

Ways And Ways Of Planning

by M. R. Masani

THE Prime Minister says: "Do we object to driving on the left side of the road? Is there not a control? Is there not compulsion?" Of course there is. It is a perfectly legitimate one. But let me ask him: "Assuming we all believe that we should drive on the left side of the road or the right side of the road—it does not matter one way or the other—does it not make any difference to him whether he is on the left side of the road as a free man at the steering wheel of his own motor car or whether he is a prisoner in a police van?" It makes all the difference. And so, the issue is not between planning and non-planning. The issue is between one kind of planning and another kind of planning; one kind of regulation and another kind of regulation. We must have regulation. But what are the limits to regulation? What is the nature of the regulation?

The Prime Minister adduced two criteria—maximum production and prevention of concentration of power. I entirely accept both of them. I think those are very sound general statements, but the conclusion that we draw from the two criteria is different from the conclusion to which he comes. We see the biggest danger of the concentration of power in the hands of the State. We see it because, however big the industrialist may be, there is always the Government and the community on top of him to pull him up and bring him to justice or to order, but when the police power is combined with economic power, when the policeman and the judge and the factory-owner become one, then there is no appeal. Then you get a total concentration of power and, if we are against the State Capitalism of the kind that is being sought to be advanced in this country, we are against it, among other reasons, because it would result in precisely the concentration of power that both the Prime Minister and we would wish to prevent. We saw a recent example of that in the Government Employees' strike.

A remark was made that some of us do not believe in heavy industrialisation—in rapid industrialisation and in heavy industries. That is completely beside the point. We are for a well-balanced, all-round

development. We believe that there should be heavy industry; that there should be industrialisation, but it has to go side by side with the development of the agricultural base and the development of light industries to supply the needs of the people.

Yesterday, we had an example of the obsession with heavy industry. The Prime Minister went so far as to say:

"A number of textile mills in Ahmedabad or Bombay or Kanpur is not industrialisation. It is playing with it... Our idea of industrialisation is limited, cribbed, confined and cabined by thinking of these ordinary textile mills and plants and calling them industrialisation. Industrialisation is a thing that produces the machines. It is a thing that produces steel."

If I may say so, this is an entirely cock-eyed idea of industrialisation. It seems that anything that meets the wants of the people is not industrialisation! Things such as tooth-brushes or shoes or clothes or those things that go to make up a home are not industrialisation because they have the contemptible purpose of serving the wants of the community! But to make something that you cannot eat, drink or wear—steel, machinery—which are something remote from the people—all these become the core of industrialisation!

If I may say so, there must be an all-sided, balanced development, and this kind of contempt for all industries except steel and heavy industry comes from the Soviet Union and Soviet planning where heavy industry has been glorified. And why? Not to serve the wants of the people, which are still not being served, but for the purpose of war-mongering, for building up armaments and for intimidating the rest of the world. But that is not the pattern of planning this country of Gandhi is going to accept.

Let us consider two basic things about this Plan. It seeks to draw two-thirds of the resources into the public sector. Of all the total resources in the country, two-thirds are sucked into the public sector. And where does the public sector invest? Three-fourths of the public sector investment is of a non-agricultural nature. So, you get this: that, on the one hand, 70 per cent of our people are toiling on the land and are living on the land, but three-fourths of two-thirds of the total investment goes to non-agricultural pursuits. I think this shows the lack of balance in our planning.

Having criticised this lack of balance, let me say that there is an alternative. We have an alternative in comparison with which we believe that this Plan

would prove to be pedestrian. This Plan is not ambitious as the Prime Minister says we have criticised it for being. We think it is unambitious. It is wrong-minded and is inappropriate to the needs of the country. We believe that if you try not to drag the savings of the people into the public sector, if you try not to divert them from the pursuit of agriculture and allied industries where you get higher returns on your investments, our national income will go up much faster than what the Third Plan contemplates. We are confident that if our plan were followed, if the resources of the people were left in their hands to invest where the returns are higher, namely, light industries and agriculture, our volume of savings in the Third Plan, which are estimated at Rs. 7200 crores by the Plan, would be even Rs. 8,000 crores or more. So it is not that we think the Plan is too big; we think it is wrong-minded and it does not advance the country as fast as it should.

Shri Jayaprakash Narayan does not belong to our Party, but he is among those who think that the present pattern of planning is wrong-minded. Day before yesterday's *Indian Express*, of the 22nd instant, carried a speech of his in Hyderabad, where he says:

"Our people have to realise that they have no part in the scheme of things. The only part the people played was once in five years when they elected their representatives. Their task was limited. The people had been feeling that the only change in the country after the advent of freedom was that instead of white complexion occupying the seat of power at Delhi now brown complexion occupies it....The people were not allowed to think."

This, coming from someone who is quite apart from our Party, shows that we are not the only people who think that this Statist pattern of planning, which has been lifted from the Soviet countries out of context in a political democracy, is not appropriate for the people of our country.

Shri Jayaprakash Narayan complains that the Indian people vote once in five years. He is right. But there is another vote that they can cast and that is the ballot of the market place. Every day that any of us goes into the market place or our wives go to buy anything in the bazaars, they are casting an economic ballot. They are expressing a choice, as consumers, whether to buy or not to buy and if they buy, what to buy and at what price. This economic democracy supplements political democracy in all free societies. In the market, not once in five years but once, twice or ten times a day, the entire community influences the choice of what shall be produced and what shall not be produced. That is our pattern.

As I understand it, the pattern of the Second and Third Plans is a command economy, a group of people sitting in Delhi, calling themselves the National Planning Commission, who arrogate to themselves the right to decide what shall be produced and what shall not be produced. That is the Soviet pattern of economy being directed and commanded from above. I am not asking you to take my word for it. We have called it an extra-constitutional body. Let me quote

a senior Member of this House, Shri Ajit Prasad Jain. He went to Poona and in the course of a series of academic lectures, quoted in the *Times of India* of 11th May, 1960, he said:

"....the leadership of the Prime Minister as its Chairman gave the Planning Commission a position of prestige which rivals the Cabinet". Secondly, the system gave rise to dual responsibility at the top level with two highly-placed persons tackling the same subject, one as a Minister and the other as a member of the Planning Commission. There are occasions of rivalry and friction and cases are not unknown when the Planning Commission has encroached on an area which by all standards is reserved for the executive. This widening gulf between our policy making and departmental working has already given rise to various types of difficulties...."

