

From the London End

Neutrality at Bermuda

FOR whatever else it may be worth, the revelation" of Drew Pearson in his syndicated column in the *Washington Post* of June 15th at least indicates one thing. The drive by Britain with the support of the Commonwealth for a political policy independent of, and, if need be, at variance with, that being pursued by the United States Administration, is reaching its most crucial stage. Drew Pearson reveals (he does not indicate his source) that at the Commonwealth Premiers Conference held during the Coronation, Mr Nehru urged that Mr Malenkov should be invited to the Bermuda discussions and that if the US President was opposed to such a course, then Sir Winston Churchill should not "hesitate to initiate talks between the United Kingdom and the Soviet Union alone. Pearson says that "Churchill revealed that Soviet Ambassador Malik in London had come to see him with a message that Malenkov would be perfectly willing to meet him outside Russia", and that . . . "Churchill gave quite a pessimistic report to the Commonwealth Ministers on the European Defence Pact and indicated that it would not be ratified". But reports like this are not the only indication of the general trend. As arrangements are being completed for July 8th, the air has become thick with reports of the change which has come over Europe in the last three months. Each of these reports confirms the tendency to what the *Manchester Guardian* describes as "the climate of neutrality".

In almost every capital of Europe the common talk is that the European Defence Community should be written off. The French have now chosen an unknown and undistinguished man to lead the country, after giving the impression that they were in no flurry to find a government. It is noteworthy that every aspirant for the leadership of France has so far called for a revision of the military requirements of the North Atlantic alliance and in other similar alliances. In almost all the programmes submitted by these aspirants, 'neutralist' solutions are provided for the country's foreign problems. And, after all, there can be no EDC without the sincere participation of France. In Italy the atmosphere is one of un-

certainty. The outcome of the election, to quote the *New Statesman and Nation*, is "a decisive defeat for the United States". Signor De Gasperi is now in the twilight of his political career unless of course he agrees to a coalition with the fellow-travelling Nenni Socialists. If such a course is adopted then there can be no doubt that we will witness an end of Italian participation in the proposed EDC, in the Schuman Plan and indeed in the North Atlantic Treaty itself. Pietro Nenni has declared that he would refuse to be led away by De Gasperi from the path he has chosen to travel. Richard Grossman, reporting on his impressions of the Italian elections, speaks of the all-evident unpopularity of the United States and of the general gossip throughout the country about that *grande dame*, Mrs Luce, being incapable of diplomacy. Her intervention in the election campaign was brazen and unprecedented.

In a special category stands the interpretation of the events in Berlin last week. Up to now it has been the declared line of the United States that it is in Germany that the Communist menace is most powerful. If there was to be any future aggression from the East, then Berlin would be the first victim. Now, however, comes the strike of workers in a general anti-Government movement in East Berlin and those who wish to be neutral declare that the Russians have not consolidated their position in Eastern Europe and therefore there is unlikely to be any danger from the Russian side. This argument is fast gaining ground and it was strongly implied in the statement of Mr Selwyn Lloyd, the British Under-Secretary of Foreign Affairs, when he spoke in the House of Commons. There is thus little wonder that Mr Walter Lippman, the American commentator, should say that "the mould of our European policy is broken".

Germany is indeed the crux of the European political situation. The policy of the Soviets which was analysed in the *Pravda* article is essentially based on the Potsdam Agreement. This, among others, called for a unified democratic Germany with frontiers then worked out. The West or, more correctly, the United States have since

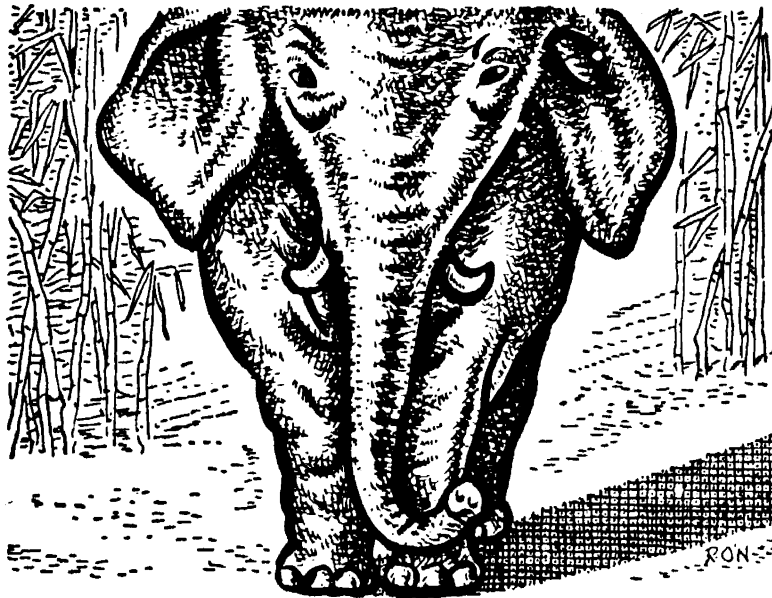
repudiated these frontier provisions, particularly that relating to the territory handed over to Poland and in this regard the Adenauer regime makes no bones about its intention to recover all former German territory in the event of unification. By pursuing such a policy, however, the West was able to maintain a cold war, build up militarised economies in Europe and work towards the establishment of a German Army. It is this policy which is now threatened by the doubts of France and by the neutralism which is being manifested in Italy and in Britain. The Alsop brothers, writing in the *New York Herald Tribune*, referred to a serious offer by the Soviets for the immediate unification of Germany by means of free elections and on the basis of a four-Power agreement to maintain the neutrality of Germany. But, say the Alsops, ". . . the State Department has long had nightmares about such an offer with its appeal to the Germans and its volcanic effect on American policy in Europe".

