability or convertibility of non-gold currency (money and bank deposits) into standard gold coin at the parity rate; freedom of movement of gold coin and bullion into and out of the country.

After specifying the standard gold unit and providing for the free coinage of the various denominations of coin designed to serve the convenience of the people, the government is forced to stand aside and let the gold standard perform its functions in accordance with the desires of the people. The right of private property in gold is established and respected. The government cannot interfere with hoarding, importing, or exporting of gold, or with redemption of non-gold currency into standard gold coin or bullion. An individual may put none, little, much, or all of his property into gold. He may convert his non-gold property into gold and ship it out of the country without hindrance by his government. He may mine gold and export it to any country of his choice.

If a person, living under the degree of freedom inherent in a gold standard, is disturbed by, or disapproves of the policies or practices of his government or banks, he may preserve his property by presenting non-gold currency for tedemption. If many people demand redemption, the banks and government are forced to respect the fears or disapproval of those who are demanding redemption. The government is thus placed in a position in which it must

be careful not to disturb unduly, or incur the disapproval of many people with property to protect.

Thus do a people with a gold standard and right of redemption or conversion at their disposal have the power to keep a checkrein on the fiscal policies and practices of their central government. Thus do they obtain and maintain responsible government. The people may utilize that power wisely or unwisely; but it is a power they must have if they are to be able to protect themselves from improper government encroachment or tyranny.

In international relations, all individuals, to the extent of their wealth, are free under a gold standard to utilize gold as they desire. If their non-gold dollars are not acceptable abroad, they can send the equivalent in gold. Since gold is the most universally acceptable money known to mankind, the individual is given the widest possible freedom in utilizing his wealth. Insofar as the nature of the money involved is a consideration, the individual is free to exchange his wealth and services whether they may be desired and if the traders think their exchanges are mutually advantageous.

This freedom and these practices were illustrated by England's use of the gold standard from 1816 (or 1821) to 1914. Her people traded, invested, and traveled so widely that it was often stated that "the sun never sets on British possessions". The British pound became the dominant international currency, and London the principal international banking center, of the world. Respect for, and protection of, private property and the enlargement of human freedom in trade, travel, and investment reached heights never attained before or since.

The benefits of the gold standard should have been greater, had they not been limited by the oppression of helpless people under colonialism and slavery, which kept them from participating directly in the type and degree of

freedom which tends to exist when people enjoy the rights inherent in a gold standard.

# AN IRREDEEMABLE CURRENCY AS AN INSTRUMENTALITY OF AN OPPOSITE NATURE

When a Government inflicts an irredeemable currency on a people, the grreat rights and freedoms inherent in a gold standard disappear. The government becomes their dictator free from effective control; it curbs their rights and freedoms as it desires. Constitutional government, such as that designed for the United States, is subverted in an endless number of ways and made to conform to the desires of the government to restrict human freedom.

The ability of people to put pressure on the banks and government, to the extent of their purchasing power, by demanding redemption of non-gold currency, is destroyed. With the destruction of that individual right, the power of the purse passes from ultimate control by the people to unrestrainable control by the government.

Such an arrangement gives the government the power to engage in, and invites, any speding orgy in which the government may choose to indulge. The spending spree of our national government since 1933 provides an illustration of how this power can be exercised.

This uncontrollable government power over the public purse, combined with the loss by the people of the freedom and rights inherent in a gold standard, enables the central government to socialize a nation, to undermine or destroy a federal system of government, such as that designed for the United States, and to impair to any degree the purchasing power of the currency which people use.

The banks are enabled to conduct their business in terms of irredeemable currency and consequently are free from the pressures of control which individuals could exercise if the non-gold currency were redeemable in gold.

The quality of integrity in the currency the people must use is destroyed. Lacking that virtue, the monetary blood-stream contaminates the economic, political and social system of the nation and fosters widespread corruption.

In international relations, governments which employ irredeemable currency step in to regulate or control foreign trade, exchange rates, investment, travel, the amount of currency that may be taken out of a country, freedom of exchange of their currency with others, and uses of gold. The freedom of private property in international exchange is curbed as such governments desire; the equalizing and self-correcting influences, characteristic of the gold standard, are impaired or destroyed; and international trade and other exchanges reach various degrees of chaos.

The so-called "dollar gap", widely discussed a few years ago, was a product of government interference as a part of the use of irredeemable currency, as are our unfavorable balance of payments and loss of gold since February, 1958.

Under a gold standard, with banks and individuals free to exercise their appropriate pressures, such distor-

tions as the so-called "dollar gap," prolonged unfavourable balances of payments and heavy and persistent losses of gold tend to correct themselves with promptness. But with government interferences—"controls" under irredeemable currencies, economic distortions in international relations can long persist and be destructive. Such controls tend .o. have those characteristics because government officials cannot possibly provide a wisdom equal to that of million; of people free to trade, travel, and invest in the interests of personal gain and pleasure.

As problems in international trade and other relations mount under government interference as a consequence of using irredeemable currency, governments find excuses for more or different controls. A huge bureaucracy is developed to manage these international problems; and apparently there is no foreseeable end to these procedures until a nation gains the benefits of a gold standard which requires the central government to retire to its appropriate position of umpire and to relinquish its role as dominant participant and dictator to the practices of free men in international exchange.

#### IRREDEEMABLE CURRENCY A TOOL OF SOCIALIST AND TOTALITARIAN GOVERNMENT

All socialist, communist, and totalitarian governments utilize irredeemable currencies. This is because such a currency gives those governments the power they need and desire if they are to control a people and to deprive them the freedom inherent in private property and private enterprise.

Our national government uses an irredeemable currency because it has demonstrated that it wants the powers which it gains from the employment of such a currency. Having experienced these powers our national government has taken, and is taking, long steps into socialism and a governmentally managed economy. Moreover, those in charge of our national government reveal that they wish to retain the power acquired through the use of irredeemable currency and to continue the march toward more and more socialism and governmentally managed economy. Frequent official words to the contrary are apparently designed to be reassuring or to allay fears: but they have no important effect in arresting the course being pursued.

# A NATIONAL DRUG AS AN INSTRUMENT OF GOVERNMENT CONTROL

A Government takes unrestrainable control of a people by the use either of military force or irredeemable currency, or some combination of the two. The former is readily understood; the latter is a subtle national drug that is not generally understood and is readily embraced by its victims. It is, consequently, a favorite device of modern governments, which desire to bring a people under thoroughgoing control, because it enables the government to succeed and at the same time to have the general, and even vigorous, approval of the great mass of people.

The fact that the people in practically every nation in the world during and since the two world wars have lost many of their important freedoms by being subjected to the use of irredeemable currency is probably the most fundamental explanation of the state of affairs during recent years and at present.

The world has literally been drugged with irredeemable currency, particularly since the early 1930's, with government management and dictatorship as consequences. Although some European nations are apparently attempting to raise themselves out of the depths of badly depreciated currencies and governmentally managed economies into which they were plunged by earlier governments, the United States seems to be on the course leading toward the depths which various other nations have already experienced.

