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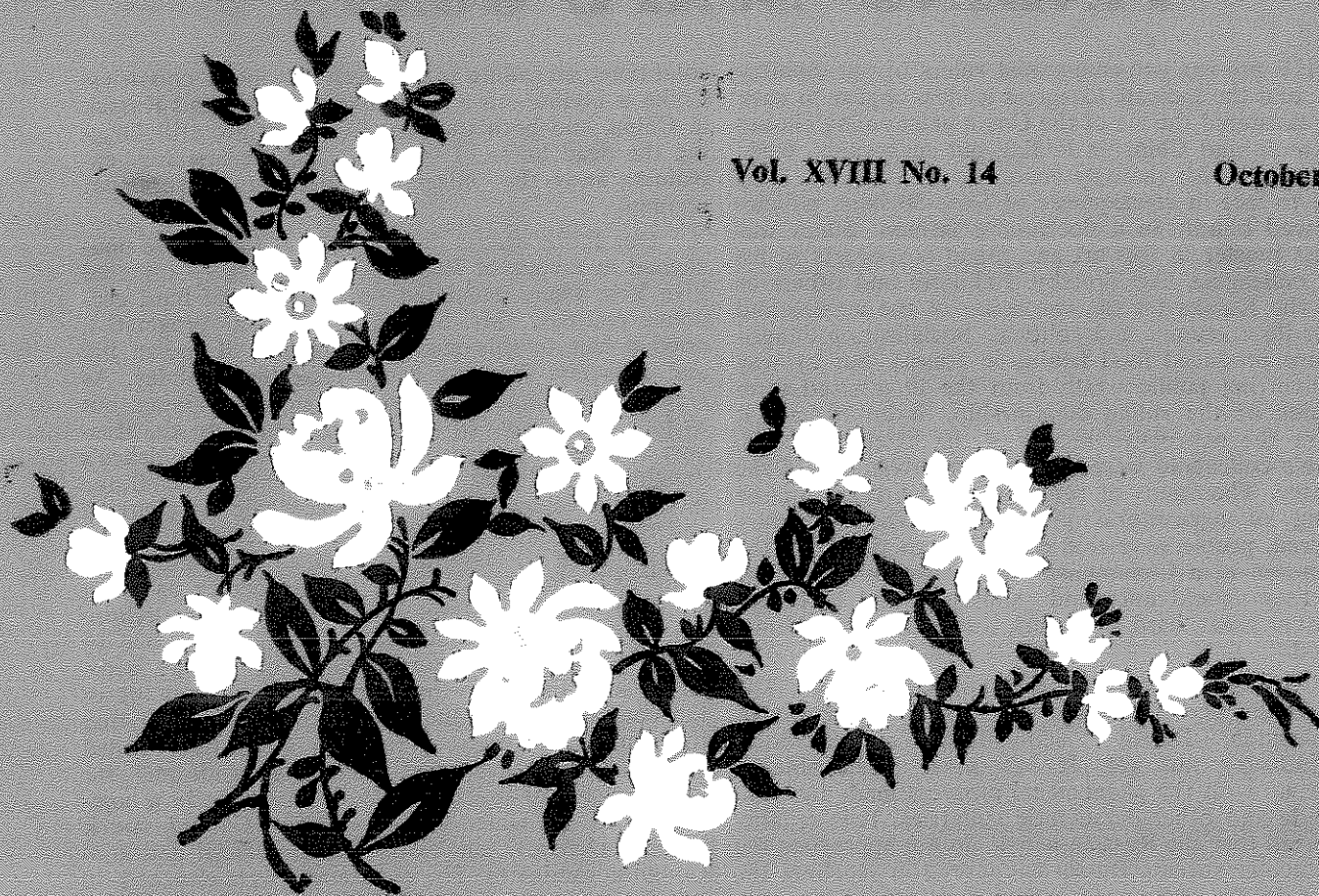
AN INDEPENDENT JOURNAL OF PUBLIC AFFAIRS

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MAKE ENGLISH THE LINGUA FRANCA OF INDIA

Vol. XVIII No. 14

October 15, 1972.



6065

ANNUAL SUBSCRIPTION RS. 6-00

PRICE **25** PAISE

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EDITORIAL

FINDING 'SCAPE GOATS'

THE present neo-communist rulers of our country and the Indicate Congress leaders appear to have fully mastered the art of the Communist ruling cliques in Russia and China in finding out scapegoats, when confronted with the ugly economic realities that they have to face in consequence of State-Socialist policies followed blindly in a doctrinaire fashion. Stalin was a past master in this art and found scapegoats in his own colleagues like Trotsky, Bukharin and others as also the Kulaks for the starvation of the masses and other ills economic and political. Socialisation of agriculture produced food famine in Russia, but by way of diverting public wrath from the ill advised farm policies of the ruling dictatorship, Stalin blamed it all on the subversive tactics of the 'Rich' peasants. Stalin's colleagues were executed or driven out of the country. Thousands of people died as a result of the falling of agricultural production. When Industry suffered, people were told from time to time that the millenium of a Communist Society was still to come and they should not mind sufferings and hardships however great, hard and cruel, during the transitional period.

This transitional period is still continuing. The 'pie in the sky' is still the watchword of Communist propaganda. Russia is self-sufficient in agriculture or industry not yet. It has never been able to catch up with the phenomenal progress made by U.S., Canada and other democratic countries. It is reliably reported that the Russian people do not appreciate the spectacular success Russia has scored in reaching the Moon in the outer space, when even after fifty years of Socialist revolution, clothing, food and shelter have continued to be scarce as compared with the

conditions prevailing in Western advanced countries. China is finding out a scapegoat in Russia and Russia, in China, and both the Red Countries are still flogging the dead horse of Western Imperialism for explaining away the miserable failure of Government regimes.

Our Indian rulers during Nehru's time, were non-aligned in favour of Russia. Communism — oriented Five Year Plans foundered on the rocks of hard economic realities. Mr. Shastri who was a pragmatist, cried a halt to this mad Sovietization of Indian life and economy. Planning had a refreshing holiday. As a result, moribund economy was slowly reviving, but as fate would have it, he died at Tehran on the Russian land. Then ensued a conflict between Nehru's daughter Mrs. Indira Gandhi who wanted to continue Nehru's developmental — not economic — planning and the veteran leaders who had worked for the freedom of India no less than Nehru, under Gandhi and Patel and who were wedded to Democracy as much as to Socialism but never allowed the latter to eclipse the former. The Democrats in the Congress had to pay for their democratic tolerance of Indira's acrobatics with their very position in the political life of the country. Taking Indira Gandhi at her word that the controversy between the two wings had ended and she would work for the official candidate for Presidentship of India the old leaders were in a complacent mood, when suddenly Indira Gandhi struck and non-chalantly supported the non-official and non-Congress candidate. The old leaders were chucked off one by one even as Stalin had done. The neo-Communists who had infiltrated into the Congress ranks were quickly raised to the positions of Ministers at

the Centre and high dignitaries in the Congress organisation.

In the meantime the India-Pakistan war came in 1971. India won as she deserved, over Pakistan after capturing about one lakh of Pak Soldiers on the Eastern front. The nation's united efforts were crowned with success though the ruling party took all the credit for itself. Riding high on the crest of this victory in war, the rulers ordered General Elections much earlier than the scheduled time. 'Garibi Hatao' was the slogan which together with the halo surrounding Indira Gandhi as the war — victor, brought Indira Gandhi and her Indicate Congress to almost absolute power. The opposition parties were simply worsted in the unequal fight in which the ruling party exploited both its power money resources in an unabashed manner against the opponents.

But to win the popular vote with illgoten money and high sounding but deceptive slogans was one thing and actual implementation and fulfilment of the empty promises and shallow assurances given to the gullible illiterate electoral masses is another. The Ruling party is hard put to it to make good its pledged word to remove poverty as if by a wand of magic. It claimed that removal of moderate elements from the Central Government was the last hurdle in the path of full implementation of its 'Garibi Hatao' programme. People's anger is now naturally mounting what with rising prices, frustration of the youth, what with the ever-growing unemployment both in the urban and rural areas. The country is on the brink of famine, devastation and economic ruination as never before. Violence is in the air as a result of the misguided economic and industrial policies of the Government combined with the neo-communists among Congressmen, moving about in the country and rousing the passions of the poor against the rich, workers against employers, the landless rural labour against well-to do peasants, reminding one, of the conditions that prevailed in Russia and China in the initial stages of their bloody revolutions.

THE RUIN WROUGHT BY CONGRESS

Indicate Congress has brought this country to this miserable plight. According to the National Economic Council of Applied Economic Research, the country's economy is threatened with near-stagnation in national income and further with upward pressure in prices during the current financial year. The rate of industrial growth which would not exceed 6 per cent in reality as contrasted with estimated 10 per cent growth, would, in its opinion, not be enough for containing inflation. Food-grain production in 1972-73 is likely to be two three million tonnes less than the 1971-72 productions which in itself was less than the production in 1970-71. The railway transport system is almost cracking. Power failures are becoming chronic. Regarding prices, the report says that the wholesale index which remained fairly steady around 192 till March this year made a swift rise to cross the 200 mark in July and it now stands at 208. The basic reason according to the report is the inexorable growth of money-supply. The balance of payments in foreign trade is not also hopeful since the production rate will not be adequate for this purpose.

The remedial programme suggested by the Council for curbing inflation is threefold viz. slowing down the growth of money supply, carrying out productive schemes quickly and increase in the output of food articles.

