

For Freedom, Farm And Family



FORUM OF FREE ENTERPRISE

SOHRAB HOUSE. 235, D NAOROJIROAD. BOMBAY-I

INTRODUCTION

A meeting organised by our Bangalore Centre on May 29, 1959, attracted countrywide attention and set a national debate going on some of the major economic policies fundamentally affecting the democratic way of life in the country. Nothing could be more welcome as this was in line with the aims and efforts of the Forum of Free Enterprise in stimulating public thinking on fundamentals of free enterprise and democracy.

In view of keen public interest in the speeches delivered at the meeting, we are presenting them in this booklet. The order is: welcome speech by Mr. M. A. Sreenivasan, Chairman of our Bangalore Centre, main address by Mr. M. R. Masani on "Nagpur & After", and the presidential speech by Mr. C. Rajagopalachari.

"People must come to accept private enterprise not as a necessary evil, but as an affirmative good."

ERINAK MASANI
President, World Forum

"COOP AND KOTOW"

M. A. Sreenivasan

THAT two great champions of freedom – the revered Rajaji, at once a sage and a fearless fighter, a godly savant and a practical statesman, a true interpreter of the Gandhian teachings if there is one, and the brave and brilliant Minoo Masani,—should have journeyed from distant places to grace the platform of the Forum of Free Enterprise in Bangalore is not only a most heartening thing, it is also full of significance. For, they are not men that would travel about or speak unless they felt there was real need, unless they had noticed that the lamps of freedom have not been burning as brightly as when they were lit, and watched many of them go out, one by one; unless they had observed the deepening gloom and the growing fear in the hearts of men – the thousands and millions of men who were taught not so long ago to be confident and fearless. No situation less grave than the present would have made Rajaji don his armour at his age and enter the battlefield in the cause of freedom – even at the risk of angering some of his dearest brothers and friends. And none can class him either among the vested interests or among those that loudly and incessantly declaim against vested interests, namely, the pure unvested self-interests.

Today, many doubts and questions haunt the minds not only of the small, though not unimportant, minority of thinking men and women but also of the masses of common folk in the towns and the villages.

Uppermost in the minds of millions is the question "How is it that even eleven years of uninterrupted rule by the successors of the Father of the Nation has brought no relief or succour to us in our hardships, that slums are spreading, and food and clothing getting scarcer and dearer, that the Rupee steadily buys less and less every year, that the spectre of unemployment still stalks the land while, at the same time, we have ten Ministers to every one there was before, and offices and officials have multiplied and proliferated, and the Government is collecting and spending, not grudging lakhs but hundreds of crores of rupees every year?"

"Are we rid of the white sahibs only to have in their place a horde of white-capped bosses and busy-bodies, who, with honoured exceptions, are ignorant and ill-equipped for their jobs and too often get elbowed out before they have time to learn by their mistakes, a new class of panjandrums, sartorially distinguished, whom a widening gulf separates from the people? Do we get from them that measure of sympathy and patient understanding that might compensate for their natural lack of knowledge; training or competence?"

People also ask: "Why is life being made so difficult for us all round? Did Mahatmaji and our nation's heroes win freedom for our land only to make it a jungle of controls, taboos and thorny restrictions, and stifling enactments that encroach upon and swallow up our rights and pro-

perties? Surely, it could never have been their purpose to take away from each of us our means of independent livelihood in our own shops and fields and offices, and appoint an army of party men and Government officials to do what we are doing."

"If all this is being done," they further question, "to save us from Communism, must they follow the method of the enthusiastic village headman who, seeing a cobra in the main street, cut off the arms and legs of all the inhabitants of the village to save them from death by snake bite."

"Will not the new Nagpur-forged weapon of Violent Co-operation destroy the freedom won for us by the Gandhian weapon of Non-violent Non-co-operation?"

, Again, there are many who ask, "Is it not possible to bring about the emotional integration of India by means less dictatorial than making Hindi the official language and Kotow the national dance?"

"If we must worship and drag the Socialistic Juggernaut of Avadi why, in Heaven's name, does the Government not have brakes and steering fitted to the thing for safety's sake?"

Rajaji revealed to a Madras audience recently that he owned a telescope, through which he could see the shape of things to come. Mr. Masani is in close contact, if not in collision, with our rulers at Delhi and knows the working of their minds and those of others in and outside the ruling party. There can be no doubt that Rajaji with his invisible telescope and Mr. Masani with his inside information can provide authentic answers to the questions that are troubling the minds of us all.

