

SOCIALISM—HAS IT BECOME A DOCTRINE OF THE PAST?

By

A. D. SHROFF

People who believe in free enterprise have often been charged with being out of date. But when one sees that even so-called socialist countries like Austria and Yugoslavia going back on nationalisation and renouncing dogmas of earlier day socialism, one is baffled at the reactionary thinking and policies of socialists and communists in this country who believe that heaven can be brought to this earth by adopting the socialist pattern of society.

A classic example of disillusionment in socialist ranks is to be found in the United Kingdom. Let us see what some of the biggest socialist leaders of the United Kingdom have to say on socialist dogmas which they believed in to start with.

Earl Attlee, who was the Prime Minister of the Labour (Socialist) Government in the United Kingdom, has said:

“We talked a great deal of theory but we did not know very much about practice. . . . None of us is certain whether we have the right set-up in the nationalised industries. . . . Even if you nationalise everything you haven't a Socialist society.”

Mr. Aneurin Bevan, the fiery left-winger, said:

“The trouble with Boards of the nationalised industries is that they are constitutional outrage This was a mistake for

which I must accept my share of responsibility.”

There is something much more interesting. Mr. R. H. S. Crossman, a Labourite M.P. and a leading member in expounding the policies of the British Labour Party, has said:

“More and more serious minded people are having second thoughts about what once seemed to them the obvious advantage of central planning and the extension of State ownership. Among the factors which “have antagonised them I would list the discovery that the Labour Government's ‘Socialism’ meant the establishment of a number of vast bureaucratic public Corporations, which failed to fulfil the two essential requirements of Socialism, namely, that a State-owned industry should be fully responsible to Parliament and give a share of management to its workers. Nationalisation has not changed the lives of the workers in the industries affected in the way they expected. It has been a disappointment to the Trade Union Movement.”

Mr. Norman Dodds, another socialist M.P., said:

“Some of those who holler most for more nationalisation do not know even the fundamentals of running a fried fish and chip shop or a cockle stall.”

Mr. Francis Noel-Baker, M.P., has said:

"Although I am a Socialist Member of the House of Commons, I do not happen to be particularly enthusiastic about the wholesale extension of nationalisation at the present time.

"In fact, I believe that we should do better to concentrate first on improving the organisation and methods of some of the industries nationalised between 1945 and 1950."

Mr. T. Balogh, who is known as a Socialist economist, has said:

"No Socialist should be surprised by the hostility of the workers in certain private industries against nationalisation
.The basic objection to private industry is its almost complete irresponsibility towards its own workers. What we have created (in the nationalised industries) is, if anything, worse."

What is happening in Yugoslavia and Austria, supposedly socialist countries, is equally interesting. For instance, in Austria, Chambers of Commerce are consulted on matters relating to commerce and tariff. But for the last 10 years, our experience in this country is that business men as a class and also as individuals must be treated as pariahs so far as the Government is concerned. There has been so much misunderstanding of private enterprises in India that the ruling authorities and leading bureaucrats have made it part of their religion not to go near these New Untouchables.

I do not know who is the winner and who is the loser. A very close study of the running of various public enterprises would possibly

reveal an effective answer. But in recent months criticism of public enterprise not only by the public, but by independent and competent journalists has so much irritated the Prime Minister that in defence of the public sector, he thought it was good to attack the private sector. For instance, in one of his speeches recently, he referred to what he called the "Captains of Industry". He said that he was not terribly impressed by captains of industry in this country. I want to assure the Prime Minister that his impression of the industrialists and business men of the country is not going to make the business men go into sack-cloth and ashes. Moreover, while he may not be terribly impressed with the record of captains of industry in this country, business men as a whole are not very much impressed by either the policies or the actions of the Government which he leads.

Had our ruling authorities cared even to consult the private sector in certain matters before something went wrong in ambitious ventures into which the Government had embarked, this country would have been saved crores of rupees which have been wasted during the last few years. Let us see what has happened in connection with the expansion of the steel industry in the public sector. Despite the fact that the private sector had gone into this industry and had acquired tremendous experience during the last 50 years, every possible effort that one can conceive of was made to keep the steel industry in the private sector at an arm's length. The result was, added to other typical bureaucratic phenomena, the cost of steel projects in state sector exceeded estimates beyond reasonable measure.

Very recently the Prime Minister even said that Tatas, with 50

years' experience, were inefficient and incompetent because the estimates of expansion had been exceeded in their new scheme. The public, of course, does not know what is happening. I will give only one illustration. When the Tatas embarked on their expansion programme, they had the service of an American organisation, Kaisers. The maximum number of American technicians that Tatas had during the scheme of expansion was 115. It has been officially admitted that there are about 700 Russian technicians at Bhilai and more than 800 German technicians at Rourkela. The estimates of public sector steel plants, apart from such important factors like the one mentioned, have gone on a holiday.

One of the biggest tragedies in the country today is the arrogance which our bureaucrats have developed since independence. I have personal experience of discussing this matter with some of our highly placed bureaucrats who honestly believe that there is nothing under the sun which they cannot do. As a matter of fact, they have made themselves believe that they could do jobs on industries better than the private sector. One thing which

disturbed me during my recent visit to the U.S.A. is that whilst persons like me are making every effort to stimulate interest amongst private investors in the U.S. in the possibilities of Indian economic development, some of the highly placed officials from the Government of India have been going round that country with the specific job of telling the American investors that private sector in India is incapable of doing the job before the country. From this, one can understand the mentality of the bureaucrats who have developed into **Chota Hitlers**. One finds it difficult to believe that they are the only people who are going to deliver the goods to this country in the matter of large-scale and rapid economic development.

Fortunately, today large sections of people in our country are dissatisfied with what is happening and are becoming increasingly aware of the dangers facing the freedom of the individual and the democratic way of life. I am sure that if we all independently persist in giving expression without fear or favour to the views that we hold, the day of deliverance from the horrors of a socialist society cannot be very far away.

With best compliments of :

Forum of Free Enterprise

235 Dr. Dadabhai Naoroji Rd.,

BOMBAY 1

**HAVE YOU JOINED THE
FORUM?**

Annual membership fee is Rs. 10/-
only.

Bona Fide students can get our
literature for a year by becoming
student associates on payment of
Rs. 2/- only.