Sir Winston Churchill's survey of the international situation in the now famous Commons debate is generally regarded as the source of all these new tendencies in Europe. It is indeed extraordinary what hopes he has stirred throughout Europe. The *Manchester Guardian* attempted to describe these hopes and stirrings in these words:

"There has been talk of Britain 'wresting leadership of the free world from the United States; there has been talk of a new Munich and of the Prime Minister's alleged willingness to wVite off Eastern Europe . . . All this is really a symptom of a lack of self-confidence: in Italy, West Germany and France the supporters of Atlantic policy have been edged by the doubting and the hostile."

Of course the *Guardian* attempted to discount the part Britain has played in these stirrings. But one thing is certain and undeniable—the mental climate in Europe took its sharp turn towards neutrality only after Churchill made his pronouncement for a *detente* with the Soviet Union.

In the context of these events, therefore, the Bermuda 'parley'—it cannot be otherwise in the face of the widening gap between the policies of Britain and the United States—will have to recognise the utter failure of such policies as 'liberation', 'strength through



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arms' and 'negotiate from positions of strength', etc. Europe sees its wealth and resources being drained to the point of bankruptcy and of the loss of its independence as a consequence of pursuing such policies. "Containment", similarly has proven to be disastrous as a result of the newly evoked discussions of 'Who started the war in Korea?' The uncertainties of the cold war, its rigid divisions, its known fears, are beginning to dissolve. The sense of coming change so far matters more than the change itself.

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tion will fail so long as it is unable to evolve continuing development, for it is not enough to train up boys and girls in a vocation, but to develop whatever is in them so that they may follow their own aptitudes, unhampered by the need to learn a trade which becomes an end rather than, the means for unfolding their faculties. The same schools must equip, them for higher education, if they have the necessary ability and inclination. Again, current fashions and tyranny of social values create the demand for college education which is difficult to deny or resist, though patently thousands who seek admission to colleges are neither fit to profit by the education imparted in them nor have they the desire for anything better than a hallmark which does not have any economic value any longer. So selection has to be more stringent but that will be only a beginning. A member of the Public Service Commission who had been a renowned teacher and had much to do with the administration of University affairs lamented the other day at a Rotary Club speech that Universities are not producing the type of mental efficiency which is required of them. But before we can come to the end point, we have to set right the system of primary education which is after all the base and foundation. One cannot hope to build on foundations which are so manifestly weak and insecure. To seek a short cut by making the cobbler stick to his last, or the peasant's son to his tiny plot of land, and every one to the status to which it had pleased God to call him, through the abuse of State power is a cruel joke. It is a pity that those who mean well do not always see the complexity of the problem nor the obvious injustice and inappropriateness of the solution.

Book Review

A Report on India

Overseas Economic Surveys. India. September 1952. Her Majesty's Stationery Office, London, 1953 Available from British Information Services, Mansingh Road, New Delhi, pages 405. Price; Rs 8-4.

THE Overseas Economic Surveys provide for the British industrialist or trader a guide book to the conditions in other countries which are likely to affect him. The prefatory note says, "Full information is given concerning the types of goods in demand and attention is drawn to developments in production and other factors that affect, or are likely to affect, the export trade of the United Kingdom". The report on India, prepared in September 1952, has this primary purpose in mind. "Much of what follows," says the Report, "is not for general reading but for reference purposes, for advantage has been taken of the publication over the last three years of a great deal of new information to attempt a compendium and economic guide to post-war India".

While there is no doubt about its success in this task, much more is attempted in the volume. The Overseas Economic Surveys issued by the Board of Trade have established a standard of economic reporting which is rarely surpassed by anything produced by the Governments or trade associations of the countries concerned. The coverage has changed since the days of the famous Ainocough's Reports, presumably because information on India was then readily available from other sources to people in Britain. The volume is surely as informative as any that one could pick up or lay one's hand on; the information brought together is wide in its range, it is neatly arranged, nothing of importance is left out and available facts relating to particular topics has been selected and condensed with great competence.

The authors have been impressed by the progress made during the five years since independence. Pointing to the peculiarly intractable problems that India faced at the time of Partition, developing inflation, declining production, both agricultural and industrial, and a heavy deficit in the balance of payments, the Report says, "Today, she can claim that inflation has been curbed, that industrial production is increasing, that plans for

the development of 'agricultural produce are taking practical shape, that the food shortage has eased, even if only temporarily, with a prospect of some reduction in the trade deficit". This is qualified by a statement made only a page later. One of a number of disturbing spectres behind the rosier picture of 1952 is "the reluctance of politicians and trade unions to see the economic implications of a large and static labour force insured against retrenchment and unemployment and with security financed by industry in bad as well as good years".

Of great interest is the chapter on industrial and commercial policy. The Report is naturally concerned with nationalisation and foreign capital. It appreciates the Indian Government's attitude in this respect, though it does take note also of the growing volume of opposition to it. As the policy stands, however, the Report points out, foreign investment must be "in a field where indigenous investment is inadequate or technical 'Know-how' not available", but does not try to assess how much the field for foreign investment is limited by it. Foreign capital will have to comply broadly with the programmes in the Five-Year Plan also and British industrialists will have to take note of this.

Particularly helpful is the brief but to the point account of commercial policy and practices relating to licensing of exports and imports, the system of purchase by the various departments of Government and the guidance to British firms contemplating entering the Indian market. The special features of Indian business, *eg*, the managing agency system, the medium of commercial publicity, *cij*, press advertising and the new developments in advertising through the radio or the cinema, the Government of India's commercial relations with other countries have been adequately covered. Not only the novice but the hard-boiled old timer may find enlightenment.

It is tempting to dip here and there to savour the quality of the stuff that is retailed. The reader