

Indian Libertarian

Price 25 Naye Paise

Incorporating the 'Free Economic Review' and 'The Indian Nations'
AN INDEPENDENT JOURNAL OF ECONOMIC AND PUBLIC AFFAIRS

WE STAND FOR FREE ECONOMY
AND LIMITED GOVERNMENT

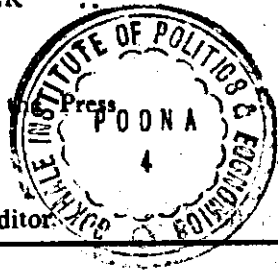
MAKE ENGLISH THE LINGUA FRANCA OF INDIA

The views expressed in the columns of the 'Indian Libertarian,' do
not necessarily reflect the policy of the Journal

Vol. IX No. 12

September 15, 1961

		IN THIS ISSUE	
		PAGE	PAGE
EDITORIAL	...	1	Consequences Of Foreign Policy
A Social Philosophy For Our Times			by J. M. Lobo Prabhu .. 9
by M. A. Venkata Rao	..	4	DELHI LETTER .. 10
Legislation Or Chicanery ?			Book Review .. 12
by M. N. Tholal	..	6	Gleanings from Press .. 13
Acharya Kripalani On Urdu	...	8	News & Views .. 13
ECONOMIC SUPPLEMENT	..	I-IV	Letter to the Editor .. 15



EDITORIAL

RUSSIA'S HYDROGEN-RATTLING AT THE FREE WORLD

IN announcing her plans to resume tests of Thermo-nuclear weapons of immense destructive power, Communist Russia has once again proved, that her loudly mouthed professions of "peaceful competition" and "Co-existence" between Communist and free countries of the world are a huge hoax and an unmitigated fraud. If Russia intends to bamboozle the free world into ready acceptance of and meek submission to the communist aggression on Berlin, by this Hydrogen rattling, she is sadly mistaken and is bound to meet with sore disappointment and despair. Expert opinion holds that both U.S.A's and Russia's manufacture of such destructive weapons has reached the saturation point and the growing size of Russian nuclear devices beyond this limit, in no way, tilts the balance of terror in favour of Russia as against the free nations. U.S.A. and her allies, particularly the NATO powers seem to be well prepared to meet any such challenge from the modern communist Chengizkhans.

The truth of the matter is, as Chester Bowles in one of his press interviews pithily put it, that Khrushchev "cannot take it." What Mr. Bowles meant was that the crushing defeat that West Germany has inflicted on Communist-dominated East Germany in "peaceful economic competition" is more than what

Mr. Khrushchev can bear. Mr. Khrushchev thinks that this defeat of East Germany on the economic front might well be the beginning of the end of world communist system which might crack at any time under the pressure of such peaceful competition. The never-ending stream of refugees into West Berlin across the eastern frontier, has created in East Germany an acute shortage of labour and also of technicians and professional intellectuals. This has badly hit her productive capacity and has almost paralysed her economic and social life.

Mr. Khrushchev tried to cover up all this discomfiture by ordering East German government to block the passage of East Berliners to West Berlin and also to cut off the free access to west Germany through Berlin enjoyed by Western powers. Western countries could not be expected to take this invasion of their rights over Berlin, guaranteed under international agreements, lying down. America and great Britain replied to this wanton challenge quickly by marching their troops into West Berlin across the Eastern frontier amidst the great ovation of Berliners. This grim determination of the Western powers to call the Communist bluff and bluster set Mr. Khrushchev rethinking furiously. He put on a brave face and declared that the rights of the Western powers over Berlin were never in question, but that he only wanted Western powers to recognise the East German State as a settled fact, without even allowing public opinion to be expressed on

...is free through free elections. Of course, the Western nations were not inclined to oblige Mr. Khrushchev by conceding this undemocratic demand and thus denying the German People their right to self-determination.

This stalemate and mounting cold war naturally agitated the minds of the common people of the world. The 'Neutral' countries were particularly in jitters and as usual, began pulling up the legs of the Democratic Bloc, as was done by Pandit Nehru in his speech on Berlin in the Indian parliament, as if the world peace was this bloc's exclusive concern and Russia was to be treated tolerantly as a spoil child of the world.

Mr. Khrushchev, on his own part, worried over the internal problems facing the communist world, is in a quandary. He is now out for adventurism in international politics as a way of escape from these domestic troubles. The shrewd statesman and diplomat that he is, he has thought it fit to do a little bit of "Hydrogen-rattling" just at this opportune moment when the "neutralist" peace-mongers, are meeting at Belgrade. It is reported that Russia has already carried out a test of a nuclear device explosion. Mr. Khrushchev must be now watching the reactions of these faint hearts and opportunists to his game of brow-beating and intimidation. He perhaps thinks that out of sheer fright, these nations will somehow pull his chestnuts out of the fire.

But at this critical moment, when the future of the democratic and free world is at stake, the duty of the democratic bloc is clear and straight. It should not flinch, hesitate or prevaricate. It has gone to this farthest limit in appeasing the communist bloc so as to avoid another world holocaust. The whole free

world feels outraged and scandalised by Russia's totally unjustified and unwarranted violation of self-imposed moratorium on atomic tests by the leading nations for the last three years, contrary to all canons of international integrity and moral behaviour. Hydrogen-rattling Russia and her satellites have thus proved themselves to be the arch-enemies of liberty, freedom and happiness of the people. The free and democratic bloc can avert this danger only by resolutely fighting back these evil and dark forces with all the resources at its command. It must realise before it is too late, that the greatest danger to its cherished ideals is "the weariness that afflicts the good."

BACK TO ORIENTAL MEDIAEVALISM !

Time and again, we are treated to pompous homilies and tiresome disquisitions on the "spiritual genius, of Asian countries and their Mission of spiritualising the materialist Western world". Gandhism is considered to be the acme of this Asian trend.

By a fortuitous combination of international events and internally maturing revolutionary conditions, India became free, towards the conclusion of the second war. At this crucial hour, Gandhism luckily for itself but unluckily for the country and its future generations, happened to be in the saddle of political power and influence. This made it look respectable in the eyes of the neighbouring countries. Though these countries never accepted the non-violent political methods of Gandhiji they readily accepted the religious outlook that informed his political practice and methodology. Pakistan openly declared itself an Islamic state. And now comes the news that Burma has declared itself a Buddhist State by according Buddhism the status of the state religion. The objections raised by the opposition leaders of Mons, Shans and Arakanese and the Muslims who form an appreciable section of the Burmese population, were uncerimoniously brushed aside on the specious plea—this plea is put forth on behalf of all religions despite their fanaticism—that Buddhism was most tolerant towards others and the latter need not fear any oppression or maltreatment. So the pious Burmese Premier U. Nu has after all gained his long cherished heart's desire. One only hopes that this will not pave the way ultimately for Caesaro-Papism in Burma.

Thus there is an imminent danger of even some Asian countries that had enjoyed a brief spell of healthy Western Materialistic Liberalism, reverting to their "spirituality" i.e. mediaeval backwardness. It will be interesting to watch, therefore, how our secular Prime Minister and other thinking sections of the public react to this upsurge of politico-religious trend in Asian body-politic, which, if not checked in time, may destroy all catholic spirit and free and liberal thought imparted to it by Western contacts.

UNITE AND SAVE INDIA FOR DEMOCRACY !

The Indian National Congress disgustingly

The Indian Libertarian

Independent Journal of Free Economy and Public Affairs

Edited by: D. M. Kulkarni, B.A., LL.B.

Published on the 1st and 15th of Each Month

Single Copy 25 Naye Paise

Subscription Rates:

Annual Rs. 6; 3 \$ (U.S.A.); 12 S. (U.K.)

ADVERTISEMENTS RATES

Full Page Rs. 100; Half Page Rs. 50; Quarter Page Rs. 50
One-eighth Page Rs. 15; One full column of a Page Rs. 25

BACK COVER..... Rs. 150
SECOND COVER..... Rs. 125
THIRD COVER..... Rs. 125

- Articles from readers and contributors are accepted. Articles meant for publication should be typewritten and on one side of the paper only.
- Publication of articles does not mean editorial endorsement since the Journal is also a Free Forum
- Rejected articles will be returned to the writers if accompanied with stamped addressed envelope.

Write to the Manager for sample copy and gifts to new subscribers.

Arya Bhuvan, Sandhurst Road, Bombay 4.

enough, has been holding the reigns of government un-interruptedly for now well over fourteen years and so the question of forging a strong opposition to keep the parliamentary democracy going in India, is being widely discussed and debated.

At one time it was thought that the P.S.P. led by such eminent leaders as Jaiprakash Narayan, Kripalani, Lohia, Asoka Mehta would supply an alternative and dynamic leadership to the country. But these expectations have been belied. Its leaders proved themselves to be too individualistic and independent of party discipline and also of one another. The result was, it was split up into splinter groups working at cross-purposes. It must be admitted however that the Praja Socialists are first Democrats and then Socialists unlike Congress leaders like Nehru, who are first Socialists and then Democrats and as such, they would be an asset to the Democratic opposition bloc in the country.

In the post-freedom period Janasangh has made much head-way as an All India Party. It stands for private and free enterprise and though it firmly believes that the cultural ideas of the Hindu majority should mainly shape all aspects of national life since the Hindus constitute the core of the Indian nation, its membership is thrown open to all irrespective of caste, creed and religion. This party also could constitute an influential element in a genuine democratic opposition to the Congress.

The Swatantra party is a late comer in the field but not less powerful. It is in the real sense, opposing the Congress with an alternative secular and liberal ideology. It believes that free enterprise and democratic freedom are interlinked and inseparable. It claims to carry forward the true liberal traditions laid down by the Founders of the Congress. It is rooted in the Indian patriotic soil and has at its head, such veteran nationalist leaders like C. Rajagopalachari, K. M. Munshi, M. R. Masani, Prof. Ranga and a host of others whose claims to patriotism and selfless service to the country are quite comparable to those of the present congress leaders like Mr. Nehru, not to speak of the lesser lights of the Congress.

