

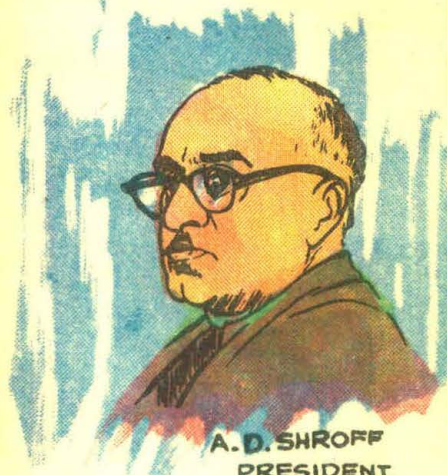


# Your prosperity through Freedom



Produced in collaboration with the  
Forum of Free Enterprise, 235, Dr.DN. Rd.  
Post Box 48-A, Bombay-1 (A non-political  
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year; Associate Membership Rs 5/-  
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PRESENTED  
By ERIC FRANCIS

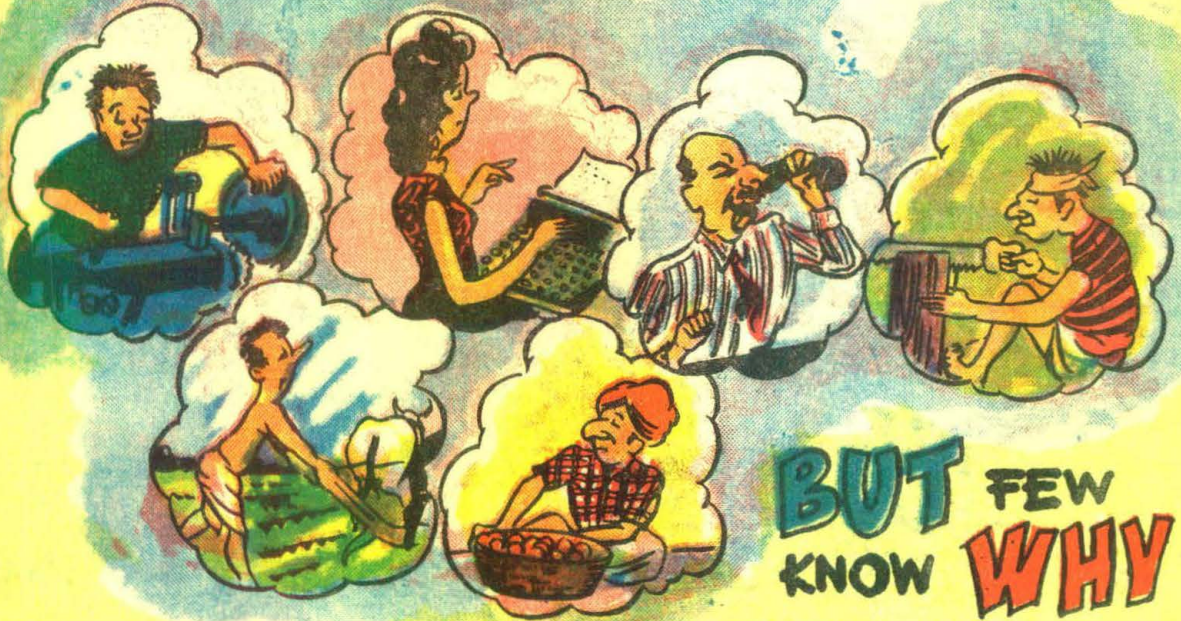


**A. D. SHROFF**  
**PRESIDENT,**  
**FORUM OF**  
**FREE**  
**ENTERPRISE.**

An informed public is the basis of a healthy democracy. At a time when we have embarked on an adventure of rapid and large-scale economic development, the need for public education in economics becomes very great. The medium of illustrations is bound to be interesting and effective. I am a firm believer in the manifest destiny of free enterprise to raise the standard of living of our people and to promote social justice. Therefore, I am happy at this production by Beacon Publications, who deserve congratulations on their effort.