NAGPUR AND AFTER

M. R. Masani, M.P.

I WOULD like to start the discussion of the situation created by the Nagpur Resolution and its aftermath by adding to the many questions that Mr. Sreenivasan said people were asking themselves. One more remark I come across more and more frequently in the last few months in conversation, though not yet publicly, is that the policies of the Nehru Government—the economic policies of the Nehru Government—are taking the country towards communism. This remark is now being heard in wider and wider circles in the last two to three years and, particularly, since the beginning of this year. I have heard many among the high and mighty in this country joining in voicing the apprehension that, without knowing it, the policies of the Prime Minister and his Government are helping the country to drift towards Communist dictatorship.

I think it will be worth while, by the very fact of the existence of this feeling which, I am sure, many of you also have come across in your own experience, to analyse whether there is any truth in it and what can be done about it. In so far as the correctness of this impression is

concerned, I for one have not got that instrument with which you discern the distant future, and I would very much hesitate to identify myself with that apprehension or to contradict it. I think the answer to the question whether the policies of the present Government in the last five or seven or ten years is creating a situation in which the country would drift to communism, is one that still lies in the womb of history, and I would not like to anticipate its judgement. I would say, however, that there are trends which one can see, which give ground for the fear that something of that nature might happen.

Among those trends I would list: the increase in prices with cost of living; the drop in the savings of the people, the decline in agricultural and, now even in industrial production, the fall in the *per capita* income, the killing of all incentives to hard work and enterprise, the imperilling of our foreign credit, and the mortgaging of our national future. A combination of these trends is enough to make any one feel frightened, because from such a combination would come chaos, and from chaos would come communism. But there is one trend which is worse than all these, which is the increasing concentration of power in a very few hands. I do not want you to accept my word for this fact. I shall only quote Acharya Vinobha Bhave who is certainly no friend of vested interests, and I hope Mr. Sreenivasan will confirm that he is not a secret member of the Forum of Free Enterprise!

Acharya Vinobha Bhave says: "We talk of democracy but actually power and responsibility have got concentrated in the hands of a few at the apex. Today, a handful of people, not more than five or six, have all initiative and

power in their hands. The rest are just yes-men. Just a mere mistake of judgement on their part can destroy and bring misery to countless individuals. Government have power over the entire life of the people. This is a dangerous state of affairs."

It is this trend, more than any other, that worries people and, now that we are told that for the purposes of the Third Five Year Plan — which will be bigger and even more Socialist — additional taxation of the extent of Rs. 2,000 crores will have to be levied, it is clear that soon the only party left with any funds in this country to invest in industry or in business will be the Government of India, that it will be the only industrialist or capitalist left in this country. It is not surprising therefore that, in this context, Mr. Sreenivasan should refer to that proliferation of bureaucracy in our country, that multiplication of offices, that makes nonsense even of Parkinson's Law.

Now on top of all this comes the Nagpur Resolution. I have on three separate occasions taken the time of our Parliament to speak on this subject and I will not repeat the ground that has been covered there. I think by now people are more or less clear about the pros and cons of that controversy. I would only say this: that in my own mind there is no doubt that the effect of the Nagpur Resolution, if carried out, would be to destroy and uproot that system of peasant proprietorship and cultivation which, at least in Western India, my part of the country, and Southern India, yours, has come down as a part of the Indian way of life almost from time immemorial. I asked a gathering of peasants in Belgaum who asked me to address them some months ago how far back this

system went in Belgaum and, like an auction, people went further and further back over the centuries till they agreed it came from time immemorial. For this historic institution to disappear, three years have been very graciously conceded. I have no doubt that, if this resolution were implemented — which God forbid — not only would there be bloodshed in this country but, if that effort were successful, then there would be an army of officers of government scattered throughout the villages of the country who would tell our peasants in the collective or co-operative farms what to grow, how much to grow and at what price to sell their produce to the sole buyer, the monopolistic State Trading Organisation. This may not be the same as communist dictatorship, but I think people would be forgiven, who do not know the intricacies of communism as some of us do, for thinking that the difference between that and communist dictatorship may not be very material.

Now the question arises: If this is so, how can the Prime Minister and his colleagues, the leaders of the Congress Party, who are undoubtedly sincere adherents of parliamentary democracy, be responsible for policies which, to many people, look as if they must result in the destruction of parliamentary democracy and the way of life embodied in our Constitution? This is a problem or conundrum that does puzzle many people, even those close to power.

I can say after two years of observation in Parliament that the Prime Minister is a very fine parliamentary democrat. He makes, by and large, a good Leader of the House, and a good caretaker of the privileges of the House. I would also say that the members of the Cabinet, certainly the senior members of the Cabinet, are very good demo-

arats who contribute to the success with which Parliament is working in spite of the absence of a strong opposition. If Parliament functions as well as it does, the credit, among other things, goes to the Prime Minister and his colleagues. How can it be then that people who are liberal democrats in this sense of the word are letting loose forces which must destroy what they themselves believe in?