By the sheer logic of its economic programme, oriented on the Soviet Model towards heavy industry and expansion of the public sector at the cost of the private sector, the congress willy-nilly is inevitably moving towards a totalitarian form of government. Pandit Nehru may succeed for a time in retaining the outward trappings of democratic forms but in essence and practice the "permit-licence Raj" of the Congress party, is slowly but surely imposing its masked dictatorship over the people. It may be that if this form of 'democratic dictatorship' should succeed in India, without having to bear publicly the label of 'communism,' even Soviet Russia may take a leaf out of the Congress book and may sponsor such 'democracies' in Asia and Africa. The close collaboration, of late, between the Congress and In-

dian Communists in national and international matters, in the parliament is a pointer in this direction.

The Swatantra Party has scented this danger to Indian Democracy if the Congress by means fair and foul should return to power after the next general elections with something like the present strength of huge majorities. It is, therefore, putting forth Herculean efforts to educate public opinion on this issue. It is also trying to bring about initially an electoral alliance of all the democratic elements against the Congress and Communists in the general elections, such a strong alliance, in our opinion could be formed, of the Swatantra party, the Janasangha, the Praja Socialists and non-communist democratic elements in provincial and sectional organisations, wherever feasible and necessary. The main objective before the Alliance should be to break up the Congress monopoly of political power at the Centre and in the States and, to smash the Communists everywhere. No genuine democrat can say that this is not a laudable noble and inspiring objective. On the other hand, if this task be accomplished in an appreciable measure the opposition parties will have rendered the most positive and constructive service to the country and saved India for Democracy and Freedom.

GOA'S FREEDOM, AN IMMEDIATE NECESSITY

Prime Minister Nehru's recent declaration in the course of the Foreign policy Debate in the Parliament, that the use of military force to liberate Goa was not ruled out, will surely hearten the Goan freedom-fighters who have been all these years battling single-handed against the savagery of the Salazar government in Goa. The Indian Government was expected to take effective steps in this matter in 1955; when the first batch of Satyagrahis was led into Goa, but nothing important materialised beyond the exchange of lengthy and tedious press releases and statements between the two governments across the seas. Since then Nehru's peaceful methods in this case, have miscarried themselves and proved utterly barren. In fact it has been found by experience, that only when the Indian government deviated somewhat from these methods of pusillanimity miscalled "non-violent" and "peaceful," it succeeded in solving problems such as those of Junagadh and Hyderabad. Now that Dadra and Nagarhaveli have been fully liberated with a firm and iron hand by the Indian Government despite the protests of Salazar, the freedom of Goa and Daman need not lag far behind. These foreign enclaves in the very heart of India are a potential danger to our country in the context of the rapidly moving international political scene. Goa's freedom thus has become an urgent necessity to both Indians and their brothers in Goa. It is to be hoped that Nehru will follow up his recent declaration on Goa with energetic and quick action and complete the work of India's integration begun by Sardar Patel.

A Social Philosophy For Our Times

By M. A. Venkata Rao

THE most vital part of combating Marxism-Leninism-Stalinism-Khrushchovism which is the dominant philosophy in the world today consists in a new philosophical effort. It must follow "the argument whithersoever it leads" and be animated by the rationalist or scientific spirit *par excellence*. If communism derives immense prestige from the support it gets from being incarnated in the Russian world system rivalling the United States in military strength, any new philosophy that seeks to supplant it in the affections and minds of the people all over the world sufficiently to make a difference to the direction of the world's affairs can hope to do so only on the strength of the scientific spirit. For science is the only value that can compete on more or less equal terms with the other dominant values of military power and the social hope carried rightly or wrongly by communism.

A straight-forward recital of the origin and growth as well as the actual performance of Soviet Russia as a revolutionary State can, with the data at our disposal today, debunk its pretensions to be the only gateway of hope for man for release from his long martyrdom throughout history. It can be shown today that communism as a doctrine is cruelly exploiting the deep yearning of Man for an "earthly paradise" made possible by science at long last. This exploitation has been as cruel and ruthless and as costly in terms of human blood and tears as any church or State in the past.

But even if this task of debunking can be successfully accomplished, the *positive work* remains—namely that of men substituting in its place in the minds and hearts of men all over the globe, educated and uneducated, a better and more attractive philosophy (or outlook or ideology). For in the end, it is only ideas and ideals founded on true ideas about Man and Nature that will win out and gain ascendancy in the social affairs of mankind.

For instance, the primitive man is governed by a system of totem and taboo because of his view (arrived at, it may be without self-conscious elaboration) of the mysterious magical power which he believes to inhere in all things, particularly in strange and powerful things. Change his views of his mysterious power (or mana), the world of the savage collapses and he is at sea, ill at ease and his tribes die out unless they are integrated in a higher system with equal or superior emotional power!

The only way of rolling the communist flood back today therefore (assuming that it is on the whole an evil force) is to discover and formulate an alternate philosophy with equal or greater fascination over the hearts of men better grounded in reality (natural and social) and holding out better the values of humanitarianism and social hope for the under-dog or the

disinherited of all areas without exploitative illusions.

The two essential ideas of Karl Marx integrally related to each other and to his central philosophy of dialectical and historical materialism are the doctrine of class war and that of class internationalism on the one hand and that of a technique of revolution through a conspiratorial party, legal and illegal (or extra-legal) working in all nations with Soviet Russia as leader operating on the levers of subversion through indoctrination, party discipline and "scientific" violence, no more and no less than necessary to function as the "midwife of revolution."

In addition to demolishing the logical bases of these twin roots of doctrine and practice, the new leaders have to develop a social philosophy capable of functioning as better ideals for the social movement of mankind. They have to be better in terms of economy in violence and conflict as well as in terms of permanent benefit. The new outlook must furnish a view of society and progress that makes *revolution permanent* in the affairs of men. To define it as the *open society* as Dr. Popper and Henri Bergson do is not sufficient. We have to make it clear that the social forces operating in the new society are such as to make for a *continual* betterment for all groups of people affected and in all the nations on the globe.

However we may come to articulate the rights and duties or values of man in society, the social structure must be such as to favour continuously an increasing realisation of such values in the work-a-day business of life. The sum and substance or the parallelogram of social forces must eventuate in the dominance of tendencies making for values affording better opportunities *for all*. The older societies was a palanquin order—it has been said: that is to say, it provided only a limited number of palanquins or vehicles (or conveniences or amenities so that the majority had only to carry the palanquin of others with no chance to sit on palanquins of their own. Even Aristotle was unable to conceive of a civilised order without a leisured class supported by the manual labour of a large majority of slaves. We should remember that slavery was abolished in the modern world only as late as mid-nineteenth century!

Taking these values into account and adding those of the plenty made possible by science, we arrive at the ideal of a social order wherein there will be an abundance of economic goods and a spontaneous and just distribution of such goods. We cannot think of a better distribution than is indicated in the socialist or communist goal of:

From Each according to his Capacity:

To Each according to his Need:

This is nothing but the ideal of the joint family. But it has been entrusted over in communism with a

number of unjustifiable, secondary aims and means that have made actual communist States an eclipsing curse for those who live under them.

A better *humanist* philosophy will rescue this social ideal from the communist excesses and falsehoods and will put it in a more wholesome and more ethical setting.

The first thing to assume as the desideratum of the new philosophy is therefore a *new humanism* which gives equal value to all human beings whatever their location and ethnic affinity—continent or race or level of civilisation and culture. Auguste Comte in the early decades of the nineteenth century crowned his *Positivist Philosophy* with a "religion of humanity."

We need not identify ourselves with all the details of the New Catholicism which he formulated, with its church, its calendar of saints, its weekly sermons and congregation. The system still survives in some countries under the name of the Ethical Church.

The ritual elaborated by Comte may be reformed by us, for some ritual is necessary to remind weak human nature of its higher goals in life and to freshen its feelings by exercise. The will can be strengthened by directing attention to the achievements of great benefactors of humanity drawn from all civilised mankind—the Buddha, Mahavira, Ashoka, Socrates, Christ, Mohamed, St. Francis, Newton, Darwin, the discoverers of many medicinal uses of drugs, Einstein etc.

By way of thought, of emotions and of action attached to causes that have expanded the effective society and fellowship of all mankind, great men and women have made life with larger horizons and wider social affections possible for their fellow beings. There does not seem to be any limit to progress in such expanding horizons and inclusive centres of feeling and action.

From such humanism taking all mankind as an end in itself, (each branch of it as valuable an end in itself as any other), we pass on to the place to be assigned to existing groupings among human beings—country and nation.

Here we come upon a radical difference between our ideas and those of Marxism. Marxism does not assign any permanent value to nationalism nor to any groupings other than international proletarianism. This flows from its doctrine of class war implying the impossibility of achieving unity among the members of the national society so long as capitalism remains unabolished. We hold on the contrary that capitalism can be tamed by the State so that the common good of all can be achieved by social regulation of economic activities without abrogating economic freedom altogether.

As for the need for a belief in the identity of all mankind, it is only necessary to assume an identity of *interests* sufficient to make harmony possible. The whole course of social evolution has proceeded by an increasing stress on mutual aid; conflict comes to take a subordinate place in group after group and function after function. Differentiation of functions has been accompanied by social coordination of interests

and activities in the ascending heights of culture and civilisation. The picture of "nature being red in tooth and claw" (beasts and birds of prey) has been modified by Kropotkin and other pioneers in modern social science.

In fact, the criterion of progress has been the place occupied in social affairs by persuasion as contrasted with force.

The idealist or spiritualist philosophers and the religionists may make things easier for themselves by assuming an identity of spirit or God. But rationalists would depreciate this procedure as being extra-rational and as opening the door to superstition and social or class exploitation again. All government of men by fear of the unknown has to be abandoned in our new philosophy. Instead of religion, we may pin our faith to proved values, whatever their source might prove to be to a deeper metaphysic.

In fact, many materialists do not hesitate to speak of *spirituality* as essential to a humanist outlook for furnishing the basis for a universal sharing of values.

We next survey the groups or social constellations in which mankind has always lived—family, joint family, clan, neighbourhood, tribe and nation. The new social philosophy would study their mutual relations to lay bare a pathway whereby they could be organised in ascending tiers of social relationship consistent with each other and with humanism at the universal level. They will all remain but would be regulated to harmonise with larger goals until world federalism is reached. *Nationalism not contrary to internationalism* would distinguish our new philosophy. A criticism of world conditions in every sphere must be undertaken to locate and remove knots that tie up emotions to narrower areas and groupings. A constructive Plan of World Order (leading the present UNO towards it) has to be prepared based on such criticism. Then only can the *world-mind* required for world order be built up with a minimum of waste and conflict.