*A. D. Shroff*

**WORK** - YES, **EVERYONE** HAS GOT TO **WORK**...



**BUT** FEW KNOW **WHY**

**MOSTLY**

ALL WILL SAY THAT WE WORK FOR A **LIVELIHOOD**



WHAT, THATS ALL?







**BUT** IT IS **NOT ONLY** FOR A LIVELIHOOD DO WE WORK ...

# 1

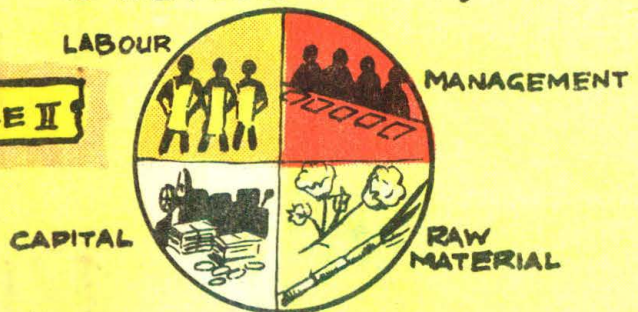
## WE WORK BECAUSE IT IS A SOCIAL NECESSITY

EXPLANATION: **TODAY** WE ARE FAST MOVING TOWARDS AN INDUSTRIALISED SOCIETY WHICH IS BASED ON **SPECIALISATION** AND **DIVISION** OF LABOUR

### EXAMPLE I

<p>PATTU IS A FARMER, WHO GROWS WHEAT FOR HIS USE. THE SURPLUS HE SELLS TO OTHERS. HE NEEDS A PAIR OF CHAPPALS, CLOTH, KEROBENE ETC., AND CANNOT LIVE ON WHEAT ALONE.</p> 	<p>SO WITH THE MONEY HE GETS FROM HIS EXTRA WHEAT HE BUYS CHAPPALS...</p> 	<p>..AND CLOTH FOR HIMSELF AND HIS FAMILY</p> 
	<p>WHAT HE BUYS HAS, IN TURN, BEEN PRODUCED BY SPECIALISATION AND DIVISION OF LABOUR.</p> <p>THE FOLLOWING FACTORS LEAD TO THE FINAL PRODUCT :-</p>	

### EXAMPLE II



**THIS** ARRANGEMENT HELPS TO CREATE MORE GOODS AND SERVICES FOR ALL. SINCE EVERYONE SPECIALISES IN ONE PARTICULAR LINE, HE DOES HIS JOB VERY WELL.

**ALONE** WE COULD NEVER PRODUCE EVERYTHING AND SO MANY THINGS.

**2**

# WE WORK

BECAUSE IT GIVES US A SENSE  
OF SATISFACTION

— AN ESSENTIAL ELEMENT IN  
HUMAN NATURE.



