

Let There Be No Mistake

TO criticise the actions of persons in high places and to invite attention to certain dangerous implications is always a hazardous task. If, however, freedom is to survive and democracy is to thrive there must be in a free society some who will be intrepid enough to undertake that task.

Freedom First's criticism of the Mahalanobis Plan and the technique of physical planning and its revelations regarding the communist character of most of the foreign experts gathered together by the Indian Statistical Institute has evidently earned for it some displeasure in high quarters. *Freedom First* is not afraid of incurring displeasure, when public duty requires it to run that risk; it would not, however, like its position to be misunderstood.

Freedom First had criticised the Mahalanobis Plan and its technique of physical planning on the basis of the little information that was then available in scanty newspaper reports. Since then, some authoritative documents have been published, namely, the Plan Frame of Prof. Mahalanobis, a note prepared jointly by the Economic Divisions of the Ministry of Finance and the Planning Commission, the memorandum of the Panel of Economists and Prof. B. R. Shenoy's note of dissent to the memorandum. Now that these documents have been published for general discussion, it will be necessary to study them and to re-examine, in the light of this new information that has now become available, the criticism that had been made earlier. *Freedom First* will essay that task in the course of the next three or four months that are happily allowed for a discussion of the Plan Frame.

At the moment, it is necessary to point out that *Freedom First* is not alone in the doubts and apprehensions that it had expressed about some of the features of Mahalanobis Plan and their impact on freedom and democracy. One of the most outspoken critics of that Plan, now called the Plan Frame, has

been Dr. B. C. Roy, the Chief Minister of West Bengal. In a note submitted to the National Development Council, Dr. Roy stated: "In my opinion, the Plan is unpractical both in regard to the total effort which is envisaged, as well as the manner in which this total effort is proposed to be applied in different directions.

"Very broadly, my criticism is that:

- (a) the total strain involved will be beyond our present capacity to bear, particularly in view of the fact that the most important element in assessing this capacity in democratic planning is the willingness of different sections of the people themselves to undergo this strain; and
- (b) the different major heads under which this effort is to be made will lead to a lop-sided development, thus seriously injuring the prospects of balanced growth."

The note then examines the various targets of the Plan Frame and points out that the approach adopted "is an example of putting the cart before the horse." It says: "The level of our targets should be pitched according to capacity and not according to what we may wish for." The note has also criticised very severely the pattern of development contemplated by the Plan Frame.

Equally trenchant criticism of the Plan Frame has been voiced by Prof. B. R. Shenoy, a member of the Panel of Economists with a distinguished record of academic and public service behind him. It is true that his was the only voice of dissent in the Panel but that does not in itself reduce the validity of his criticism. He has criticised the basic idea of the Plan Frame of financing the Second Five Year Plan to the extent of Rs. 1000 crores by resort to deficit financing. He has pointed out that deficit financing of such a high order may well lead to wild inflation which would inflict permanent injury on the economy of the country. He regards the plan as "over-ambitious" and warns against the consequences of adopting an over-ambitious plan in the following words:

"To force a pace of development in excess of the capacity of the available real resources must necessarily involve uncontrolled inflation. In a democratic

community where the masses of the people live close to the margin of subsistence, uncontrolled inflation may prove to be explosive and might undermine the existing order of society. Alternatively, if appropriate "physical measure", familiar to a communist economy, were adopted (in an effort to prevent inflation) we would be writing off, gradually or rapidly, depending upon the exigencies of the Plan, individual liberty and democratic institutions by administrative or legislative action."

Prof. Shenoy has also examined the "policy and institutional implications of the Plan Frame" and has stated: "I apprehend that reliance on legislation and administrative measures to increase the rate of saving, which will permit a bigger and bolder Plan, may by degrees undermine our democratic social order, which would be too high a price to pay for accelerated economic development. Legislative and administrative action should be directed to ensuring the socially most effective uses of savings. To permit accelerated economic development it would be preferable to supplement domestic savings by foreign capital and foreign aid."

Influential organs of public opinion have been equally critical about the Plan Frame. The *Hindu* of Madras in its Editorial dated May 21 disapproved of the methods proposed for financing the plan, of the "targets drawn up entirely unrelated to the resources available," of the pattern of development and concluded: "The result of this lopsided programme would be to raise prices, bring down consumption standards and leave the much-favoured cottage industries with mounting stocks of unsold goods. There is clear need for a more realistic approach, which does not envisage too heavy burdens on the consumer and which provides for a more generous expansion of light industries."

Reverting to the same subject on June 12, the *Hindu* describes Prof. Mahalanobis as the person "from whom the second Five Year Plan largely derives its inspiration" and, criticising a statement made by him at a press conference that if he had his way he would put into cold-storage modern technology, writes: "You cannot possibly use modern technique selectively bringing into existence steel and cement plants on up to date lines and at the same time trying to meet the demands for a higher standard of living, through the output of cottage industries." The *Hindu* then quotes appreciatively the following passage from an article by Mr. Kingsley Martin in the *New Statesman and Nation*:

"It is bold for any country which maintains a democratic structure to embark on a plan which involves so high a proportion of saving. Communist countries, which have converted so large a percentage of the nation's earnings into capital expenditure, have done so at the cost of much coercion and expropriation." It is to be hoped that the Prime Minister and others will ponder deeply these words of their very devoted friend.

Thought of Delhi has been equally critical about the recommendations of Prof. Mahalanobis and his experts. It wrote: "The principles on which these

recommendations are based are the same as those of communist or totalitarian plans. Both the First and the Second five-year plans of the Soviet Union were based on these principles; so also are the plans of East European satellites and China. It should be obvious that if these recommendations get accepted, their cumulative effect would be to push India's economy increasingly into a mould undistinguishable from that of the communist country."

It should be clear therefore that *Freedom First* is not alone in criticising the Mahalanobis Plan and in drawing attention to some of its implications tending in the direction of totalitarianism. It may have spoken first and spoken a little sharply. Some would have liked the voice to be less sharp and some, in the belief that they had already combatted and repelled the danger, would have liked the matter to be dropped. In a democracy it is always best that the people at large should know of the danger that had threatened them, even if it has receded for the time being. Opinions again might differ whether the danger has already passed and in any case vigilance might pay better dividends than complacency.