The remedies suggested above by the Council are not new. They have been suggested off and on by all economists and knowledgeable persons who have genuine interests of the people at heart. But they will never recommend themselves to Indicate Congressmen and the State-Socialists who place the future of their political career above national welfare and interests. Deficit financing which has become a regular feature of the Annual Budgets for the last one decade, has been always criticised but vote-catching economies would not persuade the Nehru-Socialists to curb and contain it. An adequate rate of industrial growth which alone can afford new avenues of employment to the youth, hold inflation and improve living standards of all classes, presupposes the coordination of all-out efforts on the part of all classes constituting the nation in stepping up production through starting of new industries and expansion of the existing ones. This will also increase our export trade and balance of payments in foreign trade. But instead of encouraging industry, trade, commerce and agriculture, all sorts of hurdles are put in the way of entrepreneurs, traders and well-to-do peasantry. Affluence has become a crime and poverty, a virtue. In these days when we hear so much of removing poverty, the rulers are actually perpetuating it through illadvised attempts at distributing country-wide poverty among all classes and reducing all to the dead level of destitution and misery. The only honourable exceptions are the new rising class of Ministers riding merrily in Ambassador cars and living in palatial bungalows, the highly placed bureaucrats who fatten their purses through corruption and bribery and new upstart licence-holding entrepreneurs who are past-masters in greasing the hands of the officials and employing other get-quick-rich remedies.

It is not the poor that are the backbone of the Indicate Congress but this new class which can purchase for the Congress the votes of the famished masses during general elections.

Bread or Circus

With all the Socialist tubthumping for well over twenty five years, the country is nowhere near the 'take-off-stage'. When people ask for 'bread' the rulers in the Fascists style go out for a gun or a gimmick. The demand for controlling prices is met by a greater dose of socialist tomfoolery. Student unrest and labour-troubles are explained away and poopooed by saying they are all due to the exploitation of people's misery by opposition parties, as if it were only the Congress monopoly to catch the votes of the poor by rousing their worst passions and prejudices. As if this tomfoolery were not sufficient for diverting the oppressed people's wrath against the rulers. Mrs. Indira Gandhi and the Congress President Sharma are now regaling the public with concocted stories of C.I.A. inciting people to violence and bloodshed, forgetting at the same time Russian agencies which are at the game, as could be seen from the C.P.I. risings in Bihar, Bengal and in Bombay. One does not know

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REVIEWING INDO-AMERICAN RELATIONS

by
A. RANGANATHAN

"I confess" wrote the incomparable Tocqueville, "that in America I saw more than America, I sought the image of democracy itself, with its inclinations, its prejudices and its passions, in order to learn that we have to fear or to hope from its progress." This great French commentator also added that "the question here discussed is interesting not only to the United States but to the whole world: it concerns not a nation, but all mankind". And in order to get a clear picture of the Americans, it is necessary to understand those historical and cultural factors which have constituted the social background of the American nation.

It would be accurate to describe America as a middle class nation in the traditions of Locke. In this connection, it would be interesting to recall an illuminating comment made by Dr. Hans Kohn: "What Karl Marx regarded as the central issue of modern European history, the struggle of the bourgeoisie against the aristocracy and the proletariat against the bourgeoisie has hardly had a counterpart in American reality. This astounding absence of classes and of class warfare in the heartland of modern capitalism had been noticed also in 1890 (the period of many labour troubles) by a French observer and explained by him as part of the American system of individualism". It is remarkable that even today, despite the impact of technology on American Society, the professional, technical and managerial employees who constitute the salaried middle class of America can neither be labelled as "capitalists" nor "proletarian", neither "exploitor" nor "exploited." Indeed, it is a combination of this social background and the American approach to liberty rooted in the English tradition of liberty in the land of unlimited economic opportunity which set the pace for the unique frontier movement. However, the United States took a long time to consolidate itself as a nation since the problem was to create a degree of unity out of the ethnic diversity in a background of varying economic interests, geographic divisions, climatic differences and even old world complexes. Indeed, even in President Wilson's time, one of the reasons for the rejection of the League was the opposition of certain nationalistic groups like German-American and Irish-Americans who had bitterly criticized the treaty of Versailles for its failure to satisfy the aspirations of their original native lands. And generally, a harmonious blend of the American conception of liberty in which the immigrant shared as fully as the non-immigrant and the democratic spirit of the educational system contributed to what may be termed as the warmth of belonging in a society which believes in human dignity, equality of opportunity and the welfare of the community.

Prof. Commager in one of his Gottesman lectures at the University of Uppsala in Sweden on American Nationalism set out the thesis that "America could be romantic and democratic, romantic and equalitarian, romantic and progressive". If then, the

American concept of a nation as is known was born of a romantic tradition, America's interest in India was part of American romanticism drawn from Coleridge, Schilling and Oriental writings, especially Indian philosophy. And the leader of this new movement was Emerson, the Sage of Concord who stimulated a new literature and explored newer horizons of thought. Emerson's acquaintance with Indian thought started in 1822, when he wrote to Aunt Mary that he was curious to read "your Hindu mythologies..... the treasures of Brahmins". During this period he came across a few references in the "Christian Register" to Raja Ram Mohan Roy, the father of 'Indian Renaissance', who had a kind of spiritual communion with the American Unitarians and was responsible in turning the gaze of America towards India. At this stage Emerson felt that Indian thought was a kind of "learning's El Dorado, a fairy-land just beyond the compass of his horizon!" However, the word 'India' had an intellectual as well as a spiritual content in his later years. Indeed, it is possible that Emerson might have got the idea for his 'Over-soul' from the Upanishads where the 'Eternal Self' is termed the 'Paramatman'. Emerson had spiritualised the concept of the Universe in his 'Over-Soul' and wrote that "from within or from behind, a light shines through us upon things and makes us aware that we are nothing, but light is all. A man is the facade of a temple wherein all wisdom and good abide." This idea contains elements of both Platonism and Upanishadic thought. In fact, Emersonianism could be described as a creative synthesis of the philosophy of platonism and Neoplatonism, the joyful poetry of Hafiz and Saadi, the ethical wisdom of China and the mysticism of India and a 'reconciliation of the many and the one.' Emerson's importance lies in the fact that the father of comparative philosophy inaugurated a new era in the history of Western thought. His immediate influence was felt in the writings of Whitman and Thoreau although it could be traced in the poems of Carl Sandburg and the plays of Eugene O'Neill.

It is interesting to record that Emerson described "Leaves of Grass", which is Whitman's finest collection of poems as a blending of the Gita and the New York Herald, while Thoreau remarked that Whitman's poetry was "wonderfully like the Orientals". Swami Vivekananda hailed Whitman as 'the Sanyasi of America' and Tagore said that "no American has caught the oriental spirit so well as Whitman". It is clear, therefore, that despite the fact there are differences of custom and habit which distinguish the Americans from the Indians, there is a mystical affinity which makes their destinies convergent on the plane of intellectual thought.

Just as the Greeks appeal to the Western Sense of History, the concept of Indian freedom had captured the romantic imagination of the American people. In this connection, it is interesting to recall that Thoreau, who was arrested for not paying poll-

tax, wrote his celebrated essay on Civil Disobedience contending that "if the alternative is to keep all just men in prison or give up war and slavery, the State will not hesitate which to choose". This essay of Thoreau who was a member of the Charmed circle of Emerson, had profoundly influenced Gandhi. Louis Fischer remarks that there was an Indian imprint on Thoreau, who used to read the sacred scriptures of the ancient world along with Emerson and significantly adds: "Thoreau in Massachusetts borrowed from Gandhi's India and repaid the debt with words that reached Gandhi in a South African cell". Taking stock of the Indian political situation, Mahatma Gandhi decided to apply his technique on a bigger scale. Mahatma Gandhi developed some of Thoreau's ideas and gave them his own personal flavour by identifying himself with the masses of India in his epic struggle against the forces of British authority in India. Similarly at this stage, it may be recalled that Emerson had criticized the intellectual subservience of American writers to Europe in his famous oration delivered before the Phi Beta Kappa Society in 1837. This lecture, in which he maintained that 'our day of dependence, our long apprenticeship to the learning of other lands draws to a close' has been hailed as America's Intellectual Declaration of Independence. And to Dr. Ananda Coomaraswamy, that great art-critic, Indian nationalism was a quest for self-realization, a spiritual Declaration of Independence, which reveals the cultural similarity between India and America.

From the time of Emerson until the advent of Swami Vivekananda, the exchange of men and ideas between India and America that today represent the two largest democracies in the world was limited. The primary reason for this lack of cultural exchange was America's preoccupation with nation-building. The great Westward movement from the East to the West coast of the country (a distance of 3000 miles) so occupied the thoughts and energies of Americans between 1790 and 1850 that little was left them for contemplation of the outside world. The Westward movement was followed almost immediately by the great Civil War and its tragic aftermath. And a new era began with Swami Vivekananda's trip to the United States of America. Swami Vivekananda, writing to a friend during his sojourn in the U.S. said, "I have planted a seed. It is already a plant and I expect it to be a tree very soon." This great leader of India's spiritual renaissance was referring to the religious precepts he expounded at the World Parliament of Religions, held at Chicago, U. S. in 1893. Since this great Indian first shared his rich heritage and philosophical insight with Americans over a half century ago, many outstanding Indians have helped to nurture the tree of cultural understanding. The spiritual kinship that exists between Gandhi's India and Lincoln's America, between the land of Emerson and the land of the Buddha, has provided a favourable atmosphere for continued and increasing cultural exchange.