AND

**3**

# WE WORK

IN ORDER TO BUY LEISURE

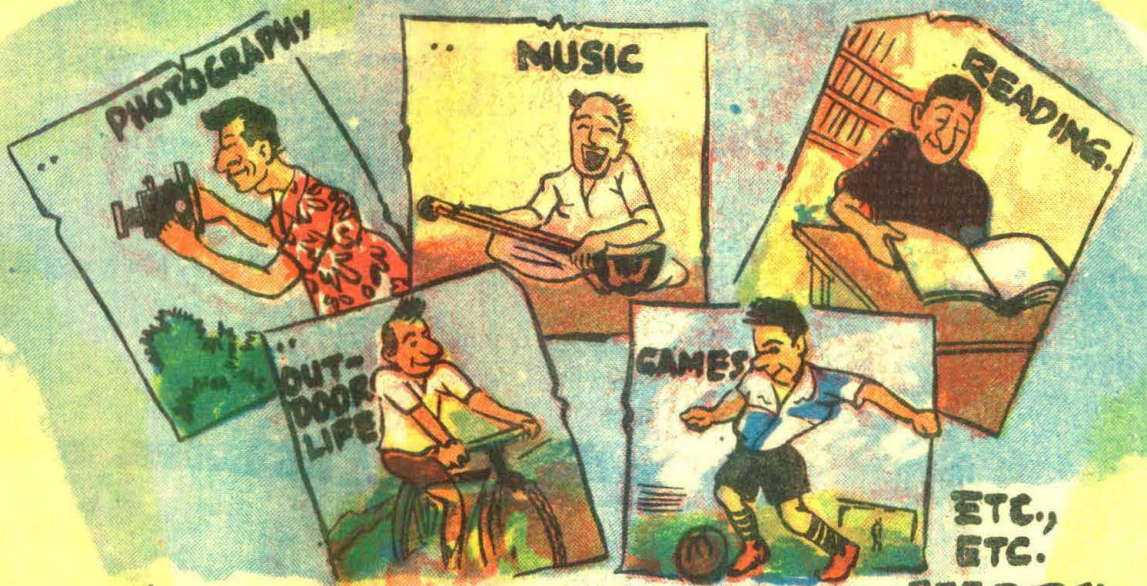
FOR INSTANCE,  
AN EMPLOYEE GETS HIS PRIVILEGE  
LEAVE EVERY YEAR, AND HOLIDAYS  
EVERY WEEK, AND ON FESTIVAL DAYS  
OR DAYS OF NATIONAL  
IMPORTANCE.

HE ALSO GETS  
TIME FOR  
HIMSELF ONCE  
HE COMPLETES  
HIS EIGHT-HOUR  
STRETCH AT  
WORK



THESE LEISURE  
HOURS, HE CAN  
PUT TO ANY USE  
HE LIKES. FOR  
INSTANCE...

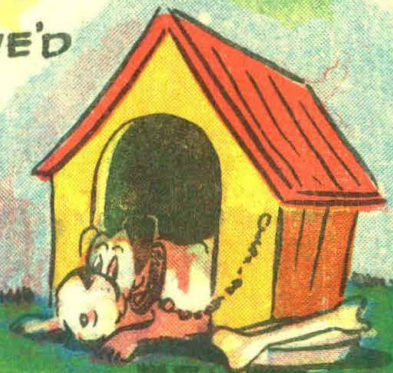
**RESTING..**



IT IS IMPORTANT NOT ONLY TO HAVE **WORK**, BUT ALSO **FREEDOM** TO ENJOY LEISURE AND TO LEAD A LIFE OF HUMAN DIGNITY.

**SUPPOSE**

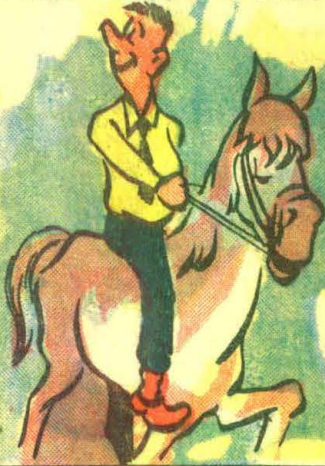
SOMEONE GAVE US IN EXCHANGE FOR OUR **LABOUR** **FOOD, CLOTHES** AND **SHELTER**, BUT GAVE US NO **FREEDOM**, WE'D BE VERY MUCH LIKE THIS



