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Mr. M. R. Masani's remarks while
inaugurating the 86th Annual General
Meeting of the United Planters
Association of Southern India in Coonoor
on September 4, 1979.

Mr. President, Ladies & Gentlemen,

May I, to start with, thank you, Mr. President, for your kind words of welcome to me ? I deem it a great honour to be asked to inaugurate the 86th Annual General Meeting of the United Planters Association of South India. I have for many years now followed your activities and your fortunes with keen interest and sympathy. I also admire the robust attitude which has always characterised Mr. Chacko's attitudes and the way he has projected UPASI on the national scene. The Nilgiris are one of the most beautiful spots in our country. I am therefore happy to be with you here today.

Primacy of Agriculture

I have listened, as you have, with keen interest to your President's address. It strikes me that basically many of your problems and difficulties stem from the false priorities from which our national policies have suffered more or less since the achievement of Independence. Thus, except only for the first Five Year Plan, all our Plans have been lopsided because of their obsession with heavy industries and their cruel neglect of agriculture. Even earlier, it had become a fashion with the urban educated class to believe that poverty goes with agriculture and that there can be no prosperity unless and until a country is industrialised.

Now, a balanced development including a measure of industrialisation is of course a desirable course of development. But India is a country of peasants and will continue to be so for generations to come. Agriculture is and will continue to be our basic industry. Any line of policy which ignores the primacy of land and agriculture, as has been the case, is bound to fail. There is nothing to be ashamed of in being an agricultural country. New Zealand and Taiwan are just two examples of countries which are successful because they have built their prosperity on the development of their farms and plantations and the benefits of exporting their products.

The result of this anti-rural bias has been considerable exploitation of the rural people by the urban until we find that we are what Disraeli once described as "two nations". Gandhiji used to say: "We of the cities will do everything for the

people in villages - except get off their backs"!

The position is not very different even today. According to my friend, Mr. Bhanu Pratap Singh, now Minister of State for Rural Development, the figures issued by the Office of the Economic Adviser, Ministry of Industries, Government of India, testify to this inequity. According to the review of Index numbers of wholesale prices (Base 1970-71 = 100), with the all commodities price index being at 199.1, the prices received by farmers and the prices paid by farmers were as follows on June 2, 1979 :-

Prices Received by Farmers

Farm Products	178.9
Food Articles	178.9
Non-Food Articles	179.2
Foodgrains	172.3
Rice	168.7
Wheat	150.3
Oilseeds	159.6
Fibres	166.0
Tobacco	143.5
Potato	82.2

Prices Paid by Farmers

Non Farm Products	212.7
Manufactured Products	197.4
Cotton Textiles	189.5
Electricity	213.5
Kerosene Oil	252.1
High Speed Diesel	176.6
Lubricating Oil	312.7
Insecticides	252.8
Nitrogenous Fertilizer	171.7
Cement	226.7
Metal Products	217.9
Bricks	347.8
Tractors	254.1

Very little good has come out of New Delhi during the past two years. Indeed, I am inclined to think that the only good thing that has come from those quarters is the new order of priorities which puts land and agriculture first. It must be conceded that the credit for this trend must in all fairness go to the present caretaker Prime Minister, Mr. Charan Singh, who has been a great proponent of the farm lobby in this country.

Pattern of Cultivation

That brings one ~~to~~ the question of the most desirable pattern of cultivating the land. To start with, it would be incorrect and unscientific to expect that there could be any one answer to that question which would be valid for all land and all crops. There is obviously a need to discriminate.

I personally have no doubt that, for the cultivation of food grains like rice and wheat, peasant proprietorship with family farming provides the most productive pattern. Figures put out by the Food & Agriculture Organisation over the years show that Taiwan, with a ceiling of seven acres per head, produces the highest crop per acre of rice throughout the world; Japan, with an average farm of two to three acres,

comes next. The U.S.A., with its capitalist and ~~maximum~~ mechanised farming, comes much lower. The Soviet Union and Communist China with their collective farming are right at the bottom of the scale. So ~~abject~~ subject has been the failure of collective farming in Communist countries that Yugoslav, and, to some extent, Poland, have reverted to small scale family farming.