WHAT FREE ENTERPRISE IS & IS NOT

"The free enterprise system is not, never has been, and never should be, a system of complete *laissez faire*. For instance, it is:

not the freedom to seek profit by any and all means;

—not the right to monopolize (which impedes or prevents the establishment of new businesses, creates scarcity, and imperils the spirit of enterprise);

—not the opposition to necessary and appropriate government regulation or operation (often for no other reason than that it is governmental);

"These distortions have never belonged in a properly functioning system of free enterprise...."

(Excerpts from an article entitled, "The Economics of a Free Society" by Willaim B. Benton, which appeared in the magazine "FORTUNE" dated October 1944.)

Legislation Or Chicanery?

By M. N. Tholal

A Bill further to amend the Indian Penal Code has been passed by the Lok Sabha with the object of prescribing deterrent punishment under certain clauses of the Code to deal with anti-national and anti-social forces which are provoking violence, hatred and disharmony among different sections of the people. The Lok Sabha has also passed a Bill to amend the Representation of the People Act, 1951, to debar some of these anti-social elements from using communal platforms. Under clause 143A of the Indian Penal Code, originally enacted in 1893, anti-social elements responsible for "promoting or attempting to promote ill-feelings between different communities of people of India" were punishable by sentencing them upto two years of fine or both. The amending bill enhances the sentence under this clause from two to three years' imprisonment. The addition of a year to the maximum sentence can hardly be said to make the punishment deterrent.

But the amendment also widens the scope of the clause by saying that the "promotion of hatred between different religious, racial or language groups or castes or communities on ground of religion, race, language, caste, community or any other ground whatsoever" would be punishable with imprisonment of three years or fine or both. The provision may be said to be unexceptionable except where religion is concerned, for it may make the fight against fanaticism also culpable. There can be no denying that it would tend to do so and, insofar as it does that, it runs counter to the secular constitution of the land. The Preamble to the Constitution seeks to secure to all its citizens "liberty of thought, expression, belief, faith and worship" and "to promote among them all fraternity assuring the dignity of the individual and the unity of the nation". If a man seeks to promote liberty of thought and expression, he is implicitly campaigning against faiths which do not believe in or even prohibit such liberty and is, therefore, even while promoting the main objective of the Constitution, treading on the corns of those whose religion demands the suppression of such liberty, and promoting ill-feeling between communities. It is true that the Constitution overrides all sections of the Penal Code. But why should the Government pass any legislation which tends to create fear in the minds of the people who seek to promote one of the main objectives of the Constitution of the land?

Congress Need

The Congress Government has often been criticised for its failure to popularise the faith underlying the Preamble to the Constitution, which has brought about no reduction in the amount of communal ill-feeling in the land. That failure can hardly be said to be due to the assumption that the Preamble to the Constitution is enough propaganda for the faith un-

derlying it, for those running the Government, sons of the soil as they are, cannot be said to be unaware of the faiths and the feelings of the people. The failure can in fact be said to be due to a desire to let sleeping dogs lie, rather than take the bull of fanaticism by the horns and in the process incur the hostility of those who do not believe in liberty of thought.

Thus the Party need to secure Muslim votes stood in the way of the Congress doing its duty to the nation and the country. The need of pleasing Muslims is much greater today than it was ten years ago, as the Hindu votes have now a tendency to go to Jan Sangh. Introducing the Bill Mr. B. N. Datar said the measure was necessary to preserve the harmony of various communities in the country and prevent any action which was likely to disturb the "tranquillity of the nation". The argument is certainly plausible, so far as the surface is concerned, for taking the bull of fanaticism by the horns is likely to disturb the "tranquillity of the nation". But if Mr. Datar really thinks as he says, that the measure would also help the achievement of national integration, all that need be said is that he does not understand what national integration means. The demands of national integration run counter to the needs of the Congress Party, particularly at election time, and the less the Congressmen talk of national integration the better it would be for their reputation as honest men.

Strange Bed-fellows

The fact of the matter is that the other communities have to be Hinduised to a certain extent. Those who hate the word Hindu may say that they have to be democratised. Dr. Katju once said that only a Hindu country can be a secular country. A profoundly true observation. But if that is so, the reverse of the proposition must also be true. That is, peoples farther and farther removed from Hinduism in the matter of liberty of thought will be proportionately less and less fitted to be secular. Indeed, he might have added that only a Hindu country can be really democratic. The Americans may not be aware of it, but they are Hindu at heart. So are the Britishers with their freedom of thought and belief. The Americans and Britishers have learnt to be democrats the hard way—after fighting for democracy. In the Hindu mind liberty of thought and expression is ingrained. It is his birth right which nobody can question without being considered a lunatic. Among Muslims the situation is exactly the opposite. Two young Muslims were discussing the Holy Quran while they were walking to their homes at Nagpur about thirty years ago. They differed on the interpretation of a commandment. One of them took out a knife and stabbed the other fatally on the spot. And they were the best of friends!

The Congress Government is going all out to please the Muslims. The grant to the Muslim University at Aligarh has been increasing with its anti-national activities! The louder the cries of "Pakistan Zindabad" in India the greater would be the need of appeasing them, and the larger will become their price. The Education Minister may threaten the Aligarh University authorities with action, but they know that nothing is going to happen to them; otherwise they would not have had the audacity to withhold documents from a committee of inquiry appointed by Government. They know they can upset the Congress apple cart, and the Congress leaders know it as well as the leaders of Muslims in the country. But is that any reason why the predominantly Hindu Government of India should not dare to take measures like those taken by Mustafa Kemal and Kemalists in Turkey to curb fanaticism?

The cat came out of the bag during the discussion in the Lok Sabha on a Bill to amend the Representation of the People Act. The Opposition concentrated its fire on the Government's refusal specifically to ban the use of religious precincts for election propaganda and meetings. Even some Congress members gave strong support to the Opposition on this point. But the Law Minister unconvincingly explained that the scope of the Bill was wide enough to punish people conducting election propaganda in religious precincts and observed that the Government did not want to provide the Opposition parties with a propaganda advantage in the elections, because in case of a specific ban they could argue that Congress was bringing places of worship within the pale of the law. Briefly, the position is that the Congress Government does not want religion to play a part in the elections but is reluctant to prohibit religious precincts from being used for the purpose! If the Jan Sangh continues to rise in the country as it has done in Delhi, some of the best Congress orations may soon be heard from the precincts of mosques. Adversity makes strange bed-fellows!

The Origin

The Bills had their origin in the defeat of the Congress in the recent by-elections to Parliament and the Delhi Corporation, both of which the Congress lost to Jana Sangh, the latter despite Communist support. Beef served in a Government-owned hotel figured in the election. (It is no longer served there! It could not be allowed to add to Congress defeats in elections.) In the matter of the cow the Hindus are inclined to be unreasonable, but then did not the Father of the Nation and the Congress say, "Cow is my mother?" How can Hindu Congressmen be allowed to waive their objection to beef and still be allowed to exploit the name of the Mahatma? That was, however, a handy excuse to curb the growing popularity of the Jana Sangh. The Congress is now proceeding on the assumption of the British Government that popular parties can be smothered by legislation. It certainly has the right to try, particularly when it is losing nerve. The Home Minister has re-

iterated that the possibility of a ban on communal parties cannot be ruled out. That shows which way the wind was blowing.

The Home Minister has a very short memory. He denied the Opposition charge that the Government move had an eye on the forthcoming elections and in the same breath argued that communal and religious propaganda gathered momentum at the time of the general elections, when political workers and parties came in contact with millions of people, and it was at that time that some provision should be there to safeguard the masses from being carried away by such propaganda. The Congress leaders seem to forget that the more they lean on Muslims, the greater will be their loss among the Hindus. And can they really rely on Muslims? The recent Muslim Convention seemed to say 'NO'. In any case it is a gamble and Congress leaders may soon be saying to themselves, after committing shortsighted follies like the present legislation, "Na Khuda hi mila, na visale sanam, na idhar ke rahe na udhar ke rahe". Even the Communists, on whom Congressmen seemed to rely ultimately, are finding the ground slipping from beneath their feet.

POOR MR. KHRUSHCHEV, "HE IS A BAD SPORT. HE CANNOT TAKE IT," SAYS MR. CHESTER BOWLES

The Under Secretary contrasted the thriving economy of "this reborn city of West Berlin" with the "drab and dreary" world of East Berlin, calling West Berlin an "extraordinary chapter in the development of the post-war world."

The Under Secretary then asked, "Now why is it that 6,000 people a week are going from this presumably Communist Garden of Eden in East Germany; leaving that to go to West Germany? They are taking risks. They are uprooting their families. They are leaving behind relatives, friends and neighbors and familiar cities and countrysides. These are not old people. These are young people, people who have never been to anything but a Communist school, who never studied anything but in Communist libraries or listened to anything but mostly Communist radio. They are school teachers ... professors ... engineers ... doctors. They are leaving one for the other."

"Now I say that if Mr. Khrushchev wants free, peaceful competition—Mr. Khrushchev has had it. And I will add that Mr. Khrushchev is a poor sport, because this is what the German-Berlin question is all about. This is all that it's about. It's perfectly clear. They can't take it. When the chips were down, they couldn't take it. So what they have done is to go on and, by threats and devious measures, upset the situation."

* Acharya Kripalani On Urdu

It should not be difficult to settle the question of different languages current in a region. But unfortunately in India this question excites communal and parochial passions, leading sometimes to bitterness and rioting, in which the innocent, who have nothing to do with the controversy, suffer. In Europe, Asia and elsewhere in the past there have been religious, racial, tribal and national conflicts, but none with regard to differing languages. Unfortunately, however, many questions which are easily solved elsewhere excite fanaticism and violent passions here.

The problem which faces us to-day has been before other countries, Switzerland and Yugoslavia, to take only two examples, have had to manage with four and five languages respectively, in addition to several dialects. They have done it peacefully. I do not understand why this cannot be done here in India. I fail to understand why there should be quarrels and rioting over the language issue.