Under a thorough intoxication induced by the drug of irredeemable currency, there are strong agitations in this country for more and more national spending, more and more government controls, easier money, abolition of reserve requirements for our Federal Reserve banks, and another devaluation of our dollar. The fact that these are common reactions of the great majority of people who have been subjected to the use and effects of irredeemable currency provides no clue as to whether this nation is to be saved from the serious disaster into which our present course can lead us.

Any monetary economist of reliability and experience should be able to recognize these symptoms for what they are. Although they are old and oft-repeated occurrences in the history of irredeemable currencies, one need not go back of the experience of this generation to note their appearance over and over again.

Most unfortunately, the great majority of people, including our government officials, who manifest these common reactions, are not getting the proper type of help from the economists generally utilized. Since 1933, many, apparently most, of our economists have been working aggressively for a governmentally managed economy or riding quietly with the tide that is moving in that direction.

A people subjected to the national drug of irredeemable currency demonstrate that they are unable to comprehend the meaning of the common symptoms. Furthermore, they tend to copy the practices of other users of irredeemable currency. For example, if another nation devalues its currency, it is promptly contended that we should devalue too in order to enjoy the same supposed benefits. If other nations cannot maintain a specified minimum amount of gold reserves in their central banks or Treasuries, the argument appears that we should not maintain such reserves. If other nations with irredeemable currencies put their central banks under the direct control of the government for purposes of currency manipulation, there are those who contend that we should do likewise.

The common contention is that more and more power should be given to the political managers of our monetary and fiscal affairs. The picture is much like that of lemmings rushing to their destruction.

### TO SAVE THE UNITED STATES

It is useless to expect a mass movement in behalf

of a sound currency—a gold standard with non-gold currency redeemable or convertible into standard gold. The daily experiences of the mass of people are such as to confirm in their minds the virtues of irredeemable currency. They do not regard it as a dangerous or undermining drug. The fact that its purchasing power in this country has declined, 58 per cent since 1939, as measured by our index of wholesale prices, does not disturb them to any great extent—their chief response is to try to get more and more of such currency. The bloating and distortions of business indexes are readily accepted as evidence of economic health. Heavy taxes and mountainous debt are not regarded with much seriousness. A frequent or common agitation is for more and more national spending.

If the United States is to be saved from the ultimate consequences of using irredeemable currency, the needed action should be expected to come from top national otherials. Such reform calls for statesmanship—for informed and tough monetary surgeons. This means that the President and Secretary of the Treasury need to be statesmen of this type, men who can and will persuade Congress to institute a redeemable currency at the statutory rate.

Once that step is taken, the people of this nation should experience a breath of fresh air and be on the course leading to better days-to a better and more constitutional type of government, to greater freedom in private property and trade, and to more responsibility by the national government and Reserve banks in monetary and fiscal affairs. Optimism should become widespread because the money of this nation would once more have the quality of integrity. The problems of credit control should be easier to solve. Business enterprise should expand, domestically and internationally, and on a sounder basis. Gold should flow in from abroad, and much of the huge amount. outside our gold stock, now earmarked for foreign account \$9,979,000,000 as of April 30, 1960), should be released for use in the United States. The demands by savers, foreign and domestic, for U.S. government securities should increase greatly, thus enabling the Treasury to sell them, and to fund its debt, at more favourable rates of interest than tend to prevail when irredeemable currency is used. Our foreign trade balance should adjust itself more readily. The control of the public purse would be returned to the people as inclividuals where such control needs to be if human freedom is to be preserved and responsible government is to be obtained. An impregnable barricade to thorough socialization of this nation, or to a government dictatorship in the United States, would have been erected. There would be good grounds for assurance that our federal system of government and republic will be preserved at least as long as the gold standard is maintained.

The significance of a gold standard is that it constitutes evidence of integrity in monetary affairs, is the necessary and natural companion of human freedom, and is an insurer of responsible government.

—Morlein Age

# INDIA'S FOREIGN EXCHANGE RESOURCES AND ECONOMIC DEVELOPMENT

"IT is important to utilise to the fullest the existing industrial capacity, rather than to create new capacity at a time when the foreign exchange crisis has resulted in curtailing import of even essential raw-materials and spare parts," observed Mr. A. D. Shroff, President of the Forum of Free Enterprise, in Bombay on October 7, 1960.

Addressing the Lion's Club of Bombay on "India's Foreign Exchange Resources," Mr. Shroff said that for a country which embarks on large-scale economic development, foreign exchange resources were very important. He said that contrary to expectations of Planners that only Rs. 200 crores of foreign exchange reserves would be depleted during the Second Plan period, about Rs. 480 crores had depleted in the very first two years. The average annual exports in the Second Plan period had not shown any appreciable increase from the figure of about Rs. 622 crores whereas the average annual imports had increased from Rs. 727 crores in the First Plan period to Rs. 1,072 crores in the first four years of the Second Plan.

Mr. Shroff pointed out that it was not enough to get foreign aid, but to utilise the authorised aid. He said that up to March 1960, only 47% of the authorised aid had been utilised.

Since the First Plan, the foreign aid authorised was Rs. 2,737 crores and the U.S.A. alone had contributed Rs. 1,601 crores. Imports of food had constituted a heavy drain and "reckless imports" in 1955-36 were also responsible for the foreign exchange crisis.

He said that at present India needed more of united loans, that is, loans which are available for any purchase we want to make instead of tied loans which have to be devoted to specific projects.

Referring to the limitations of the foreign aid, Mr. Shroff said that we had to purchase the goods from the lending countries. This might cost us more and we might also not get the machinery which we need.

#### MASS DISTRIBUTION

At the time Marx blasted the capitalistic system (claiming it produced more goods than the public would consume) there was very little understanding in any quarter about the interrelationships of production and distribution, and the periodic depressions that were caused by the faulty and underdeveloped distribution system..... What most of the world needs to learn is a better understanding in pithe principles of mass distribution and how to put them becomes actice. Unless this great revolution in distribution duction is worldwide, the determined drive for mass prohas in the vill continue to cause periodic depressions as it

past.

--Waiter Hoving in Distribution Revolution (Ives Washburn)

### GOVERNMENTAL PLANNING, A MEDIEVAL IDEA

THE idea of governmental planning for the economy is not new. On the contrary, it was taken for granted during the most of recorded history. Free private enterprise was unthinkable in most countries during the greater part of ancient and medieval times.

In the eighteenth century, all economic activities in Europe outside of Britain and Holland, were narrowly circumscribed by law or tradition. The thinking men of the time were continually devising schemes to improve the lot of their fellow men and many of these schemes were tried out by many governments. Most of these schemes were startlingly like those that have recently been discovered by our pink intelligentsia, and by the large recent crops of Ph.D's in economics who obtained their licenses to pose as experts on governmental and business activities without ever having had any business experience and without apparently ever having studied economic history or political science. It would seem that the only device for promoting prosperity that was not tried out in the 18th century, although it was discussed under the name of laissez-faire, was the scheme of free enterprise.