One of our critics has been extremely unkind and unfair. Mr. Shriman Narayan, the General Secretary of the Indian National Congress, has charged the Indian Committee for Cultural Freedom with being "mainly interested in the well-being of the private sector or the capitalists in the country." The charge is based on the allegation that the Indian Committee is opposed on the one hand to large-scale production and on the other to village industries, as the latter would leave very little scope for large-scale factory production in the private sector. The allegation has no basis in fact. The Indian Committee is neither opposed to large-scale production nor to village industries.

What *Freedom First* had criticised was on the one hand the emphasis placed in the Mahalanobis Plan on heavy industries and on the other hand its decision to reserve all additional production of consumer goods for hand and cottage industries. Opinions

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Notes

Soviet Delegation to Yugoslavia

FROM all accounts it is apparent that the high powered Soviet delegation to Yugoslavia has failed to achieve its objects. Its object, obviously, was to woo and win Yugoslavia on the side of the Soviet bloc in the politics of the cold war. It was, however, amusing to see Khrushchev, leader of the delegation, becoming over-anxious to make amends for "the grave charges and insults levelled against the leaders and government of Yugoslavia" when Marshal Tito broke with Stalin. "As far as we are concerned," declared Khrushchev, immediately after the delegation alighted at Belgrade Air Port, in a prepared speech of which he had conveniently neglected to give his hosts any advance notice, "we attribute without hesitation the aggravations to the provocative role that Lavrenti P. Beria...and others—recently exposed enemies of the people—played.... For our part we are ready to do everything necessary to eliminate all obstacles standing in the way of complete normalisation of relations between our states." It is reported that Marshal Tito, unmoved by Khrushchev's statement, simply motioned him, without a word, into a limousine. Yugoslav leaders have been quite vocal that they regard Khrushchev's statement as hypocritical, and they have refused to take it seriously. The Yugoslav press have significantly drawn a parallel between Khrushchev's calumny against Beria and the earlier Russian denunciation of Tito. It is, indeed, unfair that the entire blame for Russo-Yugoslav rift should be now placed on the shoulders of Beria, who is no more. This is not to say that Beria had had no hand whatsoever in it. But others, notably Stalin, Malenkov, Molotov, Zhdanov have had a major part in bringing about the rift and denouncing Tito and his colleagues. Zhdanov had declared Tito "an imperialist spy" and Malenkov had affixed his signature on the expulsion of Yugoslavia from the Cominform. Obviously they would not have done so without Stalin's orders. Even long after Beria's execution, the Russian attitude towards Yugoslavia did not soften.

This sudden somersault in Russian policy towards Yugoslavia spotlights the Machiavellian character of it — as a matter of fact, of all Soviet policies.

Who knows how long this "age-old friendship" with Yugoslavia will last? One fine morning it may disappear with equal suddenness, and Tito may be once again denounced as vehemently as before.

It must be said to the credit of Yugoslav leaders that while they have been polite in their dealings with Russian officials, they have been shrewd enough to sense the dangers — internal as well as external — involved in aligning themselves with Soviet Russia and her satellites.

Home Rule in Tunisia

FRANCE must be complimented on her decision to grant home rule to Tunisia. An agreement to that effect was signed early in June between the two Governments.

According to the agreement France still retains control over foreign affairs and defence. The Neo Destur, the nationalist party of Tunisia, have accepted the agreement as a step towards complete independence and have promised full co-operation. Their leader, Mr. Bourghiba has declared: "Total independence remains our supreme objective. Scrupulous application of the home rule conventions will help us find the formula whereby the association of friendship and solidarity between France and Tunisia can continue harmoniously."

When after the agreement was signed Mr. Bourghiba returned to Tunisia after an exile of forty months the country gave him enthusiastic welcome. He has made a generous appeal to the French and the Tunisians to "forget the conflicts and quarrels of yesterday."

While the Tunisian problem is thus solved, there is still no end in sight of the conflicts in Algeria and Morocco. Recently there has been grave trouble in Algeria and France is reported to be sending more troops and arms to quell it. France would do well to heed Mr. Bourghiba's warning that "force cannot solve her crisis in North Africa" and to seek a peaceful solution of those conflicts.

Payment in Kind

IT is reported that the Government of China has decided to pay its civil servants in kind instead of in cash from the month of July. Details of the scheme are not yet available; so we do not know at the moment how much of corn, cloth and other essentials of life will be available to the civil servants of the communist regime.

Prisoners are usually paid in kind, but even they appreciate some payment in cash, even though it may not be actually made until after release. Soldiers are paid a part of their salaries in kind, but they put up with it because of the peculiar and somewhat favoured conditions of their service.

Payment in cash is preferred by all kinds of workers, as the cash they get can be utilised by them for purchasing any goods or services they desire. It is cash alone which enables them to exercise their freedom of choice regarding the various types of goods and services available in the market. High prices and non-availability may sometimes restrict their choices. But the remedy is to increase the supply and make all goods and services available at reasonable prices.

The system of payment in kind deprives workers and civil servants of their right of free choice as consumers. The right passes on to the State, which will decide *what* food they should eat, *what* clothes they should wear, and *what* services they should use. The system will be analogous to the one prevailing in prisons or slave labour camps.

A Welfare State is expected to look after the basic needs of the people, not by doling out the food grains, the cloth and other commodities that the people need but by providing gainful employment which will enable citizens to earn the cash for purchasing the goods and services they choose and providing a growing number of health and welfare amenities which will be available to all without payment or on a nominal charge. Any other conception of a Welfare State will reduce it to a slave society.

As a result of this latest decision of their Government, the civil servants of China—a relatively favoured class—are losing their last vestige of freedom symbolised by the availability of cash which enables a person to avail himself of the goods and services of his choice.

Eliminating English?

A HEALTHY note was struck by Dr. Hare Krushna Mahatab, the Governor of Bombay when, in a speech at Poona, he disapproved of the tendency found in many quarters of seeking to eliminate the English language. Some sections of Indians, he said, were trying "to forget the 200 years preceding the attainment of freedom." He deprecated the tendency to "try to reconstruct history by eliminating the immediate past." It would be wrong on anybody's part, he said, to try to forget English or to eliminate it. He advised: "We should not hesitate to use the English language and borrow English expressions wherever necessary."