In Europe, people learn several languages. This does not impair their knowledge of the mother-tongue. It rather makes for the richness of their own language. It also broadens their outlook and adds to their culture. Gandhiji tried to learn several Indian languages. In his last years, when he was touring Bengal to restore communal harmony, he tried to learn Bengali. He thought that, that was the best way to approach the hearts of the people and come near to them. If we followed his example, the situation will quickly ease.

It is unfortunate that the question of Urdu and Hindi has been confused with that of religion and culture. It is wrong to regard any language as identified with a particular religion. Hindi has little to do with Hinduism. Similarly, Urdu should not be identified with Islam. Hinduism has during the centuries used many languages to express its ideas. So has Islam done. In Arabia, Persia, Turkey, Afghanistan, etc. Islam has used different languages to express and spread its ideas. Islam is not confined to a particular language. So far as Urdu is concerned, its votaries are found in many faiths, among the Hindus, Muslims, Sikhs and Christians. There have been poets and writers from all these religious communities.

If language is not to be confused with a particular religion, it must not also be confused with culture. Language is only a medium through which a culture finds expression. There is no doubt that we have in India a composite culture. Its component elements are to-day so inextricably intermixed that there is throughout India one Indian culture. Its original sources are Dravidian and Aryan. This combination goes back to pre-historic times. It would be

*This is the full text of the speech made by Acharya Kripalani at the first meeting of the U. P. Language Committee on July 15, 1961.

difficult now to separate these two cultural streams. Later, there was the Islamic contribution. Many of the reformed sects in the middle ages bear the impress of Islam, such as the sect of Guru Nanak, Kabir, etc. Islam also made a great contribution to our fine arts, especially to painting and architecture. It enriched the language of administration. Then, in modern times, there has been some significant contribution made by the West, in the fields of modern jurisprudence and free institutions and the scientific method of investigation of physical phenomena. All these sources of Indian culture are common to every part of India. I have no doubt that if in any region the contribution made by any one of these three common sources were missing, it would be the poorer for it. If the Dravidian and Aryan contribution were eliminated from the so-called culture of any local area, it would lose a great deal of its significance and vitality. The same is true of the Islamic and the Western contributions.

It is, therefore, wrong in India to confuse language with culture. We should always view our Indian culture, though composite, yet, as a homogenous one, like that of the Chinese, the Japanese or any other nation. It can no more be split into its component parts, except for study. We should not forget that regional cultures are variants of the one and the same Indian culture. The things that unite us as Indians are more fundamental than the things that divide us. This is true even in the matter of food and dress. The differences are local and confined to no particular community, religion, or the so-called cultural group. The foreigners readily realise this fact. Even the Muslims from India are called by their co-religionist outside as Hindus, the natives of India. I would, therefore, request that in this Committee we keep the language problem which we are asked to discuss here separate from that of a particular religious community or culture.

We talk about the place of Hindi and Urdu in our State, but the fact is that the overwhelming majority of our people use the local dialects like Bhojpuri, Brijhasha, Bundeli, Oudhi, etc. Also fortunately when, mostly in urban areas, people speak in Urdu or Hindi, there is no basic difference between the two languages. Their syntax and grammar and more than 90 per cent of the vocabulary are the same. It is only in literary writings that there are two styles. The main difference is of course that of the script. If the script were the same, the difference between the two styles would be greatly reduced. It is, however, wrong to suppose that the Urdu script had come from abroad and is not indigenous. Yet if the contending parties could reconcile themselves to the use of one script it would be very great advantage.

May I draw your attention to another fact? Today the world over there is a tendency to make the

ECONOMIC SUPPLEMENT

Keynes And The Trade Cycle

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

AT the outset it must be remembered that all writers have not agreed about the contribution of the Late Lord Keynes to the analysis of trade cycle. Some writers maintain that Keynes has made a casual reference to the problem in his "General Theory" towards the end of the book in "Notes on Trade Cycle" but there are others who contend that Keynesian economics known as "New Economics" plays a major source of inspiration in contemporary inquiry on the subject. For instance Haney says "While Keynes has not developed a complete theory of trade cycle his thoughts much influenced the others". The critics of Keynes maintain that the General theory is static and the explanation of business cycle it offers is merely tautological. According to Haberler "it is not all business cycle theory in a strict sense". Metzler is of the opinion that "Keynes contribution to the theory of the trade cycle consisted more in the stimulus which he gave to the work of other economists than in his own direct contribution". In spite of these differences of opinion it must be said to the credit of Keynes that he has really formulated a theory of his own to explain the phenomenon of trade cycle. For this reason Haney says "Keynes own contribution should not be overlooked for it will be shown that he had a considerable insight into the later developments of business cycle theory even though he did not work them out fully". For this reason Haberler says "Keynes approach provides us with analytical tools which might be used for trade cycle analysis as well as for other purposes".

According to Keynes the main cause of trade cycle lies in the fluctuations in the volume of investment goods brought about through changes in the marginal efficiency of capital or the rate of interest. In his "General Theory" Keynes maintains that "trade cycle is described and analysed in terms of the fluctuations of the marginal efficiency of capital relatively to the rate of interest". The rate of interest according to him is the function of the quantity of money and the liquidity preference while the marginal efficiency of capital depends upon (a) supply price of the capital assets and (b) expected profits i.e., yield from these assets. In his theory marginal efficiency of capital plays more important part than the rate of interest. As a matter of fact it is the villain that disturbs the equilibrium of the economy and causes the fluctuations to take place in the system. The rate of interest helps the marginal efficiency of capital to render trade cycle intractable. The other factor that

plays an equally important part in the theory is the "Investment Multiplier".

In his General Theory Keynes made the level of man's expenditure is another man's income and the fluctuations in these will affect total incomes and finally impinge upon employment. Now consumption is based on the propensity to consume while investment is based on the marginal efficiency of capital. When a man's income increases his consumption also increases but not as fast as the income itself. This results in emergence of a gap between income and consumption and this is saving. The amount of saving would affect effective demand. According to Keynes saving is a private virtue, but it is a public vice because it will reduce the effective demand of the community. This fall in the effective demand can be arrested only by increased investment which is based on the marginal efficiency of capital or the future yield of profits. Keynes maintains that the consumption function is stable and the only active variable as regards the tempo of economic activity is to be located in investment. Classical economists have maintained an automatic equality between saving and investment on the basis of Say's Law which states "Supply creates its own demand" but Keynes has challenged this assumption and according to him the decision to save and the decision to invest lie with different totally independent groups. As a result of this, the gap between income and consumption is not immediately reduced and there exists a sort of disequilibrium between saving and investment. This disequilibrium between the two is the cause of the trade cycle. A connecting link in the whole reasoning is provided by the Multiplier Concept and according to Keynes "it is an integral part of the theory of employment". The multiplier establishes a relationship between aggregate employment and income and the rate of interest given the propensity to consume." It tells us that when there is an increment in aggregate investment, income will increase by an amount which is k times the increment of investment. The fundamental notion underlying the theory is that if we conceive the monetary or other public authority to take steps to stimulate or retard investment the change in the amount of employment will not be confined to the investment industries but will extend to the consumption industries and will be a function of the net change in the amount of investment and the theory aims at laying down general principles

by which to estimate the actual quantitative relationship between the increment of the net investment and the increment of aggregate employment which will be associated with it" (Haber). From this it can be inferred that multiplier forms a major tool in the analysis of trade cycle because it serves to explain the cumulative expansion or the cumulative contraction of economic activity associated with trade cycle. The theory of multiplier seeks to establish a relation between multiplier and the marginal propensity to consume and this relationship can be stated as follows. Multiplier k is equal to the reciprocal of $(1 - \text{marginal propensity to consume})$ and as this is equal to marginal propensity to save, a multiplier is also reciprocal to the marginal propensity to save.

The central point in Keynes analysis of trade cycle is the variation in the rate of investment caused by the fluctuations in the marginal efficiency of capital. Thus the marginal efficiency of capital becomes an omnipotent factor in his theory of business cycle. But this factor is psychological in nature and not monetary because it reflects the state of expectation of profit on new investment. For this reason it is said by some critics that the trade cycle theory of Keynes is a psychological theory and not monetary theory at all. The rise and fall in the marginal efficiency of capital are nothing less than optimism and pessimism of the entrepreneurs. In the boom period entrepreneurs become optimistic and they try to invest more and more even though the rate of interest tends to rise. This is mainly due to the belief that the rates of returns from the new capital assets will continue to rise indefinitely but this belief is proved to be wrong when the cost of production tends to rise and when the increased outputs glut the market. As a consequence of this the marginal efficiency of capital collapses and the down-turn gets generated with great speed and the wave of depression gathers momentum as fast as the tide of expansion. According to Keynes a sizable fall in the rate of interest could be effective in putting a brake on depression and initiating recovery. But in

recent times it is shown that the rate of interest does not influence in any degree worth the name the investment decisions of the entrepreneurs. In this connection Benham has rightly remarked that the "entrepreneurs will expand their business or start new ones only if they expect the demand for their products to increase or the costs of making and selling them to diminish sufficiently for them to sell a greater output than before at a profit" Crowther also expresses the opinion that rate of interest will not influence the entrepreneurs. He says "You can take the horse to water but cannot compel him to drink water if he is not thirsty." Ultimately we can say that trade cycle is mainly caused by the optimism and pessimism of the investors. This being so, we can say that Keynes theory of trade cycle approaches very near to the psychological theory of trade cycle of Prof. Pigou.

In order to arrest the unemployment which is increasing during depression due to lack of effective demand, Keynes has advocated the policy of public works in order to raise the effective demand of the people. He went to the extent of favouring the idea of creating initial employment even if this employment is of useless nature like digging holes in the earth and filling them up again. According to Keynes this useless employment would lead to revival of effective demand and the economy would be pulled out of the quagmire of depression. As a result of this policy there will be tendency for the prices to rise and if the tendency to overexpansion begins to appear public works programme may be gradually reduced. Thus Keynes has shown a remedy to avoid depression and inflation. By spending more in times of depression and less in times of prosperity the government may succeed in achieving economic stability in the system but our government in order to establish socialist pattern of society and to achieve full employment have resorted to deficit financing during inflation which is quite contrary to the teachings of Keynes.