-Dr. Rufus S. Tucker

#### THE HUMAN DONKEY

'THE human donkey requires either a carrot in front or a stick behind to goad it into activity. The whole drift of British Society for two generations past has been to whittle away both at the carrot and the stick, until now, very little of either is left. It is the passion for equality that has removed the carrot. The rewards of success have not only been shrivelled, they have been poisoned, since commercial success has been turned, in the eyes of wider circles of society, into a positive disgrace. There is a conspiracy of labor, capital, and the state to deny enterprise its reward.'

The process of removing the carrot and the stick has culminated in the extraordinary circumstances of today. Shrurken as were the incentives and sanctions of pre-war days, they have now for the time-being vanished completely. Nobody gains anything from activity or suffers anything from inactivity. There is hardly the flavour of carrot or a shadow of the stick. And yet we wonder why the donkey does not break into a trot.

-Economist (London)

"There is no such thing as a free lunch."

-Ancient Philosopher

Garcias and his committee had laid their plans like military strategists. Every Iron Curtain delegate had been carefully screened. No one with known relatives or friends in the West was allowed to go. All had to have unblemished records of Party loyalty. Even so, according to the well-informed Austrian authorities, the U.S.S.R. sent out one secret-police agent or Party supervisor to the Festival for every ten delegates; the Hungarians, Czechs and East Germans, one for every five!

The committee also made sure that old Vienna, with its freedom, elegance and well-stocked shops, did not impress the spartanized Communists. Most of the delegations were quartered in the sheds of the enclosure where the annual Vienna Trade Fair is held, in the famous Prater, the city's huge park.

This area soon had more the atmosphere of a concentration camp than a festival, with barbed-wire barricades and hulking guards at every portal. Non-Communist delegates were allowed in and out after showing their credentials. According to Timothy Ambler in the Oxford University journal Cherwell, it became a popular sport, among visiting students who were not delegates, to evade the guards and get in. Communist delegates could leave only in groups. They were conveyed to and from meetings in buses and accompanied by hawk-eyed supervisors.

The planners were thorough, but one factor with which they had not reckoned was the Viennese. When the Festival Committee, early in 1959, approached the Austrian Government for permission to gather in Vienna, there was an uproar of popular protest. The memory of a decade of Soviet occupation savagery and vandalism was still fresh and painful. But Chancellor Julius Raab let the storm die down, then said to his ministers, in effect: "Let the Communists come. They can do us no harm. We will ignore them and sometimes laugh at them, which they cannot endure. Vienna itself will do the rest." The ministers agreed, and permission was granted.

The first to implement the Chancellor's idea were the newspaper publishers. An old Socialist, Dr. Oscar Pollak, whose Arbeiter zeitung influences several million Austrian workers, proposed that no paper should mention the Festival for its duration. "This will make the comrades very angry, I think," he said, and all publishers agreed. Thus began Das Grosses Schweigen—The Great Silence. It made Moscow so enraged that the Soviet Ambassador lumed into the chancellery to demand that the government should compel the Press to report the Festival. "Alas," said the Austrian officials, "we have no such power over our newspapers as you have over yours. An angry Ambassador withdrew, and The Silence continued.

The most effective opposition to the Festival programme was provided by the Austrian young people. Their organizations—of every political and religious persuasion (except the small Communist one, of course)—banded together for a "counter festival." Although it was tiny compared to the Soviet production, it was by no means negligible. Several hundred earnest young Viennese had taken special courses to equip themselves to argue with the Communists. During the Festival they heckled tirelessly in the seminars, buttonholed delegates on street corners and in cafes, distributed copies of George Orwell's Annimal Farm and 1984. Doctor Zhivago, and other literature.

One group specialized in slyly guiding comrades into cinemas where documentaries of such subjects as the Hungarian revolt and the 1953 East German uprising were being shown.

Most effective of the young people's operations was the hiring of buses to take delegates to the Hungarian border. About 100 delegates went every day. The guides on these tours said little. As one of them told me, "You don't have to say anything. You just point." From the Austrian side, one can plainly see the closely-spaced Hungarian Communist watch-towers with their searchlights, guards with machineguns and the cleared, mined belt of land behind the barbed-wire entanglements. Asians, Africans, Latin Americans, Australians—all stared at the gim barrier and all grasped its meaning.

But to the Communists the counter-festival was hardly more than an irritation, for the Austrians were fighting with little support from the West. Garcias and his fellow commissars had seen to it that the opposition would be unorganized. Non-Communist delegates walked into a maze of seeming confusion—actually well-prepared inefficiency. "I can't get proper authorization. I can't get into the seminars I want to attend. These people just don't know what they're doing," one young man complained to me naively. British delegates reported that the times and places of seminars were changed at short notice so that attendance was restricted to those who had the benefit of the Communist grape-vine.

"Communist evasive action proved successful," said the bulletin of Common Cause, a British organization devoted to fighting world Communism.

Those few individuals who were determined to make an impression did have a measure of success. At various meetings some of them managed to get the floor, and for a few minutes talked convincingly about phases of Western life regularly distorted by Red propaganda. An Austrian colleague wrung his hands and said, "If only there were more of them! They are so obviously honest and unafraid. Irresistible!"

But at his final Press conference at the Festival's end. Garcias clearly showed satisfaction. His pasty, rather feral face was wreathed in smiles. As far as he was concerned, the enterprise had been a success.

There have been reports in the West that Moscow was dissatisfied and that the Festival had fallen short of expectations. An evaluation by a writer in the bulleting of the Institute for the Study of the U.S.S.R., in Munich, concluded that "the holding of a festival outside the Communist bloc did not meet with very much success." But this observer was convinced that the beaming satisfaction displayed by Garcias was fully justified. Austrian specialists on Communist propaganda shared this view. It seemed clear to us that the Free World had missed an unusual chance.

Commissar Carcias and his men will probably convoke their next youth spectable in 1962. In my view, there are two alternatives. Either the West can boycott the Festival and thus underline its Communist character; or we can exploit the opportunity by sending deputations that really represent our countries and are geared to make their presence effective.

(Continued on page 12)

# Strikes By Government Permission

By J. M. Lobo Prabhu

has just concluded is not so much that it has banned strikes for Government Employees but that it has revealed the law that strikes in the private sector are by government's permission. In other words, if government used its power to refer all industrial disputes, which the parties cannot settle with its help, all strikes will be illegal, disentitling the workers to their pay and posts and justifying the police for action against interference with the rights of others, by the strikers.

Several questions arise, first why does not Government refer all disputes to adjudication, which can properly determine the rights of the parties, without involving loss of production, which has to be paid for by the consumers in

#### (Continued from page 11)

Propagandists are not needed—only intelligent, articulate young people who know the score and tell the truth. They are, as the Austrian said, irresistible. But if we are to participate at all, the time to prepare is now. Otherwise the Kremlin will win yet another round in its relentless campaign against the integrity of the world's youth.

