

WHAT OTHERS ARE SAYING

INDIRA'S TOTAL MESS

Indian Libertarian, Bombay, March 1971

INDIRA GANDHI'S monolithic party-rule for over a year and a half almost on the pattern of the communist one-party-rule in Soviet Russia, which is her present Father-land in more senses than one, has brought in its train nothing but total mess, chaos and disorder to this unhappy land.

Mrs. Indira Gandhi is never tired of saying that she had to split the United Congress in the interests of the poor and in whatever she does she is always activated by her desire to improve the lot of the poor. This is a myth which has long been exploded. Just on the eve of the Congress split, she had gone on record as saying that the country had been progressing economically all right and there was no necessity for embarking on the extreme step of bank-nationalisation, since social control over the banks served the same purpose. But all the same, bank-nationalisation was resorted to, as could be obvious even to the meanest intelligence, not out of any concern for the poor "Taxiwalla" but out of her passion for improving her radical image and her motherly desire to help her dear son Sanjaya, the "Small-carwalla." Bank nationalisation has only tended to centralise economic power into Indira's hands, without doing any positive good to the common man, trade and industry. The country is now faced with the inevitable danger of middle class depositors' hard-earned savings, being simply wasted through granting unrecoverable bank loans to totally undeserving persons without sufficient security just to win the people's vote for herself and her party in the ensuing elections. That even Western democratic-socialist countries are giving up the schemes of bank nationalisation after getting bitter experience of their actual working, does not matter in the least to Mrs. Gandhi. For, whatever helps her to strengthen her stranglehold on the people, is, in her opinion, radical and progressive. Taking the cue from the support she initially got from the gullible people, for announcing socialistic measures like bank-nationalisation through Ordinances, she is now merrily



floating all Parliamentary procedures, practices and conventions, whenever it suits her purpose—honest or knavish—and getting enactments announced through such extraordinary procedures.

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On the price front too, the record of her Government is anything but edifying and worthy. The statistics of world prices go to show that taking 1963 as the base year, in India the prices have shot up from 100 to 179, while they stand at 140 in Japan, around 130 in USA and UK, 120 in East Germany. Even in the neighbouring tiny country of Pakistan with limited economic resources, prices stand today at 135. The much-boosted Green Revolution in food grains has not yet been able to arrest the rising cost of foodgrains, which stands today at 197 on the basis of 100 in 1963.

CANADA'S TASTE OF FREEDOM

The Individualist, April 1971.

CANADA STILL MAINTAINS her floating dollar and she is under pressure from both USA and the IMF to re-peg her dollar and, like a good lamb, come back into the fold. True, the Canadian Minister of Finance has pledged the IMF that Canada will return to a fixed rate when circumstances permit; but she is doing so well under her floating rate that she seems reluctant to make the change back.

Indeed, it is hard to see what good argument can be brought to bear upon her. Doubtless the pressure from the IMF reflects USA pressure, since the voice of USA is powerful in the IMF. USA is sore because she has a constantly adverse balance of trade with Canada. She has a pact with Canada which allows virtual free trade in cars between the two countries. This pact has been working out to the distinct advantage of Canada and worsens the trade balance for USA, which must be a bitter pill for USA, the home of the motor car. USA also blames Canada for borrowing too much in USA. When USA lends abroad, the outflow of capital has the same effect on the balance of trade as an increase of imports.

The irritation of USA with Canada is understandable but it is not clear why USA should object to Canada's floating dollar. A floating Canadian dollar certainly spares Canada the necessity of imposing credit squeezes in times of adverse balance of trade conditions with foreign countries, and this improves her competitive power; but it also protects USA from Canada's booming foreign trade. The floating dollar causes the US dollar to cheapen in Canada whenever Canadian exports to USA exceed Canadian imports from that country; and this makes US goods cheaper for Canadians to buy and Canadian goods dearer for Americans to buy. What exactly is America's trouble? If she were to allow the US dollar to float, it would ensure that her foreign trade remained in balance, not only with Canada but with all other countries, no matter how great her expenditure on the war in the Far East.