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WE STAND FOR FREE ECONOMY

AND LIBERAL DEMOCRACY



IN THIS ISSUE

# FOOD PRICES AND LIBERTARIAN SOLUTION

## Pak Smear-Campaign In Full Swing

## *Spoonerism And The Irish Bull*

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# Editorial

## THE HARD CORE OF INDO-PAK TROUBLES

**M**R. GURUDIAL SINGH, the New Governor of Rajasthan, in a speech last month referred to Pakistan's stand that Kashmir should go to her on account of her Muslim majority is keeping the two nation theory alive and is confusing Indian Muslims. It is putting obstacles in the way of the rapid assimilation of Indian Muslims in the Indian national society. He also pleaded with Indian Muslims to merge themselves in Indian nationalism as an integral and inseparable part thereof as early as possible. This speech of Mr. Singh elicited a critical note in the Times of India in its Current Topics column, which characterised it as unfortunate and uncalled for, and queried whether Mr. Singh thought that Indian Muslims had not already assimilated themselves into Indian citizenship?

This raises an important question. While Pakistan was founded on a two-nation theory as between Muslims and Hindus, India has continued on the theory of one nation as between them. All the contradictions that continue to plague the two States after Partition in 1947 are to be traceable to a failure to resolve this problem. Mr. Singh should have added that the problem of assimilating Muslims in Indian national society is rendered more difficult on account of the claim of guardianship made by the leaders of Pakistan over Indian Muslims, indeed over Muslims of the whole of the Islamic bloc. On the occasion of Id prayers in the Lahore Mosque, the late Mr. Liaquat Ali Khan used to proclaim that Indian Muslims were still suffering in Dar-ul-Harab (the country of kafirs) and needed to be liberated or brought into the country of the believers, Dar-ul-Islam. Thus Indian Muslims were encouraged to reserve their final loyalty to Pakistan, and accord only temporary and expedient loyalty to India, however good the treatment they received at the hands of kafirs. In the past, India assimilated wild and barbarous tribes like the dreaded Sakas, Scythians and Hunas but could not have the same success with the Muslims. Herein lies the national tragedy of India. This requires more research on Islam and Hinduism than we have today.

## KRIPALANI ON DEFENCE

Acharya Kripalani is noted for trenchant criticism of the Government not sparing Nehru himself. But he is a more extreme Gandhian than Nehru and does not differ from him on essential matters of policy. For instance his attitude to Pakistan and Indian defence requirements in view of Pakistan's truculence and military preparations for all-out trial of strength with India displays the same myopia as the Government. The fetish of non-violence is trotted out in justification of a non-military attitude to military situations, the kind of ostrich policy that the Gandhian leadership adopted towards Muslim rioting

in the pre-independence years. He criticised the addition of Rs 50 crores to defence in the current budget on Gandhian grounds of non-violence in complete oblivion of the fact of Pakistan's threat of jihad. It is difficult to understand how grown men, apparently in complete possession of their senses, and indeed endowed with intelligence out of the ordinary and spending their whole lives in the limelight of politics, could ignore such plain facts as the need for adequate defence from hostile neighbours. It shows the soporific effect of theories (or ideologies accepted on the basis of sentiment and hero-worship) on the thinking of even able men.

It was a refreshing contrast to see Dr. Kunzru president of the Servants of India Society adopting a more serious and realistic attitude. He said that defence required even more funds than we are giving today. He added that if Pakistan is equipped with atomic warheads by the USA, we too should acquire those and other weapons in the latest armoury of the advanced nations.

Mr. Kodanda Rao has written to the Press combating this view and recommending that about Rs 120 crores as against Pakistan's Rs 100 crores without American aid should be enough. He recommends that the funds released should be used for economic development. His position is that if America helps Pakistan against India, even Rs 250 crores would not be sufficient. And if America does not help Pakistan, Rs 120 crores should be sufficient to deal with her effectively.

## DANGEROUS COMPLACENCY

This is too dangerous a risk. For India needs vaster armed forces than Pakistan in view of her much greater extent of territory and length of coastline. The Muslim invaders in the past came through mountain passes in the North-West and the British came by sea from the West. Today we have to guard both the North-west as well as the North-east passes in view of Russian and Chinese militarisation of the entire North-west, North and North-east border line. We have also to safeguard our far-flung coast lines. Our air force and navy have to be greatly augmented for we can no longer depend on the British Naval and Air Forces. The size of the armed forces depends thus on the extent of territory as well as on the possible aggressor.

The second point that vitiates Mr. Kodanda Rao's dilemma is that he does not give due weight to real inwardness of American foreign policy. For India to be successfully engaged in war by Pakistan over any length of time, America will have to continue to supply Pakistan with ammunitions and parts and reinforcements of supplies of aircraft and oil. It is incredible that America will do this for Pakistan. For America knows that the moment it appears to Indian military and civil leaders that America is likely

to go as far to assist Pakistan, they will go in instantly for Russian armament and assistance rather than be defeated and pass under foreign rule this time under Muslim rule, the unspeakable horror of which should be plain to all Indians. Independence and self-government are not blessings that can be enjoyed without paying a grim cost for them. It is the fundamental error and failure of Congress leadership to make light of this cost, and consequently to make light of the danger of foreign aggression. To trust to ideals like Panchashila declared by aggressive nations to humour our tender-minded pacifism is too naive and child-like, totally out of place in the grim jungle of international relations.

#### Mr. Suhrawardy in America

The joint communique issues from Washington after Mr. Suhrawardy's discussions with Mr. Eisenhower and State Department officials in the USA scrupulously eschews all anti-Indian overtones in its reference to Kashmir Canal waters disputes between India and Pakistan. It is clear that Mr. Suhrawardy's vendetta against India did not receive much encouragement from American authorities. The American Government was agreeable to continue to give aid to Pakistan both in the military and economic spheres but drew the line at encouraging anti-Indian attitudes.

Press reports indicate that the Pakistan leader tried to get the USA to accept the role of his country as the leader of Islamic states. It was pointed out that Egypt, Iraq and Turkey would contest that honour. It was also pointed out that from the point of view of population, Indonesia had greater claims for the position of leadership.

The point for us in India is to note which way the wind blows. We have been making the point for years that there is a rivalry among Islamic nations for leadership, and that the present divisions among them are not to be regarded as final. Islam has no clear commitments to nationalism; rather it is steeped in the consciousness of the over-riding reality and claims of the community of the Faithful—*Dar-ul-Islam*. This renders it easier for outstanding leaders in any one State to get the population of all other Islamic lands to rally round them in the name of Islam. Today President Nasser is having a vogue in Arab countries so that he is emboldened to appeal to Arabs everywhere to support him. Tomorrow, it may be Turkey or Pakistan. Thus is Pan-Islam being encouraged to take shape before our eyes in the conflict between the Global Blocs.

While we may be neutral in this situation, it is NO part of our national duty to support any of the contestants like Nasser.

While Mr. Suhrawardy disclaimed all intention of attacking India over the Kashmir or river issues, he also said that people should not blame the Pakistanis if they decide to fight India, if she denied her share of the waters, for it is better to die fighting than die of starvation!

This lets the cat out of the bag and gives a glimpse into the mind of Pakistan leaders which is all made up to attack India, whatever the cost.

#### Islam and the West

The Russian empire of the Tsars was always pressing to the south towards the Mediterranean and the Islamic lands of the Middle East as it was penetrating relentlessly to the East towards the Far Eastern Pacific. And throughout the nineteenth century, the British empire with its base in India governed its global policy with opposition to this drive of the Russian rival. The Crimean War of 1854-56 was an incident in this policy of containing the Russians. Another plank of this policy was the bolstering of the "sick man of the East"—the Ottoman Sultan at the Porte (Constantinople). After the war of 1914-18 when the Ottoman Caliph and Sultan sided with Germany, the British obtained hegemony over the Arab subject princes and lands and created the kingdoms of Jordan, Syria and Iraq under their protection. Then Britain played the role of Protector of Islam, a title that was taken by the Kaiser, who arranged for the Berlin-Baghdad railway to wrest influence in this area from the British. Mussolini in the second World War assumed the title hypocritically to rally the Muslim peoples to his side.

Today we find America gradually replacing Britain in the role of protector of Islam partly for oil and partly to contain Russian expansion into the Mediterranean, the Arabian Sea and the Persian Gulf. As part of the World politics of these Great Powers, we have the byproduct of Arab unity as well as a strengthening of Islamic consolidation. Egypt, Turkey and Pakistan are leading States in the area.

We find British politicians conscious of the role that Islamic consolidation can play as a bulwark against Russian expansion if fostered by the West. Mr Anthony Nutting who resigned as Minister of Foreign Affairs in Sir Anthony Eden's Cabinet over the Suez imbroglio has expressed this point of view in a series of travel notes published in *The New York Herald Tribune* (May 26) quoted in *Organiser* of 17 June. He advocates a strengthening of Pan-Islam combining sound national and economic motives aided by the West as an unbroken line of resistance to communism from Casablanca to Karachi. And in this policy, he recommends that Pakistan as the eastern anchor of the Baghdad Pact could be encouraged to play the role of leader of the Islamic Union.

#### Sandwiched Between Two Dangers

This is a contingency which is being pressed on the attention of our publicists and Government by this journal and its predecessors for years. India by reason of her historic experience of Islamic supremacy in her national and cultural affairs for hundreds of years has a special duty in these days of her independence to study and assess this factor on her own future as a nation and an independent cultural entity. "Blood and iron" remain the substance of politics as well as the secret of survival today as in the chequered past and Indian statesmen will fail to rise to the occasion if they do not evolve a satisfactory relationship to this new development of Islamic union, encouraged by the Western Powers for their own ends. A mere negative refusal to take sides in

the immense global struggle is no policy. We need a more concrete policy, based upon understanding and preparedness to reckon with the forces being consolidated in the historic cradle of fanatic expansion to our immediate West. India is poised precariously today between resurgent Islam and expanding communism in a wide encircling area from the West through the North to the East and South-east. With fifth-columns active within the country from both centres of influence, India has her work cut out to maintain her integrity.

#### Squeezing Hindus out of Pakistan

A report, purporting to emanate from a high Indian source at Karachi, has appeared in the press drawing attention to what seems a further squeeze on Hindus in East Pakistan. A further series of emigrants is, therefore, to be expected. In addition to this there is set afoot in Pakistan an officially-inspired move to drive out the few thousands of Indians employed there, whether by foreign companies or Pakistani commercial and industrial establishments. The modus operandi is to refuse them an extension of their visa for staying in the country. Recently they were called upon to renew their residential permits. The numbers of Pakistanis employed in India are differently estimated at 3 lakhs to 8 lakhs. Many of these Pakistanis are at Calcutta, employed in the steamers and wharves. They have been living in India, for years after their visas had terminated, without harrassment. But the few thousands of Indians in Pakistan are an intolerable burden to her rulers. Recently Pakistani officials complained that Indian employers in Calcutta were unfairly ousting Pakistani employees and claimed compensation for such dismissals! Apparently in Pakistani logic, India is responsible for the livelihood of every Pakistani even at the cost of Indian nationals! Incredible as it may seem, Indian officials immediately hastened to announce that India was not guilty of any such move to send the Pakistanis out to make room for the employment of her own nationals! It looks as though in this Gilbertian world, Indian officials feel primary responsibility for Pakistani citizens, and only secondarily for Indian citizens!