America has always had a deep and abiding interest in Indian culture. One of the many manifestations of this interest is the Boston Museum of Fine Arts, the repository of one of the finest collections of ancient Indian Art in the world. The museum

was fortunate, in acquiring the service of Dr. Ananda Coomaraswamy as keeper of the Indian Art collection. Until the beginning of the twentieth century, Indian art was essentially the preserve of a few oriental scholars, but Dr. Coomaraswamy provided the historical perspective needed for a true understanding of Indian Art in America. And shortly after Swami Vivekananda, Dr. Rabindranath Tagore, came and left his imprint on the cultural life of the country. In a series of lectures delivered at Harvard University in 1912, Tagore sketched his philosophy of life. These lectures were later compiled into the well-known work, *Sadhana*. In 1926, our former President Dr. S. Radhakrishnan was invited to deliver the Haskell lectures at Chicago in which he attempted a synthesis between modern metaphysics and the philosophy of the Upanishads. In more recent times, well-known Indian artistes have visited the United States and left behind them a clearer understanding and greater appreciation of Indian culture. To cite an example, Uday Shankar and his troupe have visited America on several occasions, each succeeding visit being more successful than the previous one. Again, the visit of the Indian artistes like Shanta Rao and Ali Akbar Khan to the U.S.A. evoked high acclaim from the American public. These, then, are a few examples of the many Indian pioneers in the fields of culture, philosophy and the fine arts, who despite physical distance and apparent cultural differences, have successfully laid the foundations for the bridge of cultural exchange linking the largest democracies in the world today. It is remarkable, as cogently argued by the well-known English poet Auden, that there is not much difference in the way in which people live to make different types of art a reality in this society. Indeed, it is a common practice to discuss art, literature and philosophy during night-long "bull-sessions". As Auden put it succinctly: "The Americans are finished with the genteel tradition, with the authoritarian methods and outlook of the aristocrats. 'We want the clarity of Aristotle in a blue print, the beauty of Da Vinci in a poster, the alone in museums, but in factories and dwellings, in pots and pans'".

And in the spheres of pure Science and chemotherapy too, an intellectual link has existed between India and America for a number of years. Sir C. V. Raman, Nobel Laureate in Physics, was visiting professor at the California Institute of Technology in 1925 and received the much coveted Franklin medal in 1941. Also, Dr. Y. Subba Row, employed at the Lederle Laboratories made brilliant investigations into the nature of Penicillin which had an indirect impact on the discovery of Aureomycin, a wonder drug belonging to the family of penicillin, streptomycin and other drugs which are among the marvels of modern medical research. It is a matter of profound satisfaction for every Indian that Dr. Subba Row was indirectly associated with the discovery of aureomycin. And then, there is the phenomenon of Dr. S. Chandrasekhar. Dr. S. Chandrasekhar, who started work at the Yerkes Observatory of Chicago in 1937 was awarded the Bruce medal, which is the highest honour that America can bestow on an astronomer. At present, he is "Morton D Hull Distinguished Service

Professor of Theoretical Astrophysics" at Chicago University and till recently Managing Editor of the "Astrophysical Journal", an international journal of astronomical physics and spectroscopy. Apart from being one of the world's leading authorities in astrophysics, he is part of the American scientific tradition today. This is not surprising if we recollect that Italians like Arturo Toscanini and Enrico Caruso had won their way to fame and fortune by slaking America's thirst for music. Again, one is reminded of Thomas Edison, who was partly Dutch and partly Scottish in his extraction. He started as a newsboy, invented an electric vote recorder and made a fortune by his spate of brilliant inventions. Andrew Carnegie who built America's biggest steel mill hailed from Scotland. Mr. Frederic Martin Stern, a wellknown American economist and commentator has made a few brilliant observations in this connection: "My parents came from Austria-Hungary. 'It was a cross-roads for armies from east and west' said my father. In your veins might flow the blood of an Anglo-Saxon crusader, a Turk, a Roman legionnaire. You might even be a son of Genghiz Khan. Elsewhere it might matter. Here, you are an American. You are what you make of yourself. Nothing less. Nothing more". It is as a result of this hospitality, that American ingenuity has been fertilized and cross-fertilized by immigrants from different parts of the world.

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if our rulers also think that C.P.I. of India has fallen a prey to C.I.A's harmful activities.

This is in fact only the beginning of the witch-hunting game. Stalinist methods of terror in the country-side are already in the offing. Mr. Dhar's long rigmarole at the A.I.C.C. at Ahmedabad on the period of reaction between 1965-1969 is in tune with the spirit. Every economist knows that the Five Year Plans modelled on Soviet planning had miserably failed to deliver the goods and necessarily planning had to be given a holiday to revive the crumbling and badly damaged economy of the country. Food scarcity was met by the import of American wheat which enabled the Indira Government to build up a buffer stock and to boast of doing away with foreign aid. But this self-assurance was only short-lived, since the stock was not sufficient in this year of drought. Prices have soared sky-high. Food riots are galore in the country. The situation is well nigh out of hand. If the Opposition Parties expose the pretensions of the Ruling Party, it is none of their fault. Nor is the period of pragmatic economic planning followed by Shastri and Desai from year to year according to the exigencies of the situation which stepped up production and assuaged the hardships of the people, to be blamed for the present plight of the people. It is runaway socialisation of Banks, deficit-financing ill-directed and ill-channelled Government minted new money and controls over private sector that are responsible for the inflation of prices and scarcity of all essential commodities.

The bankruptcy of Governmental economic policies is signalled by this crude device of finding

out a scapegoat foreign or indigenous. The next step will be as in China and Russia, to set up party cadres against people who complain against Governmental policies. Congressmen will be set up as promised by a A.I.C.C. resolution against, non-Congress populace with a view to regiment the latter's life and behaviour on Congress pattern. At the A.I.C.C. the Prime Minister gave the call to her partymen not to fight the Grand Alliance but to 'crush' it. The C.P.I. and Muslim League of Kerala are free to enter into an alliance with Congress. But in the eyes of the Prime-Minister, an alliance between the opposition parties is an anathema to the neocommunist Indira Congress. It will not be surprising if goonda elements are commissioned to keep a watch on dissenters and report their names to the Congress Gestapo to be created for the purpose.

These developments smell of Socialist or Communist dictatorship in the offing. The Press, the Radio, Television are all to be employed in the grand plan to regiment the life and thought of the people.

WAKE UP IN TIME!

Let intellectuals who do not want to commit suicide, wake up in time and expose this dictatorial trend noticeable in the resolutions passed at the A.I.C.C. and in the outbursts indulged in by the Rulers against the Opposition. Let Industrialists take the cue from the long-winding speech of Mr. Dhar and the prerorations of the Prime-Minister to expand Public Sector, even if removal of poverty is thereby postponed. Stalin said the same thing and brought about the death of millions through murder, starvation and hunger. Let the well-to-do peasantry learn from the fate the Kulaks met with in Russia and stop wooing Congress leaders and their henchmen.

Let all classes understand that living standards cannot be improved by such methods of maligning foreign Governments and native Opposition parties. Steel and iron, they must learn, are not food though they are the first requisites for perpetuating a dictatorship. Basic industries have to be built up side by side with consumer industries. That is Democratic Socialism. Production of steel and rationing of pittance of food and clothing among the people is Communism. Which way will India go, towards Democratic Socialism of Norway and Sweden or the Red Dictatorship of Russia and China? Congress is all for the latter. Let Gandhites, Socialists and patriots fight out this evil of Congress brand of slavery spelt out by Dhar-Indira and Co. at Ahmedabad.

THE TECHNOLOGICAL PRETEXT

By
M. N. Tholal

MR. Piloo Mody, Chairman of the Swatantra Party, observed at Bangalore the other day that Parliament was more or less serious in running the country but the Prime Minister was hardly present in the House and, taking their cue from her, senior ministers acted in the same manner, the burden being carried by Ministers of State and Deputy Ministers. He was of the opinion that the Prime Minister had destroyed the judiciary, the free press and even her own party, decisions were not taken by the party caucus or the Cabinet but were pre-digested and placed before the party or the Cabinet just for approval. In the circumstances democracy was obviously in danger.

To this CPM leader Jyotirmoy Basu added the charge in Bombay that Mrs. Indira Gandhi was depending excessively on the Research and Analysis Wing of the Union Cabinet Secretariat "for organising political upheavals and defections". The Wing, according to him, was a sort of Gestapo and had been placed under a senior IPS officer who had been given the rank of a Secretary, the first police officer to have the coveted rank. The wing was first set up to do foreign intelligence work but, according to him, was now functioning through the Central Bureau of Intelligence.

The Principal Secretary to the Prime Minister, Mr. P. N. Haksar, said in a TV interview in New Delhi on September 20 that the Indian administrative system should change within the framework of democratic functioning and the difficulty arose when one considered how to bring it about. He gave the assurance that the change would be gradual, adding "You cannot abolish the whole structure in one blow, hoping that something will come out of the act of demolition." In the past few years, he further added, several changes had been made in the Prime Minister's Secretariat which now had technologists, specialists and scientists. He rightly remarked that this could not be imagined a few years ago.

In a way the observations of the Swatantra Chief, the CPM leader and the Prime Minister's Principal Secretary supplement and complement one another. It is not quite clear whether the Prime Minister's Principal Secretary was announcing a Cabinet decision or just laying down the law for the Cabinet on behalf of the Prime Minister. The problem he is dealing with is not a minor problem. It has only recently been dealt with by the Administrative Reforms Committee, some of whose recommendations have already been accepted and implemented. It is also not quite clear from Mr. Haksar's observations whether the ARC's other proposals are now to be shelved or bypassed in favour of a new set of half-baked ideas intended mainly to establish the dictatorship of the Prime Minister. In any case, any pronouncement of such a far-reaching nature should have come from the Prime Minister herself

or the Home Minister, as the former's Principal Private Secretary has no locus standi in the matter.