#### BORSODI CHALLENGES ASIA

- 1 To replace nationalism with decentralization; 2 To adapt modern technology to family and
- village life, and forego urbanism and industrialism;
- 3 To educate for balanced living instead of Western "culture"

Read

### THE CHALLENGE OF ASIA

By Ralph Borsodi

1957 237 pages Price Rs. 6/-Prof. P. Kahol, Punjab University, says:

"'Challenge of Asia' is one of the rarest discoveries of my life. It is a masterpiece of coherent thinking, unbiased analysis and essentially humanistic outlook. I have not yet come across another book so complete in all respects. I am passing it on to such of my students and colleagues as have a capacity to appreciate analytical thinking and to accept an ideal in life intelligently."

Available at:-

Libertarian Social Institute, Arya Bhuvan, Sandhurst Road, BOMBAY 4. increased prices? The argument has been that the right to strike is an inherent previlege of labour. This would be correct if the procedure for adjudication and arbitration did not exist. To ignore this procedure is to imply first that it is inadequate or unsatisfactory, in which case government is itself to blame, second that the government would like the parties to fight it out among themselves rather than allow a court to make a decision on merits and third that the interest of the country and the consumers, which is sacrificed, is of no importance.

The truth, which I know as Labour Secretary is that government refers to adjudication only those disputes which it cannot settle in favour of labour, in most cases, at the instance of the unions. In other cases, it allows labour to coerce employers by strikes, which not only stop production but contain threats to person and property. This bias for labour has cost the country in various ways. First, on an average 7 million man days are lost annually, frequently with full pay to the employees. Secondly, the idle capacity and investment imply loss of production, frequently at peak seasons, when strikes are staged to be more effective. The cost both of labour and production lost is added to the prices, because employers, in the monopoly market which the country has become, do not reduce their profits as can be judged from the rise of dividends and the prices of industrial securities. Thirdly, because of the power of the strike weapon, the workers are not disposed to be reasonable and are periodically raising their claims. The resulting increase in prices is causing inflation in the country and pricing us out of foreign markets.

If the Government has become conscious of the effect of strikes of government employees, it must become conscious of the worse effect of strikes of industrial labour-The ban which is going to be enforced on government employees, should also be enforced on labour. The simplest procedure for this is to refer all disputes which cannot be conciliated to adjudication. This will, in the first place. increase the importance of conciliation, particularly if the conciliating officer records his own findings on the merits of the dispute, in which case adjudication becomes a matter of appeal, on what is not found to be reasonable. There will be both economy and speed in this, which both parties will find to their advantage. At the same time, the rule of law will be established in industry, which government has so far allowed to go by default in order to favour pressure groups. The economy will acquire health as inflation will stop and production will increase. Public opinion therefore deserves to be organised against the current labour policy, which has favoured blackmail by pressure groups not only of employers but of the whole community.

# Nehru's Goody-Goody Nonsense

#### From Our Correspondent

THE United Nations Assembly proceedings have been the talk of the Capital and after a perusal of Mr. Nehru's speech on October 3 there, the consensus of openion among unbiassed observers gives the palm to the British Prime Minister for the most, if not the only, constructive speech on the issue of disarmament. Like his master, Gandhi, Mr. Nehru is pastmaster in claptrap, but that is not the same thing as statesmanship, though it may pass as such among the ignorant. A man who seeks applause when he is speaking is spurred on to make statements which cannot bear close scrutiny—even the scrutiny of those who impulsively applaud him. "For God's sake, let us put an end to this quarrel which may mean the annihilation of mankind," is a very good, indeed, a very noble sentiment, implying impatience with others' quarrels-common enough everywhere—and urging one to muddle through to a compromise without being too meticulous about it, but such a compromise can only lead to defeat for the generous, trustful party and of the "high ideals"-to quote Mr. Nehru's own words—for which the United Nations stands.

#### **CLAPTRAPMANSHIP**

Mr. Nehru appealed to the UN Assembly to turn back to its historic task of serving as an instrument of peace—the kind of peace in which "all are equally victorious and there is defeat for no one." If Mr. Nehru and his Master, it is being recalled here, had followed this noble objective, and had not been thinking of victory for thmselves or their party, there would have been no partition of the country, with its attendent horrors, because all the leaders of the two main parties in the country wanted to get rid of foreign domination. Essentially, however, the kind of peace Mr. Nehru is seeking is self-defeating, and does not speak much for his attachment to the "high ideals" for which the UN stands. In effect, Mr. Nehru says, let us forget our ideals and come to terms. Peace is certainly possible on these terms—a very short-lived peace it would be—for one of the two main parties has no ideals to forget. Mr. Nehru is indirectly preaching surrender to Soviet

A peace in which "all are equally victorious and there is defeat for no one" is like Mahatma Gandhi's "all religions are equally good"—a strange saying by a man who used to say. "Truth and nonviolence are my two lungs." (How could then for him at least a religion which preached intolerance and violence be as good as one which preached nonviolence and tolerance?) Apart from the fact that Mr. Nehru's proposition is absurd, because it is impossible, there would have been some justification for it, had Mr. Nehru been taking the stand that "all ideologies are equally good—the Nazi and the Communist and the democratic

ideologies are equally good." But that stand he has never taken. He has always been talking of his passionate devotion to democracy and of the "high ideals" enshined in the UN Charter. Should they not, therefore, prevail? Of must their base opposites be equally victorious? The proposition is not only devoid of all morality. It is devoid of all sense too.

(Nevertheless, on the spur of the moment, I too, despite my forty years in hardboiled journalism, might have joined the applause which greeted Mr. Nehru twenty times in the course of his address, proving the sagacity of the saying, "second thoughts are best." And my action would have only been a tribute, not to my intelligence but to Mr. Nehru's claptrapmanship.)

It is true, as Mr. Nehru says, that the main purpose of the UN is to build up a world without war, a world based on the co-operation of nations and peoples. By co-operation he means presumably genuine co-operation and not the sort of co-operation which exists between East Germany and Soviet Russia. As he says, there is great diversity in the world and variety is good and should be encouraged, but if a particular kind of diversity or variety tends to destory all variety and diversity in an attempt to impose uniformity under a dictatorship, does not its encouragement become suicidal to countries which want to grow in their own particular way?

#### **CONTRADICTORY SENTIMENTS**

Mr Nehru's address to the Assembly is so full of contradictions that it almost seems he never gave serious thought to it. Diversity and variety, if they are not to come into conflict-and he deplored conflict as the breeding ground of war-have to be based on certain fundamental principles. They have to have certain basic principles in common. If they are based on mutually contradictory principles, they are bound to produce conflict, and, as Mr. Nehru says, the moment there is conflict, the seeds of war are sown. How can people who do not believe in freedom for the individual believe in freedom for nations? Are not nations made of individuals? Those who deny freedom to their own people will have no scruples in denying it to others. All talk of real co-operation with such people is goody-goody nonsense, and those who really want peace must always try to extend the area of freedom.