If I may venture humbly an answer, as far as I can sense, what lies at the root of the conundrum is a basic confusion which appears to exist in the minds of Pandit Nehru and some of his supporters. This basic confusion is that you can adopt the kind of planning that comes from Soviet Russia, you can adopt the economic and social systems of the communists, without necessarily accepting the methods of force and fraud, without accepting the purges and the liquidation and the massacres which, so far, in other parts of the world, have been an accompaniment of the Soviet way of life. The Prime Minister has frankly stated this on more than one occasion. I recall a speech he made at Trivandrum on December 29, 1952, where he said about the communists: "Their ideology is good. That is my aim also; but they function in a destructive way." A few days later, at Hyderabad, on 19th January, 1953 he repeated: "As far as communists' ideas are concerned, they are good ones but the method of violence which the communists sometimes adopt is utterly wrong."

You may think many years have passed since then and we learn by the flux of time. But we cannot have that consolation because in March this year when the Prime Minister addressed the Annual General Meeting of the Federation of Indian Chambers of Commerce and Industry

in New Delhi, he told them: "I am told that joint co-operative farming may lead to collectivisation and communism." "Well", he said, "if it leads to that, let it. I am not frightened." I do feel that this is a very dangerous and if I may say so with respect — not a very responsible statement from the Prime Minister of a great democracy. We certainly are frightened of communism. We are frightened of it for the very good reason that we do not want untold misery to be inflicted on the masses of our people; we do not want our newly won freedom to be snatched away from the hands of our people; we do not want to see our children grow up in slavery as the children of China are today growing up in the Communes of that country which Professor Chandrasekhar has accurately described as a new form of colonialism and its inmates as those who reminded him, with never a smile on their face, as inmates of a zoo. So I am frightened of India going under communism. I do not mind confessing to my fear. In fact, I would say that people who will not see the ugly reality of what communism in India would mean remind me of a story that comes to my mind of a farmer who took a mule to market to sell. A buyer came along and bought it at a price which he thought was a very good one. But when the man tried to take the mule home with him, it suddenly darted forward and banged its head against a tree. The buyer was rather frightened at this. He turned to the farmer and said; "Hey, what have you sold me? This mule is blind." The farmer said: "No, he ain't blind. You just don't give a damn." It seems to me that people who are not frightened of communism coming to India share that kind of contrariness.

Many good friends of mine who are not Marxists or

Communists say that State Capitalism and collective agriculture are capable of co-existing with Parliamentary Democracy. I can think of two good people who believe it very 'sincerely — good friends of mine, good anti-communists. One is my friend Mr. Asoka Mehta, and the other Mr. A. D. Gorwala, both of whom I hold in great respect and esteem. They sincerely believe that you can nationalise all property and take away every one's land, but so long as a free parliament elected every five years controls the Government, everything is all right. Why should we worry? That is Democratic Socialism.

Unfortunately, my friends are unable to show any single example of such a thing working in the world's history. It is not good enough to point to England or Scandinavia or New Zealand because in those countries all the land belongs to private farmers, and about 85 to 90% of industry also is in the hands of free enterprise. Therefore, countries which call themselves socialist in name but practise capitalism and peasant-proprietorship are no test. What we are discussing is what happens when all the land is collectivised or co-operativised and no peasants are left and what happens when all big industry is nationalised. For that, the only examples available are from the Iron Curtain countries of Soviet Russia, China, and the captive countries of Eastern Europe. I do not want to go into detail. What has happened in those countries is pretty well known by now. If recent proof is required, the national revolution of the brave and unarmed Tibetan people who tried to escape unsuccessfully from the clutches of communism only a few months back is before us in all its stark nakedness. And only three years ago, the people of Hungary similarly tried to run away from communist rule only to be confined by brutal armed force.

Even countries that call themselves communist today are trying to edge away from the total State Capitalist pattern. Poland and Yugoslavia are both communist dictatorships even today. But if you visit those countries—I have only visited Yugoslavia but I read the communist literature that comes out of Poland—you will find that the communists of Yugoslavia and Poland freely talk about the necessity of getting back to the laws of the market. They have had enough of the Command Economy of Commissars and planners sitting in judgment on what the people should use and what they should not use. So they talk of the laws of the market so that the people of the country may through Consumer preference set the economic pattern of production. In Poland, in fact, people who want to get back to capitalism and to end socialism or communism are called "Leftists." I will quote to you a sentence from Adam Shaff, a Stalinist, who is still fighting Gomulka in an attempt to get back to the orthodox Stalinist pattern. He was speaking last November at the Central Committee of the Polish Communist Party and said: "Comrades who are unfamiliar with this milieu cannot realise the force that is represented by the snobbishness of a certain attitude of leftist intellectuals. Opinions, so to speak, are shaped and determined by a few leftist comrades sitting round a table in a cafe, and for most intellectuals these opinions have more weight than all our appeals, all our persuasion",