The decision seems to have been taken already that the Indian administrative system, as it obtains today, is only worth discarding in favour of another "within the frame-work of democratic functioning. It is to be hoped that the qualification (in inverted commas) is not mere lip service to democracy intended to disarm critics, but it would be interesting to know what exactly the Principal Private Secretary of the Prime Minister has in mind — quite apart from the fact that he is asserting his authority in a field where he does not belong, in a manner which is far from democratic. -d

As he himself admits. "The difficulty arose when one considered how to bring it (the change) about". The problem is far from being a simple one capable of being solved by one man, howsoever able he may consider himself to be. Indeed, it is so intricate that, if a change is contemplated, a very capable committee or commission should be asked to undertake the task. Delay there will be. As Mr. Haksar himself says, "the change will be gradual" but both the change and its pace are matters to be decided in the open through a committee or commission whose recommendations should first be debated in the press and Parliament. They should not be introduced on the sly through the backdoors of the Prime Minister's Secretariat.

It seems from the words used by the Principal Secretary of the Prime Minister that it has already been decided to abolish the whole structure (though not in one blow hoping that something will come of the act of demolition). A beginning has already been made which seems to indicate the direction the change is going to take. In the past few years the Prime Minister's Secretariat has recruited specialists, technologists and scientists. The question naturally arises as to the field to which they belong and whether they should not have been recruited by the departments concerned with their subjects of specialisation, instead of by the Prime Minister's Secretariat, if only to avoid overlapping and duplication of work.

It is difficult to dismiss the suspicion that an attempt is being surreptitiously made to make the Prime Minister's Secretariat all-powerful in the Administration on the pretext of the former containing eminent specialists, technologists and scientists who should in all fairness belong to the departments needing their specialised services. Their recruitment seems to be intended to throw dust in the eyes of the people and to make them believe that what is being done is being done for their good and not for promoting the dictatorship of the Prime Minister.

All power and authority will thus gradually be transferred, in the name of technocracy, from the

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ALL EGGS IN ONE BASKET?

(From Our Correspondent)

AT a time when troops movements seem to be taking place on either side of the line of control in Kashmir a Pakistan Foreign Office spokesman has observed, "It would not be out of place to mention that neither in the Simla accord nor in the discussions (between officials) in New Delhi were the troop withdrawals made dependent on the finalisation of delineation." He overlooks the salient fact that these officials agreed to delineation being completed by September 4 and the withdrawals being over by September 15, clearly implying that the withdrawals will follow the completion of delineation. According to reliable reports here the Pakistani Army is unwilling to lose the two Indian posts it occupied forcibly long after the cease-fire and President Bhutto is not powerful enough to overrule the Army junta.

The Pakistan President's position has been considerably weakened by defections in the Qayum League's legislative wing, eight of whose eleven members have formed a party of their own under the Speaker of the provincial legislature to support the ruling NAP-JUI coalition. President Bhutto had been hoping that his Home Minister, Qayum Khan, would be able to reduce the ruling majority to a minority by securing the support of at least three of the former. Instead he finds the ground slipping from underneath the feet of his Home Minister who is held responsible for the Pakistan Radio campaign against Khan Wali Khan that he was conspiring against Pakistan in London where he had gone for treatment. It was generally believed here that the Radio campaign was a prelude to his arrest on returning to Pakistan and the possibility is not ruled out that the impending arrest was the cause of the cracking of the Qayum Muslim League in the Frontier Province. The lust for power and more power has its disadvantages.

Prime Minister Indira Gandhi almost conceded the righteousness of her critics over her bonus policy when she observed at Ranchi the other day that while, on the one hand, labour representatives hailed nationalisation as a progressive measure, on the other hand adequate response was not forthcoming from the working class in terms of higher productivity. Wage increase and higher bonus were no doubt necessary, she added, but in the absence of increased production they only contributed to further inflation and rising prices. The greater therefore the need of linking bonus with production unless what is aimed at is inflation and rising prices. No wonder the Union Government's determination, voiced by her earlier at Motihari, to implement its industrial policy whatever the reaction from industrialists, appears extremely ill-advised to observers here. The two observations were made on the same day, October 2, 1972.

Some people here are inclined to be of the opinion that there should be a ceiling on corruption

for Congressmen, for to root it out altogether seems out of the question. Despite pressure from certain quarters not to proceed with the proposed inquiry into the "gulabi chana" scandal, the Madhya Pradesh Chief Minister is understood to have told his party's high command here that the State Cabinet was firmly committed to get the issue thrashed out and it was impossible to retrace the step at this stage. Preliminary reports appear to "reveal" that over a crore was collected by Congress leaders while only two lacs and a half have been accounted for. Mr. D. P. Mishra was the Chief Minister during the period (1966-67) of the scandal. The trouble seems to have arisen because some Congressmen with a "shady record" want to disturb the present arrangement in the state. Sort of tit-for-tat, not because there is any thing new in the "revelation."

There is a report from Orissa to the effect that the Sarvodaya Sangh has decided to put up a strong candidate against Chief Minister Nandini Satpathy in the by-election that she is contesting. The news which has been hailed here by all honest men would not, it is hoped, turn out to be mere wishful thinking on the part of a reporter. There is great need today for men like Vinoba Bhave and Jaya Prakash Narain to jump into the political fray. Otherwise the latter's criticism of the Prime Minister amassing all power in her hands would be almost meaningless. The emergence of a dictator should be prevented at all costs, even at the cost of forswearing one's resolve to abjure politics.

In the recent past there have been a good many goings-on between New Delhi and Moscow. India's association with Soviet planning has been raising serious doubts mainly because New Delhi is generating the feeling that there is an ally who is entirely dependable in every respect. Our rulers are in need of being reminded that Egypt had a similar feeling in regard to the same country, though other allies were not lacking. The average newspaper reader is inclined to remember Brezhnev's dictum about limited sovereignty for Russia's allies and even put down the rift between Russia and Egypt to the former's attempt to translate that dictum into practice in the case of Egypt.

There is always danger in putting all one's eggs in one basket and in believing in the friendship of a giant, for a small country like India. And politicians cannot afford to forget that there is no generosity in politics. Mr. D. P. Dhar has returned from Russia and Mr. Subramaniam will now be leading a delegation to establish co-operation in the sphere of science and technology. The Minister for Shipping has also returned after a "successful" mission to the Soviet Union, Poland and other countries. The Chief of the Naval Staff also undertook a trip to the Soviet Union recently to ensure an orderly and scientific expansion of the Indian Navy with the

backing of the Soviet Union. It is a pity that the Union Government should be giving ground for the suspicion that systematic attempts are being made to undermine efforts to normalise relations with the United States. Befriending Russia should not necessarily mean provoking the United States.

Apropos the Delhi Administration's abrupt transfer order of the Registrar of Co-operative Societies after he had issued a judicial warrant against a Congressman for irregularities and the Chief Executive Councillor's justification of the same by saying that the Registrar ought to have consulted him before proceeding against the Congressman because he was a "very important man" and the resulting transfer fear among officers at the highest level, the Jana Sangh leader, Mr. V. K. Malhotra, has demanded the Chief Executive Councillor's resignation, alleging that more and more Delhi Administration officers were leaving their posts at the first opportunity, creating vacancies which remain unfulfilled. The Congress Chief Whip has characterised it as an attempt to inject "unnecessary politics into the services". The unnecessary injection, be it noted, refers to the transfer fears among officials and not to the abrupt transfer of the Registrar of Co-operative Societies who had issued a judicial warrant against a "very important" Congressman. Perhaps that is what the Prime Minister means when she dwells on the need of committed public servants. The Chief Executive Councillor's shocking reason for the sudden transfer still remains uncondemned by Congress leaders.

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ministries to the Prime Minister's Secretariat, and that is the change that is obviously contemplated on the sly, disregarding the fact that the recruitment of all these specialists is not only highly irregular but also extremely undemocratic. And all this is being done with the knowledge that the ministers concerned will not have the guts to protest, knowing as they do that any protest will only result in their dropping out in the following reshuffle, if not dismissal earlier. Nevertheless lip service to democracy continues and it is conceded that the "Indian administrative system should change within the framework of democratic functioning."

FILM ON DEPRAVED DEMAGOGUES

One is shocked to learn that the Central Board of Film Censors had for the first time since independence, refused the censor certificate to a South Indian film on "depraved demagogues". The question that promptly arises is, what vested interest has the government, in drawing a veil, over these sordid elements in society. One fails to understand, why the government, or its agents, should be so touchy and precocious about them, when it is a patent fact that the post-freedom conduct of some of our patriots, is definitely such that it belies their earlier sacrifices for the cause of the country. One fails to understand, why government or its agents, should try to shield the well known depravity among certain demagogues. Government, has certainly no moral or

material right to erect any barriers, to any candid exposure of corruption, in any quarter, and has on the other hand to welcome it, for the cathartic influence, of such criticism and subtle play of irony.

After all, it has already come into vogue in Indian films, to use the depraved demagogue, as a handy figure, and stock character, to kindle mirth. What the film in question was doing, was after all to make it its main theme, lifting it from its usual place, as a sub-plot for side entertainment. We might, in the manner of the great French writer, Gustave Flaubert, ask the critics in government of such satirical films, as to "who created him"? (the depraved demagogue). It is not the film maker who is to blame, for he is not a figment of his imagination; gross errors in their conduct in life, has itself been responsible for this post-independence image of the demagogue in India, who for his past sacrifices in the freedom struggle, invariably wants to collect back from the nation, more than ten times of what he might have lost in the process. True, there might be some undeserved exaggeration, and uncondonable excess in the film, here and there; but that is excusable, since that has been the technique of all art, namely to impress upon the human mind, things that go unnoticed in their natural form, by accentuating their effect.

