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EDITORIAL

THE DEFEAT OF CONGRESS-COMMUNIST REACTION

IN the General Elections held this year, the Congress came out successful as the largest political party in India, though with its strength considerably depleted. But in this very process of its riding back to power, it lost its very soul. Its prestige as a democratic and liberalising force is at its lowest ebb today. Even assuming that it will be in the saddle of power for some more years to come—which is highly problematic—it will never be its former self again, inspiring the people with patriotic fervour and infusing into them a sense of national unity, as in the days of anti-British struggle. The Congress no longer stands for national unity; it is absorbed now only in power-politics of the meanest kind. Its opportunist and unscrupulous politics were laid bare, when it embraced the Muslim League with open arms in 1960, to overthrow the Communist Government in Kerala. Its casteist outlook was clearly brought out during the General Elections, when its candidates irrespective of their merits and public service, were mostly selected from the most dominant castes in the constituencies. The recent Chittoor by-election fought in Andhra between the Swatantra and Congress candidates, inevitably put on a casteist and communal co-

lour, because of the shameless and virulent caste-propaganda indulged in by the powerful Congress 'Reddy' clique against Prof. Ranga, the Swatantra Party Leader.

It is noteworthy that the Congress that fought the Communists in Kerala tooth and nail, openly solicited the latter's support in the Chittoor by-election to the Parliament. The Reddys among the Communists allied themselves with their castemen in the Congress fold even against the better advice of non-Reddy Communist leaders. This mis-alliance may have confused and confounded the unwary and the not so watchful. But it will not come as a surprise to those who have carefully followed the new alignment of political forces, that is necessarily taking place under the impact of Congress totalitarian planning and all-embracing statism. Thus the united front of the Congress and the C.P.I. is the stark and fearful reality that is now facing the country. Both the Congress and the C.P.I. as Selig S. Harrison has rightly pointed out in his book 'India, most dangerous decades', are now trying to entrench themselves permanently in power by riding high on this caste feeling that is so rampant among the generality of the Indian people. T.T.K. the Co-ordinating Minister of the Government of India, and Congress Loud-Speaker of Nehruvian Socialism bluntly declared in one

...of his election speeches in the Chittoor-by-election, that the Congress would tolerate no other party in opposition except that of the Communists since in his opinion, the only alternative to 'leftist' Congress was some sort of communism. Congressmen and Communists have thus entered into a pact to divide the fruits of freedom exclusively between themselves. So that it is now as plain as pikestaff that the Congress has travelled farther and farther from its original ideal of Republicanism. From Republicanism it has, under Nehru, stumbled into 'Socialist Pattern' and now under the inspiration of Nehru-Menon combine, it is rushing headlong and blind-folded towards some sort of communism. What a fall for Congress? What a misfortune for unhappy India?

In the darkness of this gloom that has overtaken all sincere lovers of democracy and freedom, the Swatantra victory at Chittoor comes as a ray of some hope. The triumph of Prof. Ranga over the powerful Reddy Congress candidate, a close relation of the Andhra Chief Minister, will go down in the political history of our country as an epoch-making event. The party in power is reported to have grossly abused its governmental authority to cajole and even to threaten, wherever necessary the voters into supporting the Congress. Perhaps Mr. Nehru, as in the General Elections, must have sent word this time also to his Andhra 'chelas' that he did not wish to see the face of Prof. Ranga again in the Parliament. Nehru's anxiety and fear are well-

grounded and can be well appreciated. With the China muddle, the Kashmir Imbroglia and Planning Chaos as his 'mighty achievements,' Mr. Nehru has no face to show Prof. Ranga, his erstwhile Congress collaborator in Freedom's Struggle, but now an inveterate critic of his miserable foreign policies and disastrous economic plans. The Communists too vigorously campaigned against Swatantra. They dubbed it as 'reactionary,' because the Swatantra stood for common-sense and sanity in politics and economics and was stoutly opposed to the liquidation of self-employed, sturdy peasantry under the jaggernaut of 'co-operatives' which are really 'Soviet Collectives.' According to the Congress and the Communist Parties, the Swatantra has committed the unpardonable crime of seeking to protect the non-monopolist private industrialists against being crushed under the jackboots of State-planners, ambitious Congress politicians and corrupt official bureaucrats. Above all, they frowned upon the Swatantra's Liberal-democratic programme of giving top priority to meeting consumers' wishes and demands and increasing their standard of living through a plan of balanced economic development. They heartily disapprove of Swatantra's forthright condemnation of the 'permit-licence-raj' of the Congress.

But as the good fortune of the country would have it, this Congress-Communist reaction has been beaten by the Swatantra at Chittoor. The by-election has shown that Swatantra could stand up even to this Holy Alliance of Collectivists only when it pooled together its limited financial resources and mustered up its scattered fighting forces at one focal point. The need is, therefore, all the greater for the Swatantra leaders to see the new horizons and frontiers opening up before it, and set itself earnestly to the task of building up a sound financial base of the party, and spread its ramifications throughout the country, particularly among the middle classes. — peasants and skilled workers, technicians, teachers, clerks and small traders and industrialists — who were once the prop of the Congress but who are now a sadly disillusioned lot.

Now is the time for the Swatantra to properly canalise this wide-spread discontent against the Congress and organise a strong Opposition that will give a final smashing blow to this vicious Congress-Communist combine ranged against all vital interests of the country.

THE COMMONWEALTH LINKS

Special importance is attached to the meeting of Prime Ministers of the Commonwealth that is being held in London now. The attention of all participants in this consultative meeting will no doubt be mostly focussed on the subject of Britain's proposed entry into the European Economic Community and its possible effects on the Commonwealth countries. Of much historic importance as this question is, it must be hand-

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led with great delicacy and mutual understanding of the problems facing Great Britain as a European Nation, as also those which affect the economic life of other Commonwealth Countries.

In this connection, it will be well to remember the assurances given by Mr. Harold Macmillan, the Prime Minister of Great Britain and opposition leaders like Mr. Gaitskell that Britain is determined to preserve and strengthen the Commonwealth links. It is also gratifying to note that many European leaders have also realised the value of the Commonwealth to the peace of the world. As Mr. M. Paul-Henry Spaak, the Belgian Foreign Minister said 'a practical solution must be found which will enable Great Britain to join the Common Market and will at the same time safeguard the relationship with the Commonwealth!'

The Commonwealth is a unique experiment in resolving by peaceful talks and discussions, some momentous and complicated problems arising frequently among countries that differ widely in colour, race, culture and civilisation. The Prime Ministers' meeting, in a way, symbolises this method of mutual consultations and discussions on all vital problems affecting not only the member countries but the world. And it is to be hoped that this voice of the Commonwealth, comprising as much as one fourth of the humanity, will be effectively raised for international peace and co-operation and also for freedom and liberty, and will be heard in proper quarters. The Commonwealth Ministers will therefore do well to remember, in the midst of their preoccupation with the Common Market problem that the Commonwealth is 'a bridge between nations and races' and so to say, a nucleus of the future Government of the world.

C. R. HITS OUT AT THE CONGRESS.

Much is made by the Congress of C.R.'s and his Swatantra Party's electoral alliance with D.M.K. But C.R. is too seasoned a politician to be outwitted and outdone by Congress leaders in this game of political polemics. He has neatly turned the tables against the Congress in this matter. In 'Swarajya' he has lucidly explained his position. He says, "The value of the D.M.K. is that it opposes the corrupt Congress. It represents the resistance of the people in the State to Hindi overlordship". So, according to him, the question of questions before the country is how to end this corrupt Congress regime and do away with Hindi overlordship, which together have done everything to encourage fissiparous tendencies in the country. The position amounts to this: if Congress goes out, National Unity is restored and English language, the powerful link between the North and the South is retained and with the rooting out of corruption, the ill-conceived movement for Dravidastan will simply wither away. That is why C.R. says that 'this opposition to Dravidanad is a decoy strategy to conceal

Congress association with Periyar'. This is a devastating rebuff administered to the Congress and the latter has no reply to make. Everyone knows that Ramaswamy Naikar is the author of this separatist cult and yet he is now quite friendly with Kamaraj Nadar, the Congress chief of Madras.

The Congress leaders must be knowing that this separatist cult is not new to India. The idea was first mooted by the Muslim League's Lahore Resolution. It was accommodated in the Cripps' proposals of 1942, which conceded the right of the Muslim Provinces to opt out of the Indian Union, if they so wished. The late Mr. M. N. Roy in his 'Constitution of Free India' tried to reconcile Federalism with Centralism in a dispassionate manner making provision for the separation of provinces desiring to separate, subject to the proviso that even these separating provinces should necessarily have uniformly democratic constitutions. Under this proviso, India would be justified in objecting to Pakistan's dictatorial regime and refusing to give any recognition to it.

So instead of raising a scare-crow, let Congress think out this problem in a rational and scientific spirit and set about reforming and liberalising itself first and make all the States in the Indian Federation feel that they all belong to one United Nationhood of India.