The authorities should be made to realise that this kind of policy will not be tolerated any longer by the Indian people. They should be made to realise that such expectations, on the part of Pakistani officials, is the inevitable consequence of our long-continued policy of appeasement or mollification of Pakistanis at the expense of our own national interest. The Hindu in its second leader on the 4th July says that Pakistan must be aware that such conduct on her part must induce India to retaliate. But The Hindu forgets that Pakistani leaders know full well that so long as the present Congress leadership under Nehru remains in charge, they need not fear any such retaliation!

#### Mr. Kodanda Rao's Suggestion of UN Rule for Kashmir

Mr. Kodanda Rao has suggested that a temporary rule of the UNO in Kashmir during a plebiscite, supported by international military contingents under

UN command, may be accepted by all parties as a step towards the solution of the intractable problem. His idea is that whatever the rights and wrongs of the quarrel, we should support an arrangement that holds the promise of making a start in breaking the deadlock. We have agreed to a fair plebiscite, under UN auspices. But we want Pakistan to fulfil the preliminary condition of withdrawing her forces from Azad Kashmir,—so-called. She refuses to do so. Hence the deadlock. Now if we admit UNO forces and get both India and Pakistan to withdraw their forces, the plebiscite can be held and the final decision made, whether Kashmir should go to Pakistan or remain in India.

Now this is too much of a simplification. In the first place the UNO has not shown a capacity to be just and impartial when a dispute involving the cold war occurs. Kashmir is a pawn in the cold war between the Soviet and the Western powers. No impartial person or group can be set up equally satisfactory to West and East to dispense absolute justice in the present State of International relations.

Further, once we admit white troops again on Indian soil, our freedom and independence are in jeopardy. They cannot be pushed out for generations, and no patriotic Indian can agree to this suggestion.

To accept Mr. Kodanda Rao's suggestion, which is but a relic of the one proposed in the UNO itself, is to concede a *locus standi* to Pakistan, the aggressor, equal to that of India the complainant. It is to ignore justice and reward the aggressor. This would be an end of the UNO as a world peace-maker. The essential flaw of the suggestion is that the UNO is made to give peace without justice, which is another name for collective aggression.

If this is adopted as a principle, why not India and China and Japan demand large areas for settlement in Canada and Australia and Central Africa? They have only to create a nuisance and keep it up for the UNO to step forward and propose a plebiscite or hand them to them on a platter.

There is no way but the acceptance of the justice of India's case. Peace-makers should persuade the UNO to recognise justice without fear or favour and considerations of cold war strategies. If the UNO cannot do so, Kashmir will form part of the international unsettlement that will have to be decided only after the next war.

#### U.S.A. AND FREE WORLD

**C**ERTAINLY we have an interest and a stake in the wellbeing of the rest of the world. But America will perform its role in the world affairs better, if instead of being a Santa Claus to all the nations, it first of all protects the rights and liberties of its own citizens, conserve its own economy and its own strength, and encourages other nations to stand on their own feet.

In all the world we are the last hope and the last stronghold of individual liberty. When the great problem of world peace is examined from all sides, the necessity for preserving America's identity, integrity and strength, becomes more and more apparent.

—FRANK E. HOLMAN in "Dangers of Treaty Law".

# Food Prices And Libertarian Solution

By M. A. Venkata Rao

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**I**N a predominantly agricultural country like ours, surplus in food grains and industrial raw materials (like jute and oil seeds) is the foundation of industrial advance. Unlike England we cannot pay for our imports with manufactured goods in export. Our exports of manufactures though growing in the post-war years (and can grow phenomenally if socialism will let it alone without meddling) are too meagre to support an industrial drive of the dimensions contemplated in the second Five Year Plan.

Just a year ago, the authorities were spreading the illusion that the country had turned the corner in the matter of agricultural production and had raised it enough to meet the full needs of consumption with even a little to spare for export! They gave impressive figures of millions of tons of extra production achieved through the grow more food campaign, through additional acres brought under irrigation and through the impetus given through the community development projects etc. and number of prices declined a little from around 420 to 390 and things looked promising.

## A Different Tale

But now immediately after the elections the authorities come out with a sadly different tale. They speak of the millions of tons of wheat and rice purchased from abroad which would tide over the acute scarcity everywhere and lower the rising prices which have again approached war-time records! Now the authorities shamelessly speak of importing more millions of tons, the foreign exchange for which would add to the almost impossible strain already placed on it by the greatly accelerated imports of machinery on account of the requirements of the second Five Year Plan!

Confronted with this crisis of their own making, the authorities now speak alarmingly of fixing floor and ceiling prices for agricultural products at one and the same breath! Meanwhile, as an interim measure they have passed an Amendment to the Essential Commodities Act whereby the Government takes power to requisition stocks of food grains in the hands of hoarders at prices calculated at an average of three months preceding instead of at current rates. And so we move deeper and deeper into controlled economy and ourselves within the realm of communism without realising where we are!

It is a vicious circle. The more the Government intervenes in the economy, the more the deleterious consequences necessitating further interference will ensue until the private citizen loses all freedom of action and of initiative. What then is the remedy? What would a libertarian suggest in the circumstances for a way out of the labyrinth and return to a saner way out of the economic deadlock brought about by socialism or interventionism?

## Libertarians And Libertarians

There seem to be different types of libertarians. One type is that of libertarians committed to complete laissez faire. Thinkers of this laissez faire school advocate a "hands off" policy so far as the Government is concerned in matters of public economy. They want Government to confine themselves to law and order, foreign affairs, defence and currency and leave all economic functions, production, exchange and distribution to citizens in their private capacity. They have their own answer to critics who complain that this policy would put the majority of the public at the mercy of capitalists.

A more extreme school would go further and abolish the government itself as an institution. They are called anarchists who believe that the Government as an instrument of coercion is the source of all evil in society and that man is essentially so good that released from fear of the Government he would follow the star of justice and good will in all his relations and settle all affairs in society through peaceful negotiation. Such an anarchist society would be full of natural harmony! In such a society there is no meaning in controls and government price fixing, for government will have ceased to exist!

## The Way Out

Leaving these two types of arrangement as extremes or even as stages of future development inapplicable at the present stage of social affairs in India, we wish to suggest a third type of regulated economy which would set free the natural man and set him going on the road to free economy and help the present generation to unwind the coils in which it has bound itself under the glamour of communism (socialism) of the Marxist variety.

As solutions of great generality are pointless and unfruitful unless they are shown in illuminating application to current problems, we propose here to indicate the libertarian way for the easing of the food problem in India in the current crisis.

We shall begin by approving the present amendment to the Essential Commodities Act whereby the Government has taken power to requisition hoarded stocks at reasonable rates. The amendment has a duration of three months after which it will lapse. This is only a temporary administrative measure to induce hoarders to come into the market and not wait for further rises during the lean months before the harvest. But what after the next harvest?

The proposal of the Congress party and Government to fix floor and ceiling prices are costly, impracticable and will necessitate a proliferation of bureaucracy adding to tax burdens without a corresponding advantage. Further, they would render socialism or interventionism a permanent feature of the economic land-

scape. The country would do well to oppose such defeatist measures which are sure to result in consequences worse than the present troubles. Floor prices would necessitate Government purchase of all grains offered for sale throughout the country at prices guaranteed. The entire resources of the treasury would be insufficient for this purpose. The United States may find this feasible with their astronomic resources but for a poor country to play at farm price support would be disastrous. High-placed persons who toy with this idea do not know what they are speaking of. Pandit Pant remarked in Parliament that high prices were good for farmers! Nothing more irresponsible could have been uttered by a member of Government.

### The Danger Ahead

Government should be classless in the sense of working for all classes. It should not identify itself with any particular class. That way lies the Marxist danger. Moreover, the Indian farmer has been receiving war prices since the middle of the last war i.e. since about 1941-2. In every well-conditioned country in the world, including the leading States like Britain and the USA, war prices came down nearly to normal levels, but in India, the free independent Government had not the wisdom and the social courage to bring down prices. The consequence has been that the lower and middle classes and those with a fixed income have been squeezed between high agricultural prices and high consumer goods. Pandit Pant spoke like a party politician who has his eye on the votes of the large farming population. He and his like are inviting the revolt and revolution of the petit bourgeoisie in alliance with the intelligentsia. It may take a Fascist or Nazi form.

### The Right Remedy

The right remedy is not to attempt any price fixing at all but to remove the hindrances in the way of the smooth working of the agricultural economy and let free enterprise have a chance. What is obstructing fair prices is not free economy but partial monopoly on the part of hoarding merchants a few months before the harvest. They buy up stocks from the producers and hold them for rising prices above normal and fair levels. The actual growers have not the economic stamina to wait. Their consumption needs are too pressing and they sell their surplus for normal prices or for what they can get. Their bargaining power is low. Prices rise as soon as stocks move from the peasants' haystacks to the mandi of wholesale merchants in the towns. Here is the bottle neck. If harvests are poor, mandi merchants hold up sales and wait for higher prices. They borrow money against grain stocks and hold them for price rises. The Government has instructed the banks of the country through the Reserve bank not to be free with advances on grain. This together with the hoard acquisition amendment has been able to check profiteering. But this cannot be adopted as a permanent measure. The permanent remedy is to provide credit to the grower himself. If he can get advances on his harvested

grains, he will not sell in a hurry and in distress to the middleman. He will sell at leisure and derive the profits of timeliness himself instead of surrendering it to the middleman.

The best way of giving such credit to the grower is through cooperative credit societies. Every village area of about 20 to 30 miles should have a multipurpose cooperative society which could purchase the offerings of member-peasants at normal rates. The distance from the peasant to the society should not exceed one night's march for his bullock cart transport. The purpose or credit society will purchase the stocks and store them in its godown or warehouse. For this purpose, the immediate phase of policy-making should be the establishment of such societies equipped with large and generous warehouse space.

The credit society or multi-purpose wholesale society, as the case may be, will sell grains and cash crops to city merchants or preferably to city cooperative societies which will retail them to their members at a reasonable margin of profit. The idea should be to minimise the expenses of middlemen and ensure to members, selling and purchasing members in village and city, the best practicable rates. The bottleneck or hurdle of the hoarding middleman is thus eliminated. There will be no need to fix minimum prices at the cost of the treasury. Competition among growers will remain though within limits. Inefficient growers who cannot market goods at normal prices at a profit will leave the business of farming and more efficient farmers will automatically take their places. Government floors on the other hand will maintain inefficient farmers and create a privileged community at public cost.

If prices are still higher than what the public could afford, Government should hold stocks themselves and store them in State warehouses in every town and city. They should enter the market and unload it on the markets or retail it to citizens through fair price shops without banning private trade or interfering with trade prices. Such buffer stocks with Government together with warehouse credit to growers at their own doors will set free economy functioning with maximum benefit for all. This would be a libertarian remedy, for it removes obstacles in the way of free trade by offering opportunities to growers and consumers through cooperative societies without interfering with free trade. Cooperative societies will compete with traders and keep them within fair limits. The principles of such Government action would be one of regulation for maximising freedom. This is a policy infinitely better than socialism towards which we are drifting under mistaken idea that there is no alternative to it.

### SOVIET STATE LOAN OR LOOT?

THE freezing for twenty years of the Soviet State loan, amounting to 260 million roubles, virtually means confiscating Rs. 30,000,000,000 (at the official exchange) of Soviet workers and peasants, who had been forced to subscribe to various government loans during the last ten years, at the expense of their personal needs.

