not surprising that the kind of editors who have generally arisen, are individuals who convey an appearance of firmness which for both governments and proprietors is much better than the genuine article. And the firmness manifested is towards the public which has not yet found a way to assert itself. One might concede all this, and yet reject the idea that the Government can by direct regulation of the Press bring about improvement. Mr. Nehru is discreet enough to realise that it cannot be done.

The Government of India has been particularly concerned about Indian Press comments on foreign affairs. On the assumption that foreign politics is a particularly delicate business in which the Government is engaged all the time and must not be disturbed, the Government in 1953 amended the Constitution so that the guaranteed freedom of expression was liable to be limited, among other things, in the interests of friendly relations with other powers. This was done against the opposition of the entire Press which pointed out that in its own interests the Government would do well to recognise the responsibility of individual newspapers for opinion expressed in them – as all democracies did. In the nature of things, it is the totalitarian states which object to unfriendly criticism from the Press in other countries – the democracies usually do not bother about it, firstly because they have themselves a free Press and, secondly, because the opinion of one newspaper in a democracy is an individual opinion. With the amended Constitution, the Government just invited protests from the totalitarian States and would have been without any justification in answering any protests that might have come from the democracies. That this did not happen is not an argument for the amendment. The Government has just been lucky here as it has been lucky till 1962 with its foreign policy itself.

A Lethal Budget

M. R. Masani

THIS year's Union Budget (in particular the Super Profits Tax) is a lethal attack on the system of Joint Stock enterprise. Nothing less. It is a move to take advantage of the Emergency to strike a mortal blow at people's enterprise in an effort to establish a State Capitalist monopoly. The hand may be the hand of the Finance Minister, but the mind behind it is a Marxist mind. The Budget, professedly a measure to help combat Chinese Communist aggression, is thus in effect a victory for Communist expansionism in that it marks a step towards the undermining of free economic institutions and an advance towards the Soviet system.

What is joint stock enterprise? It is the coming together of small and big people, scattered throughout the country, in different walks of life, with different ideas, ideals and points of view, but coming together to meet the demands and the wants of the community for various commodities and services and, in meeting that want efficiently, to make a profit. It is the coming together of people who are prepared to risk their savings and capital so that the community on the one hand and they on the other might mutually benefit. The power to choose whether or not to invest or where to invest is rightly left in the hands of the owners.

Throughout the free world, joint stock enterprise has been accepted as the modern, the 20th Century way of producing the goods to meet the community's needs. This is the instrument through which one nation after another has achieved industrial prosperity and social justice in increasing measure, letting loose in this process tremendous vital forces.

Joint Stock enterprise is an application of the principle of co-operation to industry and those who believe in the co-operative principle, one imagines, would recognize in joint stock enterprise the response to the needs of the day. If there is one kind of co-operation that has been successful in India and deserving of support, it is this. Unfortunately, in India, this institution is now faced with a challenge to its very existence.

There are two challenges – an external and an internal one. The external one comes from the world of Government and politics. The discussions in Parliament in 1959 on the Companies (Amendment) Bill revealed that Government on one side and a large section of members of all parties on the other looked upon joint stock enterprise as some kind of necessary evil to be tolerated for the time being. They felt it was a pity that it could not be eliminated overnight. That would, of course, adversely affect production and create chaos. Therefore it should be tolerated. But in due course it should be superseded either by State enterprises or by cooperative societies. The fact that the joint stock company was a cooperative society of investors was never once referred to by anyone except myself. That was the position three years ago. The Super Profits Tax is only the latest blow in the series.

That brings us to the second challenge – the challenge from within. Those who believe in joint stock enterprise have to meet this external challenge if they want it to survive. This internal challenge should take the form of introspection and self-criticism.

If joint stock enterprise is to meet the challenge to its existence and survive, there are three major tasks that will have to be undertaken. The first is that joint stock enterprise and management should put their house in order. The purpose of business is profit. There is no conflict between service and profit because profit is only the yardstick of efficient service. A man who makes a loss is not more honourable or socially minded than the man who makes a profit.