* Public And Private Enterprise :

A Plea For Competitive Coexistence

By Dr. K. K. Das, (B. Com. (Hons.) London D.S.C. (HARWARD))

IN THE FIELD OF economic and business organisation, a sort of organisational revolution is going on. Governmental policy and practice have been resolutely running in the direction of fragmentation of national effort at economic development—a kind of economic partition within the country into public and private sectors, in the name of so-called "mixed economy." The industrial policy state-

*This is an excerpt from the presidential address by Dr. Das at the fourteenth All-India Commerce Conference at Jabalpur. Dr. Das is Professor of Commerce at Andhra University, Waltair.

ment of 1948 was the beginning of all this. Except for the intemperate threat held over private enterprise, the resolution, as it then stood, was not very controversial. Even a staunch *laissez faire* man could not take exception to the territories then preserved for state initiative and development. Then came the basic revision in 1956, following the enunciation of "socialistic pattern of society." What was characteristic of it—and what the government has since been practising in a doctrinaire manner until recently—was the introduction of a long list of activities in the form of schedule B. Apparently defined as the common territory, it was left to governmental initiative to de-

side as to when and for what particular enterprise, and in what manner, private enterprise was to be allowed to take up any of those activities. This discretionary prerogative came to be implemented in practice in a cavalier manner. This was clear when private enterprise was kept out of some of the activities in the list even though the planned target was far from being hit and the government showed no inclination of taking it up. It is not necessary for me to give actual examples. You must be all familiar with them. As a result, compartmentalisation of our economic activity is well established in practice. What is particularly distressing about this development is the uncertainty regarding the dividing line. The Government has freedom in deciding in favour of private initiative in respect of any of the activities in the schedule. And the exercise of governmental freedom has not always been predictable. In other words, the dividing line has been unpredictably shifting, somewhat after the manner of the Indo-Chinese border! This is particularly so if we bear in mind the power of nationalisation that the Government is now armed with, following an amendment of the Constitution. Add also the fact that, having bitterly failed with coal, the government is now turning to private enterprise to make up for its deficiency. No less instructive is the oil policy that is now being followed.

Within the shifting territory given to it, there is further ambiguity regarding the implications of the Regulation and Development of Industries Act of 1951. Through the apparatus of Development Councils, and other drastic provisions in the Act itself, the government has virtually assumed the role of mentor for many individual basic business decisions *per se*. Consider in this context the functions of the Development Councils and the powers of the licensing committee under the Act. As you may well remember, there was considerable anxiety about the implications of the Act soon after it was on the statute book, and Government was hard put to explain away the rigours of its measure.

Mention needs to be made of disparaging pronouncements that the Government regularly indulges in to confuse and confound private management as also of the sweeping taxation and other legal measures, such as the amendment of the Company Law, affecting the Private Sector.

All in all one may well ask; what do those measures, pronouncements, enactments, and the like add up to? Don't they betray a concealed and unverified presumption against private enterprise? Is this, in any case, the way to foster and release initiative and enterprise to help the economic task before the country?

How, then, do we explain the unfolding of governmental attitude and policy affecting free enterprise in the country? Basically, the government proceeds on two assumptions: (a) that private enterprise has neither the attitude of mind nor the capacity to deliver the goods, and (b) that free enterprise must lead to concentration of economic power. As for the first, the vigour of private enterprise in the country, in spite of

its present precarious existence, as just indicated, is well demonstrated by the fact that private industrial investment in the Second Five-Year Plan has not only exceeded its own target but has also more than made up for the shortfall in investment in the Public Sector. As for the other, has not the Government at its disposal the whole machinery of taxation and other fiscal weapons to help? Would the Government look around how the problem of concentration of economic power has been tackled in other countries?

Since Independence, there has been a stupendous growth of entrepreneurial activity on the part of the state. Today, they comprehend industrial and trading activities *per se*, not to mention activities that have always been conceded to be the proper sphere of the government. As of 1957, there were 37 Central Government and 40 state companies in operation. Looked Sector has increased from Rs. 1,650 crores in the First Plan, to Rs. 3,650 crores in the second to an estimated at differently, the volume of investment in the Public Rs. 6,200 crores in the Third Plan. Judged in relation to the Private Sector, you will not find a parallel for this in any country outside the Iron Curtain! If the Government is afraid of the concentration of economic power in private enterprise, how about the concentration of power in the hands of the state? The Father of the Nation had said:

"I look upon an increase in the power of the state with the greatest fear, because although while apparently doing good by minimising exploitation, it does the greatest harm to mankind by destroying individuality which lies at the root of progress."

What should be the organisational philosophy and practice for the country?

Firstly, let the state help and aid private enterprise to do the task of nation-building with initiative and responsibility. Let the Governmental supervision and control be in general terms, within the framework of a plan, largely shorn of its sectoral emphasis, as it should be in a really decentralised planned society. Let not the governmental policy and practice be one of witch-hunting. For, "democracy does not begin and end with the relation of Members of Parliament to electors whom they represent. It has a much broader base in the habits and conventions which rule the general life and business of the community. The relation of Government to business gives quality and tone to a very large area of national life. It is so large that what happens there must colour the whole." And, "so far as spirit of individual initiative is lacking, the first task must be to awaken it; and this, a regime of freedom will do, but of regimentation will not."

Secondly, the Government should stand by as a ready entrepreneur to step in where and when the private entrepreneur would not take up a task without too much emphasis on sectors. In other words, let us do away with this antinomy, public *versus* private sector: let every line of economic activity be open to both on equal terms and on comparable estimates of performance.

(Continued on page IV)

Blackmarket On Planning

ALL are familiar with the Blackmarkets created by controls on some 140 items, including important ones like grain, sugar, steel, cement, and all imported articles. All are also resigned to them because since the war they have been accustomed to the idea of rationing of items, claimed to be in short supply, though actually items like grain and sugar are at present far in excess of demand. For instance, in the town of Mangalore, the price of rice is maintained at Rs. 26 or more *per maund* because imported supplies available at Rs. 20/- are kept in storage by the trade, which is the monopoly of one community. In respect of sugar, government itself is causing an artificial scarcity not only by export at a loss but by accumulation of stocks, which are half as much as the annual production. It is possible that such manipulations will break down under the sheer weight of uneconomic hoarding, the cost of which in interest charges is not covered by the blackmarket prices. In cement, the hoarding is by Government departments and in steel and coal, the subterfuges of the licencees receive support from administrative and transport delays.

Beyond this blackmarket, there is another less obvious but more costly to the taxpayer. It is just reported from Bihar that five lakhs have been advanced as loans to legislators, which are not repaid because no official dares to take action. This is only a small part of the picture. In every district, special staff is engaged to collect crores continuously advanced as loans by the Collectors and the Block Development authorities largely for the impression of benevolence created for the Congress Party. For the same reason, collections are nominal as the debtors get party support against the officials, if they are severe in any degree.

Co-operative loans, now rising to 150 crores a year, also remain unpaid, though there is a fiction of nominal repayment of overdues for a period of a month, after which a bigger amount is drawn. The worst blackmarket is in Co-operative factories, for sugar. The Government advances 120 lakhs, the balance of 20 lakhs having to be found by promoters and cultivators. Invariably the promoters are Congress leaders, who for the very little they subscribe run and practically own the factories. It is the inefficiency of these factories that is largely responsible

(Continued from page III)

Finally, in the perspectives of speedy economic development, our basic philosophy should be: no entrepreneurial rivalry, covert or open, between the state and the individual, but one of competitive co-existence; there is so much to do that we cannot afford any "splitmind" approach. When the state is the overseer of the totality of our enterprise, there is no need to be afraid of any overlapping of efforts.

for the Government maintaining sugar prices at 75 per cent above world level, a further penalty the public pays for maintaining the political power of the Congress.

In respect of food, which is reported to have reached the total of 80 million tons, Government maintains artificial prices, first by restricting movement of rice to zones, second by immobilising stocks, for instance twenty-four lakh maunds of wheat with the Madhya Pradesh Government, which is beginning to rot, and third by failing to provide sufficient Railway transport for movement. Hasham Premji, a leading business man, calculated that the difference between cost and selling price of Government food stocks amounted to 150 crores, which not being brought to account, has gone to favoured intermediaries.

The blackmarket in Welfare Schemes is not only in respect of their locations but of the non-officials employed and provided with pay and other opportunities. The most vague proposal for welfare is financed as long as it is politically backed. It was calculated in one district that on non-official committees, spending large sums of public money, 82 per cent of the members belonged to the Congress, the rest being persons with no politics.

State Trading favours blackmarket because the parties chosen both for export and import are allowed a handsome margin of profit. Choksi, President of the Paper Traders' Association, gives an instance of a private party being allowed to sell lakhs worth of imported tissue paper at Rs. 12 against the cost price of Rs. 7.

In Banking, the present blackmarket is to favour large Banks with the assets of small Banks ordered, without statement of any reason, to be amalgamated.

The greatest blackmarket however arises from the ceaseless change of policy in economic matters. In other advanced countries, only the annual budget alters economic calculations. In India, most annual budgets are revolutions, while throughout the year changes in policy are made, which increase prices for the benefit of a few. In fact though there are Five Year Plans, most enterprises are not able to plan for a month without Government forcing changes both large and unexpected.

And lastly, the Planning Commission itself, nearly of the size of a Provincial Government, is a blackmarket, providing employment, on the highest salaries, to the unemployable.

—INSIGHT

"A true system of free enterprise thus encourages venture and risk taking, whether by an individual worker or by a group of individuals in the form of a co-operative or a big corporation . . ."

—William B. Benton

spoken language of the common people as the literary language. It has always been so through the centuries or the classical languages could not have yielded place to the modern languages the world over. We have in our country the examples of Tagore, Gandhi, Prem Chand and others who made popular languages as literary languages. If this is done, so far as Hindi and Urdu are concerned, much of our difficulty and consequent controversy would disappear. In any case, the official language of India and of this State should not be allowed to become the language of a fanatical section of pundits or moulvis and maulanais, which after all few can understand.