# Is Pakistan Preparing For A Showdown?

ON August 14, 1947, both India and Pakistan emerged as independent nations, free from all the trammels of foreign domination, and embarked on the great adventure of moulding their destinies. The progress in India notwithstanding the grave difficulties under which she had to labour, had been steady, substantial and many-sided. Probably the greatest social revolution known in history has been brought about peacefully without any sector of the society being grossly victimised, and there has been marked political and economic progress.

## The Contrast In Pakistan

In striking contrast to this, conditions in Pakistan have steadily deteriorated. They have used up the patrimony they received at the time of the Partition in the matter of liquid assets and balances almost with prodigal recklessness. Industry has made no progress worth mentioning, and agriculture which was once the pride of the former united India, has so deteriorated that even in the matter of food, Pakistan is now faced with a crisis. Politically there has been no stability, and since the deaths of Jinnah and Liaquat Ali Khan, we have seen the strange spectacle of the Prime Minister sacking the President and the President sacking the Prime Minister, and the President's rule being imposed from time to time. It has taken them eight years to frame their constitution, and has passed more and more into the hands of a small coterie of upper-class people, and the masses remain steeped in poverty and ignorance.

In order to sidetrack the attention of the masses from the prevailing economic ills, the rulers of Pakistan have been compelled to keep up their hate campaign against India and to magnify, beyond all proportions,

the issue of Kashmir, as though it were the be all and end all of the existence of Pakistan.

## Additional Grievance

In this setting, the Jarring Report will cause great disappointment in Pakistan. During recent years she has had far too much her own way at the United Nations, and pronouncement which does not support her will doubtless cause discontent. Although the Jarring Report does not contain concrete proposals for the solution of the Kashmir problem, it presents in clearer perspective what earlier resolutions of the Security Council had tended to slur over.

Mr. Jarring has done well by drawing attention to the fact that a plebiscite now in Kashmir would create grave problems, that the promise of a plebiscite was not isolated, but one of the terms of agreement which were based on conditions prevailing many years ago, and that situation having changed, it is not right to enforce the isolated condition of plebiscite alone.

## Prospects Of A Showdown

Satisfactory as the position may be from the Indian standpoint, the Jarring Report may create difficulties for India in the coming months. Since obtaining military aid from America, Pakistan has been thirsting for a fight with India, and her President and Prime Minister have been openly talking of recourse to arms if the question is not settled by negotiations. Added to this, the whole regime in Pakistan is tottering politically and economically, and may well collapse before long. It is not unlikely in the circumstances that Pakistan may try to strike a last blow at India with her increased armed might. —Mysindia

## DID YOU KNOW ...

by SCIO



Raindrops are three weeks old by the time they fall. Raindrops which fall into the ocean don't mix with water deeper than 50 feet.



Man, the Rhesus monkey and the pigeon can discriminate between red, yellow, green, blue and violet. Alligators, owls, bats, cats, dogs and guinea pigs have no color vision.



Workers in the Soviet Union are forbidden to organize their own labor unions. The only labor unions permitted in Soviet countries are those directed by the Communist Party.



# Spoonerism And The Irish Bull

By K. D. Valicha

---

**M**R. H. S. Suhrawardy is in America, negotiating with President Eisenhower. He has paid his tributes to U.S. foreign policy and to the U.S. 'Big Brother' attitude towards underdeveloped countries.

Suhrawardy has an oily face and a smooth tongue. He is smart and knows which side the bread is buttered. He now desires to settle the Kashmir dispute peacefully and in accordance with international law. Nice words go to effect polish and Suhrawardy, if anything, loves polish.

But Suhrawardy can be exceedingly foxy at times. Not that he can help it: "In this game, you are either dumb or smart." Suhrawardy is smart. Particularly when he is worried. Internal economy which is weak, political troubles cropping up, then E. Pakistan, Kashmir, canal waters; he has so much on his mind. But the man sees his way clearly ahead: He has wonderful insight and he knows the route to Uncle Sam's heart.

## More Lucky Than Clever

But Suhrawardy is more lucky than clever. The gods are kind to him. They go out of their way to help him. It just so happens that the Indian military delegation headed by none other than General Thimayya himself is on a visit to Soviet Russia. What a fortuitous combination of lucky circumstances for Mr. Suhrawardy! And he knows how to use it for he has the astuteness of a fox.

Suhrawardy can be helpful. He can whisper into the American ear the possibilities inherent in General Thimayya's visit. He can ask questions too, questions that are highly suggestive. Is India arming herself? Of course, India is going communist. If India is arming herself, it will be a danger.....a serious danger.....

President Eisenhower may not be taken in. But you can't select your customers all the time. Suhrawardy wants aid, India is arming herself; Suhrawardy is American, India is going red.

Suhrawardy comes through successful. He smiles through the worst storms. He now has full American backing. The world is in conflict; it is torn by ideologies; there are moves and countermoves; there are Nasser's and Nehru's; above all, Nehru's; Suhrawardy likes the world; he sees his way about.

Nehru is always charming abroad. In America, he charmed the President and the journalists. He tried to sell the idea of a seat for China in the U.N. Now too he is very busy. One thing is indisputable about Nehru: the man is very busy. Very recently, he had a 100-minute meeting with the Sudanese Prime Minister, Sayed Khalil, and later he had a talk with journalists when he denied that he was mediating on the differences of opinion between the Sudan and Egypt over the utilization of the Nile waters.

He also talks about Communism. One thing that

Nehru may go down in history for is: He made Communism acceptable to the South-East Asian peoples. But what he doesn't know is that the future history books will be written by a political department in Moscow.

## Nehru and Communism

In India, Nehru tells the mugs around him that Marxism is obsolete. Abroad, he says that Communism is no danger in Asia because the capitalist stage has not yet set in. One wonders if he really believes in all that ballyhoo. The historic lesson of Communist march proves that Communism infects only the feudal areas and certainly not the capitalist countries. Capitalism means better resistance against Communism: feudal economy is a diseased economy which can offer little or no resistance to Communism. Was Russia capitalist before the advent of Communism? Communism itself is a feudal economy. It is state-feudalism—and it is precisely this characteristic which is of the essence of Communism. Kerala Communism in India is not Communism in Nehru's double-talk. Kerala Communism is an instance of infiltration and is symptomatic of the bouleversement of Indian democracy.

Communism is this, any where and at any time under the sun. The recent happenings in China assure us of the truth of this. Mao Tse-tung hit upon an ingenious idea to liquidate the dissatisfied intellectuals who were growing in number. He took the short-cut and a very characteristic way out. He declared publicly that Communism did not mean a single opinion. Communism could tolerate various opinions. What a self-stultifying idea! For Communism, once it permits even the slightest opposition, is no longer communism.

Some intellectuals have been taken in. Frustration does not always breed caution. How many martyrs is Communism going to claim?

## Time-honoured Dupes

Some of our Indian intellectuals have also infected misguided ideas about Communism. They are catching the Nehruian ascetic outlook. Some intellectuals point their finger at occurrences such as Hungary, Mao Tse-tung's speech, the recent rift in the party leadership in Moscow and claim that these are indications of a "process of liberalisation". It is a smug thought but smacks not only of wishful-thinking but of dupery. These intellectuals, as usual, are the time-honoured dupes.

In India, there is growing today a power vacuum. It is being skilfully created by a group of persons who know their job. It is an ingenious contrivance of circumstances, of events. Much the same thing happened in China before Communism. History holds a mirror up to man: but man, if he could learn, would not need history.

# OUR FOREIGN POLICY

By Sumant S. Bankeshwar

**T**HE historical era that began four hundred years ago with the expansion of Europe over Asia, called the Vasco da Gama epoch, is now coming to a close. Most Asian countries have at last liberated themselves from the yoke of European imperialism. The turning point for Asia towards an era of liberty and national self-direction of her own destiny has been passed.

India woke up from the sleep of ages to see the light of day on August 15, 1947, after a long period of political slavery and untold suffering. On the attainment of freedom, India decided through her Constituent Assembly in favour of Democracy, and some of the best brains of our country drafted a democratic constitution based on adult franchise. The gigantic experiment of Parliamentary Democracy in India having to contend with a predominantly illiterate electorate is being watched with interest by all the nations of the world, as the success or failure of our Democracy will determine the future of Democracy in the world. Though it is too early to draw any definite conclusions regarding the prospects of Democracy in India, if the prevailing trends in India and the policies of the Government are any indication, the prospects for Democracy in India are dim.

*(Continued from page 9)*

The "dupes" are the result, to a great extent, of Nehru's speechifying. Nehru is part and parcel of Communist propaganda and infiltration—indeed, we may say, an indispensable part. Whether he is aware of it or is an unwitting tool is a moot point. The net result is that he is helping both our enemies—Pakistan and Communism.

Pakistan, indeed, must love Nehru. For in Nehru, Pakistan has probably a very great benefactor. What a thing is, is by virtue of what it is not.

Perhaps the failure of the man to understand the world situation arises from his Buddhist conception of ethics. Buddhism lacks in its consideration of gregational morality. It indeed fails to make a distinction between inter-personal and group ethics. My duty towards my wife is different, not only in degree but also in kind, from my duty towards society. The first is the sphere of personal ethics; the second that of group morality.

His failure to respond to the international situation, to see beneath the surface moves, the game behind and the game behind the game behind—all these are in the nature of an intriguing argument: Communism wants power. America wants trade. Each has got its good points, and both can be synthesised. There should be security of the British type, prosperity of the American type and the way lies through Soviet Russia.

It has an advantage. You get good sleep and you can be an international figure. It has a disadvantage, too, which is: You cannot last long.

## The Imminent Dangers

The way Indian politics has been shaping since our political independence, is causing deep concern to all nationalists and democrats. On the one hand, India is being beguiled into a new hegemony of Russian totalitarianism, under the pressure of the false propaganda of the Communist Party of India, completely under the control of International Communism, headed by Russian Communist imperialists. The success of this party will hand over India, bound hand and foot, to the tender mercies of Russian totalitarian imperialism which is much worse than the British variety from which we have just escaped. On the other hand, the prevailing trend in our foreign policy endangers our national independence, and the tendency in our domestic policy is towards the abandonment of effective democracy by a step-by-step introduction of totalitarian methods and atmosphere.

Though initially India's foreign policy was one of strict neutrality, since the Korean war, that policy has undergone a fundamental change. In the name of neutrality, India is in fact giving almost consistent support to one side in the world conflict. Our much-boasted neutrality has been, by the manner of our diplomatic exchanges, to befriend the communist bloc and alienate the democratic bloc. We are exaggerating the danger of the dying Western colonialism and wrongly minimising the menace of international communism to the freedom of India. Let us not forget that a third of the world is already enslaved by Russia, and that she is ideologically committed to world conquest. Lenin declared long ago, "As long as we have not conquered the whole world and so long as communism and capitalism exist side by side, we cannot live in peace; in the end, one or the other must triumph" (Collected Works of Lenin, Vol. 3). This reason is similar to that of robbers, who have voluntarily exiled themselves from the peaceful membership of society and made themselves its implacable enemies so that their co-existence with peaceful citizens has become impossible.

That Russia is imperialist is proved by the simple fact that since 1945 when the war ended, she has added 15 countries with a population of 600 million people to her slave empire. And such conquest is written into the basic gospel of Marxism-Leninism-Stalinism on which communism is built.