**A SOCIETY CAN BE ORGANISED IN SUCH A WAY THAT**

**ALL MEANS OF PRODUCTION, DISTRIBUTION AND EXCHANGE OF GOODS AND SERVICES ARE EXCLUSIVELY**

**IN THE HANDS OF PRIVATE INDIVIDUALS**



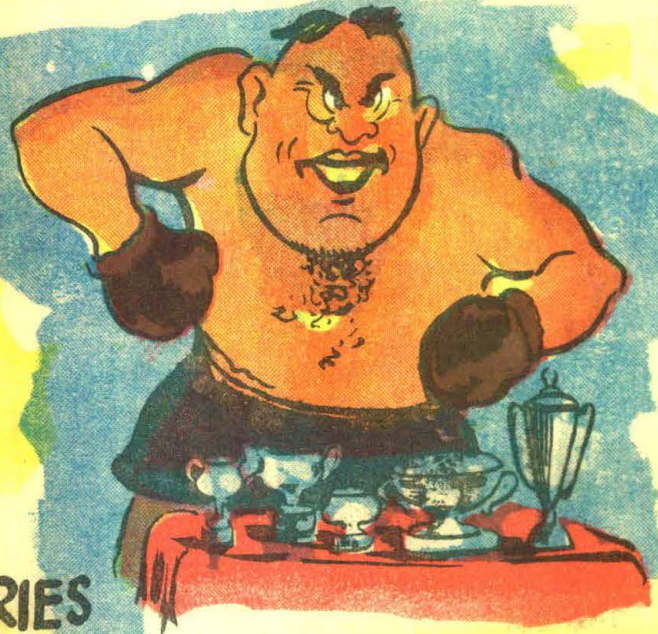
**IN THE HANDS OF THE GOVERNMENT WHICH MEANS STATE CAPITALISM**



**OR A COMBINATION OF BOTH. WHAT IS KNOWN AS MIXED ECONOMY.**



**WHEN THE GOVERNMENT DOMINATES AND OWNS ALL MEANS OF PRODUCTION DISTRIBUTION AND EXCHANGE THEN THERE IS STATE CAPITALISM AS IN COMMUNIST COUNTRIES**

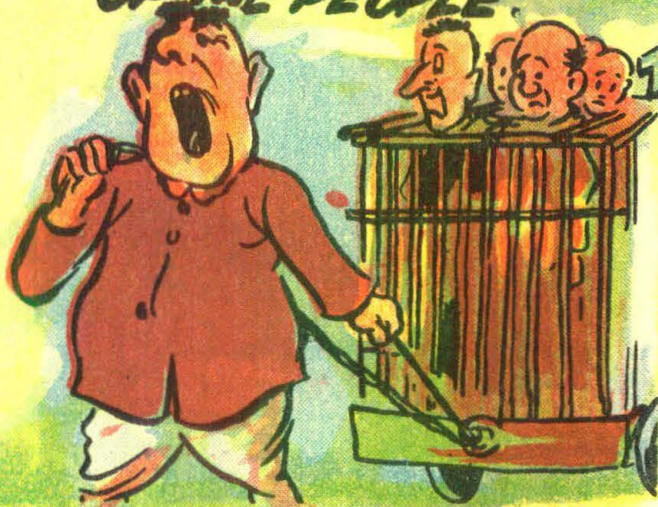


**THIS** MEANS THAT IN EFFECT

**THE STATE IS ABOVE  
THE INDIVIDUAL.**

**THE GOVERNMENT  
DIRECTS ALL ECONOMIC  
ACTIVITIES**

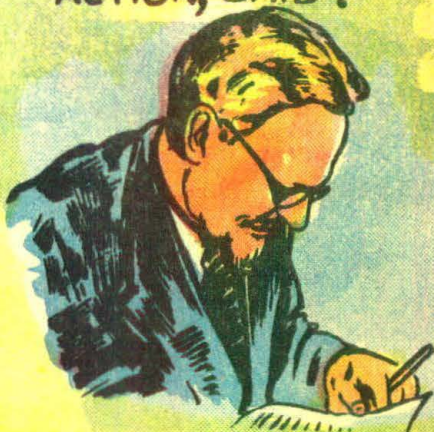
***WITHOUT*  
THE CONSENT  
OF THE PEOPLE.**



**THIS LEAVES NO CHOICE  
FOR INDIVIDUALS**

- IN CHOOSING THEIR WORK
- SPENDING THEIR MONEY
- IN WHAT THEY BUY
- IN PUTTING THEIR LEISURE TO ACTIVITIES OF THEIR CHOICE
- NEITHER HAVE THEY LIBERTIES

**LEON TROTSKY,  
THE COMMUNIST LEADER,  
AFTER SEEING COMMUNISM IN  
ACTION, SAID :**



**" FORMERLY THE RULE WAS :  
'HE WHO DOES NOT WORK  
SHALL NOT EAT.'  
"NOW THE RULE IS :- 'HE  
WHO DOES NOT OBEY  
SHALL NOT EAT' "**



GOOD EXAMPLES OF THIS STATE OF AFFAIRS VIZ. OF **STATE CAPITALISM** ARE COMMUNIST COUNTRIES.