May be, when other Ministers resign, they will make similar confessions. But the question arises, why this attempt at reconciling Soviet communist economic planning with parliamentary democracy? There is a basic confusion lying at the root of this. You cannot make a communist economy, a command economy, co-exist with a parliamentary democracy. Sooner or later, one or the other will have to go.

I was, therefore, delighted and gratified to hear the very wise remarks that fell from the lips of Acharya Kripalani from the Socialist benches yesterday. Acharya Kripalani said something outside which was a key to his statement here, with which at least I find myself in almost complete agreement.

Speaking at Sapru House last December, he asked the question why Socialist parties in the West were breaking up and why there was a Conservative revival and a Liberal revival in Europe? He gave an answer which shows that he is very much more in touch with what is happening abroad than my friend, Shri Asoka Mehta. Acharya Kripalani said:

"There was a time when people accepted the socialist slogan that State ownership of production means would solve all their problems. But their experience was something entirely different. They now realised that a private employer did have a soul while the Government had only a machinery. People also now realised that all that was managed by the State was not well-managed and private owners definitely managed a factory better than the Government did. It was once feared that private ownership was a monopoly, but now they realised that State ownership was an absolute monopoly."

That is exactly why the rest of the world is turning away from the sterile Soviet method of planning.

It is interesting that the youth of the West is turning away from what some of us think is the latest fashion in economics. I will give the distribution of age groups in the House of Commons, our sister Assembly. Between the age group of 20 to 29—young people—there were 9 Conservatives and 1 Socialist; between 30 and 39, 62 Conservatives and 18 Labour; between 40 and 49, 140 Conservatives and 55 Labour; between 50 and 59, 118 Conservatives and 106 Labour;

(Continued on Page 11)

Chaos In Congo

by S. V. Raju

THE Congo Republic is a land mass 80 times larger than Belgium which was its ruler for 75 years. There are 200 different tribes scattered across an area of the size of Western Europe. Tribalism is still the dominant force in the Congo and there is little sense of nationhood. The tribes ranging from the pygmies of Kivu province, the Balubas of Eastern Province, the Bakutu and the Nkundu speak 38 different languages and the only thing common among them is illiteracy. The Congolese are woefully illiterate. While the fact cannot be denied that without Belgian missionaries, engineers and soldiers the Congo might still have been a wilderness, it must be said that the Belgians never paid any attention to train the Congolese in the arts of administration or in the technical subjects. The result has been disastrous as can be seen from the tragic happenings in the 12-week old Republic. In this context one cannot help making a comparison of the Belgians with the British. The latter invariably trained up the local population and prepared it for self-government as a result of which the transition towards independence was not followed by conditions of a civil war.

One recalls the experience of Ghana. Ghana has many things in common with the Congo. Chiefly the predominance of tribalism. But Ghana had a powerful leader in Kwame Nkrumah who moved ruthlessly to crush any signs of tribal assertions of independence, even if this meant sacrifice of certain fundamental rights. He went about the job of building up a personality cult around himself deliberately as can be seen from his images on coins, postage stamps and statues in the main thoroughfares of Accra. One may or may not agree with what Nkrumah did, but in the context of the Congo developments, one has a right to ponder over the question: Are the ideals of democracy and freedom sufficient to consolidate the newly-won independence of African nations?

So many incidents have occurred in the Congo during the last few weeks and so mercurial has been the behaviour of the principal actors in the Congo drama that even the most scholarly political pundit would not venture a serious prediction of how events would shape in the future. One day it is Lumumba who claims to be on top. The next day he is in hiding. Kasavubu dismisses Lumumba and Lumumba retaliates by doing exactly that to Kasavubu. A correspondent recently pointed out that Lumumba presents the "astonishing picture of a man sailing blithely on, exaggerating, contradicting himself, threatening, appeasing."

He said that the United Nations should go to the aid of the Congo on January 28, May 22, June 4, July 17, August 3 and September 1. And he told the U.N. to keep out at least ten times in every one of those

months. Once he told the U.N. to go at 4 p.m., praised it for its assistance at 6 p.m. and asked it to take over Congo education at 8 p.m. Kasavubu, the leader of the powerful Abako Party, is reported to be a milder man but one with a tenacity of purpose. Into the already confused picture entered two military men, Lundula who supported Lumumba, and Mobutu who began as a supporter of Lumumba but later decided to strike his own path. While Lundula faded out of the picture, Mobutu declared that he had taken over power one day and shortly after announced that he had handed over power to a committee of Commissioners. Kasavubu and Lumumba have their own delegations at the United Nations. There are two Prime Ministers in the Congo, a President who has been alternatively 'sacked' by Lumumba and later reconciled and two Chiefs of Staff. Thus what began as an attempt to prevent Katanga from seceding has now developed into a situation where the political picture presents a puzzle of who is who.

The Congo affairs have served to demonstrate that, in the context of present day international politics, events even in a small nation in an undeveloped continent, can touch off a serious crisis in the Cold War. When the Belgians left, they did so with a vengeance. They were reported to have taken away their typewriters, chairs, pencils and even rubbers with them. Most of their technical personnel were similarly withdrawn and while granting independence to the Congo they encouraged Katanga's Moshe Tshombe in his decision to secede. Soon Albet Kalongi of Kasai province also decided to break away and when Jean Bolikango began giving indications of a desire to secede the Eastern Province, things looked black for the Congo as a nation.

The United Nations is spending more than Rs. 10,00,000 a day to keep a military force in the Congo. The additional cost of civilian technical assistance, administration and wages to locally hired help brings the figure close to Rs. one and half crore. Actually, according to U.N. estimates, this is only a beginning. The military strength of the U.N. stands at 16,800 men and officers. More troops are on the way and it is estimated, according to one correspondent, that the force must be expanded to 25,000 to maintain law and order. At present 120 civilian technicians and technical advisers are working with the ministries and public services — more than the U.N. has in any other country. But this strength is hardly sufficient, for more than 9,000 of the 10,000 Belgian upper-grade civil servants have left.

It is reported that Secretary-General Dag Hammarskjöld stated that the Congolese budget and economy needed immediately a sum of \$ 100,000,000 to get the country through this year.