I have always held the view for many years that, in our own political spectrum, the Communist Party of India is on the extreme Right, while Acharya Vinobha Bhave and Jayaprakash are on the extreme Left, and I am very glad to get this corroboration — of what is left and what is right, what is progressive and what is reactionary — from

the Polish communists. Now there are people who say: "Never mind if Russia and Poland and China have failed. we shall do better." There is a popular dance tune: "Whatever you can do, I can do better". And we, in our country, feel that we have the privilege of showing a new path to the world. I would like my country certainly to follow new paths, to pioneer and find new solutions to old problems. But it does seem that this kind of complacency is a form of optimism which I would hesitate to follow unless it is proved to me to be sound.

Today, what happens is that industrial management is under three pressures. The worker asks for more wages; the shareholder or investor for more dividend or profit; the consumer or buyer wants a good product at a cheap price. This is what I would call the triangle of Management; and the man in the centre has to respond to the three pulls or pressures. This is the law of the market — the law of supply and demand. Now, supposing you nationalise all property, all industry, you take away the freedom of choice of all these three parties. You take away the freedom of choice of the investor because he has only one form of investment — post office certificates or Government Bonds. It was said in the Czechoslovak press some years ago that a man was found dead. The police report was that, apart from some State Bonds, no other signs of violence were found on his person!

The worker loses his freedom of asking for more, for higher wages and his freedom of going on strike — which is part of the democratic system. In a Communist or State Capitalist country, nobody can go on strike without being shot. We have seen that in practice in Poznan in Poland, and in many cases in the Soviet Union and China.

The consumer also loses his freedom of choice, because there is only one man who brings goods to the market — whether it is the State Trading Corporation or the Government monopoly of foodgrains, there is only one seller, and that is the Government. You take it or leave it. If the price does not appeal to you or the quality, then you can go home without buying. That is the only option you have. But for your comfort or your need you have to buy. Therefore, the Government is able to dictate to you how many pairs of *chappals* in a year you can buy, or how many dhoties, how many tooth brushes, and so on. This means that the consumer, who is the king today in the economic system, who decides whether he likes a Tomco soap or a Lever Brothers soap or a Godrej soap or a Mysore soap, loses his freedom of choice. He is dictated to. And once the freedom of choice of the consumer goes away there is no way for the planners or the Government to know how much and what the people want, because the law of supply and demand has been abolished. The moment that is done, you have a Command Economy:— A group of people sitting in the Planning Commission in Delhi or in the Cabinet in Delhi deciding what we shall buy and, at what price. The Democratic Socialists say that this is not so bad since Parliament will control the planners. I, as a Member of Parliament, as one of the 500 members of the Lok Sabha, have no such confidence. I doubt if my esteemed friend Mr. Mohamed Imam, whom I see in the audience, would have the confidence that he would be able to control the entire process of planning the Second or the Third Five Year Plan by sitting in his place in Parliament and making an occasional speech. Even when a Bill comes to Parliament, we find that we are unable to control the course of legislation. After a cur-

sory debate, the Minister's clause is put to the vote, carried by a big majority and, at the end, the remaining clauses are guillotined. If that is what happens in the course of legislation, can we imagine a Parliament of 500 or 800 people trying to establish the thousand and one priorities of a rather metaphysical or philosophical nature that would be required in order to frame a Plan? Shall we have more jobs at lower wages or less jobs at higher wages? Shall we pay the farmer more for his milk or shall we give milk to the infants in the cities at cheaper cost? Who is to decide the philosophical priorities? The only known way is to let the man with the money in his pocket decide what he wants to buy, whether he wants this, that or the other. The moment you take away the freedom of choice there is only one alternative — and that is dictation by Commissars, whatever they are called. That is why I say that, throughout history, there is only one way in which power can be restrained and that is by the existence of counterveiling power.

