

OCT 74

290

REFORM OR REVOLUTION ?

by Mr. R. Masani

Addressing the Rotary Club of Bombay on 30th March, 1971, almost immediately after the General Elections to Parliament, I had ventured to observe: "Soon the Cheers will die out in the distance and the garlands will wither away. Only the hungry faces of the poor will remain The real danger of this election, the real crisis will come a couple of years from now when the hopes that have been raised are belied." It would appear that moment of truth has now arrived.

On May 15, 1974, Prime Minister Indira Gandhi, in an interview with two Bangladesh journalists said: "It is really the economic difficulties which urge political movements and agitations." One is rather inclined to agree with the Prime Minister that the root of the political and moral crisis that is now facing the country is the economic collapse reflected in rising prices, growing unemployment, industrial stagnation, and food shortage.

It has been said in another context that yesterday's crisis is last night's bad dream and today's faded memory. Alas, this is not that kind of crisis. Since the policies followed for the last twenty years have been counter-productive and disastrous, it is greatly to be feared that unless these policies are changed the crisis will deepen in the months and years to come.

THE BANE OF STATISM

It becomes necessary then to consider how all this came about and what are the causes of the economic debacle. At the risk of over-simplification, the

answer appears to lie in one word -- 'Statism' -- or what the French call 'Etatisme', the religion of the state. In India it is generally called Socialism, though in other countries there are Socialists who are not dedicated to Statism but who put Democracy first and Socialism later. Such are, for instance, Lee Kwan Yew, the Socialist Prime Minister of Singapore, and Willy Brandt, the Leader of the German Democratic Party, and H. Schmidt, the present Chancellor of West Germany.

The evils from which we have suffered are not, therefore, those of democratic socialism but of Marxism and it appears to me that India, if it is to recover, has to discard what Solzhenitsyn in his letter to Brezhnev described as "that filthy, sweaty shirt of Marxism". In case it is felt that the distinction I am seeking to draw between social democracy and the Indian version of socialism is somewhat overdrawn, perhaps it would be worth while referring to Uma Vasudev's biography of Indira Gandhi called Revolution in Restraint. On page 253 of this very adulatory biography, the author writes: "In the early 1950s Mrs. Gandhi explicitly stated that in order to make the country strong, remove poverty and eradicate illiteracy, it would be better not to have any opposition parties". Now, not to have opposition parties is really not to have Parliament, and not to have Parliament is not to have elections, and to have neither Parliament or elections is not to have democracy.

The second Five-Year Plan and its planframe were prepared in Calcutta by a group which gathered at the Indian Statistical Institute for a year or so in the mid-fifties before it was published. The people who prepared the planframe, from which all our country's economic difficulties stem, were Professor P.C. Mahalanobis, the Director of that Institute, three Soviet planners from the Gosplan in Moscow, a Polish Communist, Oscar Langer, and a French fellow-traveller, Professor Bettelheim. Prime Minister Nehru, bought this package and forced it down the country's throat. It is thus not democratic socialism but the Moscow

pattern that was imposed on the country.

That some of us cannot be accused of talking from hindsight can be established by the fact that the moment the planframe was published, we got up a little study group in Bombay under the auspices of the Indian Committee for Cultural Freedom, of which Professor Hannan Eszekiel and I were members, and we prepared a note or paper which warned that if that planframe, which was to provide the framework of our successive Five Year Plans, was accepted, India would be placed on the path to ruin. The story of the last two decades shows that the basic policies embodied in the Second Five-Year Plan and those that followed have been basically contrary not only to the laws of economics, but also to the laws of human nature.

NEEDED A 'U' TURN

That is why. Mr. N.A. Palkhiwala, when giving his annual talk on the Union budget earlier this year, put the matter very aptly when he said: "What India needs is a 'U' turn", namely a complete reversal of the basic economic policies followed during the last twenty years. Spelt out in one sentence, it involves a delinking of political and economic power currently concentrated in a few hands in New ^{ly} Delhi, a general removal of excessive controls, the need to correct the wrong order of priorities by starting with agriculture, irrigation and road-building, then going on to the consumer industry and ending up with the heavy industry and, even lower down the scale of priorities, atomic energy installations. To me, the setting off of a nuclear explosion at a time when many of the villages in this country are unable to obtain clean drinking water and when the larger part of the cultivable area lacks irrigation was a striking example of a criminally wrong order of priorities coming strangely from those who talk incessantly about social justice.