A recent joke to come out of Poland which is directed at the official alibi blaming the weather for poor crops has it that "four natural catastrophies befall the agriculture of communist countries. They are spring, summer, autumn and winter !"

From the point of view of social values, family farming with seasonal hired labour is also the most desirable. A free society is not likely to survive unless a large number of people are able to say, as they can in India, "This land is mine".

That is why when Prime Minister Nehru attempted in 1954 to collectivise the land under the slogan of "Joint Co-operative Farming", Mr. Charan Singh and I co-operated in defeating that attempt, I in Parliament and he outside, each quoting the other with approval.

Having said that, let me revert to the need to discriminate. The cultivation of various cash crops, and especially of tea and coffee, calls for much bigger units which permit economies of size and of scale. It is therefore that larger plantations are a vital economic necessity alongside of family farms growing foodgrains.

Unfortunately government policies during recent years have not been at all helpful in permitting plantations in India to make their maximum contribution, particularly in the vital sphere of exports.

One recalls how Prime Minister Indira Gandhi, having devalued the rupee in 1976, promptly undid the beneficial effects of that act by slapping down enhanced export duties, thus making nonsense of her own action.

Ever since then ~~the~~ political pressures and considerations have come in the way of the developments of the plantation industry.

Take tea. It is agreed that in order to meet national and world demand, India should increase her tea production by 2000 A.D. to 1200 million tonnes. Instead of helping ~~it~~ to promote such a trend, government imposed ~~a ceiling and~~

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an export duty of Rs.5 per kilogram which applied even to firm contracts already entered into. Later these handicaps were removed but the damage had already taken place in the form of lower exports and the loss of credibility for India, the market going to India's competitors like Kenya. Even now, thanks to ceiling legislation, no fresh land can be brought under tea cultivation. 1

A similar misguided measure, allegedly for the benefit of the home consumer, has led to the imposition of an export levy on coffee, with a domestic price which is only one-third of the export price. Our coffee industry has been prevented from benefiting from the rising world price from £1,500- to £2,000- per tonne. The coffee industry has also been deprived of its control over the marketing of its product. With the growing bureaucratisation of the Coffee Board, something approximating to that profiteering and wasteful phenomenon, State Trading, has come into operation.

All in all, one can say that the Indian Government's attitude towards the plantation industry in general seems to follow that old injunction ?

"Thou shalt not kill, but needst not strive
Officiously to keep alive"

It is a feather in the cap of the plantation industry that despite such an attitude and such policies, it has managed to survive, and I would therefore like to pay my tribute to UPASI and those it represents.

Excessive Taxation and Regulation

Since Independence, public expenditure in India has been allowed to go up by leaps and bounds. This has resulted in inflation and excessive taxation. Poor Prof. Parkinson, with his Parkinson's Law, has been left way behind ! A new vested interest has come into existence consisting of corrupt politicians, officials and businessmen, comparable to the "new class" in communist countries about which that great Yugoslav patriot, Milovan Djilas, has written.

It is not surprising that the excessive taxation which has accompanied this wasteful public expenditure should have hit the plantation industry along with all others. According to Mr. N. A. Palkhivala, India is the heaviest taxed nation in the world and he has rightly called for a "U turn" through a drastic reduction in all direct and indirect taxation.

So far, that has been a cry in the wilderness but a favourable wind has recently been blowing across the globe. Starting in California last year, a wave of popular feeling for lower

taxes and public expenditure has rolled across the American continent. It has now crossed the Atlantic and resulted in a welcome change of government in Britain. Even in our own neighbourhood, in Sri Lanka, the Statist apparatus effected by the previous government has been dismantled and a more liberal and competitive order established, with beneficial results. May we not hope for a similar trend in our own country ?