I would like to remind you that though Urdu is the language of a minority of people living in this State, it is not the language of a particular minority community or religious group. Only a minority of the whole population of U. P. speak and write in the Urdu style of language. This minority consists of members of both the majority and minority communities, as also of some Christians and Sikhs. When, therefore, we saw that Urdu is a minority language, it does not mean that this minority belongs to a particular religion or religious community. Urdu had and has Hindus, Muslims, Sikhs, Christians, etc., as its votaries. To call it the language of a minority religious community would not enhance its status, but reduce it. It may be that a smaller number of Hindus, Sikhs and Christians use it than the Muslims. But it would be incorrect to call it a language of the minority community, namely, the Muslims. Such an approach will defeat the aim of those who advocate and work for its advancement. This difference between a minority language and the language of a minority religious community must always be borne in mind.

The minority languages in India, as elsewhere, have the right to be fully protected and given all facilities for their growth and expansion. That is also laid down in our Constitution and many of the announcements of our leaders.

The State Language Committee has been formed to suggest measures for the furtherance of these objectives. In this connection, the Sahitya Akademi has been doing good work. It helps the Indian languages

by publishing translations of the best books written in any regional language in other Indian languages.

We must remember that what the State can do for the development of a language is very limited. Even its prizes and titles cannot help much. The development of a language depends solely upon gifted writers and literary geniuses. The British gave all their patronage to English, yet few Indians have any place in English literature, though they have been learning it through years of hard labour and application. In India whichever provincial language was able to produce gifted writers, developed in spite of the indifference, if not the opposition, of the foreign rulers. This, however, does not mean that the government should not do the just and the right thing.

These are some of the views as they have occurred to me now and I keep them before you for what they are worth. They are not stated in any dogmatic spirit. But I believe if we adhere to some of them, our task will become the easier.

APOLOGY TO ACHARYA KRIPALANI

Mr. M. N. Tholal writes:

I wish to apologise to Acharya J. B. Kripalani in respect of my criticism of his speech at the first meeting of the U. P. Language Committee held at Lucknow on July 15, in my article in the Indian Libertarian of August 1 entitled "Linguistic Fanaticism". My apology is unqualified, as there was no warrant for my criticism of his speech, since I had quoted his words to which I took objection but which were really unobjectionable. I appear to have confused the "educated minority" patronising Urdu, to which Acharya Kripalani referred and which includes Hindus, Sikhs and Christians, with the "educated Muslim minority" fighting for a place for Urdu.

In view of the fact that the Press has not done justice to the dispassionate speech of Acharya Kripalani and in view of its importance, I am requesting the Editor to reproduce the text of the speech, kindly forwarded by the Secretary, U. P. Language Committee.

Consequences Of Foreign Policy

By J. M. Lobo Prabhu

THE 75 minutes' speech of Nehru in parliament makes one think of him as Hamlet whom Ophelia lamented.

"O, what a noble mind is here overthrown
Like sweet bells jangled, out of tune and harsh
Blasted with ecstasy; O woe is me
To have seen what I have seen, see what I see."

While the country is being washed away by floods and may be drenched with blood from the two fasts in the Punjab, Nehru chose to throw away the good will of half the world by supporting a line of foreign policy, which could please only the communists. The

questions Nehru should have asked himself before he indulged in so much criticism of other countries were first, if he is called upon to mastermind the world, second if he should do this when it injures the interests of the country, third if the interests of the country are involved how best they can be served, and fourth if India which is respected for its devotion to truth should indulge in double talk on the affairs of other countries.

He began by considering the Berlin situation as perilous and suggested first that West and East Germany should be united and second that access to

West Berlin should be assured. What he failed to mention was first that the communists resisted a plebiscite for the union and second that their current action blocked the access to West Berlin from the East. He may not have pleased the German communists, but he certainly offended the West and U. S. who have just assured vast financial aid to us.

He wanted Disarmament, but he forgot that India is developing its armament industry and that the first step of banning export of arms to countries which do not produce them, has not been taken by a resolution to that effect in the U. N.

In Laos, he admitted the failure of peace, but forgot first that the Commission headed by us is immobilised by the communists and that all that our interference has done to that poor country was to give the communists time to over run it. If U. S. weapons now push back the communists, let us hope. Menon and Nehru do not again interfere on behalf of the communists.

On Angola he was vehement, but he forgot that the Portuguese point out that we are also campaigning against the Nagas. He thought we could not use armed force against Goa because it was inconsistent with our principles, but what will happen if from the incitement of his words our people rush Goa and make armed intervention necessary? Why does he delay following our principles and asking U. N. for a plebiscite so that the wishes of the people of Goa have the support of the world against the claims of the Portuguese? All our sabre rattling only exposes those poor people now to repression and atrocities.

On Pakistan, it was obvious that he was reacting to Ayub's personal remarks about him. Here again he forgot that the poor Hindus in Pakistan will be made to suffer in return for his words. Why not take our case to the U. N. and settle it once for all?

On China, while he admitted that our emissary

had been rebuffed, he counselled patience as if new aggression should be treated more leniently than the older occupations of Portugal and Pakistan. By failure to ask for arbitration by U. N. or the World Court, he not only strengthens the aggression but also creates the impression that our claims will not bear independent scrutiny.

In respect of Algeria and Tunisia, he not only dismissed the French claims but added that even the Sahara with the oil developed by French enterprise should be evacuated by the French. How he could judge in these matters without proper study of the rights of the parties, is something that must make other countries question our honesty.

In Congo, he approved the development forgetting that they followed only after Dayal left and that they are due to Kasavabu and Mobutu, whom he condemned as criminals. At least this should teach Nerhu not to shoot his mouth about what is not his business.

About the Neutral Summit which he is attending, he claimed that it would not lead to the establishment of a third Bloc. If so, why should there be a meeting on disarmament, colonialism and racialism at a special summit when all these subjects can be raised in the U. N.? His double talk was more evident when he admitted that the rebel Government of Algeria would be at the Summit though India had not recognised it. It is quite possible that he will be flattered so much at the Summit that he will show himself more communist than the communists.

In the last issue of the *Time*, Heller wrote: "Nehru figures himself in all the world problems, telling everyone what to do. If he busied himself with his own filth and starvation, he would have a busy schedule indeed." It is a shame that this should be said of the Prime Minister of the country which evolved the philosophy of detachment and *ahimsa*.

DELHI LETTER

The Prime Minister's Somersault

(From Our Correspondent)

MESSRS J. B. KRIPALANI and J. P. Narayan, two of the most respected leaders in the land, have appropriately criticised the Government of India for having invited the Hungarian Prime Minister, Mr Fereno Munnich, to India. As they say, it was this person more than any other Hungarian, who was responsible for the brutal suppression of the Hungarian revolution of 1956, and for allowing Russia to maintain her iron rule over that unfortunate country. To honour such a person," they observe, "is to insult human decency." According to these leaders the independent and unattached foreign policy of the Government, with which they have no disagreement, does not oblige us to invite any one and every one who might head a Government. Indeed, they might have gone further and said that invitation to a man

like Fereno Munnich to visit India is a signal proof of the fact that our foreign policy is far from being independent or unattached, and that this extension of diplomatic neutrality is something more than "neutrality between evil and good", as they put it. It decidedly shows preference to evil.

The two leaders also take exception to the projected visit of Prime Minister Nehru to Hungary. "A courtesy visit of this nature by a person of the Prime Minister's standing," they assert, "cannot but associate India with an immoral, oppressive and unrepresentative regime which is hated by the people, and thus lower India and Mr. Nehru in the eyes of the peoples of all the captive countries in Europe." One may add that the two leaders' views on the suppression of the popular revolt in Hungary in 1956 were shared by

Mr. Nehru himself during his speeches in the latter part of 1956 in the Indian Parliament. What makes Mr. Nehru's present attitude a complete somersault from the stand he took in 1956 is the phraseology of Mr. Nehru at the reception to the Hungarian Prime Minister.

Speaking at a state banquet given in honour of the Hungarian Prime Minister, Mr. Nehru expressed the hope that the conflict which broke out in Hungary some years ago was past now and that all the people there lived in "harmony and peace". Recalling the days of trouble in Hungary, Mr. Nehru said,

"Apart from the great wars and revolutions that had taken place in the past many years, your country also underwent an experience which was to you and to many others a very painful one when there was INTERNAL TROUBLE AND CONFLICT. Inevitably even people outside Hungary were distressed at what was happening, because not only is war bad but civil conflict sometimes creates more bitterness than war. I earnestly trust that the bitterness of that conflict, INTERNAL CONFLICT, is past now and that all the people there live in harmony and peace." (Emphasis mine).

In contrast to this Mr. Nehru was quite clear in his speeches towards the end of 1956 that the Hungarian people's rising had been suppressed by Soviet armour and troops. Is our Prime Minister suffering from lapses of memory?

ALIGARH IMBROGLIO

The last Lok Sabha debate on Aligarh University affairs revealed the predominance of the Jamait Islami ideology in the University, while the Rajya Sabha debate on the same threw more light on Communist infiltration there. The only common feature of these two ideologies is that both are anti-national. Communism and communalism are as the poles apart, but they are not pitted against each other in Aligarh University, as an Aligarh Muslim correspondent points out in a local daily. There is a powerful group led by ex-Razakars, ex-Muslim Leaguers and active Jamait Islami members, he says, and many, if not all, of the so-called Communists in Aligarh are "Communal Communists". The correspondent proceeds to point out that in the post-independence period Communalism and Communism in Aligarh have become "the two facets of one and the same thing—an anti-national drive"—on the principle presumably that any stick is good enough to beat India with and all those who wield a stick for that purpose are comrades. What other reason can there be for this permanent self-contradiction? (As I offer this opinion, I begin to wonder if under the new law it will be a crime to condemn the treachery of traitors. The correspondent points out that of late the entire energies of the Jamait group have been concentrated in lobbying about the bogey of Communist infiltration in the University, so as to blunt attack on Jamait politics. This is indeed making good use of their comrades and reminds one of the Hindustani saying, "Chor se kah chori kar, Shah se kah hoshiar rah". (Ask the thief to steal and ask the King to beware).