Dr. Mahatab's sound advice is in refreshing contrast with the uninformed talk that is widely prevalent in the country. It is legitimate to demand the recognition of Hindi as the national language. It is equally legitimate to demand recognition and encouragement of regional languages. But neither need take the shape of a campaign for the elimination of English. The English language has now become a part and parcel of our national life and it would be most unwise to allow nationalist prejudices and parochial considerations to deprive the country of that rich heritage of its recent past.

An Onerous Gift

IT is reported that communist China is handing over to Nepal Dr. K. I. Singh, who had sought refuge in that country after his abortive attempt to overthrow by force of arms the legitimate Government of Nepal. Dr. Singh is a fugitive from justice and had found a congenial home in China. The communist rulers of the country not only gave him shelter but also tried to build him up as the revolutionary leader of the people of Nepal just as they are building up Pridi in the case of Thailand.

Now that the indoctrination is complete and there is plenty of unrest in Nepal, China is prepared to send back Dr. Singh. The local communists have for several months now been preparing the ground by demanding facilities for the rebel's return.

It is made to appear in certain quarters as if China

is relenting and making a concession to Nepal. In point of fact China is imposing an onerous gift upon that small Himalayan kingdom of great strategic importance. Unless democratic elements in Nepal remain watchful, the gift may, indeed, prove too onerous.

The Text-Book Muddle

P RIMARY and secondary schools in the State of Bombay have had to begin their work for the new academic year without textbooks, more particularly for the higher standards. Schools could not, therefore, arrange their calendars and begin their teaching and a number of school days were wasted.

The muddle developed as a result of Government's delay in according sanction to textbooks, in settling prices with publishers and in giving the print orders to the printing presses. If the Education Department of the Government had moved with proper speed, all these delays could have been avoided.

The Government's right to decide, in consultation with expert opinion, the curriculum of primary and secondary schools and to sanction the textbooks that may be used is not disputed. But in exercising that right they must act with reasonable efficiency and promptness. They have no right to hold up the work of schools or to harry publishers and printers of textbooks by reason of their failure to take timely decisions.

Obscene Literature

THE Ministry of Finance has by an order banned the import of "obscene literature and horror comics." There has been recently a great deal of public outcry against this type of literature and its deleterious effect on the impressionable minds of young persons and students. It must be admitted that the outcry is to some extent justified and that it is desirable to keep such literature away from the hands of the young. It is not necessary therefore to protest against the ban.

It is not easy, however, to execute the order. There is no exact and commonly accepted definition of either obscene literature or of horror comics. It will be difficult for the executing authorities to determine what material falls under that category and what does not. It is possible that amongst them there may be some who, out of over-enthusiasm or their own peculiar ideas of what is proper and moral, will give an extended meaning to those terms and seek to prevent the import of books that they do not like. Such provisions of law always place in the hands of executive authorities enormous powers which can be easily misused. It will be necessary to keep a watchful eye and prevent such misuse of powers.

The problem presented by the publication and sale of obscene literature is not peculiar to India. It has appeared in many other countries. The Australian Committee for Cultural Freedom has prepared a thoughtful statement on the subject which is published elsewhere in this issue. It indicates the lines on which the problem can be tackled.

A Socialist Economic Policy

by Prof. W. Arthur Lewis

Mr. W. Arthur Lewis, a West African Negro by birth, is a professor of social sciences in the Manchester University. He is a member of the British Labour Party and is an expert on the problems of the economic development of colonial and underdeveloped countries. His article originally appearing in the SOCIALIST COMMENTARY is reproduced here as it has a bearing on the problems of economic policy discussed in the country.

WHATEVER else socialists may argue about, we are all equalitarians: this is the foundation of our faith. We do not believe that all men have the same characteristics, or that all men should have the same income. We do believe that all children should have equal economic opportunities for equal talents; in other words, we believe in a classless society. We also believe that wide differences of income and property are bad, and we desire to limit differences of income to the minimum required to stimulate and reward initiative, effort and responsibility. Anyone who accepts these ideas wholeheartedly is a socialist, and belongs, to a band of people who have been reviled and persecuted throughout the ages.

When the forefathers of the British Labour Party looked round them at the social scene, more than half a century ago, with its striking contrasts of wealth and poverty, they conceived of three tools with which it might be changed through parliamentary action. These were budgetary policy, economic controls and public ownership. These three have been the principal tools in socialist economic policy ever since, and they figured prominently in what the Party did from 1945 to 1951. Most of the discussion is about these tools—whether they have done the job for which they were created, and whether it is time to create new ones.

The tool of budgetary policy is used to tax the rich for the benefit of the poor. We have pushed this policy very far. We have created a system of social services which is the admiration of the world. We have still some black spots. There are some deplorable housing conditions in the middle of some of our greatest cities. Our educational system is also backward, when compared with several other European countries, with the United States, or with the Dominions. We have also established the principle that taxation to pay for these services should fall very heavily upon those with the largest incomes.

We have pushed progressive taxation so far in this country that we are clearly in the neighbourhood of its limits, not only in the sense that the incomes of the rich, after taxation, are now comparatively small; but also in the sense that we are in danger of destroying the incentive to take risks. Nobody will take risks involving a large possibility of loss unless there is correspondingly a large possibility of gain. If we make large gains impossible we stifle enterprise. And this is very serious in a country like ours which lives on the quicksands of foreign trade, and which must perish unless people are constantly taking the risks of offering new commodities.

Part of the problem is the out-of-date income tax system which we use; socialists ought not to defend

the present system, they ought to reform it. More fundamentally it is necessary to realize that a policy which emphasizes the taxation of income is on the wrong tack. The reason why there are such wide differences in income is that there is such inequality of opportunity and of property. If we reduced the inequality of property, and through the educational system also ensured greater equality of opportunity, the inequality of income would automatically diminish, and so also would the necessity for heavily progressive taxation. In a society in which income differences were small and reasonable, we could rely exclusively on indirect taxes, which are the best taxes not only because they are cheap to collect and not badger each individual with forms, but also because they do not discourage incentive and enterprise. Fundamentally we need to attack property, rather than income. But I shall return to this point in a moment.