FOOD FOR THOUGHT

"It is not sufficient that we secure 'the greatest good of the greatest number.' No matter how great a number of people may agree to unite for a common end; no matter how small a number may dissent; if the minority is coerced by the majority into acquiescence, the condition is not social but anti-social. It is only when each individual is free to withhold acquiescence that a completely social condition is attained."

John Beverley Robinson in
"Economics of Liberty"

"Liberty means each shall do whatever it may please him to do, provided he infringes not the equal liberty of others."

Herbert Spencer in
"Social Statics"

"Society is produced by our wants and Government by our wickedness; the former promotes our happiness positively, the latter negatively by restraining our vices. The one encourages inter-course, the other creates distinctions. The first is a patron, the latter is a punisher."

Thomas Paine (Commonsense)

"How do I recognise the best State? Just as you recognise the best woman — just, my friend, because no one speaks of either."

—Schiller.

India And The European Common Market

M. A. Venkata Rao

THE utterances of the finance minister and other authorities regarding India's attitude to Britain's proposal to enter the European Common Market have so far referred only to the loss it will entail to India's export trade. It is pointed out that duty-free exports of tea and cotton textiles and low tariff on several goods that we now enjoy as a member of the Commonwealth in terms of the Ottawa Pact will no longer be possible with Britain as a member of the European Common Market. The Common Market's general tariff will then hold for Indian goods seeking entry into Britain as well. This would damage our export trade with Britain seriously and upset our finances for the Third Five Year Plan. Plans demand a great new increase in our foreign exchange earnings which is only possible if Europe and America buy more of our goods year by year.

No doubt India's efforts to obtain a transition period of gradual increases till 1970 or other date will help. The real permanent remedy is for India to develop export capacity in terms of free or low tariff trade which is only possible with a low cost economy. The present trend of high prices owing to wrong types of planning (and financing) with a view to achieve rapid rates of industrialisation needs a radical revision if we are to make good in international trade.

The problem of detaching ourselves from Commonwealth tariff and realigning our foreign trade on a world basis needs to be solved on a long term basis. It is for Britain to decide the issue of her entry into Europe for herself.

Meanwhile we should rethink our whole system of world trade on more enduring terms betokening more economic maturity than we have shown hitherto.

It is possible to obtain entry of duty-free tea into the Common Market. But jute and jute products will have to compete with Pakistan and other exporters. This is a handicap since Pakistan's machinery is more modern and efficient than ours. And thereby hangs a tale. Our Plan fetters are strengthened by our labour policies that are preventing modernisation with the instalment of more up-to-date machinery which may mean temporary unemployment of labour. But this problem faces us in all established industries like textiles. Labour policy should be revised to enable re-training and re-absorption of workers in new industries instead of forcing industries to stagnate with obsolete machinery.

A Fund should be built up for meeting this purpose of re-deployment of labour with short

period unemployment allowances and institutes for re-training.

If duty free or low tariff tea is allowed into the Common Market, it is possible to develop production on an increasing scale. There is plenty of land suitable for tea plantation in Assam NEFA and along the Ghat regions in the South at Mysore, Kerala, Bombay and even in certain hill areas in Madras.

The majority of planters in Assam are British companies though many of them have large components of Indian capital. Many are Indian-owned. Labour policy should also promote production leaving sufficient incentives for investors and the management while protecting labour interests in all reasonable ways. The communist demand for nationalisation of these plantations should be refused once and for all. What is required is for Indian capital and entrepreneurship to follow. British methods of efficiency in plantation management on their own fields and to expand production in new areas. The Government should allow generous margins for re-investment and development and not charge rates of taxation to the limit.

Europe and the rest of the industrialised countries still need tropical products like tea, coffee, rubber, spices etc.

India has a great rival in Brazilian coffee in world markets. So far we have excluded Brazilian coffee from our market on the plea of excluding damaging insects and new diseases. But a global realignment of our trade will no longer allow such a blanket exclusion. If we exclude imports, we cannot get an entry for our exports, for all trade is a two-way process.

Coffee marketing will offer difficult problems which will demand much diplomatic skill and new long term policies. It is surprising that since the war, India has become deficient in such age-old products as areca and cocoanut, which we are importing now to a sizable degree from Malaya and Ceylon. This is a shame. It ought to be possible to stimulate a gradual increase in these items in the years to come, not only for self-sufficiency but also for export. Asian and African markets can absorb these ancient national products of ours if we take trouble to promote trade in them in a constructive way.

The present threats of nationalisation and imposition of ceilings on holdings as part of an ill-advised policy of so-called "land reforms" have caused a pause and even a fall in their production. It appears that investigation has reve-

aled the possibility of growing areca and coconut in large virgin areas in Asia.

If socialism is postponed and long term leases are granted to entrepreneurs, (if ownership is not to be granted), knowledgeable circles are of opinion that a filip could be given for these products resulting in their becoming a significant component of our foreign trade. The incentive of property ownership and the assurance that producers can retain a meaningful part of their profits for themselves as a reward for their effort should be built into our Plans, (modifying the present goal of socialism and proletarianism and the achievement of public ownership of all means of production.)

It is only out of a rising level of productivity that permanent rises in the standard of living can be achieved for labour and for all others. Differential incomes are necessary to encourage capital formation.

Another allied line in the sphere of tropical raw materials needed by the whole world is cinchona out of which quinine is prepared, the only known drug to cure malaria. This plant like eucalyptus grows on mountain sides in every part of the country. Some cinchona plantations had made their appearance in the Nilgiris some years back. They seem to be neglected unaccountably. Along with a revival of this plant, it is an obvious extension of the idea to include all medicinal plants for large scale encouragement. It is possible and necessary to plan for such development both for internal consumption in pharmaceuticals and for external trade. Asia and Africa again can open up wide markets for them. It is essential to build up reliable and standardised quality and develop private trade contacts.

The policy of State Trading begun in pursuance of socialist policy needs to be halted. It is not possible for the State to develop production in all lines and to maximise trade in all lines simultaneously out of tax funds and deficit financing. That way involves needless delay, holding up rapid progress.

A much larger trade than obtains today can be promoted and put on an assured basis in our traditional spices, if only restrictive policies and threats of government monopolisation are given up and private entrepreneurship is encouraged.

We need (for a long time to come) a vast and many sided collaboration with the West, Europe and America) in technology for the manufacture of machinery. West Germany, Switzerland, Sweden, Denmark, France, (not to speak of England) have already begun to assist Indian development both on governmental and private partnership basis.

West Germany has introduced measures encouraging her nationals to invest in underdeveloped countries. She prefers such investments

in Indian and German partnership as in Rourkela steel and in the Bangalore Motor Company. This plan solves two problems at one stroke: those of capital and of foreign exchange.

As India and the newly enfranchised countries of Asia and Africa advance in their industrial growth, the gulf between industrialised and agricultural economies will be gradually narrowed and the basis of internal trade will change to a more healthy one of international division of specialised production, both spheres producing both machinery and agricultural products for mutual exchange.

If Britain is resolved to enter the European Market, we should accept the new situation and plan for a wider basis of trade with Europe as a large unit, easing the transition as much as possible by negotiation, as is being done now. But the policy should be more telescopic (or long range) than appears to be animating our authorities so far.

Europe including Britain will have to embark on a global policy, with new ideas for trade and development on a partnership basis giving up the older attitudes of domination. World needs and political developments have necessitated a change from empire to commonwealth (or partnership) in the relations between West and East.

The old tradition of imperial control for favourable terms of trade and for defence manpower as food for gunpowder has to be abandoned once for all, with a whole-hearted recognition of changed conditions in the world as a result of the two wars and the emergence of Soviet Russia.

The challenge of Russia and her camp of satellites in world trade as a source of aid for underdeveloped nations is more significant as a lever to hasten liquidation of empire and to quicken the pace of racial re-adjustment in regard to Asian and African and Latin American peoples. That seems to be the historic function of the Russian Revolution. Nothing less than the threat of total annihilation seems to be enough to induce the proud Western nations to make an agonising re-appraisal.

The West will have to study conditions in under-developed countries and devise machinery suitable for their needs. At present the West tries to sell machinery manufactured for their own trade when surplus is available. But the social and capital conditions in Asia may need smaller units and machines not in use with them. In partnership with business groups in the under-developed countries, they should invent and adapt machinery in new dimensions and capacities.

The role of advanced countries is to export capital goods and technical know-how to new

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Gandhi—Nehru Succession—IV

By M. N. Tholal

AFTER the man who was advising his friends and followers to "resist Wardha" had been made President of the Congress by Wardha itself twice in succession, came the turn of the other rebel, Subhas Chandra Bose, for honours and blandishments. In the nick of time, as it were, his brother, Sarat Chandra Bose, met Mahatma Gandhi and pleaded for his brother's turn for the Mahatma's favours. The Mahatma was found willing, having regard doubtless to the mollifying influence of Congress presidentship on Jawaharlal Nehru. So Subhas Chandra Bose found himself President of the Haripura Congress in the month of February, 1938. But his sense of gratitude was apparently unable to overpower his patriotism, which had made him declare from Vienna, along with Vithalbai Patel, that Gandhi had failed and Congress must find new leadership.