**SOCIALIST** COUNTRIES, IN THEIR END RESULT, ARE NO DIFFERENT FROM **COMMUNIST** ONES



LIKE COMMUNISM

**SOCIALISM** IS A COLLECTIVIST IDEOLOGY

**SOCIALISM** PROFESSES FAITH IN INDIVIDUAL FREEDOM.

**BUT** ITS METHOD OF PROMOTING IT BY **NATIONALISATION**

OF PRIVATE INDUSTRIES, AND STATE OWNERSHIP OF ALL MEANS OF PRODUCTION, DISTRIBUTION AND EXCHANGE LEAD TO STATE CAPITALISM SIMILAR TO THAT OF A COMMUNIST SOCIETY.

**STATE OWNERSHIP LEADS TO STATE CAPITALISM!**

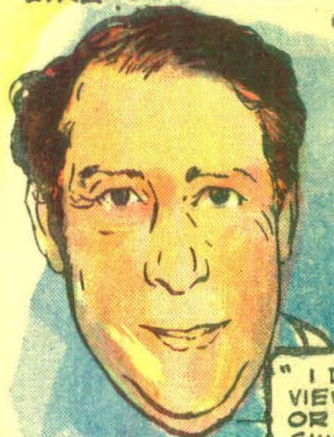
# SOCIALISTS

TOO ARE THINKING AGAIN ABOUT SOCIALIST METHODOLOGY OF NATIONALISATION AND STATE OWNERSHIP.

FOR INSTANCE

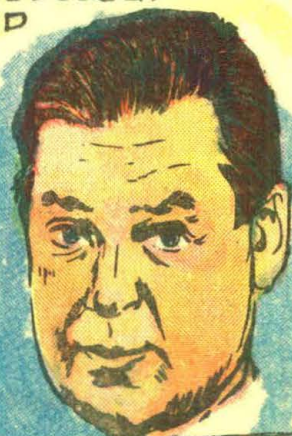
## IN ENGLAND

LEADING LABOUR PARTY THINKERS WHO ONCE ADVOCATED STATE OWNERSHIP AND NATIONALISED SOME INDUSTRIES LIKE COAL AND TRANSPORT, LATER CHANGED THEIR STAND.



"I DISAGREE WITH THE VIEW THAT NATIONALISATION OR EVEN PUBLIC OWNERSHIP IS THE BE-ALL AND END-ALL, THE ULTIMATE FIRST PRINCIPLE AND AIM OF SOCIALISM."

HUGH GAITSKELL.



"WE MUST CONCLUDE THAT THE OWNERSHIP OF THE MEANS OF PRODUCTION IS NO LONGER THE KEY FACTOR WHICH IMPARTS TO A SOCIETY ITS ESSENTIAL CHARACTER. EITHER COLLECTIVIST OR PRIVATE OWNERSHIP IS CONSISTENT WITH WIDELY VARYING DEGREES OF LIBERTY, DEMOCRACY, EQUALITY, EXPLOITATION, CLASS FEELING, PLANNING AND WORKERS CONTROL... NATIONALISATION IS THUS NOT ONLY NOT A SOCIALIST FIRST PRINCIPLE; EVEN AS A MEANS TO AN END, IT IS NOW LESS CENTRAL TO SOCIALIST STRATEGY."

- ANTHONY CROSLAND.