India's Ambassador to Pakistan, Mr. Rajeshwar Dayal, took over from Dr. Ralph Bunche as special representative of the Secretary-General at Leopoldville. His has been the unenviable task of trying to restore some order in the new Republic. Although Lumumba has not yet openly criticised Mr. Dayal; by virtue perhaps of the fact that Mr. Dayal is an Indian and Lumumba would dislike to irritate us, it is fairly obvious that he does everything he can to impede his activities. The man-handling of U. N. personnel at Leopoldville airport, the holding at gunpoint of U.N. officers at Elizabethville airport by Moshe Tshombe while his planes filled with troops flew to meet Lumumba's soldiers who were fighting their way into Katanga are instances to demonstrate with what scant respect the key figures in the Congo hold the authority of the United Nations.

To add to the troubles is the fact that the Belgians and the Russians have rushed in to support their respective favourites. After much pressure, there are signs that the Belgians have withdrawn in large numbers from Katanga, but it took the 'quit' orders of Colonel Mobutu to compel the Soviets to terminate their activities. In fact, the Secretary-General in his report to the U.N. mentioned that the interference by outside powers had aggravated the crisis. President Nkrumah of Ghana in a broadcast warned against "improper interference" in the Congo crisis. Russia was a party to a resolution in the Security Council calling on all States to refrain from interference in the Congo. But their supply of planes and lorries to help Lumumba's government goes against the spirit of this resolution. Khrushchev's recent speech in which he denounced the Secretary-General and his more recent press conference outside the gates of the Russian Embassy in New York, calling Mr. Hammerskjold a "lackey of imperialism" indicate the Russian ire at having been forced to make an ignominious exit from the Congo.

In this crisis the role of the Afro-Asian nations in the U.N.* is commendable. The 15-nation resolution supported all the resolutions of the Security Council on the subject and requested the Secretary-General to continue taking vigorous action in accordance with the terms of these resolutions to assist the Central Government of the Congo in the maintenance of law and order throughout the territory of the Congo. While it appealed to all Congolese to compose their differences peacefully, it visualised the appointment of a small Afro-Asian Committee from among the members of the Advisory Committee on the Congo to help the process of reconciliation.

In the meanwhile, the situation within the Congo is deteriorating. It is reported that beyond the fence of the U.N. headquarters, Leopoldville's 60,000 unemployed gather every morning and wait all day in the hope of getting U.N. jobs—as drivers, errand boys, servants, etc. The soldiers have not been paid for the last two months and they are in a restive mood. Recently they compelled Colonel Mobutu to take

refuge and the protection of the U.N. and only when the U.N. paid enough into the Congolese treasury to pay the soldiers did he venture to come out.

The situation is very confused. The crisis has developed into something much bigger than what it originally was. The future of the Secretary-General and of the United Nations is now in the melting pot. And as the *London Economist* wrote: "The Congo has been the great forcing house of African opinion on the major issues of world policy. In the past two months the Africans have surprised themselves by their effectiveness on the U.N. stage, and have surprised their critics by their appreciation of certain of the self-inflicted troubles of the Congo itself. A great deal more is now being put to the test in Accra, Rabat, Tunis and the other capitals where Africa's future is understood to be at stake."

The U.N. stepped in, at first, at the request of the Congolese Government to assist the latter in restoring law and order in the country. But the role and activity of the U.N. in the Congo have now grown into a full-fledged rescue operation. It has not only to restore law and order in the country, it has to fill the void left by the departure of the Belgians as well as by the collapse of the central government. This is an important and unprecedented role which history has thrust on the world organisation. The U.N. activity has assumed new meaning and a new dimension in relation to the nascent States of Africa. It can help in stabilising the socio-economic and political situation in the emerging African States and thus assist them in their teething troubles. At the same time, it can undertake "preventive action", to use the words of Mr. Hammerskjold, wherever necessary to obviate the danger of the new African States getting embroiled in the cold war struggle between the great powers. As new African states emerge, one by one, on the scene they are likely to become an arena of cold war politics as the vacuum created by the departure of the foreign rulers is bound to attract the great powers who might rush in to fill the vacuum. Here the U.N., and the U.N. alone, can play a positive role by temporarily filling the vacuum through its stabilising mission. But this very possibility of the U.N. filling the vacuum goes against the Soviet designs and objectives in regard to Africa. By whipping up anti-colonialist fears and passions and playing upon the African suspicions and hatred of the Europeans, Russia hopes to drive a wedge between the West and Africa. At the same time, it hopes to gain a foothold on the continent by stirring up trouble in the new emergent states. Russia backed Lumumba materially in the hope that the latter, when successful, would be a willing tool in the Soviet hands to further their aims. But the U.N. action frustrated the Soviet plan. If the Secretary-General succeeds in enlarging the role of the U.N. in relation to Africa, it is bound to frustrate the Soviet designs further. Hence Khrushchev's vicious attack on Mr. Hammerskjold and his latest attempt to wreck the United Nations Organisation by his impossible demands.

A New Course For The Third Plan

by M. A. Venkata Rao

IMRE NAGY'S "New Course" in force during his brief Prime Ministership between July 1953 and April 1955 and the success it had begun to have is a pungent indictment of the tragic follies of the Stalinist pattern of planning. Matyas Rakosi and other Stalinists had created a mess in the years before by means of a Five-Year Plan modelled on Moscow and out-Stalinising Stalin. The discontent produced by the hardships of this economic policy was the chief factor in the great rising of all classes of the Hungarian people in the ill-fated freedom struggle of October 1956. The memory of the practical success and real amelioration that all classes of the people had experienced, industrial labour as well as small peasants, as a result of the New Course made the recall of Imre Nagy to power during the brief revolution natural and intelligible. It was a tribute to his popularity based on genuine appreciation of his economic wisdom on the part of the Hungarians.

The volume, *Imre Nagy On Communism (In Defence of the New Course)* written by him in the interval between his forced resignation and the October Revolution to justify his new policies and save himself from the Rakosi Stalinists is full of instructive lessons even for us, confronted as we are with the consequences of the same type of Soviet planning in our Five-Year Plans. Though our economic situation is not fully on all fours with that of Hungary (and other satellite states) who went all out in the nationalisation of all industries, and full socialisation of agriculture simultaneously, destroying the free market economy almost entirely, the similarity is sufficient between Indian and Hungarian planning to make Imre Nagy's criticism of his colleagues applicable to our Plans and to suggest the wisdom of their modification in the spirit of Nagy's "New Course".