So, instead of the right-about-turn expected of him, Subhas Bose continued during his period

(Continued from page 5)

countries in partnership with local groups.

Britain may after all stand out and not join the Market. This is a possibility since opinion is divided in Britain on the subject. Many agitational leagues including conservative and labour elements are appealing to the people to stand out.

Lord Attlee has issued a statement against it.

If she stands out Britain will save the Commonwealth. She will then have to think of new creative policies for developing trade with the Commonwealth countries on a vaster scale. The central motif of the new policy will have to be the assumption of leadership in industrialisation in the Commonwealth, Asia and Africa, exporting capital goods and absorbing Commonwealth products.

For defence she can maintain her NATO membership.

India could then retain her close economic and cultural relations with Britain as an entity.

But both Britain and India will need to recast their doctrinaire socialism while retaining the substance of social security. But the dog-in-the-manger policy of State monopolisation will have to be given up. The state will retain its function of creative leadership as the agency of common good in lines that cannot be occupied by private groups, assuming economic functions only temporarily as a pioneer.

of presidentship of the Congress to pursue the Vienna line and propagate the Vienna thesis, making it impossible for the Mahatma to feel or say, "But I know he is loyal to me". In brief, Subhas Bose had proved an utter failure in the one thing that mattered—personal loyalty and devotion to the Mahatma—and failing therein he had proved a failure in all respects. So when the time came for the next Congress presidential election, there was no question of Subhas Bose being given a second term in succession, like Jawaharlal Nehru. But he had the effrontery to offer himself for the presidency, leaving the Mahatma no alternative to putting up his own candidate in the field. The first choice fell on Maulana Abul Kalam Azad, who was however found unwilling to contest the election. Pattabhi Sitaramayya was then chosen by the Mahatma and his candidature duly commended by half the Congress Working Committee.

In his own account of the events of the period in his "History of the Congress" Sitaramayya says regarding the presidential election: "The question, therefore, resolved itself into one of Gandhi's approval virtually....The overriding necessities of the National demand and its fulfilment by Britain would dictate that the nation's unanimous choice should fall upon a Muslim of outstanding position. In Maulana Abul Kalam Azad the nation had one such.....Gandhi instinctively felt that the Maulana's presidentship at Tripuri might ease the communal situation and help to solve the communal problem. That was why he did not encourage Subhas Bose's candidature." But it was well-known that Maulana Azad was to Jinnah like a red rag to a bull. Also, if that was why he did not encourage Subhas Bose's candidature, what was there to prevent the Mahatma from doing so after the Maulana had withdrawn from the contest?

Proceeding, the Congress historian, pursuing his attempt to falsify history, observes, "The writer was (earlier) informed by Gandhi as he was departing from Bardoli that it was his (Gandhi's) intention to place the crown of thorns"—i.e., the Congress Presidentship—"that year on his (writer's) head if the Maulana had not agreed." That makes it obvious that there were other reasons than the one mentioned by Pattabhi Sitaramayya for the Mahatma not encouraging Subhas Babu's candidature. (It is worth noting here that the Mahatma, who informed Sitaramayya of his intention to place the crown of thorns upon his head, was the same Mahatma who used to say, "I am not even a four-anna member of the Congress".)

CONSTERNATION IN THE COUNTRY

This pose of the Mahatma stood Bose in good stead. The Mahatma could not say publicly what he could say privately with impunity. So while Pattabhi Sitaramayya's candidature was commended by half the members of the Working Committee of the Congress at the instance of the Mahatma, the rank and file of Congressmen were not generally aware of the Mahatma's displeasure, or they pretended to be unaware of it, and Bose won the contest by about a hundred votes. That was too much for the Mahatma who could tolerate anything except defiance of himself. As I put it once into his mouth in verse:

O brother and O sister!
Your service is my vice;
But Heaven help the Mister
Who flouts my humble advice!

That is what he should have said, in prose if not in verse, but instead he chose to say, "I want to reduce myself to zero," or "I have no political ambition." The fact of the matter is that the Mahatma was of the opinion, as his disciple, Nehru, is now, that his wishes should be fulfilled without his giving public expression to them. Not to do so was to upset him completely. When his apple-cart was thus upset by Bose he forgot himself and burst out, "Pattabhi's defeat is my defeat!" True as the exclamation was, it was coupled even by his followers with his frequent observation "I am not even a four-anna member of the Congress" and ridiculed for days and months after it was made. In the offices of the only Congress daily in the country then, the *National Herald* the two were recited by members of the editorial staff with all kinds of funny gestures. Following close on the double-crossing of the Muslim League in U.P.—which led to the unfurling of the Pakistan flag—this exclamation of Gandhi, published in all the papers, served to reveal the wide gulf between his professions and his practices.

But if we are to believe the Congress historian, whose defeat was Gandhi's defeat, Gandhi's exclamation "created consternation in the country.... there was a searching of hearts, a revolution of positions." Thirteen members of the Working Committee, resigned their positions leaving the President (Subhas Chandra Bose) and his brother Sri Sarat Chandra Bose, alone on its personnel.

The five words which allegedly created consternation in the country—"Pattabhi's defeat is my defeat"—were in fact responsible for more ridicule being poured over Gandhi than anything else he had ever done. True, he said in 1922, on suspending the movement after Chauri Chaura, "I do not work for freedom of the country," but these nine words were published in his weekly after his arrest when the sympathy of the coun-

try was with him in an acute form. But the five glorious words uttered in 1939 were the crowning performance of a histrionic career where words and actions had no relation to each other. Nevertheless thirteen brave warriors for freedom and democracy, including Jawaharlal Nehru, resigned from the Congress executive, although the President, who was also the President-elect, was suffering from high fever and therefore was unable to attend the meeting of the Working Committee held at Wardha on February 9, 1939, for the purpose of preparing the draft resolutions for the open session of the Congress.

It was obvious that a show-down was imminent between the followers of the Mahatma and those of Subhas Chandra Bose. What form it would take lay in the lap of the near future but what was evident was that the object would be to reassert the supremacy of Gandhi in the Congress. That gave rise to the question: Will the Mahatma who resigned from the Congress in 1934 and had been frequently saying since that he was not even a four-anna member of the Congress, approve this open attempt to make him the final arbiter of Congress affairs. Even his silence would be rightly construed as consent. Aware of the forces he let loose by uttering those five notorious words, "Pattabhi's defeat is my defeat", Gandhi must have been cogitating as to what he was to do when the drama began consistently, of course with the high moral plane on which he claimed to live and move and have his being. Fast, an indefinite fast, his favourite weapon, loomed large again before him. But for what? His own birthplace, Rajkot, came to his rescue. It was, as the reader will see, a poor excuse, but the best he could get hold of under the circumstances. In any case it would serve as a sort of an alibi.

THE RAJKOT FAST

The people of the State of Rajkot had some grievances against their ruler, the Thakore Sahib, and had started an agitation for their redress. The State Administration declared the Rajkot Praja Parishad unlawful. The struggle became more intense and the Thakore Sahib called Vallabhai Patel for an interview. On December 26, 1938, the following agreement was reached between Sardar Patel and the Thakore Sahib and published by the latter in the form of a communique:

"After having observed the growth of popular feeling and the regrettable sufferings of our people during the last few months, for the redress of what they have considered to be their grievances, and after having discussed the whole situation with the Council and Vallabhai Patel, we are convinced that the present struggle and sufferings should end immediately.

"We have decided to appoint a committee of ten gentlemen who should be subjects or servants

of our State, three of whom will be State officers and seven subjects of our State, whose names will be declared hereafter. The President of the Committee will be a person appointed by His Highness.

"The Committee shall draw up by the end of January, 1939, after proper investigations, a report to us recommending a scheme of reforms so as to give the widest possible powers to our people consistently with our obligations to the Paramount Power and with our prerogative as a Ruling Chief.

"We desire furthermore to assure our people that we have intended to consider and give effect to the scheme that may be referred to us by the said Committee.

"It being understood that all unconstitutional agitation shall immediately cease as a necessary prelude to restore peace and goodwill, we hereby grant full amnesty and release all political prisoners, remit all fines and withdraw all repressive measures."

That was the agreement. Sardar Patel sent up seven names. His Highness approved only four of them. "The names suggested by the Sardar were not acceptable to the Thakore," says the Congress historian, Sitaramayya, after reproducing the communique as above, adding, "Accordingly the pact broke and this was the breach of faith to remedy which the Mahatma hastened to Rajkot to begin his fast". But where was the breach of faith? The terms of the communique were precise, nowhere suggesting even by implication that the seven non-official members of the Committee were to be selected or appointed by Sardar Patel. The communique only said, their "names will be declared hereafter".