## IN BURMA

U NU STATED :



"THERE ARE DEFINITE LIMITATIONS UNDER WHICH A GOVERNMENT MUST OPERATE, AND THAT FAILURE TO RECOGNISE THESE LIMITATIONS INEVITABLY LEADS TO FRUSTRATION, AND TO DEFEAT OF THE OBJECTIVE ITSELF. THE PRINCIPLE OF STATE PARTICIPATION MUST BE CONCEDED; BUT ITS EXTENT AND NATURE MUST BE CLEARLY DETERMINED WITH REFERENCE TO THESE LIMITATIONS, AND IN PARTICULAR TO THE CONDITIONS PREVAILING IN ONE'S OWN COUNTRY.

OUR POLICY MUST BE ONE OF GRADUAL WITHDRAWAL OF THE STATE FROM ECONOMIC ACTIVITY UNTIL ITS SCOPE BECOMES NARROW ENOUGH FOR OUR AVAILABLE MANPOWER RESOURCES TO HANDLE IT WITH EFFICIENCY OR ALTERNATIVELY TO STRENGTHEN OUR CIVIL SERVICES TO THE REQUIRED EXTENT.

"IN CONCRETE TERMS, WE PROPOSE... NOT TO EMBARK ON ANY NEW STATE ENTERPRISE WITHOUT PAYING SPECIFIC ATTENTION TO THE LIMITING FACTORS DESCRIBED ABOVE AND IN PARTICULAR, NOT TO NATIONALISE ANY EXISTING INDUSTRY OR ENTERPRISE WHICH IS IN PRIVATE HANDS. WE PROPOSE ACCORDINGLY TO HAND BACK TO PRIVATE ENTERPRISE SUCH OF THE EXISTING STATE ENTERPRISES AND ORGANISATIONS AS AFTER DUE ENQUIRY APPEARS TO BE INCAPABLE OF EFFICIENT OPERATION BY STATE AGENCIES."

**THE ITALIAN COMMUNIST LEADER  
PALMIRO TOGLIATTI SAID RECENTLY:**

NATIONALISATION OF PUBLIC UTILITIES IS NOT BEING SOUGHT BY ANYONE. WE HAVE NEVER ASKED FOR SUCH MEASURES NOR WILL WE.

WE HAVE ALWAYS SEEN THE NECESSITY OF THE CO-EXISTENCE OF NATIONALISED UTILITIES WITH THE VASTER ZONE OF PRIVATE ENTERPRISE.

**IN INDIA**

MR. HANUMANTHAIYA, FORMER CHIEF MINISTER OF MYSORE, EXPRESSED THE VIEW THAT THE WORKING OF THE NATIONALISED ROAD TRANSPORT IN MYSORE HAD MADE THE ROAD TRANSPORT A MOCKERY AND BUS TRAVEL A CURSE. IT HAD NEITHER INFLATED THE STATE EXCHEQUER NOR BENEFITED THE PEOPLE. THE REAL BENEFICIARIES WERE THE OFFICIALS, BUS DRIVERS AND CONDUCTORS.

NATIONALISATION OF BIG INDUSTRIES WOULD NOT SOLVE INDIA'S ECONOMIC PROBLEMS NOR WOULD IT ACHIEVE THE GENERAL WELL-BEING OF SOCIETY.

SUCH NATIONALISATION WOULD ONLY CREATE AN 'ECONOMIC BUREAUCRACY' IN ADDITION TO THE OTHER ADMINISTRATIVE PERSONNEL THAT WOULD GET HIGH SALARIES WITHOUT LOOKING AFTER THE INTERESTS OF THE COMMON PEOPLE.

... ALTHOUGH THE RAILWAYS IN INDIA WERE NATIONALISED THAT STEP DID NOT GIVE ANY SATISFACTION OR POWER TO THE PEOPLE AT LARGE. ONLY A FEW HIGH SALARIED OFFICERS WEILDED POWER...

**JAYAPRAKASH NARAYAN,  
A FOUNDER OF THE SOCIALIST  
MOVEMENT IN INDIA**

**S.G. BARVE I.C.S (RETD), NOW FINANCE  
MINISTER OF MAHARASHTRA, OPINED:**

"NATIONALISATION, OR TAKING OVER TO THE PUBLIC SECTOR IS OBVIOUSLY NO UNIVERSAL NOSTRUM...