Today in India, we blame the drunkenness of Yahya Khan, for the defeat suffered by Pakistan. Today we sing the couplet:

You have been drunk Yahya Khan,
Thereby was split Pakistan.

But, if we hear some of the reports of drunkenness among our own politicians, and high ups in government, they should be equally disquieting. When a citizen of my town, who had gone to New Delhi for a Congress ticket in the recent elections, had to meet one of our top politicians, and when he went to meet her, at the appointed time, he was told by the secretary, that his appointment had been cancelled. From the gardener, it seems he however learned, that she was dead drunk, and playing with a little child, unable to speak anything sensible in her intoxicated state. This man's story left me completely aghast, and I wondered how our sacred land, could be entrusted to the care of such "drunken demagogues", to ensure its prosperity and security.

To the Indian people, who are disgusted with the ways of their depraved demagogues, whom they have still no means to put in check, the only choice open to them, is to laugh at them derisively, and innocently. This is after all what the film attempt. But to scotch even this, is to extinguish the only glimmer of light in quite a dark environment, and to rescind, quite a humble privilege and right of the masses.

The Andhra people are eagerly awaiting the release of this satirical piece of art, which has already been long delayed. One hopes therefore that wiser counsels would prevail with the Censor officials, and help them retrace their steps, even at this belated hour. After all, lampooning the politician in power is not as great a sin as it is thought to be, by those in authority.

— K. S.

INDUSTRIAL STRIKES AND PUBLIC INTEREST

By
Dr. M. C. Munshi

In India we have not only to bear in mind that public money is (proverbially) short, but that its people have an amazing capacity to put up with any hardship, just or unjust, inevitable or avoidable. But a government or responsible leadership — in their own interest — must analyse the significance of such events as the recent Bombay strikes or the continued internecine disputes of the Unions in a big Group at Madras.

In the following paragraphs therefore I seek to analyse their implications and suggest some immediate courses of action that could or would obviate such future upheavals.

1. **The Right to Strike:** No economist or political scientist in a democratic country will dispute a worker's right to strike. But three pertinent questions arise in the light of recent developments in our industrial relations set up: (i) While it is true that A has a right to strike B...C...R...Z... each has it, what are the implications of the whole alphabet organised for exercising that right in all manner of ways? To put this briefly, to the political scientist, in the words of Harold Laski. How is this right to be made FUNCTIONAL? (ii). It has to be noted that labour leaders like Mr. Khandubhai Desai, in the context of a growing public sector and adult franchise in a democratic policy, have declared strikes and lockouts to be outdated. (iii). The Union Leaders cry themselves hoarse about the advent of Socialism in our country — though what exact brand of that socialism it is or will be, they never seem to be clear about. The question, however, is: in which of the existing "Socialist economies" — they are able even to demand an unbridged right to strike! There are no strikes in "socialist" countries! Their Governments would suppress any such move ruthlessly.

2. **Obligations of the Administration under an illegal Strike:** What are Government's obligations once they have declared a strike to be illegal? We have the spectacle of the strikers and their leaders not only ignoring such declarations, but day after day, they seek to build up greater — even more violent — opposition to governmental measures. Then when a strike is ended by them, they coolly obtain a promise from the authorities that there would be "no victimization". Who were the victims? Who were the aggressors?

3. **Outside Leadership in our Trade Unions:** Perhaps a time has come when the implications of such outside leadership are dispassionately examined. While no student of Trade Union Movement, the World over, can doubt the contribution that they have made and can make for building it up, too long a lingering of these elements has its dangers: (i) After a certain stage in the movement these outsiders are up against a very unpleasant dilemma, viz., that they must endeavour to lay or continue to lay emphasis on the political side of

unions: activities to bolster up their leadership. If they do not do so, the growth of constructive trade union activity will throw up leaders from within and the former must make room for the latter. (ii). In other words, this outside leadership represents one more powerful type of vested interests — and their stock-in-trade is "industrial strife". Ideologically also, this leadership must face a dilemma: Should they work more for fostering a class war (to which they owe allegiance) or should they help the workers in bettering their conditions by bettering their performance in the institutions in which they the workers live and have their being?

But a more pertinent question is: whom do these Union Leaders represent in the labour world in India? If we take the centralised unions like INTUC, ANTUC, CTU, HMS, etc. their membership amounts to 30% of the 17-18 million workers in the organised sector of our industries (only) and they seem to speak authoritatively for the whole Labour Sector in India — and Government seems to have accepted their claim. It is for this reason that a publicist has said, "For one thing the key role that organised labour is supposed to play in turning the wheels of industry — as also in trade and commerce — is a myth that no one has bothered to explode."

4. Concentration of Economic Power: Exclusion of Trade Units from the Monopolies Act 1969:

In these days of crusades against concentration of economic power and monopoly, it is intriguing to note that under Section 3 (and Section 5) of MRTP Act the Trade Unions are excluded from its purview, and yet the Mahalanobis Committee (1959-64) with which this debate started defined this power in no uncertain terms. "A small group of individuals or groups might not have control over a large percentage share of the National Product but the concentration would be sufficient to set them so much higher than any other individual or group in the relevant context that it gives them disproportionately large influence and enables them to exercise economic power not measurable statistically or by mere ratios of concentration". It has then to be also noted that the Monopolies Inquiry Commission itself wondered why their terms of reference were confined to monopoly power in industrial units and further added that for want of time they would not take up this larger issues.

5. **Obstacles to a Price Policy:** Most of the Plan documents published so far lay lip-service to the need for maintaining the price levels and, therefore, to the need for a Price Policy. But can there be a price Policy without a Wages Policy? Have our Plans adumbrated any Wages Policy? Instead we have the miserable spectacle of the demand for Bonus won almost by force by the Unions and now

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POLICE-PUBLIC RELATIONS

By
Kumara Shekhar

At a symposium of the heads of police training institutes, Mr. Gokhale had stressed the need for bettering police-public relations, through a change in the attitude of the police to the citizen, marked by a new sense of restraint. But this assessment and approach is, to be frank, "out-dated", for while it might have applied to British times and soon after independence, it fails to touch the crux of the problem, as it prevails today, which is that the public is losing hope day by day, by the callous attitude of the police to it, because of its growing apathy to their complaints, and the jejune way it deals with them. If this could be changed for the better, through a re-orientation of courses right from the training stage, and Mr. Gokhale had sought this, he would have certainly received plaudits from the common people.

For, a significant untoward development now impairing sound police-public relations, is the growing sense of despair among the common people, about obtaining timely police help when needed. It is this attitude of the police to the people, of patent indifference, that is actually in need of correction, right from the training stage. At a recent local meeting presided over by the Dy. Superintendent of police, at which this writer was present, one of the speakers dared to say without any inhibitions, that he did not care to give a police report in a certain theft case, because he had come to count the police, as a dead or non-existent force, to which none could nowadays look for protection. The reason for this is not far to seek. More often than not, police officers would be busy providing large bandobust arrangements for a minister or a high official, who can take care of himself, ignoring the calls of helpless citizens, in actual need of protection. So it is, that at public meetings and official functions, we see policemen in large numbers. But they rarely come to the rescue of a helpless citizen. With the police thus nowadays serving only the political purposes of ruling politicians, and the private errands of high officials how can we expect the public and the police to have regard for each other?

The usual complaint nowadays is, either the station officer is not available when a report is made, to catch the culprit red-handed; or the constables at the station find one pretext or other, not to leave the station premises. Or else, if the station officer is present, he gives the complainant a piercing cold look, as if he was not sure, whether he beat the culprit, or else the culprit beat him. Then, most probably he would send him away, saying: We'll send some one later to investigate. By the time, the investigating cop makes an appearance, (which all depends on the tip he promises him), the culprit is not to be found even in his home. And the matter is dropped for the day, and the next day, if he insists on pushing the matter further, the whole department, from the station officer down to the writer and the constable, would look at him, as if he were "nursing an unnecessary grudge" and "unseemly vengeance" against the offender, without "letting bygones be by-

gones". Added to this, they would tell him, that unless the wound inflicted by the goonda resulted in a "fracture", the police would not institute a case against him. His last hopes of redressal of a grievance are thus shattered. So, apparently to hit a man is of no consequence, if you don't break his bones. Till life is actually taken, the attitude of the police seems to be: Are we your paid personal body guards to keep a round-the-clock vigil for the safety of your life? One feels, it is certainly a deterioration in the efficiency and efficacy of the police, since British days, so far as individual protection is concerned. The courts would be grossly deluding themselves, if they still believed, that like "guardian angels", the police would swoop down, on giving a complaint.

Of course, press stories tell us that it is the same everywhere, — even in America. Read for instance what a U.S. citizen has to say about the recalcitrance of a cop, on reporting to him that a certain rough neck had not only demanded money from him, but when he refused pulled out a knife, crying: "I'll fix you":—"This man I had talked to who is in uniform, who is supposed to be a cop, sort of ambles up and down, and wants to know what the matter is. He does nothing. Nothing. This guy is standing there with a knife on me, and the cop becomes a spectator. He says to me, 'What do you want me to do?' I think he's crazy or something. Then he says, 'Do you want me to arrest him?' As if he's not going to do anything, because he's scared to get involved". "I get to the station, and the lieutenant wants to know, if the guy actually 'hurt' anyone or not".

The above story given in *Life magazine* of the American police system goes on to explain, how a sense of mission is lacking nowadays, with it being come to be so regarded as an "easy profession", which is behind much of the indifference shown by police now to all crimes, short of murder.