Judged by the test of profit and judged by the test of efficiency, however, certain things need to be put right. Some argue that there are many black sheep in Indian business. What is meant by black sheep is not the people who make a profit and give the community a commodity that is good in quality at a reasonable price. What is meant is that people make money while not giving any return. In other words, it means just taking and not giving, and that is something that no social organism tolerates for long. Gandhiji in that sense was well ahead of his time because he foresaw this when he said that business people should not be disturbed in their wealth, that nothing should be taken away from them, but they should try to use what was given to them by the cooperation of the community in a socially worthy manner, that they must bear in mind not only the personal angle but also the social angle. There is nothing unscientific in this. Dr. Ludwig Erhard, the author of the german miracle has tried to spell out what he calls "Social Enterprise", in other words free enterprise with a social orientation, with a social purpose. There is no conflict between competitive enterprise and social purpose. The obligations of the businessman are towards the shareholders, employees, community, the government or the state, and finally to the consumer. There should not be any difficulty in reconciling the spirit of Gandhiji's concept of Trusteeship with modern business as is practised by enlightened free enterprise in any part of the world.

The second thing to be done is to make it easier for the class of entrepreneurs to grow. It is true that in India we have a middle class. We are much more advanced and mature here than most of the countries around us. But even so our middle class is very small in terms of our population. That is a danger because it becomes isolated and a point of envy and attack. It is quite obvious that a system takes roots in a society to the extent that it is widespread. There is no doubt that to the extent that big business helps small business to grow, to the extent that every existing entrepreneur helps to bring into existence three or four enterprises in the next ten years, the attack on the business way of life can be more easily repelled. This raises a question of what organised business does to help the small entrepreneur, the small man trying to establish himself to get a fair deal to get a start.

The third thing is for the case for joint stock enterprise to be placed before the people. There is nothing unique about the environment in which Indian business functions. Walter Lippman in 1934 wrote about the American business community: "In the past five years, i.e. from 1929 (The Depression) the industrial and financial leaders of America have fallen from one of the highest position of influence and power that they ever occupied in our history to one of the lowest." That was in 1934. Nobody can say in 1963 that this position obtains today. American business and industry have changed the environment by their own activity and their attitude. This can be done in India also. This can be done by its standing up for its own way of life, by arguing its case. Till recently, business in India had failed to put forward its point of view. Its case had gone by default.

Quite apart from politics, there are other ways in which business can do its bit. For instance, in America in the last few years there is widespread growth of a movement called Business In Politics. Business In Politics consists of organised business giving facilities to its managers not only to be trained in management but to be trained in citizenship and, having been trained in citizenship, to take part in citizenship, to take part in the public life of the community, whether locally or nationally.

GEC and Ford have extensive departments for government and political affairs. They have done such a good job that they are receiving delegations from other enterprises who want to go home and copy their example. The process lies in getting groups of twelve to twenty supervisors and junior executives to spend a couple of hours every week for ten weeks or so, sometimes on company's time and sometimes on the managers' own time. They study the working and progress of all political parties, they study how campaigns are run, they study how parties' finance is raised, and they invite as guests lecturers and speakers from those major parties to supplement to the domestic teaching. Then these people are sent out for field work. They are trained to write letters to Congressmen, they are trained to go around and register voters on the voters' list in their environment and so on. The U.S. Chamber of Commerce has a practical political course which is used by 162 firms and 479 local chambers, 20,000 American executives have gone through this particular course. The National Association of Management course has been accepted by 100 companies; 5000 executives have gone through that course. Universities run similar courses.

So one of the things that business needs to do is to educate its own ranks. There are many executives who do not believe in the system of business, who are sold out to the enemies of the very way of life which they practice. If industry cannot control its managers, how is it going to control its labourers and its consumers?

Graham Hutton said to the British Institute of Management not long ago: "Better be bloody, bold and resolute than timidly trying never to be unpopular, never to lose a vote anywhere, never to go against the masses.......The British people always respect leadership, guts, firmness and a good dash of eccentricity." Perhaps the Indian people are not very different.

.....AND A VERY HAPPY NEW YEAR

W. H. Von Dreele

"Abroad, we're modestly impressed
That Nehru's leaning toward the West.
Yes, Menon's gone! (It took the Chink
To sack the Pandit's weakest link.)"

(*National Review*, New York, January 15, 1963.)