The second tool, economic controls, was shaped because of disgust with the use to which society's resources were put. Yachts were built instead of shoes, and country mansions instead of schools. So if we controlled the use of resources through licensing, we could deny resources to satisfy the pleasures of the rich, and grant them rather to meet the needs of the poor.

This tool is of recent fashioning; socialists as late as 1913 had hardly thought of it, and even in 1939 our Labour Party could make only the vaguest references to planning. The shaping of this tool is really due to the second world war, when it was used extensively to divert resources to war purposes. The Labour Party inherited a complete set of controls in 1945, far greater than it would ever have thought of creating from scratch, and merely accommodated itself to them.

It soon began to dismantle controls, for three reasons: first they were cumbersome, secondly they were unpopular, and thirdly they were unnecessary.

Control by licensing is unnecessary if the same purpose can be gained by budgetary policy. If you want to increase the building of schools and reduce the building of country mansions it is not necessary to make every person in the country who wants to do £100 of building fill up a form and apply to some clerk for a licence. All you need to do is to tax the rich, so that they cannot afford to build mansions, and use the money to build schools. If the budgetary tool is working, the controls tools is unnecessary.

The controls were unpopular because they put the whole population at the mercy of government clerks, applying for rations, for licences to redecorate, for licences for petrol, and what not. The controls were

therefore fundamentally anti-socialist. Ours is a libertarian movement, fundamentally anti-government and pro the liberty of the individual. There are a few authoritarians in our midst who like the idea of economic controls for their own sake. For a while the Party listened to them, and occasionally even appealed to the voters on the ground that ours was the party of controls! This gave the Conservatives an advantage. When they swept away the controls they gained popularity as a result. This was a silly mistake on the Party's part, and one quite inconsistent with our traditions; but we have learnt our lesson.

Not all controls should be, or have been, swept away. The economic system functions badly unless certain minimum controls are maintained. We are particularly interested in those controls which are necessary to maintain full employment, to prevent the emergence of depressed areas, and to safeguard the balance of payments. These we must distinguish, keep, and refine.

The third of our tools is to transform private into public property. Our forefathers looked to this to achieve three aims; first to break the economic and political power of capitalist monopolies, secondly to reduce their wealth, and thirdly to increase the freedom of the workers.

This third objective gave rise to some confusion, and in the event to some disappointment. There was a confused debate about the role of workers in the transferred industries. Syndicalists and guild socialists wished the property to be transferred to the workers and run as co-operative societies. But in the event what has been done in all countries is to transfer property not to the workers but to the government. Workers continue to be employees, subject to all the frustrations of working under orders in large undertakings. There may be remedies for the malaise of working in large organizations, but nationalization, as such, is not a remedy. Some of our members have become very frustrated on making this discovery, and some refuse even to recognize it. Socialists have to be in the forefront of finding ways of making life in big organizations human and fruitful—but the problem is just as great in nationalized as it is in private industry.

The achievement of the second purpose has also given rise to disappointment, though here the difficulty is only transitional. If the private owners of an industry are paid a price equal to its value, they are no worse off economically after nationalization, and correspondingly the industry is in no better position to pay higher wages. Indeed, as in the case of British Railways, if the owners are paid more than the assets are worth, its power to pay wages is actually reduced. Those who expected nationalization to raise wages have therefore been disappointed. Nationalization reduces inequality in a different way, which takes time. In private industry, fortunes grow because private profit is retained in the business. When an industry is nationalized, its owners get no further share in the accumulation of wealth, which hereinafter takes place on public account,

provided that the nationalized industries are allowed to earn as much profit as others.

The first purpose, removing power from private monopolists, is clearly achieved by nationalization. But to whom is power transferred? In principle to Parliament. How does Parliament exercise control? Not, at present, in any satisfactory way: we are still experimenting with ways of making public industry really subject to public control. Do we really want to transfer so much power to the government of the day? Ours is the party of 'the people'; a government machine in which all property and all opportunities of employment are concentrated is really a totalitarian rather than a socialist conception. The original socialist conception was to transfer property to the workers—i.e. to hundreds of thousands of small groups—not to a powerful State machine. This was abandoned because experience has shown that large-scale organizations cannot operate successfully on this basis. An alternative would be to democratize property not by nationalizing it, but by redistributing it. A society in which each person owned an equal amount of property would come much nearer the socialist ideal than one in which the government owned all the property.

So our ideas about the nationalization tool are in ferment. It doesn't solve the problem of labour relations; it reduces private wealth in importance, but only gradually; it raises unsolved problems of control; and it raises the issue of how much power we want our governments to have.

In addition to all these questions about taxation, and controls, and nationalization, our period in office left us the legacy of two brand new problems about which our forefathers had never thought, namely external solvency and economic progress.

Our forefathers never needed to think of external solvency, because in all their time the country had an enormous surplus in its balance of payments. Those days are gone. We have to be very careful not to live beyond our means and also to be able to help our poorer brethren overseas. There must be restraint in consumption. Money wages must not be increased by 10 per cent every year, because productivity does not increase by more than 2 per cent a year.

Our forefathers never bothered about economic progress either. It seemed to be automatic in their day. Now we are conscious that it requires, among other things, a high level of investment, which in turn also means restraint in consumption. Worse still: in a private enterprise economy most saving comes out of profit, and most investment is done only if there is the incentive of profit. So if we want large investment and a rapidly rising standard of living, we must have a high profit ratio. If the Party is to tolerate private enterprise, while desiring a rapid growth of the standard of living, it must also rejoice when profits are high.

It is traditional in our Party to burst a blood vessel whenever the word 'profits' is mentioned. To demand that wages should be restrained so that profits should be high is clearly sacrilegious language. But since

Obscene Publications

The following is a statement on obscene publications issued by the Australian Committee for Cultural Freedom in connection with proposed legislation. The statement was drafted by the President, Sir John Latham, and approved by the Executive.

THE Executive of the Australian Committee for Cultural Freedom desires to state its attitude with regard to the problem of the law on obscene publications.

The Executive desires to make the following observations which should be regarded as relevant in considering any legislation upon the subject of obscene publication.

(1) Censorship is undesirable in principle, and except in the case of imported material, difficult in administration. Upon a balance of the opposing considerations customs examination and control of imported publications can, we think, be justified.