"Indeed, the selection of the seven non-official members of the Committee by Sardar Patel to the Sardar as the Ruler had promised to give would have amounted to handing over the State effect to their scheme, and this was ruled out by the Ruler's "obligation to the Paramount Power" which he had declared in his communique he had to adhere to. But an excuse had to be found for the fast and a breach of faith was apparently invented. What is even more interesting, the fast was to synchronise with the session of the Tripuri Congress. "The fast took place during the Tripuri session," says Sitaramayya in his "History of the Congress, and was also broken at the time." The cause having ended, the fast was ended too.

The war clouds were gathering. The Viceroy was only too willing to oblige a Mahatma in his fight against Bose intent on a showdown with Britain, and, says the Congress historian, "As it was an indefinite fast, the Viceroy's intervention was sought and the result was an arbitration by Sir Maurice Gwyer. The verdict was in favour of Gandhi but the latter felt that the fast was

tainted by a certain element of coercion and therefore denied himself the benefits of arbitration in his favour." The fast was obviously tainted by something much worse than a certain element of coercion, but all is fair in love and war.

Indeed, there seemed a certain element of collusion in the award in favour of Gandhi and the latter denying himself the benefit of the award, for the Government of India could not possibly have witnessed unconcerned the transfer of the State's administration into the hands of the Congress as a result of a wholly unwarranted award of its own nominee.

We shall now have a view of the Tripuri session of the Congress which really caused the fast, and refer to the scenes which made it incumbent on the Mahatma to be apparently too busy somewhere else to be able to take any notice of what was happening at Tripuri. For, to be aware of those happenings without at the same time condemning them would have been an indirect confession or admission of collaboration with his loyal followers, if not, indeed, an admission of having instigated them. So it was that to all appearances the Mahatma was unaware of the doings of his henchmen. How then could he be blamed for them? Quite true. But the Mahatma could have condemned them after the fast was over and he had come to know all that happened at Tripuri. But he did nothing of the kind.

An analysis of the events would confirm my reading of the situation as correct and absolutely rule out the theory of breach of faith. The agreement was announced by the Thakore Sahib on December 26, 1938. The terms were found satisfactory and the agitation ceased. The Mahatma began his fast on March 3, 1939, when the Congress session began. In other words, it took him more than two months to discover that there had been a breach of faith and a breach of faith of such a magnitude as to make him hasten to Rajkot to begin an indefinite fast.

CAUSE OF THE FAST

Desperate situations require desperate remedies. The situation was desperate inasmuch as, consistently with his avowed principles, Gandhi could not approve of the resolution which Govind Vallabh Pant and 160 other members of the AICC had given notice of, but which he heartily approved. The resolution ran:

"In view of various misunderstandings that have arisen in the Congress and the country on account of the controversies in connection with the Presidential election and after, it is desirable that the AICC should clarify the position and declare its general policy.

"The Committee declares its firm adherence to the fundamental policies of the Congress which have governed its programme in the past years under the guidance of Mahatma Gandhi and is definitely of opinion that there should be no

ECONOMIC SUPPLEMENT

Export Promotion And Foreign Collaboration

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

Our plans of economic development have exerted a very great influence on our foreign trade. Due to increase in industrial production, the level of imports have increased very greatly. In the First Five Year Plan our imports amounted to Rs. 3620 crores and in the Second Plan the aggregate imports amounted to Rs. 5360 crores i.e. annual average of Rs. 720 and 1020 crores. In the Third Plan with the greater emphasis on the development of heavy and basic industries the imports will tend to increase tremendously. It is estimated that during the Third Plan period annual average level of imports would have to be about Rs. 1270 crores. During the last decade of planning, in spite of foreign aid which has been mounting, the deficit in our balance of payments has been rising faster and this is mainly due to the simple fact that our exports are not rising as they should have been.

Imports have been rising due to development programme and they would have reached more dizzy heights if controls had not been imposed on the imports of unnecessary and luxury goods. Due to these controls our needs for the rapid industrialization of our country are unsatisfied. But the picture of our exports is rather disheartening. It is therefore imperative that supreme efforts have to be made to step up exports to the maximum extent possible. Our target for exports during the Third Plan period is Rs. 3700 crores but in order to avoid pitfalls in the implementation of Third plan it is essential that maximum effort and planning should be made to increase our exports in collaboration with foreign countries so that there may not be difficulties of repayment of loans that we have borrowed during the last ten years. Taking into account our repayment obligations and maintenance and development imports it can be safely maintained that our exports should rise to Rs. 14000 crores by the end of the Third Plan. In the last decade our exports have remained more or less stagnant. Though the world trade has been rising at an annual average rate of 7%, yet our exports have fallen from 7.3 per cent in 1951-52 to 6.7% in 1960-61. Our exports have been averaging Rs. 6000 millions per annum.

In the last few years the slogan "EXPORT OR PERISH" has been greatly emphasised. Government has appealed to businessmen to increase exports but in spite of appeals and threats the

results achieved are far from satisfactory. Though incentives have been given, yet they are not properly planned.

Some economists are rather pessimistic of our capacity to increase our exports substantially. For instance Mr. Patel says "even a modest increase of a third to a half in the export proceeds over the next two decades would require a big change both in the direction and in the commodity structure of exports. Without such changes Indian exports can only be expected to drift (as they have done in the past) along a downward curve, despite the increasing number of expert bodies and export promotion councils that may be appointed to reverse it. It is a better part of wisdom to accept this unwelcome and brutal fact and to prepare to live with it". Mr. Donald Macdougall in his articles makes practical suggestion namely that in order to make debt repayments our exports should have to be doubled at least by the end of the Third Plan. This implies that our exports should rise to 8 per cent per annum when our national income rises by 5 to 6 per cent. Mr. Macdougall is of the opinion that though the task is a difficult one, yet it can be achieved if certain measures are undertaken, and these measures are suitable monetary and fiscal incentives and facilities. At present our exports are stagnant because of certain difficulties and hurdles and unless these are removed all talk about increasing our exports will not yield satisfactory results. It is rather unfortunate that during the two day joint session of IMPORT-EXPORT ADVISORY COUNCILS neither the government official nor the representative of trade and industry has discussed the central problem of our foreign trade. It is said that our agricultural production has increased by 41 per cent and industrial production has increased by 94 per cent during the last decade of planning, but our exports have risen only by 3 percent. The Union Ministry of Commerce and Industry informed the meeting that our exports during 1961 recorded an increase of Rs. 84 crores to Rs. 668 crores and the adverse balance of trade in 1961 amounted to Rs. 297 crores as against Rs. 458 crores in 1960. But this improvement in the balance of trade is mainly due to the simple fact that we have reduced our imports which have slackened our programme of industrialisation rather than a rise in our exports." The

problem could be better appreciated if one viewed the 1961 exports of Rs. 668 crores in the context of annual targets of Rs. 740 crores a year for the current plan period. Even the inadequate rise was not achieved by any positive effort by either industry or Government but mainly by fortuitous rise in the world prices of the items like coffee, tea, cotton ferro-manganese, art fabrics and metal manufactures. One of the disturbing aspects of our exports was the sharp fall in the exports of our textiles which during the 11 months of 1961 amounted to only 529 million yards valued at Rs. 42.24 crores as against 625 million yards valued at Rs. 48.96 crores during the corresponding period in 1960. This then is the balance sheet of our "export or perish campaign".

It appears that our Government has realised the seriousness of the problem and has initiated a series of measures to promote a rapid rise in our exports. As usual a Committee has been appointed to study in detail the trade policy of our country and to make suitable suggestions in regard to the measures taken for export promotion.

Our Government has also set up number of Export Promotion Councils with the cooperation of trade. In these councils the role of the Government is to give "stimulation, encouragement, guidance and financial assistance while the trade is expected to take concrete steps through the agency of these Councils in respect of devising and taking measures which would increase exports with which they are concerned." So far 13 councils have been set up cotton textiles, silk and rayon textiles, plastics and linoleum, engineering products, cashew, leather and tobacco, sport goods, chemicals and allied products and marine products. These Councils undertake studies in foreign markets, send their delegation and conduct trade publicity in foreign markets. They also lay down standard of quality and packing of goods for shipping abroad. They set up arbitrators to settle trade disputes arising out of export transactions. These Councils undertake the enrolment of exporters under the Enrolment Scheme of the Government. In addition to these Councils, autonomous Boards have been set up for tea, coffee, coir, silk, handloom products and handicrafts. The main function of these Board is to promote exports. In addition to the above Councils and Boards there are other institutions like Department of Commercial Intelligence and Statistics the Director of Exhibitions, the Director of Commercial Publicity, Trading Corporation, Government of India's Trade Representatives in foreign countries which play an important role in export promotion.