Mr. Nehru contradicted himself on the disarmament issue also. "Disarmament," he said, "must include the prohibition of the manufacture, storage and use of weapons of mass destruction." Obviously by prohibition Mr. Nehru meant "effective prohibition", for, otherwise, prohibition has no meaning. Yet he went on to say, "It is clear that

disarmament without controls is not feasible and it is even more clear that controls without disarmament would have no meaning." Against such a vast country as Soviet Russia, with its Iron Curtain and terrorised people, controls have to precede disarmament, if the agreement is to be fraudproof. And it has to be fraud-proof, for what is at stake is the survival of democracy itself, implying the survival of democratic countries. The Americans were foolish enough to trust the Communists after World War II, and the result was the enslavement of about a dozen East European nations. The process of enslavement was put a stop to by the much-abused cold war. This time it is their own freedom and existence which are at stake and the Americans seem determined not again to trust those who have proved their untrustworthiness. What is wrong with that?

#### RUSSIAN PREMIER'S BLUNDER

We may not admire his philosophy but we cannot but admire Mr. Khrushchev's (cheap) journalism. Mr. Khrushchev is a brilliant propagandist, particularly for a country which cannot hear the other side of the case, but it is being observed here that he has made a capital blunder in trying to get an apology first from President Eisenhowever as a condition of resuming talks with him. The neutral nations' resolution put the American President in a quandary, inasmuch as it asked him to agree to meet a man who is likely to insult him further, judging him from his present great form. (It is a very funny consequence of consciousness of power in some individuals that they should feel irresistibly inclined to insult every one who crosses their path or even comes to meet them.) President Eisenhower could not have told the representatives of five nations: "Look here, I do not want to invite further insult by this man-after all, I represent a proud country-and agreeing to meet him means nothing else. Besides, what prospect is there of peace from talking to a fellow who thinks he can bully every one and lose his temper with every one?" But Mr. Khrushchev has come to the American President's aid unwittingly. By demanding an apology first from President Eisenhower, even before the five leaders had received a reply from the American President, Mr. Khrushchev gave a more effective reply to the five neutrals on behalf of Mr. Eisenhower than the latter could have

But on China, Mr. Khrushchev is certainly right, not on moral but on political grounds. As he says, there can be no disarmament without China. The case for China being admitted to the UN is, if anything, stronger after the Chinese aggression against India than before. An outlaw should not be encouraged in his outlawry and should be made a member of a body where he can be called to account for his actions. Besides, what is the use of the most effective control over Russia, when the latter can easily transfer its pile of hydrogen bombs to China and Outer Mongolia and operate from there? The fact is that even the most rigorous control posts in Russia will be ineffective unless they are simultaneously established in China and Outer Mongolia also; and it can well be doubted, considering the size of China and Russia and the system of government there, whether they will be effective even then. After all, Russia, since her military operations

in Hungary in 1956, is really as much of an outlaw as

#### CONGRESS CRISIS IN U.P.

There is a crisis in the U.P. Congress and its state Government. On September 28 the Chief Minister of U.P. Mr. Sampurnanand said that if the dissident Congress leader, Mr. C. B. Gupta, was elected President of the State Congress, he would take that as indirectly meaning that the position taken by the 98 Congress legislators last year on the floor of the Vidhan Sabha, expressing their want of confidence in the Government, had the support of the majority of the members of the Pradesh Congress Committee, and as such of the majority of Congressmen in the state. Regarding Mr. Gupta he said very frankly, "I have no personal grouse against Mr. Gupta; I have always looked upon him as a good man and as a good But he added, rather unconvincingly, the Congressman." 98 Congress MLA's statement still stood, and "these gentlemen who have since been called dissidents, are generally regarded as the followers of Mr. Gupta. It may, therefore, be assumed that what they did had his blessings and continues to have his support."

By way of rejoinder, Mr. Gupta (a former Minister) issued a statement saying that the statement in the Assembly of the 98 legislators had already been discussed by the Congress Working Committee and was now a closed chapter. Besides, he added, he could not be held to be associated with their action, nor should he be regarded as their conscience-keeper. The issue before the Congress, he declared, was the independence of the organisation. This statement undoubtedly won the election for him, by winning over the unattached voters. Asked about his reaction to the statement of Mr. Gupta, Mr. Sampurnanad had said rather unconvincingly, "I do not see that it makes any difference," adding even more unconvincingly. "Assuming that a prominent leader of the dissident group gets elected as the President of the PPC, it is a clear indication of the fact that the position taken up by the dissidents has the support of the majority of members of the PCC, in other words, of the majority of Congressmen in the state." The indication, it is being pointed out here, was far from clear after Mr. Gupta's dissociation with the statement of 98 Congress MLAs.

It seems Mr. Sampurnand was throwing in the threat of resignation—which he is quite capable of implementing -to win over the unattached voters who did not want a ministerial crisis. He was quite entitled to do so, and thus exploit the very great respect in which he is held by Congressmen. His scholarship apart, he is a man of rare calibre. No other Chief Minister has so far dared voice opinions disliked by Prime Minister Nehru. The seriousness of the situation can be guaged from the fact that ten ex-members of the Council of Ministers are all out fishing in troubled waters—the favourite pastime of Congressmen -and there have been ugly rumours of corruption, nepotism, threats of personal violence and administrative influence on electors. Mr. Gupta himself was automatically ousted from the Ministry on his failure to get elected to the UP Assembly during the last general election-After his election as President of the UPPCC, Mr. Gupta has offered his co-operation to the Chief Minister, and the

Congress President, Mr. Sanjiva Reddy, is certainly right when he says that the election does not in any way reflect lack of confidence in the Chief Minister.

Mr. Sampurnand has made it a prestige issue and offered his resignation, but if all Congress Chief Ministers were to insist that executives of PCCs should be the monopoly of their groups, several of them would have to resign, despite a majority of Congress MLAs being with them. That majority would naturally throw out the nominee of the PCC, thus making way for Presidential rule in states where Congress has a thumping majority in the legislature.

In the event of Mr. Sampurnanand insisting on resigning, the nominee of the victors for the Chief Ministership is Mr. Charan Singh. He is the same man who resigned his Revenue Ministership when the Congress adopted a resolution in favour of co-operative farming at its annual session-after which Mr. Nehru declared that anyone who does not believe in co-operative farming has no business to remain in the Congress. Mr. Charan Singh is not only in the Congress, but threatens to be the Chief Minister of India's biggest state. Mr. Charan Singh has been elected Treasurer, defeating Kamlapati Tripathi, a powerful minister. The dissidents have won all the four posts of Vice-Presiden's; among those defeated in the vicepresidential contest is Mr. Lal Bahadur Shastri, one of Mr. Nehru's favourites. Mr. Nehru is not such a bugbear in UP as he is in other states.