The Forum of Free Enterprise has done a wonderful job of public relations in putting certain ideas before the public. But that function is no longer adequate to the needs of the country. Mr. Sreenivasan very accurately said that the people of this country must now express themselves. Now, the difficulty about expressing oneself is this: that in most of the constituencies in the last General Elections, the voters had no chance to express themselves on this basic issue—whether to have the State Capitalist way of life or the Liberal Democratic way of life. I say that because in most constituencies all the candidates were Communists or Socialists of one pattern or another. You had to choose between the P.S.P., the Lohia Socialists, Communists and

the Congress — each one of whom was pledged to the State Capitalist way of life. There was no one at all except an odd individual Independent, here or there, or a Jan Sanghi, who did not accept this pattern. Thus in fact, the large majority of our countrymen were disfranchised in the last elections in so far as an effective choice was concerned. The burden, therefore, falls on those who feel the need to take the initiative and provide an alternative party to these Communist and Socialist parties. In politics, there must be a balance. Parliamentary Democracy cannot survive if everyone is on the Right or everyone is on the Left. Then the balance is tilted. What India needs today, in my definition, is an extreme Leftist Party or in the communist definition, a Rightist Party, which can rectify the balance. I was very glad to find that, apart from our esteemed Chairman who has repeatedly put this constructive thought before the country, my friend Jayaprakash Narayan also feels the need.

I have one difficulty. I happen to be a liberal. I am one of the Patrons of the Liberal International. I feel we should not use either the words Liberal or Conservative. Let it be a broadbased party which embraces men of moderation, men who take a pragmatic view of the problems before our country, who eschew dogma of one kind or another. Let it be a party that believes in and trusts our people. You will recall that West Germany was lying prostrate at the end of the war. Dr. Erhard, the Economic Minister, who recently visited New Delhi, gave the slogan "Let the men and the money loose, and they will make the country strong." And they did. By hard work and enterprise the West German people are on top. Let us adopt that philosophy of trusting our people and

leaving it to them, through their work and their enterprise, to serve themselves, their family and children, and through that service to serve the nation.

Therefore, I am not very concerned with the label, but I do feel that the responsibility on those of us who disagree with the pattern of the ruling party is to give the country a clear alternative for which they can vote at the next election. A very wise friend of mine said to me the other day: "My dear fellow, even to lose the 1962 election, such a party must be formed now". This is the time. And if it is not taken by the forlock it will be too late.

Therefore, the new party that we want — and I think Rajaji has done a great service to the country and put it under his debt by giving his warning repeatedly that if this is not done the country will drift gradually to the precipice and over the precipice—should not be prepared to stand by and see this country slowly drift towards the precipice. I know that the progress is slow. I am reminded of a story about Robert Benchley, the well-known American comedian. He was drinking gin at a party. A temperance leader who was passing by said; "Bob, don't touch that stuff; it is slow poison." To which Benchley replied: "That is all right; I'm not in a hurry". It seems that too many of us do not mind poison so long as it is slow. So long as tomorrow morning we are not threatened with a Communist dictatorship we do not mind very much. I would like to ask these people: "Is it any consolation to you that through confusion of thought, good democratic leaders whom we respect should be carrying out more slowly and more imperceptibly, the same policies that communists would carry out ruthlessly if they came to

power tomorrow?" What consolation is it to us that people with white caps carry out policies which should be left to those flying the Red Flag? A party such as I would like to see, therefore, would be different from the socialist and the communist parties. We consider the socialist and communist parties to be satellites of the ruling party. They only encourage the Government to go faster down the precipice. Everytime the Government comes forward with a bad measure, they say: "This is not good enough, push ahead faster". That is not opposition. What we want is a party that will pull the other way, which will create a tug of war through which democracy and the will of the people may survive. It will, therefore, be a party which trusts the people and does not stop the people from doing things. Today, as in A.P. Herbert's jingle, we say, "Let's stop somebody from doing something." My friend Hutton, the British Liberal publicist, has described this process very well by saying that a Socialist State is like a dog in a barnyard. It cannot lay eggs itself, but it stops the hens from laying the eggs!

Till the beginning of this year I was rather pessimistic about the outlook for such a party. I feel, however, that after the Nagpur Resolution, the scene is transformed because the Nagpur Resolution has for the first time brought to circles wider than the distinguished circles — of which Mr. Sreenivasan is the head of the Forum of Free Enterprise and enlightened business people, — the awareness that, if the present Government is not stopped, the properties of the small man" are in danger. For the first time, the peasantry of India, who have voted for the Congress even in West Bengal against the communists, have become aware that

if they are not careful, the same Congress Party which has been their friend and which they have supported will take away their lands without even their knowing about it, under the garb of voluntary co-operative farming. And so, today, the rural people, as represented by Prof. N. G. Ranga, himself a distinguished Congressman, and the All-India Agriculturists' Federation, are organising conference after conference in various parts of the country to arouse the peasantry to this danger. I myself presided over a peasants' conference in Sonapat in the Punjab, a few weeks ago, where I was encouraged to find thousands of peasants shouting the slogan "*Sanghi Kheti nahin karenge*" (We will not do co-operative farming). They are aware of the danger, and this consciousness is spreading throughout the country. And so, for the first time, a mass basis exists for a non-Socialist Party in India.