(2) For locally produced material—no censorship, but prosecution in a court for breach of the law. It is suggested that a "Board of Review", or any other authority which operated without the protection given by judicial procedure, is not as satisfactory as a court. But the weight of this objection would be diminished if there were a right of appeal to a court from an adverse decision of such a Board. But it must be admitted that no court will ever exist the decision of which upon a question of obscenity will

always command universal approval. Unless, however, there is to be no restriction upon the publication of obscene matter, that is a risk which has to be taken—and it is better taken in a court than anywhere else.

(3) An educated application of existing State laws—with perhaps an addition relating to low-grade exploitation of sex, cruelty, or horror—is as good a way of dealing with a difficult and intractable subject as is practically possible.

The subject of sex should not be treated as unclean—that is hypocrisy in every man and woman born of woman. It would be absurd to exclude sex from literature. But the subject should not be deregarded and exploited for the purpose of unhealthy titillation.

Horror and cruelty will not be abolished by any control of books and other publications. It would be ridiculous to pretend that horror and cruelty do not exist and to exclude them from literature.

The word "low-grade" could not usefully be put into a statute, but "undue emphasis" upon the subjects could. Of course this would leave a large discretion to the court. But a large discretion somewhere must be risked.

A SOCIALIST ECONOMIC POLICY (Continued from page 6)

this is clearly the situation in which we find ourselves, we have to face it.

High profits are tolerable to us, as socialists, only on two conditions: if the profits are earned by public enterprises, or if property ownership is widely diffused throughout the community. The first is one reason why we stick to nationalization in spite of all its problems, and must extend it to all forms of industry which can operate efficiently only on a very large scale. The second is a new line of country for us: to spread property ownership widely, instead of merely destroying private property. But if we are a mixed economy—and so we must be because we are not totalitarians—this means we favour nationalizing the big, and widely distributing the small. It is possible to devise taxation, inheritance and financial systems which break up property concentrations, and redistribute property ownership. Our forefathers in the Labour Party did not think on these lines, but clearly today's socialists must be in the forefront of evolving schemes for a redistribution of property.

It is clear enough from this review of the old socialist tools why some of us who have grown up with the old slogans feel very uncertain as to the way things are going. We are asked to believe that the old tax weapon has done as much as it can do, and that we need an entirely new approach to taxation. We are asked to abandon 'planning'. It is clear that nationalization has not solved problems we expected it to solve, and has instead raised new and difficult ones. We are even told that profits must be high and wages low. Prima facie, socialist economic policy seems to be asked to stand on its head.

Naturally, some of us meet this situation better than others. Some Party members seem just to have abandoned the effort to cope; they just keep on demanding the old mixture as if we were still back in the good old days of 1900. By a curious use of language these conservatives have come to be known as the 'left wing' of the Party; while the progressives in the Party, who are anxious to get a move on with tackling the new problems are known as the 'right wing'. Equally curious is the fact that, by and large, it is the intellectuals of the Party who refuse to think about its problems, and cherish the idea that we can still make do with the speeches which Ramsay MacDonald was making in the 1920's; and it is the rank and file, especially, the trade unions, who have shown excellent restraint and understanding.

Clearly we need to fashion new tools: (a) a tax system which encourages enterprise while keeping the burden on the rich; (b) controls which keep the economy on an even keel without subjecting individuals to petty tyranny; (c) ways of humanizing large undertakings, private and public; (d) a system of public ownership which is really democratic; (e) a system which keeps wages and profits in restraint and in proper relationship, having regard to what we can afford; and (f) means of redistributing on an equalitarian basis that property which we do not nationalize. These are the issues of our day. Our task is not to hold the generation of 1900, but to win for our movement the loyalty and enthusiasm of the young men and women of today and of the future. There is no chance of this unless our economic policy is relevant to what they think are the problems of our times.

Planning For Freedom

by Prabhakar Padhye

WHILE replying to the criticism that the approach of physical planning embodied in the Second Five Year Plan is likely to introduce the elements of authoritarianism in the body politic of India, the Prime Minister observed that they had a framework of a democratic constitution in India and that they proposed to work the Plan within that framework. He also assured, in a tone flavoured with his well-known Liberalism, that "in a democratic structure one could not adopt authoritarian methods and force things down the throat of the people."

Mr. Shriman Narayan, Secretary General of the All India Congress Committee, has also observed that the Second Five Year Plan "visualises cooperative effort and not collectivisation and nationalisation in the important sector of land, agriculture and village industries, which would naturally constitute a substantial portion of India's economic development for many years to come. The fears regarding totalitarianism and centralisation are therefore unfounded."

These assurances from such high quarters will be indeed gratifying to all those who think that individual freedom is at least as important as economic planning in the life of a nation.

The Prime Minister's assurance is indeed a valuable one. But surely he is not so old-fashioned as to believe that the mere existence of a democratic constitution ensures the realisation of meaningful freedom in the life of a community. Does he not know that adherence to the representative democratic processes becomes a formal affair unless certain conditions signifying the people's participation in the affairs of the country are assured? And is this not much more true of physical planning conceived in the concepts of a totalitarian technique? In a country where the Parliament is heavily loaded with the nominees of one party (not particularly distinguished by its adventures in free or liberal thinking) and where the Central and the State governments are manned and guided by the leaders of the same party, the acceptance of a plan by the Central and Provincial Legislatures may not mean more than a crusted formality lacking the essence of freedom. Even in Soviet Russia the Five Year Plan, I believe, is rubber-stamped by the Supreme Soviet. I do not mean to suggest that our Legislatures are just editions of the Russian soviets. But surely they cannot be said to possess the dynamism of British or Swedish democracy.

The essence of freedom is, therefore, to be sought in the nature of the Plan than in the formal process of legislative sanction.

