

IS SOCIALISM THE RIGHT PATH?

By S. H. BATLIVALA

IT must be frankly admitted that private capital is woefully inadequate for financing the various Government plans for developing the country. This should not, however, rule out close collaboration between the private and the public sectors.

Both need each other's production. Both must produce at a higher level in order that more workers will be employed and their earning capacity will also be increased. However, the recent proposals of the Government to impose taxation on private industries and investors, imperil the fulfilment of the Second Five-Year Plan to some extent.

Can India's Second Plan succeed under Government aegis? Only a few years ago the late Sardar Vallabhbhai Patel made the bland pronouncement that, leaving aside nationalisation, the country did not have enough good officials to run the administration. Not long ago, even our brilliant ex-Finance Minister, Mr. C. D. Deshmukh, had to point out that there had been a decline in the general efficiency and calibre of public servants owing to rapid promotions consequent on the sudden de-

parture of most civil servants in 1949.

According to him, 15 per cent. are good performers, an equal number bad and the remaining 70 per cent. only "a plastic mass" which could be moulded into shape through proper supervision and leadership. The services have been hard put to it to meet the numerous calls made on them with fair competence.

What is meant by the Socialistic pattern of economy which our Government is so keen on following? Mr. Alfred Edwards, who was dismissed from the U. K. Labour Party for his forthright views, elaborates as follows: "We Socialists had made a pet collection of the frailties of private industries. We believed that the business man had no brains, that the worker was a wage slave, that the devil in the whole machine was profits.

"So we nationalised the Bank of England, the railroads and the motor transport, the electric power and the coal industry, medicine and the steel industry. Yet, in spite of increased mechanisation, the mines produced 155,000 tons of coal per week less than in 1938.

"The bureaucrat does not say

'yes' or 'no' without sending the problem up through layers of other bureaucrats to the real directing boss, a remote being in London called the National Coal Board. The coal-mines are now under the withering hand of the civil servant whose training is to make no decision where swift decisions are essential.

"The Labour idea of planning is to put some lady or gentleman of the London School of Economics, without any practical experience, to directing some of our greatest industries. However, did we suppose that a change of ownership from a group of people that had built up a business to a group of people who had never built anything would advance the interests of the workers?"

The predicament of civil servants has been dramatised in a liturgy posted by an anonymous writer in the Calcutta United Services Club, and published by "Critic" in the *New Statesman*, London.

FORM OF DAILY SERVICE FOR USE IN GOVT. DEPTS.

O Lord, grant that this day we
come to no decisions,

Neither run into any kind of
responsibility,

But that all our doings may be
ordered to establish

New and quite unwarranted
departments

For ever and ever.

O thou, who seest all things
below,

Grant that Thy servant may go
slow,

That they may study to comply
With regulations till they
die.

Teach us, Lord, to reverence
Committees more than common
sense;

Impress our minds to make no
plan,

But pass the baby when we can.

And when the Tempter seems
to give

Us feelings of initiative,
Or when alone we go too far,

Chastise us with a circular.

'Mid war and tumult, fire and
storms,

Strengthen us, we pray, with
forms

Thus will Thy servant ever be
A flock of perfect sheep for
Thee.

The fact is that civil servants do not deserve the full blast of this blame. They work in an atmosphere of commands from above. Those civil servants who have been later taken on by business men to run industries have given a good account of themselves in the atmosphere of free enterprise.

Wherever the Government exercises control over private industries, verbosity and pomposity become the distinguishing features in the official orders issued. A well-known American paper criticises O.P. S. (Office of Price Stabilisation) in the following words :-

The Ten Commandments contain 297 words. Lincoln's Gettysburg address 266 words. The Declaration of Independence 300 words, but the O. P. S. order to regulate the price of cabbage alone contains 26,911 words."

The most objectionable feature of India's Socialistic pattern of economy is a demand for the fixing of a ceiling on income. So far, the Prime Minister appears to be hesitant. But the other members of the Congress Party are clamouring for it. This measure of soaking the rich will arrest the growth of industries and will hardly benefit the working classes.

Some time ago (1952), the Finance Ministry made the following calculations: If salaries of all Indian Government officers above Rs. 1,000 a month were levelled down to Rs. 1,000 per month and the money so saved was equally distributed to each Government servant getting less than Rs. 1,000, the accruing benefit would be only annas two and pice six per month.

If the U. S. Government expropriated all taxable income over \$25,000 a year, the yield would be less than one million dollars per year. If this amount were distributed amongst the 60 million American workers, each of them would benefit to

the extent of 30 to 35 cents on his weekly pay of \$75 to \$80.

Even Gaitskell, the then Socialist Chancellor of the Exchequer, had warned as follows: "If you took away from everybody in the U. K. all the excess income above £2,000, it would bring in only £53 million (now £70 million). If this amount were divided, each worker would receive a sum of sh. 1-3d. in addition to his weekly wage. What is happening in Soviet Russia is a sealed book, but figures published here and there point to a widening disparity and increasing income of men in certain professions as against the minimum wage of 400 roubles per month.

The prominent labour unions of the U. S. do not oppose the payment of huge bonuses to top-ranking employees. For instance, Harlow Curtice, the President of General Motors, was paid a bonus of \$750,000 in addition to his salary of \$200,000 per annum. The State benefited considerably in taxation and only one-sixth was retained. All other big corporations are equally generous in granting bonuses to their high executives. Let the Government of India read and digest the wise words of Emerson, "Some will always be above others. Destroy the inequality today and it will appear again tomorrow."

With best compliments of :

THE FORUM OF FREE ENTERPRISE

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P.T.O.

“WE WANT TO PRODUCE THE MATERIAL GOODS OF THE WORLD AND TO HAVE A HIGH STANDARD OF LIVING, BUT NOT AT THE EXPENSE OF THE SPIRIT OF MAN, NOT AT THE EXPENSE OF HIS CREATIVE ENERGY, NOT AT THE EXPENSE OF HIS ADVENTUROUS SPIRIT, NOT AT THE EXPENSE OF ALL THOSE FINE THINGS OF LIFE WHICH HAVE ENNOBLED MAN THROUGHOUT THE AGES.”

**. . . . Jawaharlal Nehru
Prime Minister of India.**