IF THE BOARD ROOMS OF DIRECTORS BECOME LARGELY THE STAMPING GROUNDS OF BUREAUCRATS, YOU MAY BE SUBJECTING THE FORTUNES OF INDUSTRY, INSTEAD OF THE JUDGEMENT OF THE MARKET PLACE, TO THE TUG-OF-WAR OF POLITICAL LOGS, ROLLING AND THE HEAVY HAND OF DEPARTMENTAL WIRE-PULLING."

☞ SOCIALISM HAS FAILED TO DELIVER  
THE GOODS, AS EXPERIENCE HAS  
SHOWN, THEN

# WHAT IS THE RIGHT WAY TO HAVE **BOTH** PROSPERITY AND FREEDOM FOR ALL ?



THERE IS ONLY  
**ONE** WAY -  
**PEOPLE'S PRIVATE  
ENTERPRISE**  
BETTER KNOWN  
AS  
**FREE  
ENTERPRISE**

THIS DOES NOT MEAN EACH ONE FOR HIMSELF.  
**IT MEANS A PEOPLES' ENTERPRISE  
REGULATED BY THE STATE** (I.E. BY THE  
GOVERNMENT ELECTED DEMOCRATICALLY BY THE PEOPLE  
AND RESPONSIBLE TO PUBLIC OPINION) **IN THE  
INTERESTS OF SOCIETY.**

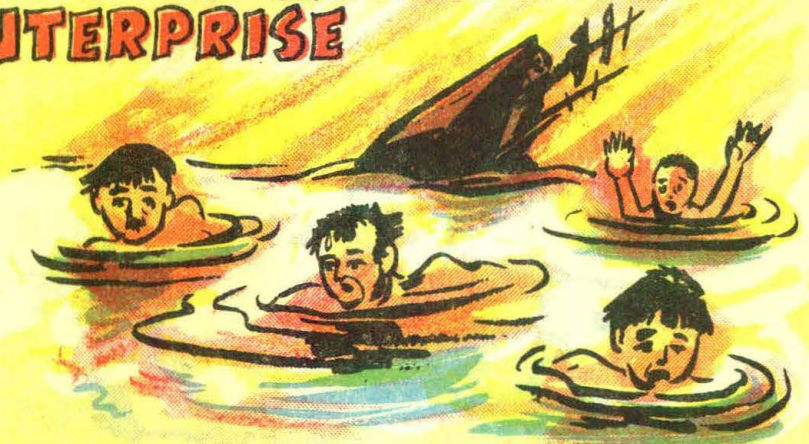
FOR INSTANCE, GOOD LAWS FOR OPERATION OF  
COMPANIES, GOOD LABOUR LAWS ETC., ARE REQUIRED  
IN THE INTERESTS OF ALL

# PEOPLES' PRIVATE ENTERPRISE OR FREE ENTERPRISE

DOES NOT MEAN  
EACH ONE FOR  
HIMSELF AND THE  
DEVIL TAKE THE  
HINDMOST.

## IT MEANS

THAT WITHIN  
REASONABLE  
RULES AND  
REGULATIONS  
LAID DOWN BY THE ELECTED REPRESENTATIVES  
OF THE PEOPLE



THE **ECONOMY**  
WILL BE DEVELOPED



**NATIONAL  
WEALTH** WILL INCREASE

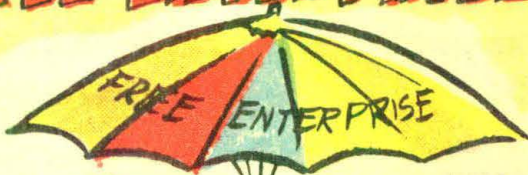


AND THE PEOPLE WILL EARN  
A LIVELIHOOD FOR THEMSELVES.

## FREE ENTERPRISE

DOES NOT MERELY MEAN BIG  
**INDUSTRIES**

BUT COVERS ALL  
INDUSTRIES, TRADE  
AND COMMERCIAL  
SERVICES, AS ALSO  
AGRICULTURE AND  
PROFESSIONS LIKE  
MEDICINE LAW  
JOURNALISM ETC.