Here the statement by Mr. Shriman Narayan that in the sector of land, agriculture and cottage industries the plan envisages co-operation rather collectivisation acquires a great significance. But whether it is of a measure capable of dissolving all doubts has to be explored. The Plan visualises a combination of heavy industries at the top and a number

of hand and cottage industries spread in the villages. The prospect of the growth of cottage industries is really gratifying not only because they would provide jobs to the unemployed but also because they would introduce an element of decentralisation so necessary for the broadening of freedom. This combination of the aspects of production and employment economies indeed appears to be an encouraging feature of the Plan. But is there a guarantee that it will last? Suppose, five or ten years after a new government decides to take away the measure of protection to these industries envisaged in this plan, will they not collapse like so many houses of cards? Do the planners hope that the cottage goods habit will have been firmly formed in the meanwhile? And even if such a habit will have been developed is there any reasonable hope that it will not be sapped by the sudden advent of massproduction goods? Is it reasonable to believe that in such a contingency our propped up cottage industries would not quickly collapse even as they did before onslaught of the British goods during the 18th and 19th centuries?

It is therefore necessary to see that the village industries proposed to be built along with the heavy industries are organically integrated with the latter, by providing that they are modernised and machine-based, that their tools are supplied by the heavy industries and that some of them belong to the class capable of providing some parts of the heavy industries themselves. It is also necessary to develop a sector of small-scale industries serving as a valuable link between the heavy and the village industries. What is necessary is a judicious combination of heavy, small scale and village industries and this combination must be sustained by establishing a natural organic relation between them.

I am not prepared to say that the nationalisation of heavy industries need necessarily lead to the smothering of freedom, or that the private ownership of these industries automatically ensures freedom. It should be remembered that not private property as such but a wide dispersal of private property ensures the preservation of freedom and that nationalisation by itself may not be the decisive factor.

Freedom is a complex notion and no single solution may ensure its realisation. It is generally agreed that representative democracy tends to become a formal affair. What is also needed is, as Bevan said, the enfranchisement of the workers in the factories and of the peasants in the fields. The guarantee of private enterprise along with tenancy rights in agriculture and of the co-operative organisation of village industries (the power of the landlord and the money-lender being squashed) may mean the 'enfranchisement' of the peasant. But what of the worker? And of the consumer? Is it not necessary to give them a significant share in the management of the factories, big and small? Such a conception seems to be totally

Review

Religion Behind the Iron Curtain

by George N. Schuster, Macmillan, New York, \$4.

RELIGION BEHIND THE IRON CURTAIN is not the sort of book Indian intellectuals like to read. It makes out too strong a case against communism in practice, its facts are too clearly demonstrated to invite a debate. On the whole, one may safely predict that Mr. Schuster's study will be ignored in India or dismissed in short innocuous notices. No one will take issue with its argument; not many will expose themselves to this description of horrors behind the Iron Curtain.

Nehru is in Russia. One of his Ministers is leading yet another "cultural" delegation to China. Who can believe stories of mass murder and deportations, tyranny on a scale never practised before, relentless persecution and destruction of opposition, systematic annihilation of religion in every public and personal manifestation?

Yet, these stories are true and sooner or later we Indians will have to believe them. Mr. Schuster is nothing if not thorough in his methods; exemplary in his attitude to the suffering he records and deeply tragic in the tone of his writing, his survey imposed on this writer a despair which hardly permits him to attempt a balanced review. Mr. Schuster covers Eastern Germany, Czechoslovakia, Yugoslavia, Poland, Hungary, Albania and the Balkans, with a chapter on the terrible fate of "Jewry Under Soviet Rule." In each, the details differ but the pattern of evil is the same, and by now it is familiar. Its purpose is to break the human spirit so that nothing, not a murmur of disapproval or dissent, is heard among the vast populations which communism controls. This superhuman task is accomplished by inhuman

PLANNING FOR FREEDOM (Continued from page 8)

absent in the minds of the planners of the plan. It does not seem to be an accident that in the group collected by the architect of the plan frame the preponderant majority belongs to the totalitarian variety whereas not one belongs to Yugoslavia which is admittedly building a decentralised variety of communism based on the new conception of the enfranchisement of the workers and peasants.

Physical planning, unless it is co-ordinated with these broad principles of freedom, unless, that is, it is consciously based on the principles of economic and political decentralisation, is bound to generate totalitarian tendencies which would ultimately suffocate the soul of democracy in India. The architects of the 'socialist pattern of society' should kindly understand that all the opposition to the physical planning *a la* Mahalanobis does not come from the partisans of big business. Those concerned about the broader aspects of freedom are also worried by its implications.

methods which make success certain. And Mr. Schuster's book proves the completeness of that success and the impossibility of shaking it.

What is to be done by those who cannot but believe this report and others like it? How to arouse the conscience of the Indian people and in particular of the intellectuals to the realities of the new faith which so appeals to them? One thing is certain. If anything substantial is to be achieved it can only be by refusing to forget such books as Mr. Schuster's, refusing to let it be read as more evidence of one's own convictions. There is material in it which can be used, and used it must be. Perhaps a few will be shocked, perhaps not all will be able to turn away from the incontrovertible proof of regimes based on terror and ruthlessness. I quote two documents to illustrate my meaning. The first is from a letter published in the official Czechoslovakian journal *Rudé Práve* of November 25, 1952. It is by the son of a condemned man.

"I ask that there be inflicted on my father the heaviest penalty, the penalty of death. I see only belatedly that this creature, who cannot be called a human being, did not possess a jot or tittle of feeling or human dignity. He was my greatest and most bitter enemy."

The letter ends by asserting a desire of the son to give this letter to his father personally.

The second document is from a final scribbled note of Cardinal Mindszenty to his aged mother when the Police arrived to arrest him.

"I have taken no part in any conspiracy of any kind. I shall not resign from my episcopal see. I shall not make a confession. But if despite what I now say you should read that I have confessed or resigned, bear in mind that it will have been only the result of human frailty. In advance, I declare all such actions null and void."

A few weeks later the Cardinal signed a confession.

If such documents do not move people to be sceptical of communist methods, the story of millions being enslaved in concentration camps will have no effect.

N. E.

OUT ON AUGUST 1

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LET THERE BE NO MISTAKE (Continued from page 2)

may differ regarding both the proposals. But that is no reason why one who does not approve of those proposals should be dubbed as mainly interested in the well-being of the capitalists.