The criticism urged by informed persons in many lines—industry, agriculture, banking, academic, economics, journalism, etc., are of the same general character as those urged by Imre Nagy on the First Hungarian Five Year Plan. A general modification of the pattern of planning in the spirit of Nagy's "New Course" seems called for and is likely to have the same beneficial results in correcting the distortions already introduced into our economy with the inevitable tale of hardships inseparable from the Soviet pattern of industrialisation so glaringly evident today in our midst.

The first outstanding characteristic of the Soviet type of planning is its undue stress on heavy industries and its undue pace in industrialisation.

Some emphasis on heavy industries is no doubt necessary in a programme of industrialisation but the proportion of investment in them should not exceed

a certain limit if the economy is not to be thrown out of joint.

"In the economic field we were faced with a completely hopeless situation. Main targets were greatly exaggerated and impossible to fulfil. We had enforced the fulfillment of heavy industrial plans to a much too great an extent. The rate and proportion of developing heavy industries were much higher than in countries with more favourable conditions.... industry began to show a steady shortage of materials. The quality of production was deteriorating rapidly. Export difficulties became everyday phenomenon and foreign debts were rising steeply. Agricultural production had come to a standstill. The area of uncultivated land had increased. The standard of living was deteriorating.... Increasing dissatisfaction could be observed in the ranks of the working class. The keeping of power was the principal task facing the Party." (*Imre Nagy on Communism*, page 95).

Matyas Rakosi and his set had promised that during the First Five-Year Plan they would raise the living standards of workers by 50%. On the other hand, between 1950 and 1954 industrial production grew from 150 to 400 (1938=100) while living standards decreased until 1953. The workers, in comparison to 1949, doubled industrial production, increased the productivity of labour by 63% and decreased the cost. But their wages were in general comparable only to 1949 levels.

They promised an upsurge in agriculture. But as a result of their policies regarding peasants, there was a serious decline in agricultural production and a decrease in the number of livestock. The area of untitled land increased to nine-tenths of all arable land.

Similarly, the leftist exaggerators promised an abundance of consumer goods, but they created a scarcity that had no parallel since the liberation.

The reason is that they "ignored the objective facts, the laws governing socio-economic life".

Imre Nagy wrote: "The expanded Five-Year Plan determined the excessive tempo of industrialisation on the basis of the completely wrong and intolerable concept that heavy industrial expansion may not decrease from one year to the other in absolute capacity nor in percentage output but must increase constantly". He calls those who hold such a fanatic view "charlatans" and thinks that they had no place in the field of economic science!

Nagy points out that there should be a certain proportion between investment in heavy industries and those that produce consumer goods. He is emphatic that a policy of gradualism framed in relation to the actual facts subsisting in each country should inform planning, which is quite consistent

with Marxism and Leninism. He even quotes from Stalin himself in support of his views:

"A disproportion between the first and second categories arises if the products of the second category are *not sufficient* to cover the needs of the population and develop more slowly than objectively possible and necessary, resulting in a lowering of living standards. This is what happened in Hungary between 1950 and 55." (*Imre Nagy on Communism*, page 99).

The similarity to the Indian situation after our two Plans needs hardly any comment.

"Such narrowing down of production to the production of means of production", he says, "is nothing but a vulgarisation of Marxist-Leninist tenets" (page 100).

Another fault of the Hungarian plan of his rivals, Rakosi and Gero, was the attempt to synchronise both heavy industrialisation and rapid socialisation of agriculture, proclaiming, at the same time, the goal of rapid increase in agricultural production as well.

Nagy, as an agricultural expert, (having lectured in Russian agricultural institutions in the inter-war years) is emphatic that *this cannot be done*.

The Hungarian ratio between industry and agriculture was greater than even in Soviet Russia—being 5 to 1 as against the Soviet ratio of 1.6 to 1!

No wonder that Hungarian agriculture declined with neglect and forced collectivisation, with production levels worse than in 1938, converting a surplus country into an importer of food grains.

Nagy is a Marxist to the core and tries to justify his practical suggestions and his "New Course" on the basis of Secondary Laws, to be observed in the realisation of Marxist goals, laws relating to ratios and gradualism and contact with people's living needs and aspirations.

He upholds in theory the goal of full socialisation of agriculture, but insists that in the transitional period, one must go slow. He wants that the pace of collectivisation of agricultural farms should be slowed down. Meanwhile, small and middle peasants should be encouraged with full state subsidies. He realizes that the small and medium farmers know their jobs and have the requisite incentive to get the best out of the land.

He allowed those who wished to secede from collectives. He assured them the use of machinery and grant of loans for fertilisers and implements etc. He followed a moderate tempo in the matter of collectivisation, respecting free choice.

As regards cooperation in agriculture, while Nagy as a communist is committed to socialisation, he holds that for a long time to come, a transition period of two roads, one cooperative and the other non-cooperative, should be followed.

"The peasantry can be convinced only by objective proof of the rightness of socialist methods in agriculture."

The result of two years of the "New Course" from July 1953 to April 1955 was gratifying. Living standards rose, agricultural production increased and

there was a real feeling of betterment among workers and peasants. But with the fall of the Malenkov regime in Moscow, the Stalinists grew stronger and threw Nagy out of the Cabinet and resumed their older fantastic pattern of planning, out-Stalinising Stalin. Discontent rose and shored up until it burst in October 1956.

A glance at the draft Third Plan just announced shows that our planners have (like the Bourbons) learnt nothing and forgotten nothing. The same stress on heavy industries out of all reasonable proportion is manifest. No doubt there has been a welcome increase in the investment allotted to agriculture but the actual allowance to agriculture proper is only Rs. 600 crores, the rest of Rs. 1300 crores go for community development and large irrigation projects. Steel and heavy industries enjoy pride of place. The allotment for small industries moves in hundreds while that for heavy industries runs into thousands of crores. Deficit financing is to be stepped up. The essentially Soviet character of the plan (which in the Hungarian pattern Nagy criticised and sought in vain to alter) remains in all its maleficent effect in the Indian Third Plan.

We need a "New Course" like that of Nagy with a total of around Rs. 4000 crores for public spending, leaving the rest to private enterprise. Of this some Rs. 2000 crores should go to agriculture, for a vast new department of extension with field service cadres to reach every farmer in the land, for the unexciting but absolutely necessary routine work of developing fertiliser plants, of green manure use, of seed plots, of implement factories, approach and connecting roads from village to village and towns, rural transport etc.