## The Red Imperialism

Nobody will disagree with our Prime Minister when he condemns Western colonialism. Having ourselves suffered under colonial rule for more than a century, it is but right that we should support the colonial people's struggle against the Western colonial imperialisms. But the silence of our Prime Minister over the Russian conquest of 15 countries in East Europe and

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## BREAD AND CIRCUSES

By B. S. Sanyal

**W**ELFARISTS fail to see that all intervention has a tremendous nuisance value. At least to all those who have developed some sense of freedom. Most have not. Hence the welfarists thrive.

It is not necessary for one to be a capitalist, an exploiter or a criminally selfish man to abhor state interventionism. It is quite easy to see that if power, both economic and political, be concentrated in the hands of the rulers, we lose not only freedom but also prosperity. One cannot show a surer way to lose both.

Freedom-loving men wish to plan their own course of life. In the welfare state this prerogative rests only in the planners. 'Everyone else is a planee,' as Reginald Jebb puts it. Welfarism thus emasculates the ruled and degrades the character of the rulers. Confiscatory policies destroy freedom, slow down further accumulation of capital, and start the process of capital consumption. These arrest progress towards prosperity and bring about a disposition to progressive poverty.

### THE FAILURE OF BRITISH EXPERIMENT IN SOCIALISM

The welfarist misses or deliberately ignores the permanent elements in Free Economy which make up the ground of all economics. He refuses to see that the British experiment in socialism is sustained by American capitalism and the Communist experiment by state capitalism. He also does not recognize that between the two methods of capital formation, the welfarist political and the ordinary economic, the latter has greater efficiency.

In the unhampered market economy saving, capital accumulation and investment coincide. The saver forgoes a part of his present satisfaction for some future benefit. As he saves through savings bank or an insurance policy, the bank or the insurance company invests the equivalent. The saver may later consume the savings; yet no disinvestment or capital consumption results. The withdrawals do not affect the investments of the banks and insurance companies: the investments increase steadily. The ordinary saver's ordinary selfish conduct thus leads to social welfare.

### THE LIBERTARIAN STAND

A libertarian, therefore, recommends Free Economy as the surest way to prosperity and freedom, equality and justice. As Dean Russell puts it:

"If the government of any underdeveloped country truly wants its resources and people developed to the fullest possible extent in the shortest possible time, here is all it needs to do: First, abolish all trade and currency restrictions—all of them, internal and external. Second, enact laws guaranteeing the protection of the private property of its own citizens. Third, enact laws that guarantee the same treatment to foreigners and foreign capital as is then guaranteed to its own citizens and their capital. Fourth, convince both its own citizens and the world in general that this is a permanent policy. Fifth, be prepared for an immediate and dramatic start toward the development of both the resources of the country and the skills of the people to their maximum capacity in the shortest possible time." (THE FREEMAN, May 1957, p.11).

In the interventionist economy, the incentive and power to save and the savings are dissipated by the government. For a state-planned economy, the government requires a very large amount of money. It looks for all possible ways of extracting money from private enterprise. Banks and insurance companies are made to invest in government bonds. Various measures taken to curtail big incomes and fortunes do away with the wealthier people's power to save. In the process the private enterprise gets stifled or atrophied. And the would-be investments of the small savers are manipulated into lines of consumption. The result is disinvestment and capital consumption.

### WHAT HAPPENS WHEN STATE INTERVENES

Besides, the sums collected by the rulers are not efficiently utilized. The whole of it is not invested. A substantial part of it is spent on current expenditure: to this extent the saving of the individual does not result in capital accumulation. The rest is invested but not economically. Most of it is eaten up by relatively unproductive enterprises. The big projects like TVA, DVC, Aswan and Dneprostoi bear testimony to this. Control of vast sums by an army of bureaucrats and their politician bosses invites corrupt practices.

What matters most, however, is that there is no way to prevent the government from spending the whole of citizens' savings for current consumption. Government accumulation kills the citizens' disposition to abstinence and hence it cannot be a substitute for

private accumulation: it has always destroyed the conditions making for private accumulation.

### STATE SQUANDERING

The private citizens may go on saving; but the government squanders the savings by spending them for current expenditure and malinvestment. The welfarists fail to understand that even the mere maintenance of capital requires skilful handling of the questions of investment and successful speculation and presupposes economic calculation and hence the operation of the market economy. In any case they prescribe spending as a panacea while denouncing over-saving and underconsumption.

Furthermore, on the one hand they say that both maintenance of capital and further accumulation of capital will be the preserve of the government and no longer left to the selfish individuals; on the other hand, they falsely assume that the good of the future generation will turn one's selfishness to greater saving. And these, when under ordinary market economy conditions the selfishness drives man to save and invest in such a way as to fill best the most urgent needs of the consumers:

### THE PROBLEM FOR SOCIALISM

The problem of maintaining and increasing capital is insoluble for the socialist system which cannot resort to economic calculation on account of the absence or abolition of market economy. Such a system has no method of fixing whether its capital equipment is on the upgrade or downgrade.

If welfarism is under a democratic government sustained by market economy elsewhere, demagogues out of power will contend that more could be left to current consumption than those in power will admit. The various parties vie with one another in promising the voters more government spending and at the same time a reduction of all taxes which do not exclusively burden the rich. The workers and farmers begin to think that the state is a spender.

History shows no example of capital accumulation by a government. The capital for all national constructions was provided by citizens' savings and borrowed by the government.\* But greater part was spent for current expenditure. In short, "the Santa Claus fables of the welfare school are characterised by their failure to grasp the problems of capital". (Mises).

They do not see that profit may be partly an unearned income but that it is certainly not the result of exploiting labour, not a part of the wages. And all unearned incomes are justly distributed as a matter of course: City allowances or higher wages in an industrial city are instances of sharing the unearned income. Whatever injustice and exploitation may still be shown to be there will cease to be if only the market economy is allowed to function in an unhampered manner. The welfarist's intervention in the form of taxation collects most of the unearned income and redistributes it in such manner as not only to do great injustice to private savers and investors but to do away with capital formation and further prosperity also.

### CLASS OF NON-PRODUCING BUREAUCRATS

What matters, however, is that they recommend the formation of a class of non-producing rulers. This class is more dangerous and pernicious than the capitalist class. The capitalist class enjoys some monopoly rights by means of which it can do some limited harm to others in the economic life. And then, these monopoly rights can be done away with by means of democratic legislation without abolishing the market economy, with its manifold economic freedom. The new class, however, namely the class of non-producing rulers, controls the economic, the political and the rest of the cultural life, and is in a position to do much greater harm to the class of the ruled. And once it gets entrenched in power, there is no method of democratic legislation left to the people to kick it out of the privileged position. And worse, there is no revolutionary method of continuing the class-struggle left to them. In the democratic capitalist state the communists and other welfarists can with impunity take advantage of the democratic constitution and carry on the class-struggle and may even constitutionally form governments. In the communist welfare state, the people can never try to revive the struggle against the new class of exploiters. The Hungarians tried and we all (except our Prime Minister) know what happened to them.

### THE TWEEDLEDUM AND TWEEDLEDEE

Some of our readers may here point out that there is a distinction between welfarism of the democratic socialist variety and welfarism of the communist variety. The distinction may hold good in advanced capitalist countries of West Europe. This too is doubtful now. In the backward underdeveloped near-feudal countries of Asia, like India, it is a distinction between Tweedledum and Tweedledee.

The reason is not far to seek. Welfarism in a backward country inevitably leads to communism. Nehru, the father of Indian socialism, has done greater service to Indian communism than the pioneers of Indian communism, many of whom (e.g. Mr. R. B. Lotvala and late M. N. Roy) later turned anti-communists. But not the arch welfarist Nehru. He has been the spearhead of communist invasion on the psychological and the economic front. He has methodically undermined the resistance of the Indian people to communism by means of his welfarist moves.

Recently he has blabbed about there being no danger of communism for under-developed countries, since communism comes after capitalism digs its own grave, while the history of communist expansion shows it has come precisely into those countries where there has been no capitalist system worth the name. A welfare state in an underdeveloped country is bound to be a communist state. The best check to communism is more and more of capitalism. In India, there were great chances for a capitalist growth. Nehru has methodically killed them and prepared the ground for communism in the name of welfarism. He is a past-master in double talk.

# Foreign Investments And India

By K. D. Valicha

**E**CONOMIC development or growth depends upon a number of factors. It depends most of all on capital investment, since widening capital is, by definition, an increase in the availability of natural resources—like, we may say, the discovery of land. By development or growth is meant growth in productivity per head, though not per worker. Thus the proportion of growth is initiated by the amount of capital investment. This does not mean, however, that capital investment is the sole factor responsible for economic development. We may take the example of a mature economy like that of the U.S.A. where capital investment will not go a long way towards giving a start to production unless it is accompanied by greater technical progress or newer methods of production. The case of the under-developed neutralist countries is just the opposite. Where thus there is unemployment and technical progress has yet to make headway, capital investment travels a long distance in productivity.

## WAYS OUT

However, the point is that economic development depends upon the following factors: Capital investment, technical progress, the capacity of a firm to adapt itself to newer methods, and the will of the workers to produce more. These we may consider the main factors that initiate production.

Thus the problem before an under-developed economy like that of India is capital investment. At the same time, it is fairly obvious that she cannot provide all the capital needed for her full development. The choice is either to borrow capital (which again means an equivalent debt) or to import it in some other form, like foreign investments.

But the tendency in under-developed countries is to follow the Soviet methods. By concentrating on a 'few branches' and waiting for the rest of the economy to catch up, results may appear to be rapid. By cutting down 1% production in agriculture, we may manipulate 4% production from industry. But these results are highly ambiguous and speculative, apart from being risky and even at times misleading. It is to be appreciated that socialism, even on its own showing, is simply not suited to an under-developed economy.

## A SUPERSTITION

It becomes clear that you cannot create capital by means of the socialist nightmare. Capital investment, it is then realised, is the crying need of the hour and whatever steps we take, must be taken towards this direction. By far the safest and most convenient way is to attract foreign investments. By foreign investments, we understand direct investment in manufacturing activity which takes the form of the establish-

ment of branches or subsidiaries in a foreign country. Yet this is no easy task—due solely to the superstitions that the under-developed economies are given to.

It is a mere abstraction to say that man, as he travels along the road of time, sheds his superstitions one by one. If primitive man had his superstitions, modern man has them too nonetheless. The difference is one of kind, not degree. Our superstitions today are different from those of primitive man. In the field of economics, the most glaring superstition may be found in the patronizing urge of the state to protect its home industries from foreign competition at all costs. This urge can perhaps best be understood in its psychological background. But, economically, it has no foundations. In the case of Mr. Prohibitor who obtains protection from the state for his industry and Jacques Bonhomme, the consumer, Frederic Bastiat writes: "A multiple of preventive officers must be maintained not in any useful, or even harmless employment, but for the sole purpose of forbidding the passage of Belgian iron across the French frontier. . . . What, then, is the condition of Jacques Bonhomme? What is that of the national industry? Jacques Bonhomme, who pays his fifteen francs to Mr. Prohibitor in charge for a cwt. of iron, has no more than the enjoyment of that cwt. of iron. He loses five francs. Who gains them? Certainly not the national industry. For, after the law, as before, the national industry can at most (with a reserve to be yet made) be encouraged only to the extent of fifteen francs—five of which, in the one case, are employed by Jacques Bonhomme for his own satisfaction, and in the other, transferred to Mr. Prohibitor for his. It is Mr. Prohibitor who alone gains the five francs that Jacques Bonhomme loses."