Again, even in the United States, it is for instance known that policemen "play safe", and just don't collar every bad guy, reckoning with the colossal amount of subsequent "court work", it burdens them with. It is said, that if an American detective "who could make ten or 20 vice or narcotics arrests in one night, actually makes only one or two, it is because he knows it will take him the rest of his time to finish the paper work. So, lethargy about the "legal mess" they have to get into, might be there, preventing Indian policemen too, to act promptly in cases; so they turn a blind eye generally, to complaints by commoners, seldom taking any prompt action.

So that is that in America, and much the same in India; but with none either in the government, or the press, or in the police hierarchy itself, so far diagnosing its ills, or prescribing the cures. Doubtless, in such circumstances there cannot be a fair relationship between the police and the public, of mutual trust and help.

— K. K. S.

SOCIALISM AND POVERTY

By Miss Marilyn Ferreira

This essay was awarded the first prize in the 15th All-India Essay Competition for college students held by the Forum of Free Enterprise for the academic year 1971-72. Miss Ferreira was a student of First year Arts at St. Xavier's College, Bombay.

After 25 years of independence, India's economy is moving at a snail's pace. She still remains one of the poorest nations of the world. According to the National Sample Survey, one-third of the Indian population lives in absolute poverty, spending Rs. 15 per month in the rural areas and Rs. 24 in the urban areas despite the apparent economic growth in the country during the last 20 years. Twenty-seven out of every 100 are homeless. The per capita food availability is less than one square meal per person. Today 13 million people are unemployed. In another 4 years, in the absence of remedial measures it is expected to touch the 41 million mark.

The gap between the rich and poor remains as wide as ever. This is due to our pathetically low rate of growth. In the 1960 decade over 33 developing countries of the world scored rates of growth in real income of over 5%, 17 of them scoring 7%. And our record was a miserable one of less than 3%, which set against our population growth of 2.5% nullifies practically any significant increase in the per capita income. Even our neighbouring countries enjoy a higher rate of per capita income along with better living standards. To cite three examples, Singapore's per capita income is 10 times that of India, Japan's 20 times and Australia's 33 times.

Nearly 70 million farmers have no land of their own. And over 40% of all holdings are of less than one acre. As far as housing is concerned, out of 6.51 crores occupied houses in rural areas, more than 5 crores were either wholly or partially uninhabitable. In cities the situation is no better. Take the case of housing in Bombay. According to a recent survey by the Tata Institute of Social Science, people live here in houses which are no better than prison cells. Four out of every 5 flats provide a living area of no more than 25 square feet per head—the maximum area required under the municipal laws—compared to 40 square feet per person prescribed for prison inmates.

We have not curbed the rising cost of living, checked growing unemployment among the educated and arrested the growth in population despite enormous sums of money spent on the

family planning drive. How can poverty be eliminated with such a poor performance of our economic system?

Our ideas on socialism have become outdated. It has a dismal record of blunders and before we probe further into the root cause of our failures, let us try to understand the concept of socialism as it has evolved over the 19th and 20th centuries.

Socialism has been compared to a hat that has lost its shape because everybody wears it. Socialism means many things to many people. Its many interpretations range from a somewhat advanced form of liberalism to something very like communism. Whatever meaning we attach to it, there is no doubt that in the 19th and 20th centuries, it made rapid strides all over the world. When modern industry came into existence the people were not divided into rigid economic classes. Democracy was regarded as something that depended upon the economic strength of the people as a whole. The beginning of the 19th century saw the value of industrial capital exceed that of agricultural. The latter half of the 19th century gave birth to industrial pioneers, many of whom rose from poverty to riches, capturing the imagination of the people. Though they were regarded as symbols of success, the industrialists also became symbols of irresponsible and uncontrolled powers dominating the Industrial Revolution. This gave rise to new and widespread class distinction between the owners and workers that shook the foundation of the traditional economic structure. It produced a widening gulf between the riches of the few and the poverty of the many. In keeping with traditional principles, business men advocated a policy of non-intervention by government in economic affairs by what is known as the socio-economic philosophy of *laissez faire*.

Socialism arose as a sharp reaction against the excess and evils of individualism. The philosophy of individualism stresses the equality of man. But in the socialist concept this cannot be realised unless adequate provision is made for the basic needs of man and he is given equality of opportunity. Socialism's antithesis is individualism which was a powerful force in Victorian liberalism. To many it stood for a opposition to capitalism.

Though their ideologies and programmes vary considerably, several nations call themselves socialist. For example in Burma it is Buddhist socialism, in Egypt, Arab socialism, in Russia,

state socialism and in India democratic socialism. The latter is a variety of socialism which aims at the realisation of the socialist creed through democratic means. It eschews the employment of violent, revolutionary or dictatorial methods to attain its objective of a socialist goal. It is opposed to capitalism and promotes the social ownership of the means of production, the nationalisation of important services and industries, coupled with the holding of individual freedom, dignity and happiness. In tune with its policy of a mixed economy it gives a free hand to private enterprise in certain areas.

The question that poses itself is how has socialism solved the problem of poverty in India? The country has no doubt made some progress in the last 20 years within the framework of democratic socialism.

Mistakes of omission and commission are mainly responsible for this sorry state of affairs. To cite some instances: Socialism postulates production in plenty and its equitable distribution. But the government in its efforts to please everybody devises new impediments to production at every stage, discouraging fresh investments and savings. While millions lack the basic necessities of life, like nourishing food, shelter, clothes, education and medical care, government gives top priority to the small car project and the people's television set.

Austerity like charity begins at home. In keeping with its "Garibi Hatao" programme, our ministers and top officials must enforce among themselves norms of integrity, hard work and a standard of living more benefitting a desperately poor country like ours. This will give them the moral authority to demand an all-out effort from those in humbler positions.

India with a 73% of labour force in agriculture has a per capita income of only 80 dollars, whereas USA with only 5% of its labour force in agriculture has a per capita income of 4,200 dollars. Again, every new spending of the national resources is oriented towards improving the living conditions of the towns to the detriment of the agricultural labour. While lakhs of rupees are allocated for instance to build a prestige park in Delhi, people in rural areas have to go without a much needed road or a culvert or even elementary sanitary facilities, because of the perversion of national priorities.

Our planning geared to heavy industrialisation is "urban based". Our huge industrial projects consume disproportionately a large part of our limited resources without significantly adding to the national wealth. Their capacity to create employment is small compared to the vast

sums invested. The same amount invested in agriculture or consumer goods industries would give considerable employment and large returns to our country. Had our plans been "agricultural-based", instead of wasteful concentration on heavy engineering projects, the gap between the rich and the poor would have been narrowed to some extent. Hence the order of priorities must be changed from heavy industry to agriculture and light consumer goods industry.

Our planning technique and deficit financing has unleashed forces of inflation.

India is on the march despite setbacks, difficulties and critical times. Our people have failed so far to reach a decent standard of living because of past blunders and confused policies. Hence besides adopting "a practice before you preach" policy, our emphasis must be more on cooperation rather than on control, more on patriotism than on authoritarianism, more on healthy competition than on monopolies, more on service than on power, more on well conceived conventions than on expediencies, more on objective appreciation of State problems than on partisan approach.

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similarly sought to be hiked up by seeking to double these payments by similar measures.

6. **Suggestions for a Way out:** Lest the foregoing paras may be deemed to be "Anti-Labour", the writer ventures to suggest some immediate measures for a way out of the welter of confusion that has come to exist.

Industrial Truce Resolution: Some years back, Government began contemplating a Wage Freeze. We all know of the howl of opposition that it met with from labour leaders. Indeed even the suggestion for the payment of bonus in terms of Government bonds as a measure for national savings was turned down and, in 1962, 1½% to 2½% of the labour force in the country became the "privileged" class of recipients of this payment. Perhaps it is to meet this unanswerable argument that now the Unions are advocating "Bonus Payments" to all "Workers".

My suggestion, therefore, is to repeat our performance of December 12, 1947, and call an Industrial Truce Conference at which important issues like (a) Wages & Prices, (b) Revision of the Industrial Disputes Act 1947, (c) Simplification of Labour Laws, (d) Revision of the Trade Unions Act, (e) Rethinking about Bonus as Profit-sharing etc. could be properly thrashed out.

Finally it may be added that the Government of Gujarat has already appointed a commission to review the working of Labour Laws in the State.

PATRIOTISM FOR PROFIT?

(Patriots: past and present.)

K. S.

The handsome pension scheme published by the Union Government for former freedom fighters, makes one wryly feel, that even patriotism can operate with the profit motive, and what is more, even gain it! For, press reports say that from the coming independence day, freedom fighters who have spent six months in jail, would be given a "pension" of Rs. 200/- per month, and that more than 30,000 applications (!) had already been received for the same. One only wonders why the government had not graded the scheme, increasing it by fifty rupees for every additional six months spent in jail. Those of the younger generation like me, who can see the freedom struggle in its true perspective, as but "a little first step" in the life of the nation, are doubtless awe struck and chagrined both by this unusual offer, and those in the race for it. They cannot help being cynical about it. To aggrandise acts done more than a quarter of a century ago, in the heat of those moments, which time itself has forgotten, is to stretch things too far.

The fact is that when the question of rewarding freedom fighters by gifts of land, jobs, etc, had already been given due consideration soon after independence, and most of them had received more than their due, there seems to be no warrant for it to be taken up again and again by government, oblivious to the fact that it could arouse the envy and indignation of the rest of the citizenry. Further it is apt to give rise to a negative reaction among the younger generation, which is excluded from all these mouth watering schemes, which again create two classes of citizens, the privileged and the under-privileged.