The obsession with the idea of cooperativisation even in farming (and not merely cooperative credit and sale and supplies) should be given up. As Nagy and Gomulka said, socialisation cannot be planned as it is a matter of psychology of the peasant which cannot be modified in accordance with quantitative targets.

It is significant that Professor Lange of Poland, whose article in the Journal of the Calcutta Statistics Institute of Professor Mahalanobis foreshadowed the Plan Frame of 1955, took advantage of the Khrushchevian thaw in October 1956 to write criticising the Stalinist pattern and arguing for the wisdom and necessity of a considerable degree of free market practices and a greater attention to agriculture and consumer goods. He endorsed Nagy's "New course".

It is to be hoped that an alternative Plan correcting the disastrous pattern, still enjoying the confidence of our authorities, (in the face of the present debacle in the living standards of large classes of the population) will be drawn up by publicists and urged on the Government in time.

Political parties not committed to socialism but keen on individual freedom as well as progress with stability are obviously those on whom the obligation rests for formulating such an alternative plan!

India And Tibet

Malaya and Thailand have given notice of their intention to raise the issue of Tibet in the current session of the General Assembly of the United Nations. The Afro-Asian Council has decided to send to the United Nations on the occasion its two representatives, Mr. Purshottam Trikamdas and Mr. J. J. Singh. The following is the statement that was made by Mr. Jayaprakash Narayan, the President of the Council, while announcing this decision at a press conference.

Events have been moving fast since the Afro-Asian Convention met here last April. The pace has been truly breath-taking in Africa.

As President of the Afro-Asian Council I should like to call attention to some of these events and make my plea to the peoples and governments of the world, particularly to those of Africa and Asia.

First, I should like to speak of Tibet. Events have happened there that are at once heart-warming and heart-breaking. When one considers the unbelievable bravery with which the Tibetan revolutionaries have been fighting against overwhelmingly superior and cruel forces, one is filled with admiration and hope for the future. At the same time the story of the heartless, systematic and efficient manner in which the Chinese are proceeding with the destruction of the Tibetan nation and the Buddhist religion and culture fills one with disgust, horror and indignation.

In this connection the Legal Inquiry Committee set up by the International Commission of Jurists is deserving of the highest praise for its probing enquiry and objective and lucid report.

The Afro-Asian Convention had unanimously resolved that the question of Tibet should be raised again at the United Nations. I rejoice that Malaya and Thailand have already taken the lead in this matter and I take this opportunity to express my deep appreciation of this noble action of the Governments of Malaya and Thailand. I do earnestly hope that all other Governments that stand for the rights of men and the right of every nation to choose its way of life will support the action of Malaya and Thailand.

Today I should like specially to plead with our own Government and the Prime Minister to reconsider the policy that has hitherto been followed in this regard. India had abstained from voting when the matter was brought up last before the United Nations by Ireland and Malaya. Much has happened since then to establish beyond doubt that China has perpetrated, and continues to perpetrate, horrible crimes against the people of Tibet. There are, first of all, the findings of the Legal Inquiry Committee. Let it be remembered that the Committee was composed of distinguished jurists from Asia and Africa, only one of its members being a Norwegian. The Chairman was a distinguished Indian jurist. Any unbiased person who goes through the report of the Committee cannot fail to be struck by the impartial, objective and strictly legal manner in which it has functioned.

Apart from the Committee's findings, there is, as you all know, a continuous stream of refugees from Tibet;

and while their stories might be exaggerated, can there still be any room for refusing to believe that in terms of UN definitions, there has been in Tibet a clear and deliberate violation of human rights and genocide against Tibetans as a Buddhist people? When Malaya and Thailand place the facts before the Assembly, how can India shrug shoulders and say that she did not know? That is not the kind of moral leadership that the world expects from India and India herself expects from other countries when a moral issue is involved, let us say, as in South Africa.

Let me also make it clear that even if Tibet were supposed to be a domestic affair of China, the question of human rights cannot be treated as a domestic question. That exactly has been the plea of South Africa, but has India ever accepted that plea?

Having said this, let me hasten to add with all the emphasis at my command that Tibet is not, nor can ever be a domestic issue of China. The facts in regard to the political rights of Tibet are as firmly established as the facts in regard to the human rights. Let me briefly state these facts:

1. From 1912 to 1950 Tibet was *de facto* an independent country and acted as such. The 13th Dalai Lama had formally proclaimed his independence in 1912 and expelled the Chinese from Tibetan soil. The correctness of this position is implicitly endorsed in India's note to China of February 12, 1960.

2. In 1950, China invaded Tibet and in 1951 forced upon her the so-called Seventeen-Point Agreement. That Agreement was repudiated by the Government of Tibet on March 11, 1959.

3. Many clauses of the Agreement were violated by the Chinese, putting an end to the autonomy of Tibet as defined even in that document.

4. China has conquered Tibet by force and annexed it to her empire.

The findings of the Trikamdas Committee fully bear out these conclusions.

In view of these incontrovertible facts and in view also of the inalienable rights of nations to freedom, India cannot refuse to join other countries in demanding the right of self-determination for the people of Tibet.

We have our own dispute with China. But we should never allow that dispute to affect our policy in regard to Tibet. There is a view that our advocacy of Tibet's cause would complicate further our troubles with China, and that therefore we should close our eyes to Chinese perfidies in Tibet. That in my opinion is a cowardly view and totally unworthy of our country.

(Continued on Page 10)

Twentieth Anniversary Of An Aggression

(Contributed)

THE year 1960 marks the twentieth anniversary of the invasion of the Baltic States by the Red Army, the suppression of their independence, and their forcible incorporation into the Soviet Union.

Soviet aggression against and occupation of the Baltic States, the somber anniversary of which will be commemorated everywhere in the free world, was but a starting point for Soviet Russia's continuing assault against Europe.

In August 1939, Soviet Russia, while simultaneously negotiating with France and England, struck a bargain with Nazi Germany. On August 23, 1939, the infamous Nazi-Soviet Pact, that unleashed the Second World War, was signed in Moscow. In a secret protocol affixed to this pact, Molotov and Ribbentrop discussed in "strictly confidential conversations" the question of the boundaries of their respective spheres of influence in Eastern Europe.