## NO ECONOMIC DANGER

Thus there is no economic danger in attracting foreign investments. It is strange resilience on our part not to do so and avoid having to face a problem that could be thus easily solved. It is to be realized that the problem is a temporary mal-factor and not a permanent one. To eliminate it, it is necessary to look for only a short-term policy. It is certainly not necessary to launch any radical programme, like socialism. No economic activity, as a matter of fact, is permanent. It is realistic to face the problem directly and simply. Prosperity and welfare are not attained by peremptory laboratorial processes; problems have to be faced with a correct estimate of one's own relative capacity and weaknesses.

It is pertinent in this regard to point out that of the two major power blocs, America is investing far more than the communist power in the under-developed countries of Asia. India could wisely turn to benefit this favourable inclination of America.

# MY BELIEF AND HOPE

By James Peter Warbasse

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**B**EING in health of body and mind, in this my ninetyeth year, I asset my belief in truth, in kindness, in beauty, and in deeds for the virtues come to nothing unless confirmed by action.

I believe the adoption of that course of life which is the most virtuous, as it becomes a habit, will be found to be the most agreeable.

I believe the cultivation of virtues should prompt people to see that their virtues impinge upon and effect other individuals to their advantage; for isolated virtue is sterile.

I believe that the dark realm, represented by the unknown, is neither sacred nor adorable, but is a challenge to man's curiosity and to his capacity to search for new information.

I believe that as time goes on, science will shed more and more light on this realm of mystery, and its ghostly inhabitants will continue to disappear.

I believe man does himself incalculable harm in looking to extranatural forces for help, when in need, rather than making use of his own abilities.

I believe I know more than my ancestors, that much they believed was not true—which prompts me to be as sure as I can that my own beliefs rest on grounds that will bear the scrutiny of time.

I believe in the continuous expansion of knowledge and understanding for I have seen the light illuminate the distant turrets of the future.

I believe the sun will rise in the morning, the tides will ebb and flow, flowers will bloom in the spring, and the phenomena of nature will go on as of yore.

I believe the grain that nourishes and the sun that warms, the volcano that kills and the hurricane that destroys, are caused by the forces of nature which operate in all things and inspire man to meet them and control them.

I believe that the war which murders, the airplane which crashes, and the hospital which burns reveal only the inefficiency, injustice, and greed of man; and the responsibility should rest squarely on him.

I believe that mankind needs the emotions; for science cannot supply the fineness which music, poetry, the imagination, and the beauties of color and form engender.

I believe in plan and purpose; but since plan and purpose imply thinking, I have no conception of plan and purpose excepting such as emanate from the brain; and such functions of the brain, I believe, are physiologic, occurring only in an organ of nerve-cells and nerve fibres.

I believe happiness is best attained by health of body and of mind, by efficiency directed to definite goals in the interest of one's own wellbeing, by the love of truth by acting in kindness, by creating beauty, and by doing what is needed to implement these virtues.

I believe that to walk uprightly and to live justly toward all men are the companions of happiness, that to be generous and charitable are requirements, without which the highest degree of happiness is impossible.

I believe these virtues best promote self-interest, which is the great goal, and that the virtuous are, in general, the most successful and the happiest.

I believe, as old age approaches, the knowledge of a life that has exemplified these self-interests can be the supreme comfort, and to have won a life of happiness by such practices is the consummate climax.

I believe that the physical constituents of my body are indestructible and endure forever, that my children and grandchildren can perpetuate my living substance as long as mankind survives, that the influence I have had on material things and the changes I have wrought in them endure beyond my life, and that the impact of my character upon other human beings expands and passes on from one to another while man exists.

These are my beliefs. I also have hopes.

I hope cooperation and brotherly sympathy among men may displace the struggle to overcome men.

I hope the movement towards better life will continue until all have abundance.

I hope for the conquest of unnecessary pain and disease until man lives out his life in comfort.

I hope that freedom from superstition and mysticism will continue to advance till man has freed himself and depends on his own reasoning and his own responsibility for his fate.

I hope that my mind and memory will always cherish the beauties and the grandeur of this earth, of its people and its products.

I hope I may be spared the degenerative processes which might affect my mind and spoil my capacity to see naturally and to think scientifically.

I hope to remain alive while still living, and to find happiness in the enjoyment of truth, beauty, kindness, and in useful action.

I hope I shall never persuade myself to believe what is unreal because it is pleasant to believe.

I hope that as my hour of death approaches, I shall enjoy consciousness until the end, be free of pain, and enter into eternal sleep, aware that what I have started still goes on.

I hope I may have the satisfaction of observing the fading of function, and consciously take leave of life with intelligent resignation, viewing this event with equanimity and with the satisfaction I have always enjoyed in laying myself down to sleep when tired at the day's end. Since I have no fear of death, or of an ominous hereafter, I hope to live to experience death as a beneficent and great adventure.

the Chinese conquest of Tibet has shocked the conscience of freedom-loving people the world over. We have yet to hear a word of denunciation from our Prime Minister of the new colonialism that Russian occupation of 15 East European countries and the Chinese occupation of Tibet signify. One wonders whether our much-boasted neutrality is to be interpreted as neutrality towards a particular power-bloc only.

The danger of International Communism to India is enhanced by the alliance between Russia and China, the Chinese occupation of Tibet, the increasing subversive activities of communists in Nepal, Bhutan, Sikkim and other border areas, the communist domination of the present Kashmir cabinet and their unity in Kerala. It is the common land frontier with Russia that help the Chinese communists to overthrow Chiang's regime in China. India has also a long common land frontier with Russia and China, affording to the communists in Kashmir, Assam and Nepal, a vast land base which has every possibility of developing into an Indian Yenan. The whole of our northern region, so far protected by the great Himalayas, has been at the mercy of International communism since the military conquest of the mainland of China and Tibet by the Chinese communists.

While our northern borders are endangered by the communists, our eastern and western borders are threatened by the two aggressive wings of Pakistan between which we are sandwiched. Further, the U.S.-Pak military pact and alliance between aggressive Pakistan and imperialist Portugal have also threatened our national independence.

#### Radical Reorientation Needed

India needs a radical re-orientation of policy regarding Pakistan if she is not to go under and be submerged in an Islamic resurgence. We have to review our policy towards Pakistan root and branch. Ever since the partition of India, Pakistan has lost no opportunity to blackmail and blackguard India and has been carrying on a campaign of vilification and provocation against India which must be put an end to. Our policy of appeasement must give way to a firm and positive policy towards Pakistan based on complete reciprocity.

Every time we have stretched our hand of friendship to Pakistan, we have been rebuffed with insults and threats of Jihad. While everyone in India wants peace and a peaceful settlement of all our disputes with Pakistan, the policy of surrender and appeasement that has been pursued by India has only made her more aggressive and emboldened her to ask for more.

Our whole policy towards Pakistan stems from our wrong reading of the Muslim League fanaticism, which has an intolerant attitude towards all non-Muslims. Civilised methods of dealing with non-Muslims is foreign to the Muslim League.

In view of the threats of "Jihad" openly held out by responsible leaders of Pakistan, and the mounting threat of war from the two aggressive wings of Pakistan between which we are sandwiched, we must give priority to our defence and guarding our frontiers. Our sermons on non-violence and Panchashila can

hardly be an effective answer to Pakistan's armed might. We can no longer afford to take a complacent attitude towards Pakistan's preparedness for war with India. India's history is full of foreign invasions and conquests because of our internal feuds, disunity and unpreparedness for war, and if we refuse to learn any lesson from our past experience, history will repeat itself.

India lost her freedom several times in the past when her ruling class failed in its duty to exercise perpetual vigilance over the enemies of the country, whether across the borders or within the land, and maintain an efficient intelligence department to discover the sources of disaffection, and watch the hostile moves of neighbours and their efforts to plant fifth-columns within our nation.

The paramount objective of our foreign policy must be to secure our frontiers and save our national independence, culture and free way of life from foreign invasion.

(To Be Continued)

### CHINA FACING REVOLUTION— COMMUNISTS CRITICISED AT UNIVERSITY FORUM

**H**ONG Kong: A University critic of Chinese communism has charged that some Party members "indulge in the most evil acts." He gave a warning of the danger of revolution.

The speaker, Mr. Wang Teh-chou, made the barbed remarks at a Forum of People's University. Peking's China Youth News, organ of the Communist Youth League, did not say whether he was a student or a professor in reporting his remarks in its June 10th issue which has just been received here.

"At any time, might overcomes right," Mr. Wang said. "It is possible to mount machine guns to deal with trouble. But what is to be feared is that the machine guns may be turned round for action."

Predicting that the Party will collapse soon, Mr. Wang said, "To say that the Party has divorced itself from the masses is not so true as to say that the masses have divorced themselves from the Party."

#### SECTARIANISM

He said that 90 per cent of the Party was guilty of sectarianism or devotion to particular groups rather than to the Party as a whole. Mr. Wang did not dwell on what were the "evil acts" of some members but he appealed for the abolition of special privileges.

Mr. Wang said that the Party confronts a "dangerous crisis" and has lost the confidence of the masses.

One of the reasons was the shortage of pork, he said, and vegetable prices have increased 600 per cent over last year.

"The common people begin to lose confidence in the Central Committee," he said, adding that unless the present campaign to correct mistakes, has at least a 90 percent success, the Party would collapse.

Mr. Wang made his statements under Mr. Mao Tse Tung's programme "to let all flowers bloom, let a hundred schools of thought contend."

—Times of India

# Nuclear Weapons For Our Defence

By Mehta Puran Chand

**M**R. Hridayanath Kunzru's plea for arming the Indian Defence Forces with nuclear and thermo-nuclear weapons deserves some consideration, specially today, when a situation exists which is very similar to the one that existed to the invasion of Kashmir in 1947.

Pakistan, from all accounts, would seem to have turned the territory of Kashmir under her occupation into a base for attack against India. The power of the Pakistani Army has been vastly augmented by U.S. arms aid which is said to include sabre jet fighters and tactical atomic weapons. Not long ago General Ayub Khan, Chief of the Pakistani Army, referred to exercises envisaging the use of tactical atomic weapons to cross riverine obstacles. He also spoke of attacking enemy concentrations from the rear. All this seems to show that the present strength of the Pakistani Army constitutes a formidable threat to this country. Within a short distance of the Indian frontier, there are said to be stationed well over 200,000 men equipped with the latest weapons. And their number, it would appear, can vastly be increased.

## Pak Preparations In Full Swing

According to a report published in a London paper, an "Azad" Kashmir Minister has said: "Azad Kashmir" forces now numbering 35,000 can be increased overnight to 80,000 of whom 70,000 will be trained ex-soldiers. "Further more commandos are reportedly being trained at the rate of 800 men at a time in schools. Many hundreds of guerrillas have been trained. Brigade Headquarters have been established at Chakoti, Mirpur, Bhimber and Kotli and Bagh, all in "Azad" Kashmir. Since 1954 about 900 miles of all-weather roads have been constructed linking these bases with a string of Pakistani cantonments at Abbottabad, Rawalpindi, Muree, Jhillum, Sialkot and Kharian, all of which are within a few miles of the Kashmir border. The airfields at Gilgit and Chilat have been enlarged and improved; the former now able to receive jet fighters. New airfields have been built at Skardu, Bhimbar and Do Patta in "Azad" Kashmir. Apart from Pakistani troop concentrations on the Indian border, tribesmen are apparently being massed for action. Ex-Major General Akbar Khan, who organised the 1947 invasion is said to have been placed in command of these.