In my view, such a party will only function if it brings together the middleclass of the cities and the middleclass of the villages. It has to be a broad Middleclass Front. I am not interested in a capitalist front. In fact, I think, the capitalists are too timid and demoralised to lead any front at all. They want to look after the interests of their shareholders so that the Government in Delhi, which has all the control and has got them by the throat, does not throttle them. Therefore, if anyone is going to wait for Big Business to make up its mind, then he will have to wait forever. I think the burden must fall on small people like ourselves, middleclass people, who may not have a great deal of money in their pockets but who have the courage and the desire to serve the country. I think it must be a Small Man's party. I am very happy that, in the last few months, Prof. Ranga and other peasant leaders

are coming forward to rouse the peasantry against joint co-operative farming. On the other hand, I would also say that neither the middleclass in the cities nor the middleclass in the countryside can hope to fight alone. We have seen that though the Forum may have done good work it does not take you anywhere because, even if all the people in the cities voted for an anti-Socialist party, you would be outvoted hopelessly by the rural constituencies. India is a country of peasants. The peasants are our real proletariat. We have to win the peasants over to our point of view.

The businessman must understand that, if the small farm of the peasant is taken away, his own property and that of his shareholders will not survive much longer. If businessmen do not understand it today, then they will be committing suicide. On the other hand if the people in the rural areas feel that they can fight joint farming and allow the Socialist pattern to expropriate business, then they are making a mistake. After all, why joint farming, why collective farming? Not for the love of it. Collective farming and joint farming—because it is the most efficient way of squeezing the surplus grain out of the peasants. Stalin found it out. Hitler wanted to copy him. That is why he did not agree to dissolve the collective farms of Ukraine and the Crimea when the peasants went to him to offer support. He wanted the bread basket for the Germans. For the ambitious Five Year Plans, if thousands of crores are to be invested for a forced pace of industrialisation, then the only way today, if you cannot get enough foreign aid, is to squeeze the surplus value out of the peasants. It is because of the Socialist pattern of the Government that joint farming has come today. When

Stalin decided to industrialise Russia in a forced way and when Mao Tse-tung, twenty years later decided on the same course, they had no option but to go in for ruthless forcible collectivisation. Pandit Nehru today does not mean to use force but whoever comes after him will have to follow the ruthless logic which drove Stalin and Mao Tse-tung to purges and liquidation. You cannot have forced industrialisation without lowering still further the standard of life of the peasants which, in all conscience is low enough. Therefore, these two classes have to come together.

I would say leave the businessmen to make up their minds. Let us not worry too much about the moneybags. If the people are with us the money will come. In fact I am reminded of an old motto: "Trade follows the flag". Business people are never pioneers. They wish to be on the safe side. If they find the Opposition is gaining ground, they will come and offer to us the contribution they may refuse us now.

The path of pioneering is never an easy one. I realise there are difficulties in the way. But, I believe, if those of us who see the danger want to see our children hold their heads high, if we want them to live in a world where they can breathe freely, then I can think of no better call for the ordinary men and women to join than that of forming a grand coalition of peasant proprietors and professional men, of technicians and businessmen, of middle class intellectuals and teachers, so that the incipient totalitarianism which faces us may be averted and our country may proceed along the paths of freedom.

FOR FREEDOM, FARM AND FAMILY

C. Rajagopalachari

DEMOCRACY and self-government mean considerable responsibility for every citizen. Unfortunately, we have come to feel that as long as Mr. Nehru is there, none of us need worry about anything. In the first place because he is a very good man; in the second place because we cannot do anything. We have lost the habit of thinking independently. Somehow or other and for some reason or other, we have become indolent in the matter of thinking, and that is the greatest difficulty in getting Government to do the right thing when we do not agree with what the Government is doing. But I shall not dwell on this because I do not want to encourage that habit but rather to discourage it. We must get out of this atrophy of thinking if we wish to achieve anything. We must think independently, rightly or wrongly — it does not matter. If everybody began to think freely — and that is the meaning of freedom, ultimately — we shall get some thing done. But if we get frightened of thinking itself or too lazy to think, handing over all responsibility to the men who brought us freedom, to carry on the administration of the country as they think fit, it is a dangerous situation. Now I wish to tell you something.