To encourage exports the Government has abolished controls on a large number of commodities. Those commodities which were banned due to foreign exchange difficulties in the Second Plan Period have been reduced to a

few. Export duties have also been reduced in most of the commodities. To give incentives to the exporters many facilities are provided in respect of raw materials from abroad in order to manufacture finished goods within the country. Exporters are given facilities to export their goods in order to get raw materials. "For a wide range of goods, drawbacks of import and excise duties on raw materials and components used in their manufacture are allowed. Another facility which is available to exporters is the permission to manufacture in bond. Cost of production of some export commodities rise because raw materials used in the process of manufacture have to bear the incidence of custom and/or excise duties. In order to encourage the export of these commodities their manufacture is permitted in bonded premises". "But in spite of all these measures and incentives given to the exporters our exports have not shown any tendency to rise and this shows that there must be fundamentally wrong with our goods. A dispassionate study of the whole problem reveals the fact that our goods are not able to compete in foreign markets because of the prohibitive cost of production. No incentive scheme will bear fruit unless the cost of the goods meant for export is brought down. The main items in the cost of manufactured goods are raw materials and labour. Unless the cost of both these is kept at a reasonable level, our goods run the risk of being ousted from the competitive markets. It is the high cost of manufactured goods and the expected high margin of profits anticipated by the entrepreneurs which they earn in the domestic market due to inflation renders the Indian prices non-competitive. All export promotion measures will fail unless this question is tackled satisfactorily by taking timely and appropriate measures. Next to cost the quality of the goods should be standardised. To popularise Indian goods in foreign markets and to establish trade connections it is essential that the quality of the Indian goods should be of a high standard." Compulsory quality control schemes which are backed by legal sanction are operated under the Agricultural Produce Act., Fruits Products Control Order, Drugs Act etc. The Leather Export Promotion Council and Cotton Textile Fund Committee have voluntarily formulated quality control schemes. Certain commodities like wool tobacco are subject to compulsory grading before being exported. Recently the Government has set up a Committee for Quality control and Pre-Shipment Inspection. What is required is that the goods supplied should be according to approved samples and specifications. At present Indian Standards Institution plays an important role in maintaining the quality and standard of Indian manufacturers. It has published so far quality standards in respect of 1700 items which covers all types of electrical, mecha-

nical and chemical products. In addition to this the institution is empowered to issue licences to the producers to use the mark of the institution when the goods conform to the requirements laid down by it. Really speaking the institution plays an important role in helping the producers to improve quality manufacturing processes and techniques and render facilities for testing the materials. To promote exports, bilateral trade agreements should be concluded with different countries in order to develop trade with them. A detailed study of the products of the various countries and especially of the underdeveloped countries should be undertaken so that we can import what we need from other countries and export the goods that are required by others. At present trade and industry are undergoing tremendous changes in so far as pattern, composition and distribution are concerned. We cannot stand still but on the other hand we must move with times and cater to the needs of other countries by making proper adjustments in our techniques of production. The restrictive policy of the Government to release foreign exchange for business tours is a penny wise and pound foolish policy which should be reversed and every encouragement should be given to the business community to send their representatives abroad to established as well as new markets especially to Africa and Middle East, Russia and such other countries which are our potential customers, mix with them and invite them to India and unless this is done all talk of export promotion will not produce desired results. In this connection every effort should be made by our Government to ask our embassies in foreign countries to rise to the occasion. Many businessmen have reported that our embassies are hardly of any help.

Much can be achieved by collaboration with foreign countries. There should be intensive and intelligent propaganda in our country to create export consciousness. The people should be impressed how the exports are indispensable for the economic development of our country and for the implementation of the Third Plan. Our goods should be advertised in foreign countries so that the foreigners may know exactly the progress that we have made during the last decade. To reduce the costs of production rapid modernisation of the existing industries should be made and preference should be given to start an industry to exporting industries. "From an economic and political point of view it would be expedient if Indian industrialists participated in the industrialisation of underdeveloped countries even in a small way in order to foster trade and good will which form the basis for promoting foreign trade. It would further provide markets for selling Indian machinery and earn precious foreign exchange when the profits of these industries are remitted to India."

Though the task of export promotion is a difficult one and littered with formidable obstacles the journey has to be undertaken. To achieve the goal, all our efforts should be pressed into action with a sense of duty and steadfastness of purpose and the incentive schemes and measures have to be revised from time to time to keep pace with the changing conditions. So far the real export promotion has not been done and it has got to be done in India. Half-hearted attempts for export promotion are likely to be nullified by the neglect of fixing firm targets of productivity, costs and returns. The refund of excise duty and sales tax on exports will go a long way to promote exports.

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absolute values of sites and improvements. Extraneous influences, such as speculative prospects, and changes in the purchasing power of the dollar (which play an ever more significant role under existing tax conditions) must be excluded or treated as non-existent, if we are first to consider the effects of tax rate change only. These other effects must then be superimposed if they are to be taken into account.

If such extraneous forces are eliminated, the current market value of a site depends ultimately upon the net income it can produce for the owner when properly utilized.

It is logical to assume that two adjoining and practically identical sites have the same market value and the same annual value of groundrent, regardless of the type, size and age of the buildings that may stand upon them.

For the short period, the groundrent may be assumed to remain constant after the tax upon the site is increased, but the market value must immediately fall as a result of that increase.

Builders recognize that there is a rough, rule-of-thumb-ratio between the cost of a new building and the cost of its site, under existing tax rates and conditions, if they are to obtain the most profit out of an undertaking. In the area and under the conditions in which the apartment house example is considered, a new or completely renovated building may have a cost somewhere between four and six times the cost of the land. For the moment, old buildings will not be considered. A new set of problems then arises because the concepts of replacement value or values after depreciation and obsolescence are so difficult to define and therefore to measure.

The Non-Shiftability Of Land Value Taxes And The Effects Of Tax Rate Changes On Real Estate Values

By Mitchell S. Lurio

THIS article is based upon a principle or premise which is generally accepted by economists and surprisingly neglected by them; it is vaguely and incorrectly understood by appraisers, real estate men and officialdom. That principle is that taxes on land or site values fall directly on the owners and cannot be shifted by them to anyone else. Its corollary is that taxes on buildings and other improvements on land can be and are shifted or passed on to the users.

These propositions are most clearly presented in the writings of Henry George. They appear explicitly with brief explanations in most economic textbooks which differentiate land from improvements thereon. Taxes are often divided into two classes, direct and indirect, the former being those that are completely borne by those upon whom they are levied. The tax upon land value is without exception considered to be a direct tax. It is often said to be a collection of part of the economic rent, also called groundrent or the annual value of a site. Rent, in this instance, is used in its classical sense as the periodic payments for the use of land and is not to be confused with the price paid by tenants for both land and building or for space in the building. This last will be called "rentals."

In a volume called *LAND*, published by the United States Department of Agriculture for the year 1958, consisting of monographs by land economists, appears this sentence: "Generally accepted economic doctrine holds that the chief result of a land tax is to reduce land values.... an owner can do little or nothing to escape it." (page 240)

Taussing wrote: "A tax on strictly economic rent...falls on the owner." (*Principles of Economics*, The MacMillan Company, New York, 1915, Second Edition Revised Volume II, page 517.)

Ely puts it this way: "Thus economists generally endorse the proposition that a tax on economic rent falls upon the landlord and cannot be shifted." (*Outlines of Economics*, Ely, Adams, Lorenz and Young, The MacMillan Company, New York, 1917, Third Revised Edition, page 705.)

Samuelson: "The tax is completely shifted to the supplier, who absorbs it all out of his economic rent or surplus." (*Economics*, McGraw-

Hill, 1948, First Edition, Page 471.)

Encyclopaedia Britannica, 1955: "another widely used distinction is that between direct and indirect taxes. Commonly the term direct denotes a tax which tends to be borne by the persons upon whom the government levies it.... Customarily classed as direct are net income, net worth, death, gift and land taxes." (*Taxation*, Vol. 21, page 839.)

Finally, George Raymond Geiger, Professor of Philosophy: "...it is admitted by even the harshest critics of rent taxation that a tax on groundrent cannot be shifted." (*The Theory of the Land Question*, The MacMillan Company, New York, 1936, page 193.)

In the first draft of this article, this premise was merely an unsupported statement on the assumption that it was generally accepted. It was questioned, and for that reason, the above quotations were inserted from books nearest at hand excluding books and articles by Henry George and others who support his views. The one exception is Professor Geiger who is probably a believer of George's theories.

Georgists look upon groundrent as the natural revenue of government, because sites are the free gift of Nature and are not labor products, as are buildings. They would prefer not to look upon charges based on land values as taxes but rather as the collection of part or all of the groundrent, which arises by reason of the presence and activities of the community. A tax has the connotation of an arbitrary assessment; groundrent is a *quid pro quo*, paid by the user to the owner, and is not arbitrary but determined in the marketplace. This explanation is the reason for a bit of circumlocution in what follows, in an attempt to keep clearly in mind at all times that collection by government of part or all of groundrent is part or full payment for a legally sanctioned privilege.