## Our Security In Peril

On the top of it all, an officially sponsored hate-campaign against India has been in progress for some time. Choudhary Mohammed Ali, former Prime Minister of Pakistan, said for instance at a public meeting in Karachi: "I am ready for the liberation of Kashmir, but I want the people to get ready." Mian Mumtaz Daultana, Chief Minister of West Pakistan, said at the

same meeting: "We will prove that we can liberate Kashmir with the strength of our arms."

Under these circumstances India can ill-afford to disregard her security. The safety and stability of our country and of the millions who inhabited it are involved; and it is necessary that we are adequately equipped to meet any threat. It is in this context that Hridaya Nath Kunzru's call for arming our Defence Forces with nuclear weapons becomes valid—and urgent. Somewhat alarmist though it may appear, it deserves serious consideration by those charged with our defence.

## THE MIND OF THE NATION

### Need For A Party for the "Right"

So far as India is concerned, the question that is being posed here is whether politics in the country should revolve round the road to socialism or whether they should develop on the lines of those in the U.K., U.S.A., Canada and Australia. As matters stand, the Congress, the PSP and the Communists are all competing in following leftist policies, do not to that extent, constitute alternatives in the real sense of the term.....

Perhaps India should have a party of those who put a curb on intrusion by the State in the lives of the people. There is indeed a great deal of conservative opinion in India which would rally round such a party and provide a real alternative to the Congress. Unfortunately every attempt to form such a party has been run down as an attempt at revivalism, communalism or parochialism or capitalism. The result is that the small man,—the small trader and the small peasant—is unable to decide where his interest lies.

—Insaf in *Hindustan Times*

## PAK CONSPIRACY?

The seizure of large quantities of explosives from under a culvert bridge in Srinagar should help the Police to track down those responsible for the last week's bomb explosion in the city. If the explosives have been smuggled from across the cease-fire line, as is suspected, the explosion cannot be dismissed as an isolated incident. There may be reason to believe that there is a conspiracy to disrupt the peace of the city and sow seeds of panic and confusion in the Valley.

The public in Srinagar will feel reassured only when the whole conspiracy is unearthed and all the culprits have been brought to book. There is also the need for stricter security measures along the cease-fire line to prevent the smuggling of dangerous material in future.

—*Times of India*



# Pak Smear-Campaign In Full Swing

By "Vigilant"

WHEN the Congress leaders decided to accept the vivisection of the country into Pakistan and Bharat they had imagined that it will solve the long-standing feud between the Muslims and the Hindus and that India will be allowed to rest in peace. But the long history for the last 10 years has completely belied the hopes and expectations of the Congress leadership. Not a day passes and not a single opportunity is lost by the leaders of Pakistan and the people to keep alive the hate campaign against India. No amount of appeasement on the part of the Congress leadership has been able to prevent the blackmailing and blackguarding of India and her rulers by Karachi. In spite of this, New Delhi authorities still have not been moved to retaliate, much less at least to carry on a counter-propaganda against the Goebellian lies of Pakistan.

## Goebellian lies

It was, therefore, no wonder that the Pakistani Prime Minister, Mr. Suhrawardy, during his recent visit to Britain and the USA, should have indulged in his favourite past-time of spreading a lot of abject lies against India and the Kashmir issue as well as the canal waters dispute. That all the statements that he made both to the press and the public have no iota of truth in them does not seem to worry him. He seems to believe in the Goebellian technique that a lie the bigger it is, and the more often it is repeated, musters strength and is taken for granted by the ignorant and gullible people. But what is most astounding is that with our diplomatic establishments in Washington and in London, no attempt seems to have been made by them to correct and carry on a counter-propaganda against this campaign of lies. The case of India over the Kashmir issue has been allowed by the Indian Government to go by default, due to the absence of correct information about our stand on Kashmir, the result was that in the UN Security Council NOT a single nation in the Free World voted with India on the issue. And this sorry spectacle of the whole Free World against India is the result of our having nearly 74 foreign missions stationed all over the globe, costing the country over 6 crores of rupees annually. What a colossal waste of Indian taxpayers' money!

## Latest Stick To Beat India

While in London Mr. Suhrawardy tried to raise the Kashmir issue in the Commonwealth conference but naturally by the very composition of the Commonwealth, it could not be successful. Having been unsuccessful to bring the issue before the Commonwealth conference, he then made a number of statements black-guarding India. Now that Kashmir being not a "hot" subject with foreign audiences, he invented the canal waters dispute. In one of his bellicose statements

he is reported to have stated that for once they may forget about Kashmir but they cannot afford to leave the canal waters dispute alone. And he added, "If need be we will have to fight the issue and die fighting than be starved of water." So here is the latest stick to beat India with.

As every one knows, who cares to have the facts, that India has accepted the World Bank suggestion of three rivers going to Pakistan and three rivers coming to India, WITH THE ADDED RECOMMENDATION THAT INDIA SHOULD PAY Karachi Rs 60 crores for building the linking canals. It is Pakistan which at first accepted the recommendations is NOW GOING BACK on them and yet Suhrawardy had the cheek to blame India on the canal waters dispute! Now the latest demand of Pakistan is that 80 per cent of the waters of those rivers should go to her PLUS Rs. 170 crores for building the canals. It is once again the story of the wolf and the lamb.

## Painting India Red

From London, Suhrawardy went to USA and there again he indulged in making a number of wild and baseless allegations against India and her Government. Knowing the climate in USA and the general temper of the people against communism and Soviet Russia, Suhrawardy painted India as being in the communist bloc of countries. Said he in one of his statements at Washington: "How can such puny nations like India and Egypt defy U.N. mandates? Because they know that they have a strong Power behind them—that is Russia." Continuing he added that India had defied U.N. mandate for allowing the people of Kashmir to choose whether they want to be a part of India or Pakistan. He, however, did not care to tell the American people that Pakistan was declared as the aggressor in Kashmir by one of the U.N. Observers, that Pakistan still defies the UN mandate of withdrawing her forces from the so-called "Azad" Kashmir area forcibly occupied by her, that instead Pakistan has turned the "Azad" Kashmir area into a strong military base with the latest and modern air-field with guerillas and regular military men massed on the border. Suhrawardy, while he was posing as the head of a State in the role of martyred innocence, also forgot to tell the American people that Pak saboteurs have been arrested, both in Srinagar and Jammu, for the number of bomb explosions that took place there.

## No Grabbing But Mission of Mercy

Again in another of his statements over Kashmir, Suhrawardy again distorted the facts about Kashmir. Said he: "Nehru has grabbed certain territory that does not belong to him. The question was whether the views of the United Nations should prevail in the world or not." Yes, Mr. Suhrawardy the word of the

United Nations must prevail in the world, but what has Pakistan done so far to carry out the UN recommendations of withdrawing her armed forces from "Azad" Kashmir area? What about the tribal depredations of arson, loot and rape that were carried on in Kashmir by Pakistan on the Muslim people of the Valley, in whose name now Pakistan and Suhrawardy are asking for plebiscite? It is the Muslim people of Kashmir Valley that sent the SOS to India and India went to her rescue. Mr. Nehru has NOT GRABBED Kashmir; it was Pakistan that was trying to swallow Kashmir against the wishes of the people of Kashmir and that is where India comes in the picture. India has NEVER been the aggressor nor had she any designs on Kashmir. It was an act of aggression on the part of Karachi that compelled New Delhi to go to the rescue of Kashmir on a mission of mercy.

To further impress his point that India is sailing in the same boat as Russia he stated that in Hungary, Russia had defied the UN and India was defying the UN in Kashmir. He asked the UN to declare both India and Russia as "Outlaws" and he added: "Civilised countries should turn their faces from them when they come to international gatherings." As against this Suhrawardy complimented Pakistan for behaving as "a proper, honest and honourable member

of the United Nations." Verily a case of Satan quoting the Bible.

Suhrawardy need not be reminded of the "honourable" behaviour of this honest member of the United Nations which against the Partition Agreement has forcibly and cruelly driven out ALL the Hindus and Sikhs from West Pakistan and Sind. Before Partition there were 40 per cent Hindus and Sikhs and today there are hardly 5 per cent of them living in West Pakistan, the rest being forcibly driven out or massacred WITHOUT THE PAK GOVERNMENT raising its little finger to protect its own non-Muslim nationals. The same story is being repeated in East Pakistan. That is the Honourable member of the UN and that is the honest spokesman of the dishonest and dishonourable Pakistan, which by any standards of international law, has forfeited its right to be called civilised or modern. But the most depressing and disheartening part of this sorry business is the Gandhian silence of the New Delhi authorities, who are preaching the whole world on the merits of "Panchasheela" and co-existence and practising the Christian "virtue" of offering the other cheek when the one is smitten. Christian virtues and Gandhian code of conduct ill become the rulers that are called upon to defend and protect the security and integrity of a modern nation like India.

## What We Stand For--Work Of The Libertarian Social Institute

**T**HE Libertarian Social Institute which was started in Bombay some years ago for the spread of true and scientific knowledge and to dispel economic illiteracy, on the sole initiative of Mr. R. B. Lotwalla and a few of the ardent students of economics and public affairs has been doing its work in a modest way. When the Institute was started, it was never thought that the Congress Government would embark on carrying out plans and programmes that have a definitely socialist or communist bias. But from the way the Congress Government is acting, it is quite clear that they intend to take the country down the slippery slope of socialism and economic chaos. The need for the spread and advancement of the right conceptions of the economic trends in the world and to show the fallacies and some of the misconceived theories of Marxism and socialism are today more necessary and important in India than at any time before. The Libertarian Social Institute, therefore, has not come a day too late in the country. It is for the younger and present generation of Indians to take advantage of the Institute, its well-packed and large library in Bombay, its branches at Bangalore, Baroda and Madras for enlightenment and knowledge, and thus prepare an Advance Guard to fight systematically and with weapons of democracy—with arguments and lectures and propaganda—to dispel economic illiteracy and combat the fashionable slogans of socialism and communism that are in current vogue amongst the younger generation and many of the Col-

lege professors and teachers of the youth of the country.

### The Present Conflict

Today two great Power blocs struggle for world supremacy — American Capitalism and Russian communism. Neither of them represents the true interests and welfare of Humanity. Their conflict threatens Humanity with atomic destruction. Underlying both these blocs are institutions that breed exploitation, inequality and oppression. Without forming ourselves into a political party we think we can guide and indicate the general and broad lines along which the solution to these problems can be found. Ours is to spread the knowledge and dispel the false notions.

These two conflicting forms of societies of today **Must be Replaced by a New Libertarian World**, which will proclaim Equal Freedom and Equal Opportunity for all in a Free Society. Freedom without equal opportunities leads to privileges and injustice. Political liberty without economic freedom leads to totalitarianism.

The monopoly of power which is the State must be replaced by competition and co-operation between free communities, labour councils and co-operatives, operating according to the principles of free agreement. The government of political parties must be replaced by a functional society based on the administration of things.

### What We Stand For

State planning, in all cases leads to centralisation, which in turn means regimentation from the top down, must be replaced by federalism which means co-operation from the bottom up.