**FREE ENTERPRISE**  
 IS NOT AGAINST PLANNING  
 BUT STANDS FOR PLANNING  
 IN FAVOUR OF FREE  
 ENTERPRISE



**FREE ENTERPRISE**  
 DOES NOT MEAN **BIG**  
**BUSINESS AND MONOPOLY**  
 BUT STANDS FOR MILLIONS  
 OF ENTERPRISES, BIG AND  
 SMALL.

*IT STANDS FOR COMPETITION  
 BETWEEN VARIOUS ENTERPRISES  
 TO PRODUCE GOODS AND SERVICES  
 REQUIRED BY THE PEOPLE IN  
 CHEAPER AND BETTER WAYS*



## THE GOVERNMENT

**TOO** HAS AN IMPORTANT ROLE IN **ECONOMIC DEVELOPMENT**

**IT** SHOULD PROVIDE WHAT IS KNOWN AS THE **INFRA-STRUCTURE** OF THE ECONOMY, e.g., **GOOD ROADS, PORTS, POSTAL, TELEGRAPHIC AND TELEPHONIC FACILITIES, HOSPITALS, EDUCATIONAL FACILITIES**

**IT** SHOULD SEE THAT THERE IS ENOUGH SUPPLY OF POWER AND TRANSPORT.



WHERE PRIVATE ENTERPRISE CANNOT DO THE JOB, IT SHOULD STEP IN

**IT** SHOULD PROVIDE A SIMPLE ADMINISTRATION WITH CLEAR-CUT RULES AND REGULATIONS, EFFICIENTLY & FAIRLY ADMINISTERED.



**IT** SHOULD PROVIDE THE INSTITUTIONAL FRAMEWORK OF CONTRACT, SOUND AND STABLE CURRENCY



... AND SHOULD KEEP TAXES DOWN AT REASONABLE LEVEL.

**IF**

THERE IS MORE  
SCOPE FOR  
**PEOPLE'S  
PRIVATE  
ENTERPRISE**

IN SUCH AN ATMOSPHERE,  
THE RESULT WILL BE :-



**MORE  
INDUSTRIES**



**MORE  
EMPLOYMENT**

**BETTER  
OPPORTUNITIES  
FOR ALL**



**MORE PRODUCTION  
AND WEALTH**



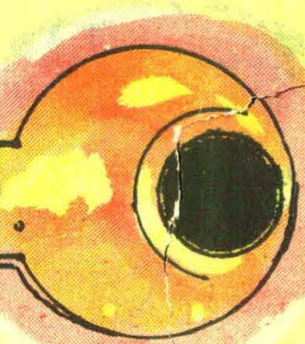
... AND A  
**HIGHER STANDARD  
OF LIVING**

**THUS**

EQUALITY OF OPPORTUNITY, PROSPERITY  
AND FREEDOM ARE PROMOTED BY **FREE**  
**ENTERPRISE** IN A DEMOCRACY.

**FREE ENTERPRISE IS PEOPLES  
ENTERPRISE AND IS**

**THE KEY**  
**TO PROSPERITY AND FREEDOM.**



"I look upon an increase in the power of the state with the greatest fear, because although while apparently doing good by minimising exploitation, it does the greatest harm to mankind by destroying individuality which is at the root of all progress.

"The state represents violence in a concentrated and organised form. The individual has a soul, but as the state is a soulless machine. it can never be weaned from violence to which it owes its very existence.

"It is my firm conviction that if the state suppressed capitalism by violence, it will be caught in the coil of violence itself and fail to develop non-violence at any time.

"What I would personally prefer, would be, not a centralisation of power in the hands of the state but an extension of the sense of trusteeship; as in my opinion the violence of private ownership is less injurious than violence of the state. However if this is unavoidable I would support a minimum of state ownership.

"What I disapprove is an organisation based on force which the state is. Voluntary organisation there must be."

Mahatma Gandhi