By virtue of another secret protocol, signed on September 28, 1939, Lithuania, still an independent state maintaining normal diplomatic relations with both the USSR and Germany, was handed over to the Soviet Union as a part of its sphere of influence, while Germany was compensated with Polish territory.

Following the signing of this new secret supplementary agreement, Soviet Russia imposed upon the Baltic States the so-called Mutual Assistance Pacts and installed Soviet garrisons on the territories of Estonia, Latvia and Lithuania.

On June 15-17, 1940, when Nazi troops were ravaging France, large contingents of the armed forces of the Soviet Union invaded Lithuania, Latvia and Estonia. In the wake of the Red Army, Soviet "pro-consuls"—Dekanozov, Vishinsky and Zhadanov—were hurried to the capitals of the Baltic States. They removed the legal governments of these states, staged mock elections to the so-called "People's Diets", and imposed communist puppet regimes. The "incorporation" of Lithuania, Latvia, and Estonia was completed. The once prosperous countries were turned into colonies and thoroughly exploited; hundreds of thousands of Balts were deported to Siberia from where, with few exceptions, they never returned.

Twenty years have elapsed since the heavy boot of the Soviet Union was first set upon the soil of the three peace-loving Baltic countries—Estonia, Latvia and Lithuania. The independence of these countries was rudely terminated. The treaties of the Baltic countries with the Soviet Union and other international commitments and laws were grossly violated. The whole life of the Baltic peoples was turned upside down. Their property was confiscated; their associations were disbanded; their way of life was moulded into Soviet image. The free peasant was turned into a slave and forced to enter a collective

farm. The people were thrown into indescribable poverty and destitution.

A harsh regime of terror was imposed upon the Baltic peoples. Many thousands were executed and thrown into mass graves. Tens of thousands disappeared into NKVD dungeons without further trace. Many more tens of thousands were seized under cover of night and deported to forced labour camps in the Soviet Union, to die slowly under inhuman conditions.

On the occasion of the twentieth anniversary of the aggression, the Baltic States' Freedom Council, representing the free Estonians, Latvians and Lithuanians, has issued a manifesto appealing to the free world not to lose sight of the problem of the Baltic States. The following is the concluding portion of that manifesto:

We accuse the Soviet Union of committing and continuing an international crime against the Baltic countries;

We demand that the Soviet Union withdraw its military, police and administrative personnel from the Baltic countries;

We request that the governments of the free world, especially those of the Great Powers, undertake all peaceful ways and means to restore the exercise of the right of self-determination in the Baltic countries and in the rest of East-Central Europe;

We appeal to the conscience of all mankind to perceive the magnitude of the injustice perpetrated upon the Baltic countries and to support the efforts towards the restoration of the liberty of these countries;

We convey to our people at home our pride in their resolute resistance against the endeavours of the oppressor to destroy their national and personal identity;

We express to our peoples behind the Iron Curtain our deep conviction that the Soviet system—as all tyrannies throughout history—carries within it the seeds of its own destruction; that it cannot and shall not prevail;

We pledge to intensify our joint organized activity in the free world to promote the cause of liberty for the Baltic countries.

India, Tibet and China

by B. K. DESAI

Price Re. 1

DEMOCRATIC RESEARCH SERVICE
BOMBAY.

Nothing To Lose But Chains

by M. Devadas Kini

SOME time back Prime Minister Pandit Nehru speaking about China, Russia and communism observed that Russia is a "territorially satisfied power". Of course, he did not care to elaborate. The book* under review narrates the part of the story of how Soviet Union territorially satisfied itself.

Russia went about its task in a systematic or scientific—to use a word after their heart—way. Soviet forces which came to drive away the Nazis from the the helpless and hapless East European nations remained to prey. This Soviet army provided a back-drop to the local communist minority to manipulate and manoeuvre to entrench itself into such vantage and strategic positions as information (that is, propaganda) and interior (i.e. police) ministries. In this united front tactics played a major part. When they found themselves sufficiently stable in the saddle they deported politically articulate intellectuals who are capable of providing leadership.

The first victim of Soviet expansionism were the three Baltic States of Estonia, Latvia and Lithuania. They had to pay a penalty for choosing wrong geography. The secret terms appended to the non-aggression pact (!) entered into between Germany and the Soviet Union on August 23, 1939 divided these three countries into their "zones of influence". "At the end of September, too, the Kremlin made new demands on her small neighbours—demands which forced each of them to grant the Soviet government the right to establish and maintain military and naval bases at various strategic points within their borders." In May, 1940 new and greater forces of Red army entered these countries and the established governments were overthrown. "Puppet governments were then set up, "elections" were held, and new chambers of deputies packed with communists and fellow-travellers were solemnly called into session. These, one by one, "unanimously" adopted resolutions urging the incorporation of each of the three helpless countries into the U.S.S.R. The Supreme Soviet in Moscow was then officially notified of these "spontaneous" resolutions, and having gravely considered, each of them separately, graciously proceeded into the great Union of Soviet Socialist Republics—Lithuania on August 3, Latvia on August 5, and Estonia on August 6." Then began mass deportation and on June 13, 1941 "16,255 Latvians 21,114 Lithuanians and 11,102 Estonians—a total of 48,471—are listed as "proceeding" to fifty-five different destinations, all of which are named, in Russia and Siberia." Then came a period of German occupation. "By October 1944 the Baltic states had once more been over-run by the

forces of the Soviet, and a new era of Russification, collectivization and deportation had begun."

Germany invaded Poland without a declaration of war in September 1939. "Forced by Hitler's invasion to face toward the west and to throw every available division against the Germans, the Polish high command, depending on the non-aggression pact that had been signed with the Soviet Union, maintained no military forces of consequence along the five-hundred-mile-long border with Russia. But now, with no advance warning whatever, and no pity, Moscow sent an overwhelming communist army across the undefended frontier. It was a blow as devoid of honour as any ever struck, and Poland fell." But German attack on Russia changed everything. Soviet Union became a doubtful ally of Poles. They were encouraged to revolt against the Germans. The Polish Home Army began the Battle of Warsaw. The Soviet army which was very near Warsaw did not help but prevented others from helping. It even disarmed units of Polish Home army which were outside Warsaw. It insisted that "the government in exile (of Poland) should agree, as well, to a new eastern frontier for Poland that would transfer almost half of the nation's pre-war area to the Soviet Union." The revolt was crushed by Germany. The Red army drove away Germans and occupied Poland. A "Provisional Government of National Unity" was formed with 16 communists in a cabinet of 21. "It was not until more than two years had passed that the communists wholly succeeded in consolidating their power in Poland. Even after that they "won" 382 seats in the Diet's total of 444 in the long delayed elections of January 1947—elections in which censorship, beatings, arrests without warrants, physical torture, and even murder all played their part..." "on November (1949) 7, the last pretence of Polish independence was brushed aside when Marshal Konstantin Rokossovsky of the Red army was "requested by President Bierut to serve as Poland's Minister of Defence and as commander-in-chief of Poland's army."