#### **PUNJABI SUBA AGITATION**

A convention organised by the Nationalist Sikh Party held in New Delhi on October 2 urged Government to release Akalis arrested in connection with the Punjahi Suba Agitation, find a suitable solution of the problem and close the "sad" chapter. The convention was presided over by the Swatantra lender, Sardar Lal Singh, a former M. P., who maintained that the allegation that the agitation was anti-national, unconstitutional or anti-Hindu was incorrect. The responsibility for the agitation. according to a resolution passed at the convention, rested on a section of highly communal Hindus and the Government, because the Hindus of Punjab disowned their mother-tongue and the Government failed to implement the regional formula. Mr. Lai Singh denied the allegation that the Akalis wanted a Sikh state in the grab of a Punjabi Suba and asserted, "In fact it is madness to even think of this." But what is madness for educated people like Mr. Lal Singh is not madness for the uneducated Sikh, and if Mr. Lal Singh were to go through the speeches of Master Tara Singh before and after independence, he would find that it is not the highly communal Hindus of Punjab who are to blame for distrusting Master Tara Singh and his followers. Was it not Master Tara Singh who took out his sword and flourished it in the faces of the members of the Cabinet Mission to press his demand for an independent Sikh State? "Spare us!" said the members of the Mission, humorously, "Spare us, Master Tara Singh.

But the Convention was on stronger ground when it accused the Punjab Government of resorting to "unprecedented and unconstitutional methods of suppressing the civil liberties. Both the Swatantra Party and PSP inquiry

committees have found that civil liberties are being suppressed in the name of fighting Master Tara Singh and his demand for a Punjabi Suba, Sardar Kairon has declared that the last battle with communalism is on, and during war, of course, one wants special powers!

## **Book Review**

ANARCHISM by Paul Eltzbacher, Libertarian Book Club, New York, Pages 272, Price \$6,00,

This is a new edition of Steven T. Byington's English translation of the above book originally written by the author in German. At the time when the original book came to be published by the author in 1900, Aparchian was, in the popular mind, conterminous with the cult of the bomb thrower. But after the bitter experience gained during the last two Great Wars, of the unabashed universal use of more powerful modern weapons of destruction by the modern States, people are now no longer filled with horror at the mention of the bomb and the bomb-thrower. This change in popular thinking has greatly facilitated an objective and dispassationate study of the doctrine of Anarchism as a system of political, social and economic thought as distinct from its methods and practices which are always of a secondary importance in a consideration of the doctrine as a whole. The one pivotal idea round which all Anarchists Schools of thought revolve, despite their differences and angularities in some particular matters. is that of total unconditional opposition to the forcible domination of State over the Individual.

With this central thought of Anarchism well fixed in the mind, if the reader should go through this book, he would find in it much that is helpful in getting himself fairly acquainted with the Anarchist School of Political and social thought as propounded by the seven well-known Anarchist thinkers, viz., William Godwin, Proudhon, Alax Stirner, Michael Bakunin, Peter Kropotkin, Benjamin Tucker and Leo Tolstoy. Since these writers have in their works presented Anarchism from their respective stand-points, the author of this book has attempted to classify their ideas under the headings (1) The Basis (2) Law (3) The State (4) Property (5) Realization.

## WILLIAM GODWIN AND HIS LAW OF JUSTICE

At the outset, the author has discussed in the book the political philosophy of William Godwin (1756-1836), the English Anarchist who was the first to present 'Anarchism' in a systematised form. According to him the 'Basic' Law of human progress was 'General Welfare' which it was the duty and obligation of each individual to promote. The State Law having been born of passion and list for power, was 'a pernicious tendency' and was therefore to be rejected totally, along with the State which was 'a legal institution' based on force. He therefore advocated the rule of 'Precepts' arising out of mutual understanding and assistance which was so commonly to be found in small societies. This rejection of Law led him also to reject

\*property' since the distribution of wealth as it, then, prevailed, was 'peculiarly injurious to general welfare.' He therefore suggested that a Stateless Society should take over the ownership of land and instruments of labour and carry on economic life of the Society, through free co-operatives of producers. It may be noted that this ideal was to be realised not through violent or forcible methods but through reason and persuasion.

#### PROUDHON'S MUTUALISM

The author goes on to discuss the celebrated French Anarchist, Pierre Joseph Proudhon (1809-1865). In a forth-right manner Proudhon described his teaching as "Anarchism" at a time when it was a word of terror. According to him the supreme law was "Justice" which meant respect for human dignity spontaneously felt and mutually guaranteed. So in the name of Jus.ice he rejected State Laws and suggested that only one legal norm should be in force: that contracts mutually agreed between persons and groups of persons must be respected. The regime of mutual contracts instead of the regime of laws, in his opinion would constitute "true sovereignty of the people, the Republic." From this basic idea flowed his total rejection of 'property' which was repugnant to Justice and which in this sense was "theft", and "the suicide of society." His means of bringing about a social change were 'to popularise the idea" of such a change based on what he termed "the theory of mutuality."

## ANARCHIST COMMUNISM OF BAKUNIN AND KROPOTKIN

Michael Bukanin, the famous Russian Anarchist (1814) to 1876) is considered to be the father of Anarchist Communism. He enunciated the Law of progress of mankind from a less perfect existence to the most perfect possible existence. In the course of this progress the State was bound to disappear as it was opposed to the natural right of men to independence. He abhorred Monarchists and condemned even purest dmocracies as under them a privileged minority enslaved the vast majority. He favoured the legel norm based on mutual contracts. The society that he visualised would be "a free union of individuals into communes, of communes into provinces, of provinces into nations and finally of nations into the United States of Europe and later of the whole world," while the right of freely uniting with or separating from others was to be guaranteed to the constituent units. The Society would be collectivist but his collectivism was different from Communism or State Socialism and did not demand the setting up of any supreme authority like the State. Such Society would be ushered in, by a violent subversion of the old order. "Bloody revolutions" he said, "are often necessary. thanks to human stupidity; yet they are always an evil. Such a revolution would not remain merely national but would develop into an international one. Thus he anticipated the idea of 'permanent revolution' later on developed by Trotsky,

Prince Peter Propotkin (1840 to 1921) further developed this Anarchist Communism. He also rejected the State Law and Government on the ground of their being inconsistent with Justice. He recommended the rule of "unwritten customs and contracts".

He supported the idea of vesting all property in communes. Everyone who participated in production would get his share in the product and goods would be divided according to the wants of each. His optimism was remarkable. He believed in unlimited possibilities of increasing production with the help of modern scientific technique. Like Bukanin, he was also a revolutionary and wanted the revolution to be brought about by violent overthrow of the present order.

## INDIVIDUAL ANARCHISM OF TUCKER AND STIRNER

Benjamin Tucker (1854-1939) derived all his ideas from the 'Law of Self-Interest. "The Anarchists are not only utilitarians but egoists in the farthest and fullest " he declared. Every individual, self-interest demanded 'equal liberty of all.' He was opposed to the State unconditionally because it invaded self-interest. The voluntary association of contracting individuals was to take its place and defensive associations were to be formed against individuals who invaded 'social law.' He was not opposed to property as such but to its distribution on the basis or money monopoly, land monopoly, tariff and patent monopolies which prevented a person from getting the product of his labour. For bringing about a revolution he mainly relied upon the means of freedom of speech and press. Passive resistance was also a potent weapon against oppression, while force was to be resorted to when all these means were exhausted.