That the development contemplated by the Plan Frame of heavy industries at one end and of hand and cottage industries at the other end will be a lopsided development has been pointed out by many others besides *Freedom First*. Many others have also expressed the apprehension that there will be a famine of consumer goods, that while incomes will be generated there will not be enough of consumer goods, to satisfy the new demand that will be created thus making it obligatory, as Dr. B. C. Roy has stated in his note, "to clamp down Draconian regime of rationing and control in every sphere."

Mr. Asoka Mehta, the Socialist M.P., has indeed suggested that this "temporary device is being used to inveigle unwary Sarvodayawadis into the modernist future. This may be useful politics but no honest functioning. Cleverly the controversy with the Sarvodayawadis is pushed off to 1961 when the battle would be lost by them before it could be joined."

The imputation of motives should not have found a place in the Gandhian technique which Mr. Shriman Narayan endeavours to follow. The Committee has within its ranks persons belonging to diverse schools of thought. It has among its members democratic socialists, radical humanists, believers in Sarvodaya, in free enterprise, and in mixed economy and others of various persuasions. It is wedded to no particular economic dogma. Its sole interest is in the advancement and expansion of freedom in all spheres of life—political, economic and social. It will judge all schemes, proposals and events on the basis of their impact on freedom, the freedom of the individual to live a life of his own and develop all his potentialities.

Nobody in India, and least of all *Freedom First*, is opposed to planning as such. The crucial question is how to square the demands of planning with the requirements of freedom. The answer to the question may not be the same in all communities and at all times. It is, however, important to keep the problem in mind and to ensure that planning does not overstep its limits and eclipse freedom, which must be constantly reinterpreted as the actual freedoms enjoyed by the people in their daily lives. As Miss Barbara Wooton, herself a socialist, has stated in the book *Freedom Under Planning*: "A wise choice of planners and a watchful eye on plans may well be the price of freedom." Planning, she has asserted, must know where to stop. It is from this point of view that *Freedom First* had struck a note of caution about the danger of overstepping the proper limits of planning within freedom.

Planning to be democratic must proceed from the bottom to the top. It must first ascertain the needs of the people in the villages—it must be remembered that India consists of villages—and find out what can be done to satisfy those needs. As the *Radical Humanist* has pointed out: "Its goals would not be set in terms of increased national income, larger

production, technical efficiency, national self-sufficiency and all that, but rather the increased freedom of the individual. In such planning both planning and execution would be done by the people from down below and not by a centralised political authority running the economic life like a gigantic machinery in which the citizens have become mere cogs."

The Mahalanobis Plan or Plan Frame has adopted an entirely different pattern. It starts with the arbitrary objective of effecting a 25 per cent increase in national income and providing about 10 to 12 million new jobs. It then finds out the amount of investment that will be necessary to attain that objective and, after making some rough calculations about the resources that would be available and finding a huge shortfall of Rs. 1000 crores, adds to them that staggering figure of deficit financing. It then allocates those resources to the various sectors of the economy according to a pattern arbitrarily decided on by the experts. Thinking about a Plan Frame drawn up on these lines one is reminded of a plan that was drawn up over ten years back promising a doubling of the national income within fifteen years on the basis of an investment of Rs. 10000 crores. That Fifteen Year Plan was universally regarded as a Big Business plan. The Plan Frame contains many of the essential features of that plan except that State Capitalism takes the place of Big Business.

It is not the purpose of this article to discuss in detail the Plan Frame or the other documents pertaining to it. A couple of observations regarding its effects on the economic life of the people and on the political institutions of the country may not, however, be out of place. The Plan proposes to raise during the period of the plan Rs. 900 crores through additional taxation. The main burden of this taxation is to fall on the mass of the people and with that end in view it is even proposed to amend the Constitution to allow the taxation of essentials. The deficit financing of Rs. 1000 crores will also affect the common people very adversely. The net result may therefore be a worsening of the living conditions of the people.

The Plan Frame states enigmatically that "large organisational and constitutional changes may become necessary." The Panel of Economists have also expressed themselves in a similar manner. Nobody knows at the moment what organisational and constitutional changes are contemplated. But the following statement of Dr. V. K. R. V. Rao, an eminent member of the Panel, in an article in the *Hindustan Times*, may throw some light: "It may even be necessary to treat the initial plan period as a period of emergency akin to war and, therefore, provide the President during that period with the same Constitutional powers that he has under Articles 352 and 360 of the Constitution." Commenting on the suggestion, Prof. G. D. Parikh wrote in the *Radical Humanist*: "What Dr. Rao suggests is that the Federal nature of our Constitution will have to go, all powers of the units will have to be taken away and the Fundamental Rights will have to be suspended if we have to have bold and successful planning." Other economists

may not agree with Dr. Rao, but is not his suggestion alarming enough?

The crucial question to be raised and answered is the one raised by Prof. G. D. Parikh: "Is the country prepared to pay the price of reducing men and materials to the same instrumental level for the sake of the so-called gains of economic development in terms of increased physical output?" The over-all planning contemplated by the Soviet and other foreign experts, the technique of physical planning and theory of balances proposed to be adopted sought to reduce men and materials to the same instrumental level. Thanks to the efforts of the officers and members of the Planning Commission, the ideas have been toned down to a large extent in the Plan Frame. Yet Prof. Maurice Dobb has to say this about the emphasis on heavy industries, the basic feature of the Plan Frame: "Presumably it reflects the influence on the economists' discussions of expert opinion from the countries of 'planned economies' and an adoption in principle of at least one cardinal feature of what has hitherto been spoken of as 'the Soviet way of industrialisation'."

It is remarkable that, in the plethora of discussion that has taken place, there has not so far been a denial of the allegation that the material for the Plan Frame was prepared by a team of ten foreign experts of whom six are Soviet officials, one a Polish official and two are communists or fellow-travellers from other countries. Commenting on the manner in which "the cloven foot of totalitarianism peeps through", *Onlooker* in the *Times of India* of June 23 writes: "If out of ten experts preparing a brief as many as seven live in the odour of Soviet sanctity it is not unfair to infer that the economic handiwork is pervaded with their political perfume. If this is 'Indian', then Sarvodaya is equivalent to Sovietism." Recalling the suggestion that the people should join not merely in the acceptance of the Plan, but in the thinking of the Plan, *Onlooker* aptly asks. "Whose thinking?" It is remarkable that in his long article Mr. Shriman Narayan should have sought to bypass this issue altogether.