A Soviet-Czechoslovak agreement was signed in 1944. President Benes of Czechoslovakia was "repeatedly assured ... of their interest in the re-establishment of Czechoslovakia as an independent nation within its pre-Munich borders." In November 1944, Soviet Army entered Ruthenia, the easternmost part of Czechoslovakia. "A communist-organised government" in the Ruthenian city of Uzhgorod which at the moment lay in the zone of actual military operations, was permitted to send message directly to President Benes in London urging that Ruthenia be made a part of the Soviet Union." "The Kremlin immediately referred to the "enthusiastic eagerness"

* *The Ordeal of the Captive Nations* by Hawthorne Daniel. Published by Doubleday & Company, Inc., Garden City, New York. Price \$4.50.

of the Ruthenian demonstration and made it clear that under the circumstances the Soviet Union felt it necessary to give favourable consideration to the "spontaneous" Ruthenian demand for the incorporation of the province into the Soviet Union." At the close of the War the Red army was allowed to occupy Prague though the American army was nearer. A coalition government was formed. The communists got 8 out of the 25 cabinet posts "though on a basis of their pre-war voting strength they would not have been entitled to more than three." "They were given other important cabinet posts—Education, Social Welfare, Information, and Interior among them—and indirectly they gained control of the Ministry of National Defence when Ludvik Svoboda, a general with communist leanings who later actually joined the communist party, was assigned to that post." With all this they were able to capture only 38 per cent of the votes in the elections that followed. Again a coalition government was formed with a communist prime minister. Moscow prevented her from joining the Marshall Plan by declaring it as an unfriendly act. Then followed some attempts to assassinate non-communist ministers.

Red army entered Budapest in February, 1945. A coalition of five parties was formed. Despite Soviet troops, the Smallholders gained 245 seats in an assembly of 409. But they had to form coalition government because of the earlier understanding. The communists were given 4 seats in a cabinet of 19 and "they insisted that the Ministry of Interior be one of the posts assigned to them. Further-more, the Soviet army stood back of them in this." "New elections were held in August 1947, but despite the fact that the communists were in actual control of the government and, by way of Soviet occupation forces, completely dominated the country, they succeeded in attracting only 22.4 per cent of the votes that were cast." But they were able to elbow out every other party and take over the reins of the country. "On February 29, 1952, Matyas Rakosi, the communist secretary of the so-called Workers' party, . . . frankly told how he and his communist associates, during the early post-war years, had entered coalition after coalition, each time taking advantage of the position they had been granted in order to cut off their political allies one by one" like slices of salami. ". . . He admitted that in the last analysis the success had been attained only because of the enormous Soviet occupation forces had precluded the possibility of any armed opposition, either from the people of Hungary or the great democracies of the West."

The same story with the same strategy and tactics followed with the self-same results was repeated in Rumania, Bulgaria and Albania. The Red army, communist cunning, lack of foresight on the part of non-communist politicians and lack of support from Western nations drove these nations to hug the Soviet bear.

It has been well said that the people get the government they deserve. The Poznan riot and the

Hungarian Revolt have shown that the people of these countries deserve and desire a better government. They demonstrated the will of the people. Not all the police, army and dictators can stop it for all time. When it becomes irresistible, they will gain their freedom and lose nothing but chains.

(Continued from Page 7)

Our independence would be worth very little if we were to make our policy in accordance to the pleasure or displeasure of great powers.

The argument that no practical result can follow from the U.N. discussing Tibet is, to my mind, utterly meaningless. No one expects any immediate practical results. But where moral issues are concerned, it is wrong to make such excuses for not taking a stand. The world would be a much sadder place if this were the universal attitude of nations. It is the moral authority of the U.N. that is its main source of strength, and that authority is bound to suffer grievously if its members shirked their moral responsibilities.

Nor should the argument that China is not a member of the U.N. come in the way of this issue being discussed there. It is not the fault of Tibet or of India that China has not been admitted into the U.N. No one would be happier than I if China took her rightful place in that body, but if she does not happen to be there, that should be no reason why her conduct should be considered to be beyond the purview of the U.N. particularly when that conduct concerns international peace and justice.

I should like to take this opportunity to congratulate and salute the countries of Africa that have secured their freedom in the past few months. I am sure there is universal rejoicing over these events in Asia and Africa.

I should also like to express my admiration for the role the U.N. has played and is playing in assisting the emerging nations to solve their internal and external difficulties. In this new role the U.N. emerges as a new hope for world peace and international justice and co-operation. Any move to thwart the U.N. from functioning as a world moral authority or to weaken that authority would be a disservice to humanity.

At this moment, if I may express a personal view, I should like to emphasise that the nature of Asian and African society being what it is, it would be wrong to proceed on the basis that the mere fact of freedom from foreign rule would make modern nations out of peoples who have emerged from traditional societies. The modern nations of the world took centuries to achieve national integration. Therefore, it seems to me that if the territories that are acquiring their freedom are to hold together, it would be advisable to evolve a pattern of government that provides full scope for local and regional autonomy that is possible only in a federal or confederal structure. An imposed unitarian form of government is clearly fraught with danger.

WAYS AND WAYS OF PLANNING — (Cont'd from page 2)

between 60 and 69—older people—35 Conservatives and 57 Socialists. In the age group 70 and over, there were 3 Conservatives and 20 Socialists. If our Prime Minister had been there, he would have been the twenty-first, because that is the age group of those who are thinking in the past.

Inflation is a thing that is often referred to, and the quantum of inflation is something that is often played down. Each Finance Minister in the past has shown that our inflation is much less than that of America and some other countries. That is true. But it depends from what you start and also what capacity you have to bear the inflation. Now, may I request Government to see that, when they consider inflation, they do it, not for the last 5 or 10 years, but cumulatively from the beginning of the last war, because the human beings who are bearing this burden are the same set of people? It is no good saying: "Forget the past inflation before independence; let us start with independence". That is not good enough. If the Indian people had gone through 8 years of inflation before you took to planning, then you have to take that into consideration in making your plan.