Our politicians, who are that class of people who can best be described as the Backward Classes, are of course too immersed in their petty quarrels and their competitive populism to find the time to articulate the country's real needs. Recently, however, on 25th May this year, the Traders Associations in my own State of Maharashtra organised in Bombay a convention against oppressive Sales Tax legislation. Mr. V. M. Tarkunde from Delhi and I were invited to address the Convention. I can assure you that not since the days of Mahatma Gandhi have I seen such a large and magnificent gathering marked by such zest and fervour. Similarly, the way in which the entire Indian press earlier this year rejected the proposal made by two members of the then Janata government for nationalisation of certain industries was encouraging to those of us who, some long ago realised the high cost of State Capitalism for our country. It can, of course, be said that "two swallows do not make a summer" and that one should not read too much into welcome developments like these, but I for one would like to believe that a country with such a large reservoir of intelligence and patriotism as ours will before long realise that the restoration of a competitive market is the quickest way both to increase prosperity and social justice.

Extensive regulation and over-government are major evils from which our country suffers. In the U.K., the new government has introduced a Competition Bill which abolishes the Price Commission and restores competition. We need a similar measure which abolishes the National Planning Commission, as in Sri Lanka, and goes in for de-control over the entire range of our economy. The wisdom of such an approach was anticipated by that great man, Abraham Lincoln, who had aptly said a century back :-

"You cannot help men permanently by doing for them what they could do for themselves."

Clean and Efficient Administration

Of course we all need a clean and efficient administration to attend to the legitimate functions of government which are today cruelly neglected - the maintenance of law and

order, the provision of water, coal, power and roads, and an infrastructure on which the people can build their prosperity in freedom.

To expect this from our politicians in Delhi calls for a degree of optimism which I for one cannot mobilise. I see little to choose between the rival protagonists for office and power. They have all lost credibility. According to a Gallup poll taken by the Indian Institute of Public Opinion in August 1979, 76% expressed the view that present day politicians are by and large "guided by exigencies of their own political career" and only 10% believed that "they care about the national interest". This deterioration in political standards has been accentuated, according to 59%, during the last two years of Janata Party rule. How can this vacuum be filled? That is an important and intriguing question, but this is neither the place nor the platform from which an answer can be attempted.

One thing is clear that we cannot expect clean or efficient administration so long as our young Democracy is burdened, as it has been since Independence, with matters which are not the legitimate functions of government. The Statist pattern of our economy and the excessive controls that have developed have resulted in a concentration of political and economic power in a few hands in New Delhi. This in turn has raised the stakes in the competition for political office so high that all scruples and all decencies have been thrown to the wind. Tacitus wrote in his "Annals" that "the more corrupt the republic, the more the laws". We might more appropriately put it the other way: "The more the laws, the more corrupt the republic".

Meanwhile, it is our task to maintain a free and pluralistic society against the encroachments of government and the politicians. Such a society needs what the great Italian political scientist, Benedetto Croce, described in the last quarter of the 19th century as "autonomous social forces". The plantation industry and UPASI represent one of such forces which exist in India. It is in the national interest that you should survive, thrive and get stronger. My best wishes to you.

Since I would not like to end on this somewhat gloomy note, I think you have a right to ask me then, if this is so, "Who will save India?" To that question I will answer that among those who undoubtedly will save India in the end are the thousands of hardworking, dedicated teachers of both sexes who are paid miserably but who stay back after school hours to help backward students and troubled boys and girls. We shall be saved by doctors and nurses who do not quit at the end of their shift in hospital but continue to serve the sick. We shall be saved by young entrepreneurs who risk their

savings and investments to launch a new business. We shall be saved by parents who deny themselves their needs to give their children the education that they themselves were denied. We shall be saved by hardworking social workers and fund-raisers, mostly women, and by young men in uniform prepared to lay down their lives for the country.

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