The example that has been selected for analysis is a small, three story, 16 family, newly-renovated apartment house, for which all the pertinent figures are known to the writer. The conclusions, however, should be generally applicable to all sites and kinds of improvements thereon, except perhaps to mineral and timber lands, because the argument is independent of

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break in these policies and that they should continue to govern the Congress programme in future. The Committee expresses its confidence in the work of the Working Committee which functioned during the last year and deploras that any aspersions should have been cast against any of its members.

"In view of the critical situation that may develop during the coming year and in view of the fact that Mahatma Gandhi alone can lead the Congress and the country to victory during such crisis, the Committee regards it as imperative that the Congress executive should command his implicit confidence and requests the President to nominate his Working Committee in accordance with the wishes of Gandhiji."

The President, Subhas Bose, ruled that the resolution could not be discussed by the AICC but he agreed to have the matter considered by the Subjects Committee. In the latter a suggestion was made to refer the resolution to the AICC so as to save unpleasantness in the open session. "But it was resisted with force," says the Congress historian, by a wing of the delegates (Bengalis) who paralysed all proceedings by simultaneously trying to make themselves heard. Sarat Chandra Bose had to appear in the rostrum to exhort the delegates to remain calm

before the pandemonium subsided. The resolution had to be withdrawn. Just as the Tripuri open session met to pass non-controversial resolutions, news was to hand that agreement had been reached at Rajkot resulting in the termination of Gandhi's fast begun on March 3, a week before the session began. Thus the fast was in support of the resolution and the pandemonium in the Congress Bengal's answer to the fast and the resolution. In the circumstances it does not seem unfair to say that the Bengal delegates' turbulence, resulting in the withdrawal of the resolution, had a hand in the termination of the fast inasmuch as the consequential withdrawal of the resolution made the fast absolutely useless.

Gandhites had their way at last when the AICC met in Calcutta towards the end of April, 1939, at which Subhas Bose tendered his resignation. Jawaharlal Nehru was one of the 13 members of the Working Committee who resigned on the re-election of Bose as President. Gandhi therefore had some reason to say, "But he is loyal to me". To degrade his only rival was to upgrade Nehru and the public was not surprised when he found him acquiescing in the expulsion of Bose from the Congress, of which more hereafter.

Basis Of Liberty

FREEDOM DISAPPEARS WHEN ECONOMY IS CONTROLLED

By Dean Russell

IN ONE of his fables Aesop said: "A horse and a stag, feeding together in a rich meadow, began fighting over which should have the best grass. The stag with his sharp horns got the better, of the horse. So, the horse asked the help of man. And man agreed, but suggested that his help might be more effective if he were permitted to ride the horse and guide him as he thought best. So the horse permitted man to put a saddle on his back and a bridle on his head. Thus they drove the stag from the meadow. But when the horse asked man to remove the bridle and saddle and set him free, man answered, 'I never before knew what a useful drudge you are. And now that I have found what you are good for, you may rest assured that I will keep you to it.'"

The Roman philosopher and poet, Horace, said of this fable:

"This is the case of him, who, dreading poverty, parts with that invaluable jewel, Liberty; like a wretch as he is, he will be always subject to a tyrant of some sort or other, and be a slave forever; because his avaricious spirit knew not how to be contented with that moderate compe-

tency, which he might have possessed independent of all the world."

Ever since man learned to write, one of his favorite subjects has been freedom and liberty. And almost always, it has been his own government that he most feared as the destroyer of his liberty. Further, various economic issues—primarily, the ownership of property and the control of one's time and labor—have always been listed prominently among the measurements of liberty.

Justice Sutherland of our Supreme Court clearly saw this connection when he said, "The individual has three rights, equally sacred from arbitrary interference (from government): the right to his life, the right to his liberty, the right to his property. These three rights are so bound together as to be essentially one right. To give a man his life, but to deny him his liberty, is to take from him all that makes his life worth living. To give him his liberty, but to take from him the property which is the fruit and badge of his liberty, is to still leave him a slave."

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The Mig Hoax: Indonesia Bullies India

(From Our Correspondent)

Indonesia has given another proof of her people's desire for Asian solidarity as well as the kind of "guided democracy" that prevails there. The guiding in this case was done by her Commerce Minister who had, before the storming of the Indian Embassy in Jakarta, made the ridiculous suggestion that new trade relations with India be banned on the frivolous ground that Mr. G. D. Sondhi had taken a certain stand on the entry of Israel and Formosa. He does not seem to

understand the simple proposition that the games to be truly called Asian should not exclude countries in Asia whose governments or existence he or his dictatorial chief dislikes, not even that Mr. Sondhi had nothing to do with the Government of India and that non-official Indians on international bodies can give expression to their honest opinions not shared or considered fair by their Governments without finding themselves in prison on returning home.

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Frederic Bastiat, the French political economist of the last century, phrased the same idea another way: "Life, liberty, and property do not exist because men have made laws. On the contrary, it was the fact that life, liberty, and property existed beforehand that caused men to make laws in the first place."

A primary lesson of history is that liberty generally flourishes when goods are privately owned and distributed. I can find no example of real freedom for the people over a significant period of time when the means of production were mostly owned by the government, or by a restricted and self-perpetuating group who controlled the powers of government.

In addition, material prosperity for the people in general has surged forward whenever the production and distribution of goods and services have been determined by the automatic processes of competition in a free market. And prosperity has faltered (and often failed completely) whenever governmental controls over the economic activities of the people have grown onerous.

The particular form of government under which the people lived doesn't appear to have made much difference, one way or the other. Liberty and prosperity have flourished under democracies—and have disappeared under democracies.

Liberty and prosperity have flourished under kings and emperors—and have disappeared under kings and emperors.

Over the long haul, the extent of liberty and prosperity has always hinged on the degree of private ownership and competition in a free market, and not on how many people voted or didn't vote at a particular time.

As Aesop and Horace so clearly pointed out in their pungent comments on this subject, liberty is generally surrendered by the people themselves to their own government—in an effort to get more of the material things of life. It has never worked for long.

That Mr. Sondhi's life was in danger at one point in the guided demonstration against India appears to show the mentality of the people taking their place among free nations in Asia, and also explain why attempts at assassination are so common among them. "Governments that are unable to ensure civilised behaviour in their people," says the Statesman, "should think hard before inviting other nations with different norms of public conduct, specially in relation to invited guests." But this is not a case of inability to ensure civilised behaviour but of instigating uncivilised behaviour, for the Commerce Minister of Indonesia is surely a limb of the dictatorial Government of Indonesia. Since his decision has not been upset by the Government of that country one is entitled to conclude that Government is in agreement with his decision. He may well be looking for a promotion.

Replying to questions by some members of the Rajya Sabha, Mrs. Menon said the Government had every right to advise Mr. Sondhi to "remain within limits" and to advise its citizens on how to behave. Mr. Sondhi was "a very respected citizen of India" but it was within the rights of the Government, she said, to inform its Ambassador in Indonesia to give proper advice to him. But had the Government any reason to believe that he had done anything to legitimately offend the Government of Indonesia? The implications of the advice to Mr. Sondhi offered by the Government of India are humiliating for the country and betray a pusillanimous attitude of mind. Appeasement of such fanaticism as has been displayed in Jakarta shows the spinelessness which has been characteristic of our Government in all matters of major international importance. Apparently Governments the world over are becoming convinced that the Government of India can be easily bullied by any Government that takes it into its head to play the bully.

MIG DEAL

The MIG deal in the offing with Russia has raised much comment in the country and abroad, but we in this country who should be in a much

better position to know and understand the background are apt to forget and ignore it. Our whole foreign policy, as is well-known in New Delhi, is based on "kushamad" (flattery) of Soviet Russia since that country came to our rescue on the Kashmir issue. The proposed MIG deal is also a part of this profound policy, rather than a part of any well-thought out system of defence against the Chinese aggression. What makes the dispute rather ridiculous, says Ian Gilmour in his British weekly, the *Spectator*, is that when India finally plumps for the MIGs or their Western equivalents, they will be quite useless militarily, just as the Pakistani F104s fulfil no military function whatever. Jets of this type, he asserts, are so fast that they need a most elaborate radar network if they are to be used with any effect. Neither India nor Pakistan possesses such a structure and in any war these modern jets would be dangerous only to their pilots. "They are mere prestige symbols," he adds, "useless objects of conspicuous consumption like steel mills in underdeveloped countries or forces de frappe elsewhere."