Megalomania – strong word – has vitiated our planning. If only our rulers had been more humble than they are, we would not have gone so badly, we would not have gone so wrong. It is the megalomaniac ambition that is at the root of all the inherent errors that are now showing themselves in heavy and distressing measure without giving us time even to wait. Pandit Nehru sees India "standing up on the top of golden hours and human nature is seeming born again." That is how he sees things. But some of us, standing on the ground, with our feet on the ground, see differently. We see bankruptcy in the horizon. The sorry picture of our country as a chronic beggar before the Western nations. This is not pleasant and we feel distressed. Large dreams are no consolation for immediate calamity. But that is the thing that is keeping the Government of India in their present adventure. I shall not cover very wide ground after these general remarks. I wish to confine myself to the most urgent single problem of the day, viz., the deficit in food production. That is the basic necessity of our teeming millions, and deficit in food production is a very serious matter. Now what is the Government proposing to do about it? Compulsory transfer of land from the larger owners to cultivators who have to begin with debt. That is the main policy of what is called the Nagpur resolution – the switch-over from individual ownership to multiple ownership and multiple management. The word "Joint" is a misleading word. "Joint" has a sweet flavour about it. "Co-operation" has a very sweet flavour about it. We can easily be deceived by the phrases "Joint farming" and "Co-operative farming". It looks very odd that any one should oppose co-operation. Therefore we should understand what it really is, and why we really object to it. In my phraseology I would call it

multiple ownership and multiple management. Now do you think that multiple ownership will produce good results? Do you think that multiple management will produce good results? It was long ago found that too many cooks spoil the broth. This is vivid description of multiple management. It is bad enough to spoil a single meal, but it is worse to spoil all food production on that basis. Now that is what I understand to be the public policy now with regard to food production. Do away with individual management and introduce multiple management and multiple ownership. Now that leads necessarily to a new bureaucracy having to be created for the management of land. We have done with one kind of bureaucracy for the management of public offices. We shall hereafter have to deal with bureaucracy which manages the cultivation of land. Because the inherent weakness of multiple management is that they will look to Government to supply an efficient manager, and therefore we shall have a new bureaucracy, subsidies, interest-free loans, and at every crisis looking up to Government for assistance. Now do you think that this will lead to a rise in the production of food? It will, immediately – my telescope tells me – lead to a *fall* in food production and when we can ill-afford to bear such a fall in food production. In fact, what we want eagerly is a rise in food production, not 40%, not 50%, – some little rise at least is what we want but instead the present policies, if everything is going to be given effect to, will lead to a considerable fall in food production. But my telescope may be wrong; I may be looking at it from the wrong end possibly. If the Prime Minister thinks that this kind of new management of land, – taking over land from those who have it now and handing it over to multiple owners and multiple management

through a bureaucracy — will ever lead to a rise in the food production, I think, he will soon be disappointed. The general plans, the plans produced by the Planning Committee—all these have already accentuated the rise in prices all round before starting to give any expected results from the plan. Now the policy of acquisition of land to satisfy the doctrine of multiple ownership will add to the inflation because, unless the intention — I would like you to follow me here with some attention — is to expropriate the present owners, discarding the principles of the Constitution, money will have to be issued by Government to meet the demands for compensation and wherefrom will they get that money? The new owners have no money to give. They are indeed selected on that basis. There are people here who know the secrets of money. Money is not you know what we all understand it to be. It is a piece of paper that is printed in Nasik. There will be plenty of money available to give as compensation to all those land owners from whom land is to be taken; or, if people do not like the look of the Nasik paper, they will be given Bonds, Government Bonds. In any case, it will add to the total amount of money in circulation; and the natural result of converting ownership in land into money is to add to the inflation that we already have. I may be wrong, but that is what I think, and if that inflation is to be accompanied by a fall also in food production, you can imagine the result. And what is all this for? The object being a dogma of equalisation of social happiness. Instead of equalising social happiness we shall have a fall in food production.

Let us talk in concrete terms. Social happiness is a vague affair but food production is a very concrete thing,

and when that is reduced you may easily go on thinking further as to whether we can have happiness. We may not have any happiness in a small measure, or in big measure or in equal measure or in unequal measure. The interference of the Government in other matters may be tolerated but if they begin to interfere in agriculture — it is a very sensitive and delicate thing — it will damage the plant at the root. And the industry, as it is even now, is maintained by long tradition and the pressure of poverty in the country. When that is interfered with by the Government for the sake of offering incense to some doctrine or dogma, the situation will be — it is an understatement to say — dangerous. The present owners of land, whether they are small or whether they are big, ask for no subsidy from Government. The good prices that food grains now fetch are acting-as an incentive to agriculture. But now the atmosphere of total uncertainty that the Government policies and the Government adumbrations of policies have created — the total uncertainty that has been created — has destroyed incentive in agriculture to a very great extent. People who are devoting and who are likely to devote much more attention if they are left alone have been rendered hopeless about it, uncertain about it, and they do not propose to take any further interest in agriculture. Is it a good thing? It is one of the most important problems before the country.