The report of the Committee which inquired into the affairs of Aligarh University was discussed in Rajya Sabha. As Mr. Dahyabhai Patel observed, the Committee's report was "halting and half-hearted", every effort had been made to conceal facts and one Prof. Shah, who wanted to give evidence before the Committee, had been belaboured by an inmate of the Vice-Chancellor's house. Mr. P. N. Saprú, one of the members of the Committee, said there was negligence and grave irregularities in the functioning of the University. Dr. Hridaynath Kunzrh observed that the appointment of an Executive Council by the University to go into the recommendations of the Committee did not raise the prestige of the University in the eyes of any body, but with what has been going on there it does not seem that the authorities care for prestige. He also said it was for the Education Minister to consider the grounds on which the Executive Council refused to accept many of the recommendations of the Committee. Prof. Wadia remarked that the Vice-Chancellor was present at all meetings and therefore the members of the Committee—he himself was one of them—had a feeling that some members of the staff were prevented from giving evidence because of the Vice-Chancellor's presence, regarding which Mr. Patel had observed it was unique that persons who were accused could sit on the panel of judges. The fact emerged that large amounts had been written off under the emergency powers of the Vice-Chancellor. The Education Minister himself was all warning and said Government could not tolerate their re-employing Government servants dismissed for criminal offences. But the Muslim leaders know that the Prime Minister is soft towards Muslim and hence all this trouble.

CAPTURED POSES

Our Prime Minister is a man of multifarious moods, which keep changing not from day to day but from hour to hour. That is why Rafi Kidwai, who knew him better than any other man—Kidwai was the Prime Minister's father's Private Secretary—used to say, "Catch him in a good mood". The *Statesman* has published a photograph in which Mr. Nehru is frowning at the King of Nepal when they posed for photographers on the latter's arrival at Palam airport. I am not suggesting that he had no cause to frown, after all that India has done for Nepal, including the securing of the throne for her King. But then there is no generosity in politics, as Mr. Nehru has himself shown Great Britain. In any case, the Prime Minister's public frown is not likely to improve relations between Nepal and India.

A year or two ago the *Hindustan Times* published a photograph of the Prime Minister meeting Rajaji, after the latter had inaugurated the Swatantra Party, with clenched teeth and narrowing eye-lids. It reminded me of an earlier photograph of the two statesmen in which Rajaji was about to pat Nehru on the cheek, as elders do to children. In the former the Prime Minister, at least so I imagined, is also warding off the possibility of another pat on the cheek. Purushottamdas Tandon calls the Prime Minister "Jawahar" but he does not know on which side his bread is buttered. What is worse is that he is always trying to find principles to base his actions

on, instead of watching the Prime Minister's moods.

THE VANISHING SUBA

With the Punjabi Suba vanishing from sight altogether, efforts are being made to persuade Master Tara Singh to give up his fast, which, according to his own statements in the past, is against the Sikh religion. Sardar Hukum Singh has also reiterated this opinion as a Sikh. The Akali leader apparently, made one mistake in his calculations. He is a calculating individual, otherwise he would not have come down to Punjabi Suba from a Sikh state. He knew and rightly that Prime Minister Nehru is and has always been a man of appeasement. (In the thirties when I was associated with him in the conduct of a daily, I used to call him the "spineless wonder of the East".) It does not follow that both of us—Master Tara Singh and myself—have been proved wrong. What Master Tara Singh forgot was that man, Kairon, the hand-strengthened of Pandit Nehru. Punjabi Suba could indeed be given. But how could Kairon be given up? Impossible, since Pandit Nehru's motto in life has always been: "Ham bhakton ke, bhakt namare!" (I am the devotees' and the devotees are mine.) So the spineless wonder of the East was not spineless this time. The spine of Kairon was there. What has been speaking recently has been the spine of Kairon and the tongue of Nehru. It is the hand of Esau and the voice of Jacob all over again. On the other side, the problem, as Balraj Madhok pointed out, was neither one of religion nor of language. It was a problem of political power; not for the Sikhs as a whole, but for a section of the community—the Akalis.

Book Review

India: The Most Dangerous Decades. By Selig S. Harrison. Oxford University Press, Madras-2. Pages: 350; Price: Rs 20.

The Biblical adage that only a friend warns and the enemy strikes seems to be a convenient casualty of "patriotic" fervour. We may shout from the rooftops about the threat to national unity from the centrifugal forces of language and caste but if a foreigner draws attention to it, perhaps more cogently and scientifically than anyone of us has been able to so far, our national pride is touched to the quick. This explains some of the reviews in the Indian press of this monumental work by Selig S. Harrison, undoubtedly a friend of India, whose scholastic and objective approach to India and the problems of her development is coloured, if at all, only by his overriding desire to see democracy thrive here.

It is not, however, as a prophet of doom that the author points out that the "most dangerous decades" lie ahead when an underdeveloped country (I would personally prefer the expression, widely used in the West, of "developing country") like ours, "has discovered progress or the hope of progress but before

progress comes rapidly enough to satisfy rising aspirations." He comes to the conclusion that in the uniquely compartmentalized Indian social setting, which he establishes from past as well as contemporary history, the decades between glimpse and fulfilment of development see a new social awareness that soon becomes a militant group awareness. "The promise of progress is the signal for a political and economic competition that intensifies as new claims to equality arise and as population growth presses the claimants into closer and closer quarters."

Among the assumptions which have sustained the central idea behind the book is that with the disappearance and decline of English "there will be no very widely shared unifying language common to all parts of India." Hindi has often been presented as an adequate substitute for English and consolation is drawn from the fact that Hindi films are acclaimed in the South and Bengal and that the language is widely understood from Delhi to Dhanushkodi. But the tragedy is that the more popular Hindi becomes in the non-Hindi areas the more reinforced is the feeling that like English during the British days it is being imposed and not voluntarily accepted. Urdu enjoys the same fate in Pakistan. True, even an imposed common language fosters unity, even if artificial, but it takes time. More so in the context of the warring linguistic patriotisms so vividly described by Harrison.

Harrison's most original contribution to the discussion on the subject is the new light he sheds on the cast genesis of the Communist movement in some parts of India. Easy-chair critics have brushed aside his fears on the hackneyed plea that economic divisions often cut across caste distinctions. But this does not tally with the fact that persons and parties with long purses and the right caste support have the edge on others in elections. How could the Zamin-dar of Challapalli in Andhra defeat the Communist leader, Chandra Rajeshwararrao, whereas against any other Kamma the latter would have had a walk over?

Moreover, while some other foreign observers have derived satisfaction that the Communists in India, like other political groups, are not immune to caste rivalries and that this phenomenon makes them more Indian than Communist, Harrison points to the real danger of the Communists riding to power on the crest of a casteist wave. Conditions conducive to the emergence of the man on the horse back, however they are ushered in, constitute a setback to democracy and freedom. If this Indian edition of a penetrating study—it was first published by the Princeton University Press in 1960—generates in us an awareness of the dangers ahead even if we are angered in the process, Harrison will have achieved his purpose which is no other than saving India, engrossed in economic planning, from being swamped by floods of linguistic and casteist frenzy.

G. S. Bhargava (Thought)

Gleanings from the Press

WHY FASTS SUCCEED IN INDIA

It is in India alone that fasts succeed when everything else fails. In the beginning they were justified as the only weapon of the weak against the strong. Since foreign rule ended and democracy was introduced, there is provision in Parliament and in courts for the redress of every grievance. In fact there is no country in the world where there is so much law and so many lawyers.

Why then is there no end to fasts as a means to coerce the government? In the first place, the Congress cannot repudiate fasts because of its own debt to them. Severity or even contempt for them as in other countries, would be an interrogation on congress principles. To this extent fasts will continue and will be successful as long as Congress remains in power. Secondly while Congress resists fasts against it, it encourages their principles in strikes, which it allows to employees against employers. As the law stands, Government can refer every dispute to adjudication which would make strikes illegal but this frequently does not suit the political interests of the Government. Thirdly the overwhelming power of the Government, when used illogically as in the case of linguistic disputes, leads to frustration which can only be expressed through fasts and other demonstrations.

For years I have pressed with reference to my experience that Strikes and fasts can be prevented by security proceedings taken immediately they are announced. The Government have recently accepted this in principle everywhere and to some extent in practice, in the Punjab State. Political considerations however intervene where important leaders are concerned for which reason fasts and strikes remain available to those who want to defy the law.

—J. M. Lobo Prabhu in INSIGHT

LIBERTARIAN SOCIAL INSTITUTE

Study Circle Meeting

Bangalore, Aug. 25: Mr. P. H. Seshagiri Rao, former Deputy Auditor General of India, addressing the Study Circle Meeting of Libertarian Social Institute on "To prosperity through Freedom" said that fourteen years after the attainment of freedom, the lot of the common man has scarcely improved. The so-called socialist economy is not an economy of abundance but of scarcity. Every one should oppose this present Government's approach which has been taken from the methodology of totalitarian planning. What is needed today for our country is free enterprise and social market economy.

Mr. Seshagiri Rao quoted the living example of West Germany in support of his case. The economic recovery of West Germany from the ashes of the World War II to its pre-eminent position in the

modern world as ranking third after U.S.A. and Great Britain was due to its economic policies based on free enterprise and social market economy followed by its Vice-Chancellor and Minister for Economic Affairs Mr. Ludwig Erhard. The learned Minister in his book "Prosperity through Competition" disowns that he has performed a 'miracle'. He only allowed the forces of social market economy to function. His policies have given the West Germany a stable and sound currency, a high rate of production, and a higher standard of living. This book is a ruthless exposure of all planning and State controls on industry, trade and commerce. It is a complete debunking of Marx and his Marxism or the so-called democratic socialism, a system of government which we are seeing today in our country. The economic policy followed by West Germany, under Dr. Erhard's guidance, has ended the licence and permit jungle of officialdom. Here is an object lesson and eye-opener to all people of planned economy and doctrinaire economists.

Prof. M. A. Venkata Rao presided and Mr. A. Venkataram proposed a vote of thanks.

News & Views

SOVIET PERFDY

Geneva: The Soviet Union has ignored the Anglo-American offer for an immediate ban on nuclear explosions in the earth's atmosphere.

This was stated at the three-Power nuclear conference here.

The U.S. delivered a blistering attack on the Soviet Union for negotiating in bad faith and agreement for the banning of nuclear tests, and then betraying the hopes of mankind.