When the record of work of the freedom fighters in the post-independence era, has invited more criticism than praise, and even allegations of exploitation of the nation for selfish ends, government's attempts to pamper them further, even at this belated hour, seems to be rather uncalled for. After all, the freedom struggle in India was mostly a passive one; it was not anything like a war, with people losing their arms and legs with bullet injuries and losing their speech from shell shock. Many of the freedom strugglers far from losing anything, had indeed profited by the jail terms they sought in periods that suited their convenience and health, by engaging themselves in reading and writing, which they would have hardly been able to do outside. So, jail going was not purely a sacrifice for the nation; it worked for the mutual advantage of the individual and the country, giving tired leaders time to think and educate themselves.

Even if the government was ridiculous enough to offer some sort of wages, for those who fought the freedom struggle, the question is how could sincere freedom fighters come forward now, to accept this humiliation, which would render them into but mere "mercenaries" for a patriotic movement.

It would have of course been an entirely different thing, if the government chose to give a little financial help here and there, on a regular basis, to a few deserving cases of extreme poverty, or the injured, and direct to the fighters themselves. But to call the casual relief a regular "pension", and offer it to all and sundry, including their family members, irrespective of the vast gains, most of them had already reaped, on this lame excuse of having suffered ordeals in the freedom struggle, is undoubtedly to debase the relief, debase the freedom movement, and debase the freedom fighter. If anyone came to know, that a certain person had been to jail, with an eye on securing future benefits in kind of cash, from the free government that would be later established, he would have nothing but contempt for the man and his movement.

The present "pension" coming after, and over above the many rewards that the freedom fighters of yore had already received, from gifts of five acres of land (for even twenty four hours spent in jail) to handsome jobs in government and industry, and high political offices and ministerial posts, governorships and ambassadorships and the like, — bypassing members of the younger generation, regarding themselves a privileged lot with a right to the nation's best in everything, — is surely likely to amaze the new generation, which for all its love of its country, patriotism, and dedication to nation-building activities, never looks forward to, or expects any such rewards, either in kind or cash. Why think of gratuitous rewards when there are not enough jobs, to go around, for even the honest workers.

Surely, a government and a party that is pledged to reduce the disparity between the rich and poor, ought also to give serious thought to eradicating this discrimination shown, between 'patriots, past and present'. Surely, those in authority should think twice, on such ambitious schemes of distributing the meagre funds of government amongst a particular class of old citizens, rating their patriotism above that of the young men of today, who would doubtless feel slighted and angered, by this patent partiality in approach.

OWNERSHIP

By Gary North

(Contd. from previous Issue)

"Every man has his price." Most of us believe this to be valid as a regulatory principle, despite the fact that we know that on some points in time, some men could not be compelled by the whip or induced by the carrot to respond to the desires of other men. Men are always trying to improve the economic conditions. This means that they must bear the costs of change in a world of limited resources. Even a decision to remain inactive is a decision: one forfeits the benefits that change would have brought. In short, there is always a trade-off in economic choosing, even in decisions not to trade at all.

OWNERSHIP, A SOCIAL FUNCTION

Any resource—human, animal, inanimate—which can command a price imposes costs on its owner. Each individual must use the resources under his authority in order to serve others, either through the mechanism of the market or the coercive power of the state. To the extent that the market is allowed to function as the sovereign authority over economic transactions, individual owners must attempt to meet the demands of the possessors of scarce economic resources, as registered on the market in terms of discrete prices. Hence, total human autonomy is inconceivable. Those who argue that the market involves anarchy are unaware of how the market operates. Economic actors must meet the demands of the public if they are to survive. The farmer in our original example is required to use his land, tools, brains, and skills more effectively than do his competitors. If he obstinately or ignorantly refuses to do this, he will lose control over his resources. Under the market economy, a man holds his goods as a steward for other men; he cannot hold his goods autonomously. Under the free market, **ownership is a social function.**

The meaning of private property in the market society is radically different from what it is under a system of each household's autarky. Where each household is economically self-sufficient, the privately owned means of production exclusively serve the proprietor. He alone reaps all the benefits derived from their employment. In the market society the proprietors of capital and land can enjoy their property only by employing it for the satisfaction of other people's wants. They must serve the consumers in order to have any advantage from what is their own. The very fact that they own means of production forces them to submit to the wishes of the public. Ownership is an asset only for those who know how to employ it in the best possible way for the benefit of the con-

sumers. It is a social function.

Is this a denial of the free ownership of private property? Absolutely not; it is the necessary concomitant of such ownership. It is therefore a denial of the **gratuitous** ownership of property. Nothing is free from costs under a market economy—not lunches, not talent, not even dreams, for dreams must use up that highly valuable and irreplaceable scarce economic resource: time.

OPPORTUNITY COSTS

Men, in their decision to compete for access to some particular resource, bid up its price. By bidding up the price of an economic good, they impose higher and higher costs of ownership on all those who hold legal, exclusive titles to the good. These costs come in the form of opportunity costs. Since the scarce economic resource is now more valuable in the opinion of the public, it commands a higher price, and therefore the value of the resources that the owner could gain access to by selling his title of exclusive control to someone else is continually increased. He pays a price, moment by moment, for his refusal to part with his property; if he retains title to one piece of property, he is thereby prevented from gaining access to other goods and services that his property could be exchanged for. If something commands a price, it is not gratuitously possessed. Free ownership may command very heavy costs. It is the right of free, exclusive control over property which makes the economic burden inescapable; the free market imposes responsibility with every grant of economic power.

The farmer who does not wish to sell his land, whether for sentimental reasons, or a fear of change, or a commitment to the ideals of rural life, or just to keep old Charlie Drackett from getting his dirty hands on the bottom forty, is thereby compelled to pay for his use of that land. He has to defend his possession of exclusive control, daily, in the market place. It is not his legal title that is in question; it is his economic ability to defend it against other who think they could use his property in order to better service the needs of the public. He does not have to defend it in the way his great-grandfather did—shooting Indians or revenuers or Hatfields or McCoy's—but by using it to satisfy the incessant demands of an unsentimental public. If he fails to do this, he suffers economic losses. He may have to dip into his life savings to keep his farm going. He may have to go deeper into debt. Finally, if he continues to fail to meet the public's demands for more food, cheaper food, better quality food (or even lower

quality food, nutritionally, if that is what the public wants), his mortgage will be foreclosed. The bank will sell it, or the tax collector will sell it, to the highest bidder. This highest bidder is a middleman. He is acting on behalf of the public. He thinks he can use the land and other capital assets more efficiently than anyone else can. If he is wrong, the process will start over again. Private property is held in stewardship for the public.

Title to property is not held by "the public." Titles are held by individual owners. But the market combines the myriad of discrete demands of many individuals and imposes costs on the possessors of all desired economic resources. No owner can resist the pressure of market demand without bearing these costs. Day after day, market pressures force all owners to ask themselves, "What's it worth to me to hold onto this?" The public responds, through the market, "You'll have to meet our price if you want to keep it." Day after day, all those who retain free title to a particular piece of property meet this price. They pay in the forfeited opportunities that might have been: the vacation, the new car, the shares of IBM, and silence from "the little woman" who wants to sell out. This is the law of survival in the free market. May the best (most efficient) man win.

OWNERSHIP CONTINGENT ON RIGHT USE

During the English Reformation the problem of the justification of ownership came to a head with the confiscation of the property of the monasteries. "The Reformation theorists," writes Richard Schlatter, "failed to solve their first great problem. They were not able to work out a theory which would justify large-scale confiscation and at the same time mesh with their other ideas about the nature of private ownership and its rights. For a consistent theory they substituted an emotional attack. They attacked clerics for their alleged misuse of wealth. But Sir Thomas More, the great Roman Catholic layman, answered this argument in *A Supplication of Souls*. If this is a valid premise for expropriation, he wrote, then there will be no end of expropriation. The King may use it against the church, but then the people will use it against the merchants (who bought the land from the King). Thus, concludes Schlatter, 'The theorists of the Reformation could not answer More's arguments without admitting the principle that all ownership was contingent upon right use. But no property owner was willing to grant that that principle should be enforced by any authority in this world. The theoretical problem was left unsolved.'

ECONOMIC VS. LEGAL CONTROL

The solution to this theoretical problem is found in the analysis of the operation of the free

market. Yes, ownership does depend, economically, on proper use of resources. The legal title, however, does not rest on economic foundations but on historical or formal legal principles. It is the magnificent fusion of the right of free legal ownership and cost-bearing economic control of resources which the free-market commonwealth provides that overcomes the theoretical dilemma of medieval property theory. Laws against the confiscation of private property insure the smooth operation of the free market, and this in turn produces a system of economic organization which requires each owner of property to assume the costs associated with the control of property. Mises summarizes it quite well:

Private property is a human device. It is not sacred. It came into existence in early ages of history, when people with their own power and by their own authority appropriated to themselves what has previously not been anybody's property. Again and again proprietors were robbed of their property by expropriation. This history of private property can be traced back to a point at which it originated out of acts which were certainly not legal. Virtually every owner is the direct or indirect legal successor of people who acquired ownership either by arbitrary appropriation of ownerless things or by violent spoliation of their predecessor.

However, the fact that legal formalism can trace back every title either to arbitrary appropriation or to violent expropriation has no significance whatever for the conditions of a market society. Ownership in the market economy is no longer linked up with the remote origin of private property. Those events in a far-distant past, hidden in the darkness of primitive mankind's history, are no longer of any concern for our day. For in an unhampered market society the consumers daily decide anew who should own and how much he should own. The consumers allot control of the means of production to those who know how to use them best for the satisfaction of the most urgent wants of the consumers. Only in a legal and formalistic sense can the owners be considered the successors of appropriators and expropriators. In fact, they are mandataries of the consumers, bound by the operation of the market to serve the consumers best. Under capitalism, private property is the consummation of the self-determination of the consumers.