To popularise these views and to advance the cause of Humanity, the Libertarian Social Institute was founded in Bombay. The Libertarian Social Institute does not accept the old and even so-called new socio-political clichés but will boldly explore new roads and new ways while examining anew the old methods and social structure, drawing from all that time and experience have proven to be valid and useful to Humanity. The need for such an Institution in the country, which has been forcibly taken on the totalitarian paths by the Congress Government, specially after the total and complete failure of Marxist experiments in Russia and East European countries is quite obvious. The same experiences are being repeated in Communist China. In the face of these warnings it is a national tragedy that our Congress Government should fall in the same trap that has meant the complete negation of liberty and freedom of the individual and economic chaos and confusion all round.

### Intellectual Crisis

Today in the country the known political parties are

all wedded to socialism and, or communism, and ALL are agreed that a planned economy is the only solution, despite the planned chaos seen in the socialist countries, even after 40 years of experimenting and tampering. There is a crisis in the intellectual leadership of the socialist or communist world, but they are unable to resolve their difficulties and contradictions because they are fanatic Marxists. The Libertarian Social Institute meets this challenge of the Marxist confusion and chaos. There is a way out of both the capitalist contradictions and the communists confusion. Libertarianism is the solution to the challenge posed both by capitalism and communism. It is here that the Libertarian Social Institute shows the light to the intelligent man of the present generation groping in the dark. It is, therefore, the duty of the intelligent young men and women who are going to be the future architects of India's destiny, to be forearmed with knowledge that will guide them aright and lead the country and Humanity to Freedom and Economic Prosperity.

Join the Libertarian Social Institute immediately if you are not a member yet. Drop a post-card to the Secretary Libertarian Social Institute, Arya Bhuvan, Sandhurst Road, Bombay 4 for literature and application form.

## Activities Of R. L. Foundation Public Library And Free Reading Room

The R.L. Foundation came into existence with a purpose. And the purpose is something unique in the cultural life of India. It is to do researches and publish the results of the researches in libertarianism — as an integral response, economic, political and cultural, to the challenge of all forms of collectivist views and ways of life.

The founder is the veteran social thinker, Mr. R. B. Lotvala, who has had direct experience of several world movements of social thought and action, including the communist movement. His munificence and charity sustain the Foundation. Public Library and Free Reading Room as well as the Libertarian Social Institute.

College students and persons interested in public affairs and in economic matters are always welcome to the R.L. Foundation and the Libertarian Social Institute, Arya Bhuvan, Sandhurst Road, Bombay 4 and our branches at Bangalore (Venkatesa Bldg., Mill Corner), Baroda (Shanta Kunj, Raopura) and Madras (9 Broadway).

About 300 to 350 readers avail themselves of the R.L. Foundation Public Library and Free Reading

room daily. There are altogether 100 members on our library list. The books are well-kept and up-to-date. Most books pertain to Economics, Sociology, Social Philosophy, General Philosophy, History, Biography, Literature, Religion, etc.

The Co-operative Book House stocks books which deal with the various aspects of Libertarian ideology. These books are published by the Libertarian Publishers (Private) Ltd. and are available at the Libertarian Social Institute office. Books pertaining to University courses in Economics are sold at concession rates.

The Libertarian Institute library subscribes to the following journals and periodicals:—

**Dailies:** 1. The Times of India, 2. Mumbai Samachar (Gujerati), 3. Tarun Bharat (Marathi), 4. Nava Bharat Times (Hindi).

**Weeklies:** 1. The National Review, 2. The New Leader, 3. Mysindia, 4. Organiser, 5. Thought, 6. The Radical Humanist, 7. The New Statesman and Nation, 8. The Listener, 9. Shankar's Weekly, 10. Cultural India, 11. The Freethinker, 12. Freedom, 13. The Sunday Observer, 14. Commerce, 15. The Eastern Economist, 16. Vivek

(Marathi). 17. Kesari (Marathi), and 18. Jagriti (Telugu).

**Fortnightlies:** 1. Bhavan's Journal, 2. Fortnightly Review, and 3. The Indian Libertarian.

**Monthlies:** 1. Economic Digest, 2. Socialist Commentary, 3. Reader's Digest, 4. Encounter, 5. Progressive, 6. Faith and Freedom, 7. Saturn, 8. Land and Liberty, 9. The Interpreter, 10. American Labour Review, 11. Unesco Chronicle, 12. The Humanist, 13. Panchshila, 14. Rural India, 15. Modern Review, 16. Indian Review, 17. Kurukshetra, 18. Current Science, 19. The Vedic Digest, 20. The Henry George News, 21. The Word, 22. The Freeman, 23. Co-op. Report, 24. Filmindia, 25. Freedom First (India), 26. Progress, 27. Bulletin of the Ramakrishna Mission of Culture, 28. The Indian Rationalist, and 29. Bulletin of the Institute for the study of U.S.S.R.

**Bi-monthlies:** 1. The American Journal of Sociology, 2. Quest, 3. The Humanist and 4. Problems of Communism.

**Quarterlies:** 1. The American Review, 2. The Economic Journal, 3. Indian Economic Journal, 4. The American Journal of Economics and Sociology, 5. International Affairs, 6. The Political Quarterly, 7. Foreign Affairs, 8. The Plain View, 9. Freedom First (England), and 10. Oxford Economic Papers.

## R. L. FOUNDATION HOLDS A SEMINAR

### Present Political Currents In The Country

The Research Department of the R. L. Foundation held a seminar on Tuesday, 15th. July, when discussions centred round the political currents in India.

Mr. B. S. Sanyal, the Assistant Director, talked on the "welfarist" tendencies in the Indian Government. He said: "The welfarist misses or deliberately ignores the permanent elements in Free Economy which make up the ground of all economics. He refuses to see that British experiment in socialism is sustained by American capitalism, and the communist experiment by state capitalism. He also does not recognise that between the two methods of capital formation, the welfarist political and the ordinary economic, the latter has greater efficiency."

Mr. M. V. Balakrishna Rao gave a rationalist critique of socialism. He said: "The fundamental objection to socialism has been the impossibility of economic calculation in the absence of a market exchange. Where there are no market prices for the factors of production because they are neither bought nor sold, it is impossible to resort to calculation in planning future action and in determining the results of past actions."

### THE RESULT OF PLANNED ECONOMY

A member of the Libertarian Social Institute asked: "How do you think socialism will work out in India?"

"Chaos and poverty for all will inevitably result", replied Mr. Rao, "Because socialism is uneconomical." To quote the Russian experiment is of no avail. The Soviets are operating within a world the greater part of which still clings to market economy. They make their calculations on the basis of prices established abroad. Trotsky, for instance, freely admitted that economic accounting is unthinkable without market relations.

Mr. K. D. Valicha spoke next. He talked on Free Enterprise. "Many people in India believe that Free Enterprise, unchecked by State

control, can only lead to anarchy. This is sheer nonsense. For there cannot be an anarchy; there can only be different patterns of economy. When we defend Free Enterprise, therefore, we do not mean just abstract freedom or laissez faire but a positive order of economy."

Mr. J. K. Dhairyawan criticised the misdirected austerity measures of the Government. With a smile he said: "The present President of India has nearly 5000 State employees under him and over 300 telephones in his home! The Prime Minister has decided as "an austerity" measure to shift from his present palatial lodgings. BUT a new house, estimated to cost Rs. One Lakh, has to be built. It is bound to cost more than a couple of lakhs, not to talk of the furnishings. This is the beginning of the 'austerity

measures'. What is urgently needed in India is bettering the general standard of living which is the lowest in the world, and NOT austerity and going into "ashes and sack cloths". Only India, under the false Gandhian conceptions, could see a Congress Minister, with hardly clothes worth Rs. 15 or 20 on his person riding a motor car worth Rs. 10,000 and more, and his chauffeur better-dressed and better clothed. We have a facade of simplicity that costs a colossal waste of the tax-payers' money. 'It took a lot of money to maintain Gandhi in poverty,' Mrs. Sarojini Naidu used to say. And Gandhi's example is being followed by the Congress ministers and the Government.

Mr. Dhairyawan referred in this connection to the pioneering work of Mr. R. B. Lotwala and late Mr. M. N. Roy for creating a revolution in the minds of the intelligentsia for scientific and rational thinking.

## Indian News Parade

### PAK NATIONALS ADMIT PLANTING OF BOMBS IN KASHMIR

Srinagar: Documentary evidence relating to the bomb explosions in Jammu and Srinagar along with large quantities of explosives smuggled from Pakistan have been captured by the Kashmir police following the arrest of a gang of saboteurs yesterday, according to highly-placed sources here.

Among those arrested by the police are two Pakistani nationals believed to be ex-servicemen from Pakistan and their agents smuggled into the State in mid-June, these sources said.

Soon after the arrest of the gang yesterday "somewhere in the valley," the Pakistani nationals, the sources said, told Kashmir police that an explosive had been planted by them on the mid-night of June 27—the night of the first explosion took place in Srinagar—near the backdoor of a restaurant on the main thoroughfare of the city.

The Kashmir police suspects that

this very gang of saboteurs was responsible for the bomb outrages in Delhi in June-July last year and that it had moved to Jammu and Srinagar last month.

The gang is believed to have its operations headquarters in Pakistan—occupied Kashmir with Karachi directing it.

A close watch is being kept all along the cease-fire line and areas adjoining it are being patrolled.

The active help and co-operation extended by the people of Kashmir to the police in the course of their investigation, authoritative source said, were largely responsible for the failure of the sinister mission of the saboteurs.

—P.T.I

### PAK TIRADE AGAINST INDIA

Los Angeles: The Pakistani Prime Minister Mr. Suhrawardy said that such nations as India and Egypt could defy U.N. mandates "because they feel that they have a strong power — Russia — behind them."

Mr. Suhrawardy said that India had defied the U.N. mandate for free elections to let the people of Kashmir choose whether they wished to remain a part of India or become a part of Pakistan.

"How can such puny nations like Egypt and India defy U.N. mandates? It is because they feel that they have a strong Power—Russia—behind them."

—Times of India

### PAK TRAINED SABOTEURS CLASH WITH PAK POLICE

Srinagar: Two men were killed and five injured when Pakistan trained saboteurs and Pakistan Police exchanged gun-fire in Muzaffarabad, the "capital" of Pakistan-occupied Kashmir.

It is stated that gangs of saboteurs organised by the Superintendent of Police, Muzaffarabad, in Hilan, were alleged to have given information to the Kashmir Police through their paid agents in Kashmir Valley.

Most of these paid agents have been arrested by the Kashmir Police in connection with the recent bomb explosions in Jammu and Kashmir.

The gangs were summoned to Muzaffarabad by the Superintendent who is in charge of the Hilan "sabotage camp."

When they were charged as Indian agents in Pakistan and held responsible for disclosing secrets of Pakistani sabotage activities in Kashmir, they expressed their innocence. The Superintendent seemed to have lost his temper and is alleged to have beaten one of the gangs. This enraged one of the colleagues and they attacked both the Police officers. Police reinforcements rushed to the spot who opened fire. After an hour the situation was brought under control.

—UPI

### APPEASEMENT OF PAKISTAN STILL CONTINUES

New Delhi: "Does the Government propose to take any steps against Pakistani nationals employed in India, particularly in West Bengal?" asked Mr. Arun Chandra Ghuha in the Lok Sabha.

Mr. Nehru replied: We have

taken no steps, and propose to take no discriminatory steps. As regards those Indians, who have been refused "F" visas by Pakistan, apart from protests and drawing the attention of the Pakistani Government, I do not know what the House would like us to do?"