— Indian Express

Humanity Has Lost The Power To Protest

What Berlin symbolises is the victory of unreason. Human activity today is bounded by so many taboos by conformism and by animal instincts, that do not have the power to to break their bounds. The result is that life has become momentary in the sense that any kind of forward-looking scheme is considered Quixotic. This is one of the symptoms of an age, that lives without war or peace.

Therefore what happens in Berlin or in Bizerta or Seoul or Timbuctoo on the political plane has nothing to do with creating a war situation. What has acquired a degree of proficiency at political man-many things in common with the capitalist West and the communist East, but perhaps the most significant is the lack of protest in either society.

—Shanker's Weekly

Master Tara Singh, The Symbol Of Closed Society

Master Tara Singh is the arch symbol of a closed society. Because the closed society must have an outward expression, preferably in a person who will play along, rather than march at the head. Tara Singh

has acquired a degree of proficiency at political manoeuvres. In olden days, this was considerably easy...

After Independence, this was not so easy, particularly after the harrowing experience of the Sikhs and Hindus of Punjab during the partition.... The later upsurge of Hindu chauvinism, backed by organised communalism, helped Masterji in his effort to retract the Sikh community within itself and the rise of a new Sikh leadership, secular in outlook and attuned to national sentiments, hastened Masterji's adoption of a less restrained political posture.

Undoubtedly the language problem in the Punjab is capable of solution without bifurcation of the State. But Master Tara Singh is not so much bothered about the Punjabi language as he is about a Sikh majority State, the core of the Akali demand.

— Shankar's Weekly

Berlin And The West

.... I hear Berlin is militarily untenable. So was Bostogne. So, in fact, was Stalingrad. Any dangerous spot will be untenable, if brave men will make it so. We do not want to fight, but we have fought before. And others in earlier times, have made the same dangerous mistake of assuming that the West was too selfish and too soft and too much divided to resist invasions of freedom in other lands.

.... President Kennedy in one of his recent speeches.

A Thought For The Belgrade Conference

Neutrality is incompatible with any anti-Soviet stand. It can *ONLY* mean opposition to the West.

.... Babotnichesko Delo, Bulgaria.

The Shape Of Things To Come

It appears that Congress bitterness against the Communist Party is getting softened under the leadership of Mr. C. K. Govindan Nair, newly elected president of the Kerala Congress Party. He made a common cause with the communist leader, Mr. A. K. Gopalan, on the Amaravathi situation against the Congress-dominated Coalition Government of the State. It is alleged that Mr. Nair and his new executive, which includes only his own men, have started a whispering campaign that communism is a lesser evil than communalism. If this is true, it will amount to a negation of the policy followed by the previous leadership of the Kerala Congress, and cut the ground under the feet of non-communist alliance that controls the administration of the State.

— Hindustan Times

History Repeating Itself

.... history is repeating itself on our home front. As far back as 1935, the 7th World Congress of the Communist International meeting at Moscow, called for a comprehensive change in the Red strategy the world over in order to meet the menace of Hitler's Germany. The Indian Reds were instructed to infiltrate into the National Congress, and by joining forces with the so-called bourgeois nationalists to create a

broad anti-imperialist front. They were asked to penetrate into the nationalist citadel, and from within it, appeal to the rank and file membership, while simultaneously promoting joint action with those elements of the nationalist leadership inclined to the left. This is a familiar communist tactic, a combination of the united-front-from-below and the united-front-above strategem.

Today the Reds, checkmated by the aggression of their Chinese comrades, and nervous over the headway made by the rightist elements and groups are attempting to stage a political come-back by the same methods. In various widely spread parts of India, prominent fellow-travellers, along with other communist creatures, have applied and are applying for Congress Party membership, and it would not be surprising if some of them succeeded in standing for election on the Congress ticket. Inside the Congress they have some friends in the highest echelons of the Government, and through them, they plan to subvert a sizable section of the Congress rank and file.

The Congress cannot say it has not been warned.

If, despite this, it continues to welcome Red fellow-travellers into its ranks, it is indulging not only in a form of political hari-kari.... and possible extinction, **BUT THE HANDING OVER THE COUNTRY** to a Red hegemony, masterminded by Moscow and Peking.

— Frank Moraes In The Indian Express

When The State Takes To Dabbling Into Trade

New Delhi: The State Trading Corporation is finding it difficult to realise nearly Rs. 8 lakhs from one of its agents for the sale of imported tyres and flaps for heavy vehicles.

Tyres and flaps were imported in large quantities by the STC. The imports were made against rupee payment arrangement with Poland, Czechoslovakia, Hungary and USSR.

The STC had appointed a number of agents for the sale of the imported goods. One of the agents, however, refused to pay the huge amount, his reason being that the goods supplied were defective and sub-normal in quality.

The STC is keeping quiet, perhaps because it knows that the agent may win his case in a court of law.

U. S. plans For A Free World Market

Washington: A Congressional economic sub-committee urged consideration for "a free world common market", to replace the regional groups such as the European Common Market, which "divide the free world."

The Senate House Economic Committee on the question of international exchange and payments suggested a free world common market in a report on the international liquidity problem.

— Financial Express

STATE ENTERPRISE AND EFFICIENCY

Among democratic countries, Great Britain has had considerable experience in running nationalised industries. The current emphasis laid there on efficiency and sound commercial practices in nationalised industries needs to be carefully studied in our country where the zeal for nationalisation seems to outrun practical considerations of rapid economic growth. The following excerpts from a report of the British Government on "The Financial and Economic Obligations of the Nationalised Industries" (published, April 1961) deserve serious study:

"First, the task of government is to ensure that the industries are organised and administered efficiently and economically to carry out their responsibilities, and that they are thus enabled to make the maximum contribution towards the economic well-being of the community as a whole. Second, although the industries have obligations of a national and non-commercial kind, they are not, and ought not, to be regarded as social services absolved from economic and commercial justification."

"Their economic and financial rights and obligations, as prescribed by the nationalising statutes, followed a fairly standard pattern. This was based on the view that they were neither straightforward commercial concerns nor social services, but a combination of both: and perhaps on the hope that the ability to borrow at Government rates would enable them to meet the limited financial obligations prescribed by statute and also to carry out their non-commercial obligations. For a variety of reasons (many of which have been outside the control of the undertakings themselves) their financial performance has generally fallen short of these hopes."

"Although some of the undertakings show general reserves in their balance sheets these are in some cases entirely obliterated by accumulated deficits on revenue account. The total retained income of all these industries taken together (including supplementary depreciation provisions, capital redemption funds and reserves) has not been sufficient to provide for the replacement of assets used up in the production process, and this is also the case in most of the individual industries concerned."

"Thus the operation of the nationalised industries with an unduly low rate of return on capital is sooner or later damaging to the economy as a whole. It must result either in higher taxation or in greater borrowing by the Exchequer in order to provide for the replacement of their assets and for new development."

MAN'S INHUMANITY

The "Third Straight Crop Failure" in Red China was again reported in May with a cataclysmic account of "natural calamities," with rations cut to a mere few ounces a day, virtually no meat, and only a few vegetables. However, according to a newspaper report ori-

ginating in Tokyo, "weather men had noticed little unusual weather over China during 1960, and suspicions were raised that poor production methods and not failure were reasons for the poor showing."

Dr. Ellsworth Raymond, an expert on Russian area studies at New York University, who spoke at the Henry George School in New York, predicted the above crop failure report and said Khrushchev warned China that state farms in Russia had not met production—but the Red regime nevertheless gradually converted to total regimentation.

Russia is also suffering a food shortage, and, like China, is forced to buy from other countries although in Czarist times it was a great supplier of food. It is a historical fact that slavery stifles production. On collective farms, communes and state farms peasants simply refuse to work efficiently, and they have slaughtered thousands of animals rather than have them taken by the communes. Farmers, like factory workers, drop to their lowest production when incentive is lacking.

Private gardens in Russia provide nearly 50 per cent of the food, though they represent only 4 per cent of the land area. This shows the strength of private gardeners, although they are heavily taxed. Khrushchev doesn't like them, of course, and is now trying to take their livestock away. When a dictator fails he purges the opposition, in this case the farmer.

—Henry George News.

Letter to the Editor

The Orissa Election

Sir,

I read your Editorials captioned as "The Orissa Elections", of 15th August 1961, in which you have commented boldly on the ways and means adopted by the Congress in winning the Election to the Legislative Assembly.

The Congress as you have said, used all unfair methods, like purchasing more than 140 Jeeps to cover the Electoral Districts in the whole State costing Rs. 20 Lakhs. And secondly, purchasing the votes for cash have also come to the notice of many prominent leaders like Mr. Asok Mehta and others. Moreover, the victory for Congress is not heartening because only 35% of the total Electorate voted, and in which only 45% gave their support to Congress.

But, to avoid split in the Opposition Votes, it is not practically possible to have an Electoral Alliance of different Opposition parties, because P.S.P., Socialists and C.P.I. have the same principles and policies as that of the Congress. Only Jan Sangh, Swatantra and other Rightists can have only an Electoral adjustments on national level, but not alliance as such in the coming general election to defeat the Congress and other so called Leftists Organisations.

Bangalore

Amarnath.

BOOKS FOR YOUR SHELF

- Bakunin's Writings by Guy Aldred.
- Nationalism and Culture by Rudolf Rocker
- God and the State by Bakunin.
- General Idea of the Revolution by Proudhon.
- What is Mutualism by Swartz.
- Causes of Business Depression by Hugo Bilgram.
- Challenge of Asia by Ralph Borsodi.
- Education and Living (2 vols.) by Ralph Borsodi.
- Socialism by Von Mises.
- Human Action by Von Mises.
- The Conquest of China by Sitaram Goel.

ASK FOR A FREE CATALOGUE OF OUR PUBLICATIONS AND PRICE-LIST

LIBERTARIAN PUBLISHERS,

1st Floor, Arya Bhavan,
Sandhurst Road West, BOMBAY 4.

noted out of letter

THE DUNCAN ROAD FLOUR MILLS

Have you tried the Cow Brand flour manufactured by the Duncan Road Flour Mills? Prices are economical and only the best grains are ground. The whole production process is automatic, untouched by hand and hence our produce is the cleanest and the most sanitary.



Write to :

THE MANAGER

THE DUNCAN ROAD FLOUR MILLS

BOMBAY 4

Telephone : 70205

Telegram : LOTEWALLA