This gives rise to the question: Don't our military experts know that? The answer is: unless they are duds, they do; and since all of them cannot come under that class, it must be assumed that they do. But apparently something has to be done to assure the public that the Government is not sleeping over the matter of India's defence and the proposed MIG deal is the result. Mr. Nehru says the Government is thinking in terms of manufacture rather than purchase. Even so, by the time the MIGs or their equivalents are manufactured in India, the Chinese would have manufactured the atom or hydrogen bomb, and what an effective answer that would be to all those in India who talk in terms of war with China. In other words, the Chinese atom or hydrogen bomb would come as a great relief to our Government harassed by an uncharitable Opposition on the Sino-India border issue! When the Nehru Government decided not to develop the atom bomb in India, it could not have entirely overlooked the possibility of China developing it in the near future. Those who do not rule out war altogether must of necessity keep pace with weapons at the disposal of the enemy. If they deliberately do not do so, the conclusion is inescapable that they have ruled war altogether out of their calculations, whatever they may or may not say to appease the Opposition and the public. In this context, it is being legitimately pointed out here that an atom bomb in India's possession would have proved a deterrent to the enemy. But of course we do not believe, at least Mr. Nehru does not, in talking from positions of strength. Why then all this talk of buying and manufacturing MIGs or their equivalents? Just to fool the public in the noble tradition that began with the Gandhian era?

NEW SOCIALIST PROGRAMME: "SPEAKERS HATAO"

The Socialist programme for the time being is confined to their members in legislatures of the land defying the Chair and being expelled from the House with the aid of Marshals, if not that of the police force. Sometime ago the Socialist Party conducted a civil disobedience campaign in pursuance of its programme of permanent civil disobedience, but it did not prove popular with the rank and file and even leaders were found appealing to higher courts against the sentences of imprisonment awarded to them. They came out of jails lesser men when the intention behind their sojourns was to raise their stature in the public eye. It remains to be seen whether the present programme of defiance of the Chair raises them in the estimation of the public and, consequently, their chances in the next general election. It would be a sad reflection on the voters of the country if it does, for it would show that democracy is at a discount.

In a way their present activities may be said to be directed at the apparatus of democracy which their defiance is bound to undermine if it is followed by other parties. It is not a question of the Speaker being right or wrong. The Speaker gives his ruling after a moment's reflection and even the most impartial Speaker is liable to commit a mistake. What the Socialists are trying to do is to usurp the right to judge the correctness or otherwise of the Speaker's stand, which is absurd. If every member of every party were to insist on his or her whim and fancy being correct and unexceptionable, there would be pandemonium in the legislatures and all work would come to a standstill.

It is high time the public were made to realise that the Socialists are wasting public money by thus wasting the precious time of their legislatures in the name of their fancied rights. It is difficult to imagine a more serious reflection on the quality of the leadership of the Socialist Party, which seems to be counting on the popularity it would gain by thus hitting the headlines. But it may well be that the leaders of the Party are overshooting the mark and, far from gaining anything as a result of their antics, they may lose public support. That they would lose enlightened public support admits of no doubt. It would be surprising if some of their own leaders do not get fed up with their colleagues' undignified conduct and leave the Party in protest. There is reason to believe that some at least disapprove of the present tactics of the Party. Things being what they are, the Socialists would be well-advised to add one more slogan to that of "Angrezi Hatao" — "Speakers Hatao"! For, that is what their present campaign of defiance of Speakers amounts to.

Book Review

BIOCHEMICAL INDIVIDUALITY: by Roger J. Williams (New York: John Wiley & Sons, Inc., \$6.50)

Received by James L. Doenges, M.D.

EGALITARIANS have for decades espoused an impossible cause. The more erudite of their number knew, and occasionally admitted, that some men are "more equal" than others! The facts of individual variation are fully demonstrated in this book by the Professor of Chemistry and Director of the Biochemical Institute of the University of Texas.

Modern egalitarians have two choices. They may ignore Dr. Williams' *Biochemical Individuality* (which most of them will have to do), or challenge and attack some "windmills" of their own construction in an attempt to confuse the issue and draw attention from the obvious, yet will-demonstrated facts which Dr. Williams presents. These are facts which every biologist, scientist, anthropologist, geneticist, doctor of medicine, and every observant citizen knows almost as "second nature." People are not equal—except in their human-ness. Each person is an individual, different from every other person.

Every human being is a deviate in some respects, and this fact is of immense significance for the life sciences: medicine, dentistry, nutrition, and others. Individuals exhibit important anatomical differences; they vary in body chemistry; their nutritional patterns are not the same; they differ in their tolerance to various drugs, in endocrine activity, in excretion pattern.

The point driven home by Williams' book is that men cannot be dealt with en masse, and we should give up trying to do so. Mass legislation, mass education, mass medication, and mass everything else, swamp the individual person who, after all, is our main concern.

This book is easy to read, self-evident in its analysis, but an essential for a more complete understanding of the entire picture by those who are not, and do not care to be, "equal."

—The Freeman

Gleanings from the Press

FREEDOM OR PEACE?

Among the many extraordinary—or as he would say "rather extraordinary"—statements made by the Prime Minister on the China situation is that he was "not prepared even if disaster comes on the frontier" for India "to rely on foreign armies to save her territory"—a sentiment which was duly cheered by a supine majority. On other occasions, he has said, in effect, that he would rather see the country ruined than accept military aid or enter into military alliance with any Power.

What is the precise implication of this sort of bravado or self-righteous unctiousness? That the principle of non-alignment (whatever it exactly means) is more important than the territorial integrity or independence or sovereignty of our country? That for even a temporary period and a specific purpose, we should not accept military aid in any shape or form? That the worst disaster that can befall this country is not the loss of its freedom but the abandonment of a vague and ill-defined idea which no nation in the world today, however powerful, can and does practise?

For, if disaster takes place on the Himalayan frontier, the Chinese may descend from the "barren, uninhabited" tracts into the valleys below. And if they take over more territory, what use is this principle of non-alignment? Who will be "non-aligned" then? It is not suggested for a moment that such aid as we need and should take need be indiscriminate that the control of the armed forces should be handed over to foreigners or that anyone except Indian authorities should determine when, where and how to defend or attack. But to forget in today's world that national defence is an interdependent concept and that not the most powerful nations—neither the U.S.A. nor the USSR—can defend itself on its own is simply to cloud the issues and mislead public opinion. As the *London Economist* wrote recently, New Delhi is uncertain "whether it wants to claim credit for defending India or for loving peace." Humility is not one of the weaknesses of our rulers but occasional realisation of vital priorities and our serious limitations might do them some good and save the people from crises and disaster.

—Opinion

LIBERTARIAN SOCIAL INSTITUTE, BANGALORE.

BANGALORE, Aug. 18: Prof. M. A. Venkata Rao reviewing Mr. Graham Hutton's famous book "Inflation and Society" said that book by an economist for non-economists is a very valuable one. It looks at inflation in societies past, present, and yet in process of formation. In its author's words its theme is "how inflation as a policy has come about in modern democracies, how it works, how to avoid it, and at what cost".

Concluding Prof. Rao said, if, in fear of taking the difficult choice, they take the easier inflationary one, they will soon bring about the social and international upheavals already described—both in history, and as possibilities in the not-too long run future—as cataclysmic, abrupt, and uncontrollable. Planned, progressive inflation as a policy ends in unplanned unwanted, but inescapable—and, above all, unforeseen—disaster. That is the lesson of all inflations in history.

The Secretary, A. Venkataram proposed a vote of thanks.

News & Views

NEED FOR A CHANGE OVER IN THE LEADERSHIP OF INDIA'S DELEGATION AT U.N.O. URGED

Mrs. Pandit To Lead Delegation?

There is a large body of informed opinion in parliamentary and political circles in the capital which feels that in the larger interests of the nation the Prime Minister should ask Mrs. Vijaylakshmi Pandit to lead the Indian Delegation instead of Mr. V. K. Krishna Menon to the forthcoming U. N. Assembly session.

In the lobby circles a considerable section of the Congress Parliamentary Party has started expressing its dissatisfaction in a forthright manner over Mr. Menon's handling of various matters at the U.N. It is not unusual to hear these days senior Congressmen expressing the opinion that because of Mr. Menon, India has lost many friends. Particular reference is made to the neutral stand taken by Ghana and U.A.R. on the Kashmir issue in the Security Council.

VAST STAKES OF FREE WORLD IN INDIA'S DEVELOPMENT

RUSK'S REPORT TO CONGRESS PANEL Washington

The non-Communist world has "enormous stakes" in the welfare and development of India, Mr. Dean Rusk, the Secretary of State, said in testimony released.

Mr. Rusk, speaking to the House of Representatives Appropriations Sub-Committee conceded that India and the United States disagreed with each other on some international problems.

"But the overriding factor, it seems to me, is that India is a vast country of over 400 million people situated in a most strategic part of the world committed to Constitutional and Democratic Government, and traditionally associated with the free world than with anyone else," he said.

"I think that the stakes in the long-term development of India under its tradition of constitutionalism are so great that we should not have that entire direction of history diverted unduly by differences on a particular question that might occur in any given period of some months.

ENCOURAGED

"In other words, I think there are just enormous stakes involved in what happens in India over the next five to ten years and we are encouraged by the general direction of their economic development, and we are re-encouraged by the responsibility of a great many of their leaders."

Asked if he agreed that India was the "real patriarch of neutralism," the Secretary of State said that that was correct in terms of military commitments.