Again, take another thing. Can there be anything more foolish (I have already warned you that I will use harsh terms) than the idea that the State should take up trading — State Trading. Of course, the Gujarati proverb puts it very nicely and briefly. But some of you may not understand Gujarati. The proverb is that “when the State takes

to trade, the people take to begging". Now is there any justification for the exaggerated fears that are deliberately propagated about hoarding and cornering? Look at the situation. We have a large body of people, who are eager to compete and to share in the profits of trading in food grains. We have a very large body of people engaged and willing to be engaged in competing with one another in wholesale business and in retail business. Competition is the best security for the consumer. And if the State stops this competition and takes over the business, will there be any freedom for the consumer? Look at the nature of the commodity. The bulky nature of the commodity of food-grains should be kept in mind before you talk about hoarding and cornering and things like that. The nature of the commodity is such that it will deteriorate, the rats and the mice will attack it, and the moths will attack it, if it is secreted and kept for a long time. Under these circumstances, if there is free competition among a large class of people who are not well off, who all want to make something out of it, and who are ready to compete with one another in the wholesale business and in the retail business, is there any likelihood of the consumer being cheated? I think the stories of cornering and hoarding have been greatly exaggerated when related to the foodgrains. In foodgrains the quality is such that we need not be afraid. Therefore State Trading in foodgrains has no justification. Look at the other result. It will put gut of employment those who are now doing the work of distribution on the most frugal terms. Compare the position of any member of the bureaucracy—even the lower division clerk, if you like. How frugally the shop-keepers do their work, how simply they live, and how vigilant and just they are. We should have industries started to accommodate and give

work for all these people before you deprive them of their occupation. When these people are dividing the profits of trade in a fair way, they are doing unconscious socialism which you want to introduce by legislation. The profits in the trade are divided among so many people. Why do you stop that division before you create industries to absorb those people. It is not a good thing to put the cart before the horse, and that is what is being done.

Every day we read about astronomical figures of money to be raised in order to relieve unemployment. The other day somebody said that we want only Rs. 43,000 crores in order to relieve unemployment. Now let us not look at Rs. 43,000 crores; let us take only the Rs. 2,000 crores that has been proposed for taxation. When you go beyond a certain measure in taxation it will lead to retrenchment in every business—either closing down or retrenchment. Heavier and heavier taxation will lead to heavier and heavier retrenchment. And what will retrenchment lead to? It will lead to unemployment. It is something like filling up small pits by digging big pits somewhere else. You dig big pits by way of taxation and you try to fill the smaller pits with it. If you have two cooks you will have only one cook thereafter. If you have two clerks you will **try** to get the work done by one clerk; and that clerk will try to do less work than he was formerly doing. And that is what will be going on—inefficiency and retrenchment side by side.

Taxation is a dangerous thing when it goes beyond a certain measure. It is dangerous because it will lead men to dislike all government and improve deceiving skills.

Dr. Chandrasekhar has contributed a very interesting

article which I read in the *New York Times* in a recent issue. He described how Mao, in China, is waging war against the family in China. The stories about China and other Communist countries did not find much interest for us because they were different countries having different way of life. But, today, now that the Government of India is going on the same road, what is described to be happening in China will happen — and is bound to happen — here also. So there will be an attack on the family by and by. That is why Dr. Chandrasekhar's description frightens some of us. In China, we are told, they are regularly carrying on a campaign — a campaign not in speeches and meetings; you know, the Communist 'campaign' is a campaign of getting things done—and they are getting the families dislocated and extinguished by mixing up people for all matters. Now that is why we have to protect the farm and the family.

I conclude with this remark that the time has arrived when we should protect the farm and the family against the inroads of a Totalitarian State.

An opposition based on this policy of farm and family protection is essential now — not necessarily for changing the Government at once. We need not change the Government but opposition will help to keep the Government in proper order. Reference was made to the 1962 elections coming. Don't wait till then; don't think about it at all; that is what I would say. We want an opposition in the country — whether it is in the Parliament or whether it is not in the Parliament — we want an opposition first in the country. We want an opposition thereafter in Parliament; and that opposition, starting from the country and going

into Parliament, will keep even the present Government in good order. Their confused thinking will begin to settle down into orderly thinking. Otherwise, conceit and arrogance will grow feeding on itself.

The views expressed in this booklet do not necessarily represent the views of Forum of Free Enterprise.

“Free Enterprise was born with
man and shall survive as long as man
survives.”

— A. D. SHROFF

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Published by M. R. Pai, for Forum of Free Enterprise, "Sohrab
House", 235 Dr. Dadabhai Naoroji Road, Bombay 1, and printed
by P. A. Raman at Inland Printers, Victoria Mills Building, 55,
Gamdevi Road, Bombay 7.