Max Stirner (1806-1886) was also an individual Anarchist. He rejected the State and Law, because they violated 'Individual welfare.' He wanted a redistribution of property on the same principle. He stood for a violent revolution.

#### THE LAW OF LOVE AND TOLSTOY

Count Leo Tolstoy (1828-1910) was a pacifist anarchist and wanted to abolish the State, the War and property, because they were all opposed to the supreme Law of Love. The State was to be replaced by fellowship associations on the lines of the 'Russian Colonists.' Such changes were to be brought about with the help of passive resistance and the refusal of obedience to authority.

## LIBERTY THE SUPREME GOAL OF ANARCHISM

Thus we find one common thread running throughout these writings. All these thinkers express their uniform and unconditional opposition to the State, which they think, fetters and even destroys individual liberty. Rudolf Rocker who has added, at the end, a very interesting and informative chapter on "Anarchism and Anarcho Syndicalism," has neatly summed up the Anarchist position thus. "Anarchism is a definite intellectual current of social thought whose adherents advocate the abolition of economic monopolies and of all political and social coercive institutions within society. In place of the capitalist economic order. Anarchist would have a free association of all productive forces based upon co-operative labour, which could have for its sole purpose the satisfying of the necessary requirements of every member of society. In place of the present national States with their lifeless machinery of political and bureaucratic institutions. Anarchists desire a Federa-

(Continued on page 18)

## Tit-Bits

#### LET OTHERS TAKE NOTE

During The Hague Conference, Nederland postage stamps were franked with the message: "Planned Parenthood for a Greater Humanity", encircled with "IPPF Regional Conference. May 11th-17th. The Hague, Holland".

This excellent method of achieving publicity is commended to all countries in which future IPPF conferences are to be held.

#### LAST CHANCE OF GIANTS

The fifteenth U.N. General Assembly seems to be the last chance of the giants. All of a sudden real power in the world—not just backmailing influence but genuice political power—is passing to the new nations.

In many capitalist countries, there is more socialism than in India, if socialism means interference by government in the economic life of the people..... But in our country.

control does not generally benefit the people for whom it

#### SAMPLE OF "DIALECTICS"

Talking to pressmen. Premier K. first called Mr. Hammarskjoeld "a lackey of imperialist powers," to which he added by way of explanation that his statement was not directed against Mr. Hammarskjoeld as "an individual." Shortly afterwards he reverted to his game of invectives and said, "he represents the imperialist, monopolist and capitalist group." This must have intrigued and mystified most of the pressmen except those initiated into Marxian "Dialectics."

#### 'OTHER WAYS AND MEANS' OF EARNING

Addressing the Maharashtra Congress Workers' meeting held at Mahableshwar, Mr. Tumpalliwar said that the Congress workers, though not getting monthly payments could earn by "Other means and ways." There was laughter when he clarified that by 'other means and ways' he meant 'other good and legal means and ways.

## Did You Know . . . .



A tire that stands 10 feet high and 4 feet wide is described as the biggest in the world. It contains enough rubber to produce 3,200 passenger car tires and enough nylon cord for 7,000 pairs of ladies' stockings. Built by the Good-year Tire & Rubber Co., the tire is a research model of special-purpose tires for huge construction machines.



The United Nations Educational, Scientific and Cultural Organization (UNESCO) reports that every day some 293, 000,000 copies of daily newspapers and 335,000,000 radio receivers bring news and information to the world's peoples, while more than 140,000 cinemas bring them entertainment. The U.S. prints twenty percent of these newspapers, and has about 48 percent of the radio sets and 14 percent of the cinemas.

## By Scio



Guano is more precious to Peru than gold. Collecting the droppings of sea birds from the rocky islands strung along the Peruvian coast for fertilizer is a major industry. Peru's Guano Islands and walled nesting grounds on the mainland are the largest bird sanctuaries of their kind in the world.

#### (Continued from page 16)

tion of free communities which shall be bound to one another by their common economic and social interests and arrange their affairs by mutual agreement and free contract." This passage clearly points out what Anarchism is in essence. A reading of the book will also make it clear what it is not. It will be realised that Anarchist Communism is not Marxian Communism and that violence is not of the essence of the Anarchists programme.

Whether a Stateless Society could function without the strong arm of the State to maintain peace and harmony among its different layers in the midst of the complexities of modern industrial life is extremely doubtful. But it cannot be gainsaid that the Anarchist ideas of 'Liberty,' free associations, and communes helping themselves without the intervention of the State, Passive Resistance to authority, 'Small communes developing ultimately into the United States of the whole world with the right to self-determination,' and such others are a rich contribution to political and social thought of the world. These powerful and creative ideas could certainly be utilised with suitable alterations by our Indian politicians who have been disappointed at the working of Parliamentary Institutions in the present setup of social backwardness and who are groping in the dark for a way out.

This book will serve as a digest of Anarchist thought to students of the history of political philosophy. The two prefaces, one by the translator and another by the editor are also instructive and useful.

—D. M. Kulkarni

#### ANTI-INFLATION DAY IN BANGALORE

(From Mr. P. F. Sreenivasan, Hon. Secretary, Organising Committee, Swatantra Pary, Mysore State)

The Mysore State Swatantrra Party can take credit for having achieved something which could not be accomplished in most parts of the country when Anti-Inflation Day was observed on 18th September 1960. Inflation does not spare anyone—not even the gullible Congressmen. Although the Swatantra Party had given the call to the Citizens to voice their protest against Inflation on that day, there was an open invitation to other democratic parties and leaders of public opinion (who were not Members of the Swatantra Party) to voice their protest also from the same platform.

At the meeting held in Bangalore, although there were five speakers, only two, Messrs. V. P. Menon and B. V. Narayana Reddy were from the Swatantra Party. It was the three independent speakers that occupied the platform for most of the time.

The first speaker, Shri M. A. Venkata Rao, President of the Bharatiya Jan Sangh of Mysore State, gave a scholarly address and made out the case that Inflation was inherent in Socialism itself. The next speaker was Smt. Vallabham Kalyanasundaram, a Member of the Mader Tamil Sangham. She spoke in Tamil and narrated in vivid language and with colourful examples, the woes of the housewives belonging to middle class families under the spiralling prices of essential commodities.

The speaker, who stole the show at that meeting was, undoubtedly, Shri M. P. L. Sastry, Independent Member of the Mysore Legislative Council, an orator of a very high order—equally at home in Kannada or English. His fable of the Ass that found comfortable Boarding & Lodging in the Royal Stable was the highlight of his inspired performance.

In spite of the inclement weather and unsuitable time of the meeting, more than 600 citizens attended the meeting in response to the call given by the Swatantra Party.

## Gleanings from the Press

#### "GET OUT, DIRTY COMMUNISTS"

Last week I felt particularly proud of the "Black Man" as he is disparagingly called. In this instance it was in Leopoldville, the capital city of Trouble.

According to Press reports which must be regarded as reliable, a group of Bakongo tribesmen who stood by and watched the Soviet and the Czech diplomats scoot out of the Congo, shouted: "GET OUT, DIRTY COMMUNISTS."