Mr. Shriman Narayan's emphatic assurances that the objective is "to conquer hunger and unemployment by a process of bold decentralisation of political and economic power and not by following totalitarian or regimented methods of socialist or communist countries" are however highly gratifying. His further assurance that "our ultimate ideal is the Sarvodaya pattern of society and not the highly regimented and totalitarian type of State" is also equally reassuring. We are grateful to him and to the Prime Minister for the fresh assurances that they have given.

It must, however, be pointed out that there is a logic or compulsion of events. Lenin observed long ago that whoever says A must in the end say B. None of our leaders has the intention of saying the B of totalitarian or regimented methods. Let us not, therefore, say the A of a highly centralised plan which in the end will compel us to say the B. Echoing Mr. Shriman Narayan we too end by saying: "Let there please be no mistake about it."

I. C. C. F. NEWS

Prof. S. Guptan Nair of the University College, Trivandrum delivered a lecture on May 30 under the auspices of the Committee on "Literary Trends in Malayalam". Mr. V. B. Karnik presided.

*

Mr. Edward Hunter, author of *Brain Washing in Red China* delivered a lecture on June 1 in the office of the Committee. The subject of his lecture was "What Happened to Dr. Lin Yu-tang in Singapore." Mr. H. M. Seervai, Advocate, High Court, presided.

*

A reception was accorded on June 13 to Mr. M. S. M. Sharma, Editor, *Searchlight*, Patna. Mr. M. R. Masani introduced the guest. Mr. Sharma in his reply expressed his support to the aims and ideals of the Committee and promised his co-operation in developing its work in Bihar.

C. C. F. NEWS

Julian Gorkin, Editor of *Cuadernos*, has just returned to Paris after a successful lecture tour in Latin America. His visit there occasioned the organization of two new Committees for Cultural Freedom in Latin America: a Cuban Association for Cultural Freedom in Havana, and a Colombian Association for Cultural Freedom in Bogota.

The Cuban Association comprises leading intellectuals in that country, notably Jose Manuel Cortina, former President of the League of Nations, Jorge Mahach, the Cuban writer of international reputation and professor of philosophy and literature, and Pastor del Rio, Secretary General of the Association of Artists and Writers of America.

Among the organizers of the Colombian Association are: the rector of the University of Colombia, Carlos Lleras Restrepo, the editor of the important liberal newspaper *El Tiempo*, Roberto Gracia Peha, and the editor of the literary supplement of *Tiempo*, Jaime Posada.

*

The Committee of Science and Freedom, established in July 1954 under the auspices of the Congress for Cultural Freedom to carry on the discussion of issues of academic freedom begun at the Hamburg Congress of July 1953, has just published the second issue of its Bulletin: *Science and Freedom*. The Bulletin examines the working conditions of scientists in the Soviet and Western worlds.

*

The American Committee for Cultural Freedom held a reception on June 1 in honour of the famous French author Jules Romains, member of the French Academy, former President of the PEN Club, and participant in the founding meeting of the Congress for Cultural Freedom in Berlin, in June 1950.

With Many Voices

Moans round with many voices. Come, my friends,
'Tis not too late to seek a newer world."

—Tennyson.

I wonder how Chou En Lai could do anything to establish peace in the world when he is not able to take care of things in his own country? How could one who had pains in his stomach save the world from its pains?

—Acharya Vinoba Bhave quoted in the *Harijan*, May 14, 1955.

In Britain public opinion is still the final force in the constitution. Once roused, it always ultimately prevails.

—*The Times*, June 1, 1955.

If democracy can peacefully coexist with Communism, why can't it do so with Imperialism and colonialism?

—Mr. H. V. Kamath, M.P., *Current*, June 15, 1955.

No self-respecting Indian would like the Prime Minister to bow his knee before the Poohbahs of Washington. But need he dance a fandango so dutifully and so often to the jingle bells of Peking and Moscow?

—Onlooker, *Times of India*, June 2, 1955.

This is, in fact, the moment at which "containment" may give way to "liberation."

—Mr. Denis Healey, M.P., the *New Leader*, June 6, 1955.

The Russians have made it clear that at present they value more Mr. Nehru's habit of pulling their chestnuts out of the fire for them and singeing his own fingers than the Indian Communists bearing meagre gifts.

—*The Economist* (London), May 28, 1955.

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The West must reconcile itself to the fact that, in any negotiations, no Russian leader can give a signature valid beyond the day it was written. It is now less certain than ever who will be in power tomorrow.

—Mr. Franz Borkeanu, the *New Leader*, May 30, 1955.

Bandung made some points quite clear about colour: It fades away before other more important issues.

—Dr. Max Yergan, the *New Leader*, May 30, 1955.

A good programme can never be a satisfactory substitute for a weak will and a vacillating mind.

—Mr. Aneurin Bevan, *Times of India*, June 4, 1955.

There is really no need for Mr. Nehru to tip his cap every time he approaches the Soviet tabernacle.

—Editorial, *Times of India*, June 5, 1955.

Our fear is not that Eisenhower and Eden may miss a genuine opportunity to make peace, but that they will walk into a trap and ruin the cause of freedom for the world.

—C. R., *Mysindia*, June 5, 1955.

One of the characteristics of a buffer State is the absence of independence.

—*Yugoslav Journal* quoted in *Time*, May 30, 1955.

No proud nation, least of all 70 million Germans, is likely to take kindly to the Russian's suggestion that it join a buffer belt of international eunuchs.

—*Time*, May 30, 1955.

Our Foreign Ministry says it is neutral. Its spokesmen lose no time in making it clear that they are neutral in a very special sense. Dynamically neutral, they call it. Their neutrality would seem to be like the Orwellian equality. They are neutral towards both sides, but more neutral towards one side than the other.

—Mr. A. D. Gorwala, *Current*, June 1, 1955.

✓ Because men are still incapable of being angels is no good reason why they should be ants.

—Mr. E. A. Mowrer, *Free Spirit*, May, 1955.

Co-existence means to live and let live. I cannot for the life of me understand why we should be expected only to let live, while we ignore the threats to our own life and institutions.

—Sir John Kotalewala in the course of his speech in Bandung Conference, *Free Spirit*, May, 1955.