The confusion in men's minds between the concept of free legal title and gratuitous ownership has led to numerous injustices in political and economic affairs. Mistakes in analysis at this point too often lead to cries of political intervention to right some supposed wrong. People want the state to enforce false analyses that seem, in the short run, to benefit some special-interest group.

Some men believe that free ownership is

gratuitous, and that the deviation from such a hypothetical universe is the result of exploitation." They do not comprehend that they must defend their ownership in the market, satisfying the demands of the public efficiently. An example of this kind of erroneous thinking can be found in the case of American farmers during the great depression of the 1930's. It was not uncommon for the farmers to face the foreclosure of their mortgages by the local bank, or else by the solvent bank which had acquired the assets of the bankrupt rural bank. (Over 9,000 banks suspended payments in the years 1930-33, not counting banks that merged with others and those closed temporarily by the states or the Federal government during "bank holidays.") Sometimes tax foreclosures would occur. In any case, local farmers would occasionally attend the auction, and a group of them would surround or threaten potential bidders, especially if they were outsiders to the community. Violence, or the threat of violence, was used directly to reduce the price of the bids, thus lowering the particular farmer's costs in regaining title to his farm. The true costs of operating the farm were therefore artificially reduced, thereby lowering the owner's burden of responsibility to the public, as registered on the open market.

AGRICULTURAL LEGISLATION

This, however, was too crude and direct a form of violence to be used often, even when local law enforcement authorities permitted it. Violence could be applied far more effectively through state legislatures and the United States Congress. In 1934 three acts were passed by the Federal government, adding even further intervention into an already controlled farm market (e.g., the Farm Credit Act of 1933): the Farm Mortgage Refinancing Act, involving Federally insured loans; the Farm Mortgage Foreclosure Act, extending the authority to the Land Bank Commissioner to enable him to make loans to farmers, allowing them to redeem their farm properties prior to foreclosure; the Frazier-Lemke Bankruptcy Act, allowing the farmer who had lost his farm through foreclosure to demand a "fair and reasonable" appraisal and to repurchase his property over a period of six years at one per cent interest (interest rates were fairly low in the free market in these years, however). This last act was declared unconstitutional in 1935, but a similar act, shortening the repurchase time to three years, was upheld in 1936. In short the coercive monopoly of legitimate power which belongs to civil government was applied in order to thwart the operation of the free market. Men successfully reduced the costs of ownership through collective violence or the threat of violence. Harold Underwood Faulkner, no supporter of the free market, has commented on the implications of these early policies of New Deal agriculture:

A survey of the farm legislation passed during the five years 1933-1938 make clear certain facts. First of all, "economic planning" was carried further with respect to agriculture than to any other economic interest. The government took upon itself the responsibility of attempting to determine both production and prices as well as maintaining soil resources and handling most of the credit resources of the farmers. In the second place, this program was carried out at the expense of the consumer. Agriculture was to be a favored industry, with the taxpayer and consumer paying the bill. This, of course, did not disturb the farmer; he insisted that agriculture was now merely receiving protection as industry had long received it through the protective tariff. Finally, it should be noted that the government entered so definitely into the program of financing agriculture that by 1937 its agencies held about half of the country. This was indeed a big step from the *laissez-faire* policies of a quarter century earlier.

EXCLUSIVE RIGHT OF ACCESS

Not only do men erroneously believe that free title to a piece of property ought to bring with it gratuitous ownership, but they also err in believing that the right to bid on another's property is, in and of itself, an exclusive possession of one bidder or one group of bidders. Such exclusive access involves a legal title, by definition. In other words, they think that their legal right to increase another's opportunity cost for retaining possession of his property is, in effect, their own gratuitously held prerogative — a titled right to exclusive control of one segment of the market. Trade unions, for example, call in the coercive power of the Federal government (through the Wagner Act and the National Labor Relations Board) to defend their exclusive right to bid on a particular labor contract, utterly free from the outside competition from other workers who might be willing to work for less money. The members of such organizations assume that they have a legitimate right to hold a job (or gain access to one through the union) apart from the delay competition necessary to defend their presence in that particular occupation. They call in the state to create by fiat a title to that occupation by arbitrarily excluding others from bidding.

TO A GIVEN JOB

What members of a union do have title to is their ability to work. But members of such coercive structures think that because they have legitimate title to their labor they also should have legal title to an opportunity to exercise their talents in some specific occupation, apart from outside competition, thus forcing the employer's costs of operation higher than a free labor market would have permitted. They exclude other citizens who equally have title to their own labor, but who are not permitted to

bid down the cost of hiring labor. By granting, by fiat intervention, titles of exclusive bidding rights to one group of laborers, the state effectively robs other men of their right to bid, and therefore of their right to exercise their personal talents.

By this confusion of the right to bid in the market and a title of exclusive access to that segment of the market, the state increases the employer's costs of operation, reduces the union member's opportunity costs (it does not cost him as much to retain his job, for outside competition for that job is eliminated, by state fiat), and it deprives nonunion laborers of their right to exercise their particular callings before God and society. A man's legitimate right to bargain for his job, continuously (or whenever his labor contract is subject to renewal), is transformed by state fiat and legalized coercion into his right to avoid continuous bargaining. A three-way bargaining structure — employer, union member, and non-union member — becomes, through the threat of state violence, a two-way bargaining structure, as the nonunion member is driven to accept other employment which he would not have chosen voluntarily. An exclusive title — a property right, in other words — is created by state fiat, where only a right to bargain in an open market had existed previously.

TO A GIVEN MARKET AREA

Trade union members are not alone in this confusion, unfortunately. Many, many businessmen involve themselves in precisely the same error. They use the interference of state violence to keep outsiders away from the market place. A three-way structure should exist: the consumer, the American Producer, instead, the American businessman seeks to make the structure a two-way arrangement: the consumer and only the American Producer. Like the labour union member, he seeks to transform a right to bid in the market into an exclusive title of entry into the market. The usual means for this kind of operation is the tariff or the import quota. In principle it is identical to the activity of the state-supported trade union. Ironically, many businessmen who derive great personal satisfaction from castigating the "immoral" trade unions involve themselves in the same "immorality." The game is the same: state "protection" from outside interference — the exclusiveness of a legal title to private property. Instead of a legal title to dispose of their assets and skills as they see fit, in open competition, subject to the imposition of the burdens of the responsibilities of ownership, businessmen want title to an exclusive right to dispose of their assets, apart from competition, apart from the full burdens (costs) of responsible ownership. Only the intervention of the state can grant such an escape from responsibility, so they call for the intervention of the state. Men simply like to enjoy

the fruits of ownership apart from the responsibilities of ownership. They give up some of their freedom (or their neighbor's freedom) in order to escape from responsibility. They call for the creation of legal titles where none could exist on a free market.

CONCLUSION

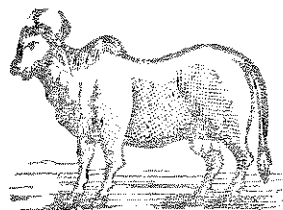
On the one hand, the owner of an exclusive title — a property right — cannot escape the costs of ownership and the concomitant obligation to act as a steward of his goods for the public's benefit. He cannot escape so long as political intervention into the market does not occur. The fruits of ownership are not separated from the burdens of ownership. On the other hand, those who seek to make a bargain cannot, apart from state coercion or private violence, transform the right to dispose of one's own property (talents) into an exclusive title to dispose of that property on a specific market apart from entry by other property owners who wish to bargain with their property. Titles of ownership refer to the control of property and skills by the owner; they do not refer to reciprocal relationships of exchange, where two owners seek to dispose of their property in a mutually acceptable manner. In fact, if exclusive titles are granted respecting the reciprocal human relationships, the rights of control over one's own assets are thereby diminished. The title to property, which involves the right of voluntary disposal of that property, is compromised when the state interferes in the market in which men seek to dispose of their property. By granting titles of exclusive access to certain markets, the state thereby revokes some of the rights of ownership. The rights of ownership involve both the right to bid and the right to be bid against. Compromise either of the last two rights, and you have compromised the original rights of ownership.

The right to be bid against is the provision of the legal structure which allows individuals in the marketplace to have the costs of ownership imposed on themselves and all other owners. Each time any group gets the state to protect it against the economic bidding of the public, it thereby reduces the efficiency of the market as well as the members' own responsibility to bear the full costs of ownership. The overall wealth and overall freedom of the community are simultaneously reduced, because without efficiency, wealth is reduced, and without responsibility, freedom is reduced. If men would remain free, they must demand that they and their neighbors retain the **right of responsibility**. They must resist the attempts of men who would seek to escape both freedom and responsibility by lowering their competition from other participants in the market. Ownership is free, but not cheap. The same is true of freedom.

— Freeman

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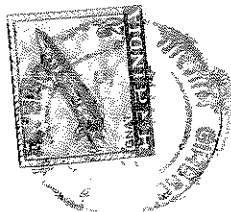
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*Independent Journal of Free Economy and
Public Affairs*

Edited by : Kusum Lotvala

Published On the 1st and 15th of Each Month

Single Copy 25 Paise

Subscription Rates :

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

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Edited by Miss K. R. Lotvala, for the Libertarian Publishers Private Ltd. Printed by Miss K. R. Lotwalla, at States' People Press, Janmabhoomi Bhavan, Ghoga Street, Fort, Bombay 1; and published by her at the office of the Libertarian Publishers (Pvt.) Ltd., Arya Bhuvan, First Floor, Sandhurst Road, (West) Bombay 4.