This is the most heartening thing that has happened in a part of the world which we are inclined to regard as undeveloped and backward and which most certainly is economically poor.

We in India who are by comparison supposed to be cultured and on a higher mental and intellectaul plane have never been heard to express a sentiment so straightforward as this. Perched as we are astride the five-pronged iron fence of Panchshila, we appear to be afraid to move out of this neutralist position, afraid that the iron may enter our soul!

The Bakongo tribesmen have no pandits among them; they belong to no Soviet-Congo friendship promotion leagues; they do not call the Communist "Comrade" or "Bhai" as we endearingly do in this country. With uncanny instinct and sense of smell, they are able to understand the hollow hypocrisy of those who come as champions of freedom, but who stay to create utter chaos in their midst with the sole and "dirty" purpose of enslaving the Black Man and of launching an era of Soviet colonialism far worse than the colonialism from which they have only recently liberated themselves.

At the U.N. too, last week, the Afro-Asian bloc spoke out with a new and refreshing independence, more real than our independence which during our thirteen years of freedom is being gradually emaciated by those who preach friendship with the "dirty Communists".

We are told that there is much to gain by being friendly with both power blocs, even though statistics show that substantial material benefits only come from one of them.

There is a new voice echoing in the world today. It comes from the darkest jungles of Africa and not from the cloistered ivory towers of the Indian government. It is refreshing to hear and to me who has been a lone voice in this part of the world, it sounds like music to my ears.

D. F. Karaka in 'Current,' Sept. 28, 1960.

## **News And Views**

#### FIVE-POWER RESOLUTION IN U.N. WITHDRAWN BY MR. NEHRU

United Nations (N. Y.), October 6: Mr. Nehru withdrew the five-Power resolution from the U.N. General Assembly at about midnight last night after a three-and-a-half-hour procedural wrangle during which it suffered extensive distortion.

This was the strange end of a well-intentioned neutral move asking the heads of the U.S. and the U.S.S.R. Governments to "renew contacts" in deference to world opinion.

The debate and the votings which took place were marked by a suspense the like of which the U.N. had seldom experienced.

The sad end which the resolution met with was the result of Western opposition, combined with a controversial ruling from the chair.

#### **NEHRU DESCRIBED AS 'BEING NAIVE'**

The News Chronicle, according to a London message, described Mr. Nehru's speech as a model of serenity and recial good will, but claimed that it was not always fully in touch with reality.

"Mr. Nehru is being naive in supposing that anything constructive would be likely to come at this stage from a private meeting between President Eisenhower and Mr. Khrushchev." this Liberal London daily commented.

## PERMANENT CRISIS IN THE CONGRESS THROUGHOUT THE COUNTRY

Lucknow: Mr. C. B. GUPTA was elected President of the U.P. Congress Committee today by a majority of 63 votes. Soon after the election, the State Chief Minister, Dr. Sampurnanand, has sought the permission of the Congress Parliamentary Board to resign.

Out of the 665 U.P.C.C. members who exercised their votes today. 363 voted for Mr. Gupta and 300 for Mr. Munishwar Dutt Upadhyaya whom Dr. Sampurnanand. among others, had proposed for the post. The strength of the U.P.C.C. is 677.

Hyderabad: Mr. U. N. Dhebar, former Congress President, met State Congress leaders again today in another attempt to bring abour unity and rapprochement between the two differing groups.

Mr. Dhebar also had consultations with Mr. P. V. G. Raju, Health Minister, separately.

Congress circles, however, indicated that Mr. Dhebar's

efforts had not met with success.

Bangalore: The dissident group in the Mysore Legislature Congress Party has addressed a communication to the Congress Working Committee asking it to permit the group to move a motion of "no confidence" against the Jatti Ministry or direct the Chief Minister to seek a vote of confidence.

Though a crisis has been brewing for some time, in Mysore this is the first time that the dissident group has openly declared its intention to dislodge the present Ministry.

Shillong: The Chief Minister, Mr. B. P. Chaliha, told newsmen here yesterday that he had written to the Congress Parliamentary Board seeking permission to resign following the demand of the three Congress Committees of Cachar District for his resignation.

Mr. Chaliba said he felt that it was his duty to resign because he was elected from that district and should accept the directive of his constituents

## U.S.LOAN FOR PRIVATE ENTERPRISE IN INDIA

The United States Government has announced approval of a \$5 million (Rs. 238 crores) loan to the Industrial Credit and Investment Corporation of India Ltd., (ICICI) for the purpose of relending the funds to private Indian industries.

The loan is from the U.S. Development Loan Fund (DLF). Details of the credit remain to be negotiated,

#### MR. GAITSKELL SCORES BIG VICTORY NATIONALISATION IN RETREAT AMONG LABOURITES

Scarborough: Mr. Hugh Gaitskell, the Labour party leader, whose defence policy was defeated at the party's annual conference yesterday, today scored a resounding tactical victory on the question of nationalisation.

By 4,153,000 voters to 2,310,000, he got the conference to recognise as a valuable statement of aims his recent proposal to water down the concept of wholesale nationalisation as embodied in a controversial Clause 4 of the party's constitution.

The vote was on a motion to refer the matter back to the party's National Executive for further consideration. This would have meant the rejection of Mr. Ganskell's proposal.

Clause 4 of the constitution calls for the common owners ship of the means of production, distribution and exchange.

#### DALAI LAMA'S APPEAL TO U.N

New Delhi, October 1: The Dalai Lama has appealed to United Nations to "take appropriate measures to get China vacate its aggression" on Tibet.

In a letter to the U.N. Secretary-General the Dalai Lama has expressed happiness at the inscription of the question of Tibet on the agenda of the U.N. General Assembly this year at the instance of Malaya and Thatland and said "I do hope that all the peace-living countries will take heed of the voice of my people and provide for them a ray of light in the night of subjugation and oppression through which they are passing."

## Letter to the Editor

#### "INJURIOUS INFLATION"

Madam.

The devastating and disastrous demerits of inflation are remarkably revealed by Rajaji in a thought provoking article in a recent issue of "SWARAJYA". Inflation spells Ruination and as Mr. Robert Meon writes in FREEMAN, inflation inevitably leads to destruction of the people's savings, disruption of their lives and the wrecking of national economic systems. Inflationary spiral is the most victous and venomous spiral known to economic science. "It is one which has devastated one country after another in the course of human history" says Robert C. Tyson, Inflation continues and fear of its aggravation mounts only to leave a trail of fearful consequences.

Inflation at all costs should not be allowed to grow endlessly and the Swatantra party's stand on this stop-inflation issue sounds sane.

Combatore. Y. V. VISVESWARAN

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A prize of Rs. 200|- will be awarded to anyone who sends us an essay not exceeding 50 typed pages on:

# THE ORIGIN OF CASTE-SYSTEM AND ITS ROLE IN BRINGING FOREIGN RULE IN INDIA

The essay must clearly indicate the evil wrought by the caste-system created by Brahminism

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