—P.T.I

### KODANDA RAO ON TAXATION

Addressing a meeting of the Libertarian Social Institute, Bangalore, Mr. P. Kodanda Rao said that private sector was in no way superior to public sector so far as efficiency was concerned. "It is said that private sector is more efficient than public sector because the former has a profit motive.

Speaking about taxation, Mr. Kodanda Rao said that all taxation was confiscation without compensation and economically speaking, there was no difference between the two. "If your property is confiscated without compensation, you can rush to Supreme Court but if it is done in the name of Tax, you cannot. This is the only difference between Taxation and Confiscation" said Mr. Kodanda Rao.

Prof. M. A. Venkata Rao, presided over the meeting which came to an end with a vote of thanks proposed by the secretary of the Institute, Mr. Sumant Bankeshwar.

### RED RULE IN KERALA A DARK PICTURE

New Delhi: The Congress Secretary, Mr. Shriman Narayan, is understood to have submitted to the Congress President, Mr. Dhebar, a report conveying a dark and disquieting picture of law and order situation in Kerala.

In an interview Mr. Narayan said that he was sorry to find that the Communist Government there had "withdrawn from lay courts a good number of police cases, including those of murder."

Mr. Narayan said that certain pro-

Referring of the Educational Bill, Mr. Narayan said that certain provisions were certainly extraordinary. Another clause in the Bill providing for local education committees was clearly meant to enable the Communist Party workers to control all the educational institutions in the State.

—Times of India

## WORLD NEWS

### CHINA DISSATISFIED WITH COMMUNISM

Hon Kong: China's Timber Industry Minister, American-educated Mr. Lo Lung-chi, has disclosed widespread dissatisfaction with the Communist Party by the country's intellectuals since the end of 1955.

Defending himself against "rightist" charges in the Parliament in Peking on Friday, Mr. Lo said that his own doubts sprung from last year's Hungarian revolt.

—Times of India

### BID TO RESTORE CAPITALISM —CHINESE PEOPLE WARNED

Hong-Kong: Reactionary elements in China have "anonymous threats and other low means" to restore capitalism in the country, according to Madame Soong Chian-ling (formerly known as Madam Sun

Yat Sen) quoted the New China News agency.

She added, "Of all the political parties that existed or exist, in our country, the Communist Party has shown the clearest understanding of our history and conditions."

"Even those who are honestly confused about some features of our system and Government, reject it so ruefully. We want to go forward and not backward. We want democracy which all the people and in the first place the vast majority exercise.

At the same time the people had to proceed with the original purpose of the movement to help the Communist Party wage a stern campaign against "the deadly enemies of socialism and the welfare of 600 million people—bureaucracy, sectarianism and subjectivism."

## SOVIET PEOPLE SEEK MORE LIBERTY

Washington: The U.S. Secretary of State, Mr. John Foster Dulles, said today that Russia's rulers are facing a rising, and in the long run, an irresistible demand from the Soviet People for more personal liberty and security.

Speaking on the present situation in Soviet Union he said: "The 'Fundamentalists' in the Presidium seemed to have believed that the only course was to maintain absolute centralised power in the Kremlin and to rule from there with an iron rod in accord with Stalin's example.

"The 'Modernists' seem to believe that it was better to give an appearance of flexibility and allow the people at least the hope of changes that improve their lot. The latter policy highlighted by Mr. Krushchev's plan for industrial decentralisation, won by a margin. The whole affair showed how powerful were the forces for change in the Soviet Union."

—Times of India

## U.S.A. SHOWS COLD SHOULDER TO PAKISTAN

Karachi: The United States has categorically told the Foreign Minister (Feroze Khan Noon) as also the Prime Minister (S. H. Suhrawardy) who were in the United States that all they could do about Kashmir was to express a desire for an early and peaceful settlement to the issue.

It is further understood that the United States in its talks with the Pakistani leaders has made it clear that it cannot be a party to any action which may embitter its relations with India.

—Times of India

## SUHRAWARDY IS OPTIMISTIC

Washington: The Pakistan Prime Minister, Mr. H. S. Suhrawardy, said that he was virtually certain that President Eisenhower would back Pakistan's formula for solving the Kashmir problem.

Asked if President Eisenhower would give strong backing to Pakistan's call for a United Nations' plebiscite to decide Kashmir's future, Mr. Suhrawardy replied, "I am certain about it. If he doesn't do

so, I shall be deeply disappointed because I expect from him a sense of justice—that he will try and see that matters between us are adjusted."

—Times of India

## CHOU'S VERSION OF "CO-EXISTENCE"

Hong Kong: The Prime Minister of the People's Republic of China, Mr. Chu En-lai, told the Chinese Parliament that the Communist bloc was riding high and stronger than ever, but the United States was losing face everywhere in the world.

Continuing he said, "Though a rectification campaign has opened the gates of criticism, the Peking Government's enemies were notified that the communist dictatorship would not be changed. China's eight non-communist parties were warned that they "would be excluded" from the present "united front" if they strayed.

"No efforts to shake it (dictatorship) would be tolerated," Mr. Chou En-lai declared.

He added that absolute democracy practised in the West was anarchy.

# Book Reviews

## CAUSES OF BUSINESS DEPRESSIONS

THE CAUSE OF BUSINESS DEPRESSIONS by Hugo Bilgram & L. E. Levy.

## LAND QUESTION

"EACH generation" observed Marshall "looks at its own problems in its own way". Adam Smith's "Wealth of Nations" reflected the age of laissez-faire; Ricardian thought was translated into the Charter of the Bank of England and Keynesian Economics which rescued most economists from a too rigid adherence to classical theory by stressing the need for governmental intervention, which has been followed by most governments of the day in some form or other. To-day, as every one knows, the choice is no longer between pure Capitalism and pure Socialism. This book is an attempt to understand the peculiar economic problems arising out of the ethos of our age. Although Bilgram and Levy are primarily concerned in suggesting a remedy for business depressions, they have also given us a brilliant restatement of the whole body of economic thought.

The major portion of the book is devoted to a clear and up-to-date analysis of a chain of fundamental concepts—from value and credit to monopoly and currency. The range is truly encyclopaedic—Public Debts, Tariffs, Trade Unions and Business fluctuations have been explained lucidly with a wealth of illustrations.

The Land Question is discussed at length. The Ricardian concept of Rent was 'socialistic' in its very inception and naturally its later-day theoretical extensions have a pronounced bias in favour of near-expropriation. But the approach of these two authors is balanced and essentially pragmatic. They begin by stating that the landowner acquires an advantage, "in so far as the products of intra-marginal land have a value that yields not only a return for production, but also a further reduction in the shape of rent". The main argument spins on the thesis that 'there is evidently a certain measure of iniquity involved in the present system of land tenure'. They further state that the landownership is a relic of a bygone feudal age, by which the landowner obtains 'from the community an income which he does not earn'. But as the authors point out, most persons acquire landed property by way of gift or by pre-emption, just as other forms of property are obtained. No wonder, they do not agree with Henry George's remedy of depriving land of its market value through confiscation of the economic rent by the community. Since years elapse before the full benefit of labour bestowed on land is enjoyed by the landowner, they warn us that 'unless a reasonable remedy is

instituted, the cure may be worse than evil 'The remedy proposed by Henry George is the surest way to universal collectivism.

#### AMERICAN CAPITALISM

Some of the most brilliant reflections in this book are to be found in the chapters dealing with the various systems such as Capitalism and Socialism. The well-known defects of an orthodox Capitalistic system are mentioned. Capitalism 'bringeth the treasure of the realm into a few hands' bringing in its train, periods of depression and unemployment. Like many other institutions, Capitalism itself has undergone a change. To cite an instance, American Capitalism is different from classical Capitalism, as it developed during the uneasy transition between the end of an era of feudalism and the beginning of the industrial revolution. The great private interests of America are controlled by what Professor Galbraith terms the countervailing power of those who are subject to it. But this system of American Capitalism based on the countervailing power of its own creation can work only in America.

If 'Capitalism' is no answer to our economic problems, neither Socialism nor Communism of the Marxist Pattern can provide the answer. Marx's drastic remedy that the Capitalistic system should be discarded as useless is like throwing the baby away with the bath water. Socialism or Communism of the Marxian type is based on his peculiar theory of value, which has a Ricardian ring about it, and can only work within the limits of perfect competition. Labour is reckoned as the sole factor of production and the most surprising thing about the Marxian theory of value is that it reduces all kinds of labour to only one kind, an approximation which is not true in actual life.

#### PENETRATING INQUIRY

According to the authors 'the recurring economic paroxysms known as financial crises, which are followed by periods of industrial depressions are the inevitable outcome of the arbitrary limitation of the volume of currency'. It is rightly suggested that the basic defect of our economic system is

not the wickedness or greed of the Capitalist but due to the 'constriction of the facilities of exchange'. The logical thing then would be to remove all arbitrary restrictions on the natural expansion of the means of exchange. Indeed, this is a much better remedy than the excessively high measures of taxation which affect incentives for production or the usual habit of humouring the recalcitrant Trade Unions involving the loss of thousands of man-days thereby affecting production. It would be instructive at this stage to state the remedy that Keynes proposed in order to achieve a better world. In the final analysis, Keynes hoped for a time when there would be an "euthanasia of the rentier class" living on gilt-edged securities rather than production.

This is the sort of book which ought to interest not only students of Economics and intelligent laymen, but also one or two bright boys and girls studying in the Junior classes of our Universities. In fine, this book is not so much a text book of political economy as a brilliant interpretation of a penetrating inquiry into the nature of monetary values in the modern world.

A most enjoyable book!

—A. Ranganathan

#### STRUGGLE FOR ASIA

**STRUGGLE FOR ASIA** By Sir Francis Low published by Frederick Muller Ltd. London. pages 239. 1955.

This work on the present situation in Asia by Sir Francis Low, formerly Editor of the "Times of India", is a useful running account of the background of political affairs in Asia today. The master key to the survey is the theme of the awakened East. Though written primarily for Western readers to give them the right perspective to forces and happenings in the East as a whole from Egypt to Japan, the book is useful to Indian publicists as well. The vast area is covered in a rapid manner with sketching the new aspiration towards national revival and economic progress awakened throughout Asia of varying degrees and forms of contact with the West. The story gives a clear and understanding account of the fascination exercised

by Soviet Russia since 1917 on the awakening peoples of the East as an example of gigantic achievement in technical and military progress. Sir Francis gives a clear account of the inward feelings of Eastern peoples against the past and the present imperialisms of the West.

The centre of the story is the colossal experiments in revolutionary reconstruction taking place in India and China—in India on a democratic basis and in China on the basis of Leninism and Stalinism. He gives a sympathetic sketch of Nehru as a great leader moved by nationalism and democracy. He discounts the criticism of him in the West as a pro-communist. He pleads that the West make a genuine effort to understand the newly-awakened nationalisms of the East who coquet with Soviet Russia only because of their admiration for her vast effort and because of Russian sympathy (cleverly propagandised) towards Asian peoples. He gives a discerning explanation of India's Panchsheela policy vis a vis communist States. He thinks that the crucial issue today is whether Nehru will succeed in getting Russia and China to observe the principles of Panchsheela. He ends up with a recommendation of the sort of co-operative undertaking of East and West symbolised in the Colombo Plan. He wants America to support this way of co-operation with the resurgent East in a genuine spirit of partnership. The intricate and baffling coalescence of national and pro-communist motives are indicated with insight.

M. A. Venkata Rao

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