Speaking in this House on May 1957, I had said that the rupee then equalled 23.3 nP. of the 1939 rupee. Since then, there is a further drop of 11.7 per cent in the value of the rupee according to the Plan document itself. This means that today's rupee is worth 20.6 nP. in 1939 terms. In other words, the value of the purchasing power of the rupee today in our pocket is one-fifth of what it bought in 1939. The Finance Minister or anyone who replies on behalf of the Government may say: "Look at our percentage since 1951 as against America's". But I would ask him to be kind enough to remember that the people on whom you are inflicting this inflation are people who have borne it ten years before you came to power.

The Prime Minister said that in a developing economy there is bound to be inflation, that it is a good thing. That brave man is not frightened of communism; he is not frightened of inflation. But I may say that inflation means misery to the people; inflation means starvation for the people; inflation means that the people are being cheated of their money.

What is inflation? Inflation is too much money chasing too few goods and services. If that is an accident, you cannot help it, you have to control it.

But when you create inflation by your own Plans, then you are actually stealing from the pockets of the people; you are not going to them and levying an extra tax because you think they might rebel, they might resist, but you take away their money when they are not looking. You give them the feeling that the rupee is still in their pockets but what they find is four annas instead. This, I think, is not anything that a socialist government can possibly contemplate, because inflation is more anti-socialist than any other policy. An honest rupee, a stable currency alone can be the bed-rock of advance; when that is lacking, everything goes.

Shri Asoka Mehta quoted from a book. If I had the time today I would have quoted from a book which I now commend to him. I am here referring to Graham Hutton's *'Inflation and Society'*, where you find Mr. Hutton has amazingly enough anticipated our dilemma, our problem. He has pointed out that there are only two ways for a Government and a country placed as we are—either we go forward with inflation and then try to impose controls that take us to communism, or we withdraw from inflation and restore a stable currency and let the savings of the people accumulate because they have confidence in the currency. There is no third way. Now the Prime Minister's remedy was the first. The Prime Minister said that we must hold the price line by imposing controls. God help this country, if this is how the price line is to be kept. Why not hold the price line by not creating inflation, by eliminating deficit financing, by investing in industries and agriculture which will give a higher return, by letting the people have their own way of investment? If you do that, you will get the savings of the people voluntarily and then there will be no inflation. Now, with the right hand you create inflation and with the left hand you say there must be controls.

We believe that if you want to advance in the future you must make today's prosperity the foundation of tomorrow's growth. Today's adversity, today's misery, today's starvation can never be the foundation on which a nation can grow, develop and flower. You must give the present generation a fair deal. It is no good asking the present generation to starve for generations yet unborn. Our whole system of planning is based on the Soviet pattern which is to deny the present generation for some generations yet unborn. So the planners are asking the people of India to sacrifice now for the future. The Indian people are not going to show that much of patience. They want to see the fruits of their labours for themselves and their children when they are still alive. Therefore, we want a different kind of plan, a plan that will give back to the people what is the people's. This Plan, as I understand it, will take away not less than 25 per cent or one-fourth of the income of everyone of us during the next five years. That is a sacrifice which we are not entitled to ask the people to make.

—Condensed from a speech in Parliament

ENCOUNTER

Literature • Arts • Politics

Editors: STEPHEN SPENDER & MELVIN J. LASKY

Annual Subscription Rs. 12

For members of the I.C.C.F. Rs. 10/-

With Many Voices

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

—Tennyson.

Far from promoting the prospects of peace, there is every danger that the gathering of notables at the U.N. session may result in a diplomatic debacle intensifying international tension and threatening the very structure of the world organisation. And if this happens, it will be largely Mr. Khrushchev's fault.

—Times of India, September 26.

For some reason which Mr. Khrushchev thinks everybody ought to know, he feels he can make impossible demands which it is for the others to make possible.

—Indian Express, September 23.

Holding a press conference has been the only function of modern government mastered by the Congolese (leaders) so far.

—Economist, London, September 24.

✓ Communists have never appreciated that an individual can be neutral and impartial too. To them it is always: "With us or against us".

—Jayaprakash Narayan, Indian Express, September 27.

The fifteenth U.N. General Assembly seems to me to be the last chance of the giants. All of a sudden real power in the world—not just blackmailing influence but genuine political power—is passing to the new nations.

—James Morris, Manchester Guardian Weekly, September 22.

To the Editor,
FREEDOM FIRST,
C/o Democratic Research Service,
127, Mahatma Gandhi Road,
Bombay 1.

Please enrol me as a subscriber to FREEDOM FIRST,
I remit the annual subscription of Rs. 3|

Name:

Address:

Signature

The United Nations is the only approximation to an effective government in the Congo.

—Economist, London, September 17.

There is no possibility for men of different times and classes to share the same kind of maternal love. The maternal love of the feudal lords is based upon the desire of begetting children to inherit the family wealth exploited from the peasants while the maternal love of the peasants is based upon the desire of begetting children to keep the family well-fed and clothed.....In the communist society, with class and private ownership eliminated, maternal love will bear no class status, and will be cut loose completely from the ideological influence of private ownership.

—Mao Tse-tung as quoted in New Statesman, September 10.

When the Government comes forward to protect the smaller papers and Indian language papers from unfair competition, it is pertinent to ask whether, in reality, with its present policy in regard to official publications of all kinds and in all languages, it is not the press which deserves protection from a growing danger. There are 186 papers issued by the Central Government—132 by the different Ministries and Departments and 54 by semi-Government and autonomous Corporations under the Central Government. These figures do not include publications by the State Governments of which there are 170, 40 being in English and the rest in different regional languages.

—B. Shiva Rao, Swarajya, September 10.

✓ If China had wanted to come into India, it could have done so a year ago. It takes an old couple a week or so to reach here from the border; surely it would not take the Chinese that long if they were coming.

—P. C. Joshi, communist leader, Hindustan Times, September 28.

In many capitalist countries, there is more socialism than in India, if socialism means interference by government in the economic life of the people..... In our country, control does not generally benefit the people for whom it is meant.

—National Herald, as quoted in Free Press Journal, September 24.