"But I do not believe that applies to commitments on other matters of importance to us in terms of the general shape of the international community, and what kind of United Nations we should have, and what kind of commitments we should make to law and the processes of law in international relations," he added.

PORTUGAL URGED TO GRANT FREEDOM TO COLONIES

U.N. SPECIAL COMMITTEE REPORT United Nations

The U.N. Special Committee on territories under the Portuguese Administration, asked Portugal to urgently recognise the right to independence of territories administered by her.

A report of the Committee, published here, said Portugal must "immediately give independence to all territories under her administration in conformity with their peoples' aspirations."

By refusing to conform to the 1960 U.N. declaration on granting independence to colonial people and by resorting to repressive military measures in Angola and other countries Portugal had created "a situation constituting a threat to peace and international security," the report added.

Reuter adds:- The seven-member committee recommended that the U.N. General Assembly should adopt measures to ensure Portugal's compliance with the U.N. Charter and the appropriate Assembly resolutions as well as with the Committee's recommendations.

U.K. URGED BY BOW GROUP TO JOIN E.C.M.

London

The Bow Group, which represents the Conservative Party's influential and powerful New Frontiers' Men, in a pamphlet published recently, has unequivocally urged Britain to join the European Common Market and having done so to push onwards for a European Federation.

The British housewives are of course reminded that food prices may go up by eight pounds and seven shillings per person per year but dearer food could be offset by a drop in the income-tax.

According to the pamphlet: "Argument for Britain's joining cannot be confined to the implications of the Rome Treaty alone but must justify by joining a movement directed at creating political unity as well. By adopting a Federalist approach Britain would get important tactical initiative and help to dispel continuing suspicions that she intends only to sabotage the Community's development."

The pamphlet admits: "Britain is no longer in the same class as a world power as the United States. If Britain does not join, American statesmen will look increasingly towards the Common Market Powers as the main partner in

alliance. In deciding to negotiate with the "Six," Britain is a traveller making up for lost time along an already chosen route. Advantages to Britain by going into Europe far outweigh any inconvenience, which might flow from reduced national freedom."

AYUB CREATING MILITARY CRISIS FOR INDIA

Pakistan has decided to raise the issue of Kashmir in the coming General Assembly of the United Nations, it is learnt authoritatively.

It is believed that in order to steam-roll the delegates to the Assembly into accepting debate on this question, Ayub Khan intends to create a grave military crisis on the cease-fire line.

Intelligence reports from West Pakistan indicate feverish preparations for launching a quick, lightning military blow on the cease-fire line. This naked aggression is to be covered in the name of "Azad Kashmir Government" of Jinnah's private secretary, Khurshid.

RAJAJI ASSAILS REDS' POLL PACT WITH CONGRESS

'CHITTOOR VICTORY SPELLS PEOPLE'S FAITH IN SWATANTRA PARTY'

Madras

Mr. C. Rajagopalachari, Swatantra Party leader, yesterday called upon the Communist Party, which was now throwing its weight in favour of the Congress, to openly coalesce with the Congress during the next general election as then the people would have a clear idea of what the contesting parties really stood for.

Rajaji told a public meeting that the Communists, who were formerly resorting to violence and underground activities to achieve their objectives, had now given up their usual tactics and worked for the Congress candidates openly. "I welcome this manner that they must work. In fact they should go a step further and openly join with the Congress, that is my wish," he added.

The Swatantra leader was speaking at a public meeting, organised by the Swatantra Party to felicitate Mr. N. G. Ranga on his success in the by-election to the Lok Sabha from the Chittoor constituency. Mr. S. S. Mariswamy, general secretary of the State Swatantra Party, presided.

ENGLISH SHOULD STAY, GOVERNOR STRESSES GRADUATES TOLD OF ITS VITAL ROLE IN NATIONAL UNITY

Governor Subbarayan declared in Bombay that English was a language which India could ill-afford to ignore both from the national and international angles.

Delivering his Convocation Address to new graduates of the University of Bombay, the Governor urged that the problem should not be

clouded by emotional overtones and should be tackled from "the utilitarian viewpoint."

"We have been talking about integration — national, emotional and otherwise. Yet at the same time, we want to discard one of the greatest forces that have helped to bring about whatever integration we have today."

The usefulness of English was not lost, the Governor pointed out. "I cannot see any sort of conflict between the retention of English and the growth of regional languages."

He referred to the fissiparous tendencies in which "each tiny community, be it religious, social or geographical, seems content with fending for itself and sparing no thought for others."

WORLD POPULATION TAKES 'BIG LEAP' ONE-SIXTH RISE IN 12 YEARS United Nations

The world is getting more and more crowded with a total population of over 3,000 million last year—in increase of almost one sixth since 1950.

The population explosion was described in the U.N.'s Democratic Year Book for 1961.

Population censuses taken during 1960 and 1961 showed an average growth rate of 1.8 per cent a year in the world's population.

There are now 22 persons for every square kilometres of land compared with 18 only ten years ago, the report said.

It stated that the fastest growing region of the world was Central America, where the average annual rate of growth was 2.7 per cent, but south-west Asia comes close behind with an annual increase of 2.6 per cent.

Slowest growth is in northern and western Europe, where the population is increasing by only 0.7 per cent a year.

The report said that 35 million more people than anticipated had been added to Asia's total population.

The most densely populated region of the world is still Central Europe, with 137 persons per square kilometre.

RANGA WILL LEAD SWATANTRA M.P.s. PARTY TO FIGHT LAND BILL

Madras

Mr. N. C. Ranga, Chairman of the Swatantra Party, has been elected leader of the 25-member Swatantra group in the Lok Sabha following his victory in the Chittoor by-election.

Mr. Ranga, outlining the Parliamentary programme of his party, told "Express News Service" that it would strongly oppose the Land Acquisition Bill, just passed by the Lok Sabha.

"There is a danger that the ruling party might use the bill to benefit those industrialists who happen to be its favourites and who contribute to its election fund," he stated.

"CONFISCATORY"

He was afraid that the measure would amount to virtual confiscation of the peasants' lands for the benefit of industrialists and, what was equally bad, of the so-called public enterprises whose number was daily increasing under the Plan.

"To remove the restraining influence of the courts is to weaken the poor peasant vis-a-vis the State," he said, adding that the State Governments were displaying increasingly anti-peasant attitudes.

The Swatantra Party in Parliament had already opposed the Bill and he hoped Opposition parties would reinforce its stand.

Referring to the land problem generally, Mr. Ranga said the time was fast approaching when democratic kisan organisations which were free from communist control would have to devise measures for opposing the land revenue enhancements that the State Governments were imposing, ostensibly for financing Plan expenditure.

Dear Editor

UNITARY GOVERNMENT FOR INDIA

Mr. Nijalingappa, Chief Minister of Mysore, was reported to have regretted the formation of linguistic states and to have advocated the formation of a Unitary Government for India. He deserves to be congratulated on his present views. He will do well to use his influence to the full to secure the dissolution of linguistic states by the formation of a Unitary Government for India. After all, India is Unitary as well as Democratic as far as the Central subjects are concerned which constitute about half the items of governmental activities listed in the Constitution, and can be Unitary with reference to the concurrent subjects also, which form another 25%. The Provincial subjects constitute only about 25% and even there a single Central Planning Commission lays down policies for all the Provinces. In effect, India is even now largely Unitary. The Governments of linguistic states are just a fifth wheel in the coach, resulting in inter-provincial disputes and avoidable expenditure and undue pampering of local politicians in the provinces. The people should not be sacrificed for the profit of politicians.

P. Kodanda Rao

Bangalore

WHY C. R. SUPPORTS D.M.K.

If socialism is a means to a good end, it should be something else than what it is. Reference is often made to my alleged association with the DMK. The value of the DMK is that it opposes the corrupt Congress. It represents the resistance of the people in the State to Hindi overlordship. I part company from the DMK when it talks of separation from Bharat. But that is a straw-man to frighten the birds. It is no reality. Sri Kamaraj prefers to fight that straw-man, because it is easy. This opposition to Dravidanad is a decoy-strategy to deceive the Congress High Command and to conceal Congress association with Periyar. Having failed at the polls against the DMK, Sri Kamaraj and Periyar want to suppress them through coercion. This will only put life into the straw-man, where none existed.

—C.R. in Swarajya

THE FRUITS OF STATE INTERVENTION

They have found their punishment in their success...Laws overturned, tribunals subverted; industry without vigor; commerce expiring; the revenue unpaid, yet the people impoverished...

Edmund Burke, *Reflections on the Revolutions in France*

VITAL QUESTIONS.

For sixty known centuries this planet that we call the earth has been inhabited by human beings not much different from ourselves. Their desire to live has been just as strong as ours. They have had at least as much physical strength as the average person of today and among them have been men and women of great intelligence. But down through the ages, most human beings have gone hungry and many have always starved. Why? This and other vital questions are sought to be answered by Henry Grady Weaver in his momentous book "The Main Spring of Human Progress".

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