

Reproduced from "Current", Bombay, of Dec. 31, 1958, with the kind permission of the Editor.

FREE ENTERPRISE WILL SURVIVE AS LONG AS MAN SURVIVES.

By A. D. Shroff

Some of the recent utterances of the Prime Minister are sufficiently provocative to justify a nasty rejoinder. But in the larger interests of the country which demand the harnessing of all our energies for a constructive effort and not for dissipating them in aimless long distance firing, we should all refrain from following Mr. Nehru's bad example. We must accept the Prime Minister's anger and annoyance with his critics as sure evidence of the validity of most of the criticisms made by us of Government policies.

Sensitiveness is a weakness of small men born of the consciousness of having made mistakes and not having the moral courage to acknowledge them.

In a recent speech at Calcutta, the Prime Minister is reported to have said that the Private Sector which is critical of the Public Sector can be swept away with a broomstick!

I want the public to note that this is Mr. Nehru the champion Democrat talking and not Gen. Ayub Khan whom Mr. Nehru has described as representing a "naked military dictatorship."

Of course, with the political power which he wields today, the Prime Minister by force can make a clean sweep of the Private Sector. But one inescapable lesson of history is that whatever is achieved by force always evokes a violent reaction and cannot have any permanence.

However, irrespective of Mr. Nehru's threats, let it be remembered that free private enterprise was born with man and will survive as long as man lives. We have said this before but it is worth repeating.

Under the Socialist Pattern of Society, the Government may well attempt to extend the Public Sector, but in view of the experience already acquired, new slums of corruption, waste of public funds and mismanagement will be created which will need a lot of cleansing in course of time.

The Prime Minister is angry with what he has named "the so-called protectors of Private Enterprise" for criticising the Public Sector, but has he not noticed the reports of the various parliamentary committees and the Audit reports on the working of the various ventures of the Public Sector?

Only a few weeks ago, there was welcome evidence of realism dawnning on New Delhi, but the recent utterances of the Prime Minister and the light-hearted manner in which various momentous decisions have been announced, have been causing real concern to intelligent, independent, thinking people in the country. The frequent rambling speeches, full of nauseating repetition of hackneyed commonplaces reveal a lack of concentrated thinking. Decisions are taken without a full study or understanding of the implications involved.

For instance, take the important decision that the State should take over wholesale trading in food grains.

The food problem has necessarily been of serious concern to all sections of the people. Instead of thinking out a constructive programme for augmenting food production, this failure has been sought to be hidden by getting hold of the wrong end of the stick.

I am prepared to concede that there may be a certain amount of hoarding and maldistribution of food grains; but assuming it was possible to bring about even the fairest distribution of food grains, the real problem is that we are not producing enough to meet the needs of our growing population.

Some of the most experienced administrators in the country have expressed their grave doubts about the practicability of wholesale trading in food grains by the State. To be effective, it would ultimately involve controlling food grains from the stage of the grower in the fields to the smallest retail purchaser in the remotest village.

Apart from the fact that many hundred thousands of merchants, who have been engaged in this trade for generations, will be displaced and thrown out of their accustomed business, has any estimate been made of the working funds required? I make bold to estimate this figure at Rs. 500 crores.

Again, who is going to act on behalf of the State? Naturally it will be the State Trading Corporation, whose record so far has been one of a profiteer in cement, a bungler in manganese ore and an unnecessary and avoidable intermediary in other trades.

At the time the State Trading Corporation was first started I had warned merchants, particularly small merchants, that the day would not be far off when extended activities of this Corporation would deprive hundreds of thousands of them of their hard-earned living. State Trading in food grains will mean nothing short of that.

The Prime Minister has been at pains to argue that Private Enterprise and Democracy cannot be equated. We in the Forum of Free Enterprise are convinced that every diminution in the activities of private enterprise must result in the gradual extinction of the democratic way of life.

Every citizen of India is entitled to choose his avocation and the extension of State trading deprives him of a large part of that free choice.

The Prime Minister may well claim to derive his authority from millions of voiceless illiterate voters in the country, but intelligent public opinion has started mobilising itself and its voice is bound to be heard in this country sooner or later.

FORUM OF FREE ENTERPRISE

“Sohrab House”, 235, Dr. Dadabhai Naoroji Road,
BOMBAY 1.

(A non-political organisation to educate public opinion on free enterprise. Annual membership fee is Rs. 10/- only. Student Associateship, Rs. 2/-)