Then again, a 'U' turn means a drastic reduction in non-productive expenditure, the slashing of the rates of direct and indirect taxation, the eschewing of

deficit finance, the linking of bonus and wage increase to higher productivity and, last but not least, an effective programme of population control with which our government has been playing the fool for the last two decades. This, I take it, is what Mr. Palkhiwala meant when he talked about a 'U' turn.

The question that needs to be placed on the order of the day is how and by whom is this 'U' turn to be executed and whether it can be achieved by reform or by revolution.

As it happens, I am a Liberal Democrat and believe in reform rather than destruction. I agree with Jayaprakash Narayan when he says that in the end all violent revolutions produce nothing permanent.

SOME STRAWS

Now, reform in India can come in any one of three possible ways. The first would of course be the happiest -- a change in policy by the present Government. There are some hopeful straws in the wind which one notices. First a slight reduction in the income tax rates in last years' Union Budget, though it does not mean much as the benefit will be more than eaten up by inflation. Secondly, the withdrawal of the state monopoly in wholesale food-grains trade. Thirdly, resistance to the unjustified and inflationary demands of Indian Airlines, Air India and railway employees, for which credit should be given to Air Marshal P.C. Lal who started this healthy trend.

SOME STRAWS

A drowning man clutches at a straw and we in India happen to be in something of that position today. But it is said that one swallow does not make a summer. Do three? Unfortunately, there are some

straws which point the other way. For instance, the appointment of Mr. K.D. Malaviya and the acceptance of the resignation from the Planning Commissioner of Dr. Minhas; the prodding from New Delhi of the Bengal Congress Party to restore cooperation with the Communist Party; and the Ordinance which at one stroke destroyed a fourth to a third of the investments in share capital of thousands and thousands of middle class people and thus aggravated the inflation it was supposed to combat. So there are straws floating both ways and it is difficult as yet to decide which trend will win.

There is a danger of those in office being committed so thoroughly that they cannot retract even when they are able to see the results of their policies. The French Socialist leader, Francois Mitterand, told the French press something which illustrates this danger. He said that a full year before President Allende of Chile shot himself on 10th September, 1973, he had tried to warn President Allende against the path of doom for himself and his country which he was following and had appealed to him to desist from the path of ruin on which he was set. As it happens, Allende agreed with him and said he could see disaster looming ahead, but when Mitterand asked him why then he could not turn away, his answer was: "I am committed and, when the time comes, I shall shoot myself". Which he did a year later. One only hopes that this story does not provide anything of an analogy with the situation in New Delhi but it does provide a psychological insight.

If, unfortunately, the present Prime Minister and Government do not change their policy, there is another democratic alternative, and that is that the people of India, at the next General Elections, would display enough intelligence to change the Government. That is how it should be. But here too are some major hurdles. One of these, is of course, our electoral system, the

.. 6 ..

crude British electoral system of 'the first past the post', which has proved disastrous in India for twenty-five years and which has now broken down in Britain itself, as shown by the recent elections in February and October this year.

ELECTORAL REFORM

In India, right from 1950 to date, we have had a series of minority governments masquerading as representative of the people. Prime Minister Nehru, at the height of his popularity, could never get more than 48% of the votes polled.

Since for twenty-five long years we have had fantastic majorities of two-thirds or three-fourths of the members of the Lok Sabha elected by a minority, the result has been that a minority has ruled India while the majority of the electorate has been permanently disfranchised. The illusory hope that the British electoral system would provide a two party system against which I had warned Sardar Vallabhbhai Patel during a meeting of the relevant committee of the Constituent Assembly, has proved false. We Indians are Latins and not Anglo-Saxons, and no electoral system can stop us from having a multiplicity of parties. The solution is some form of proportional representation. But unfortunately no government which enjoys a fictitious majority can be expected voluntarily to give it up in the interests of justice or democracy.

The only other way then for a democratic change is for all non-Communist opposition parties in India to form one big democratic party. That too is not easy. Rajaji and I tried very hard from June 1970 to January 3, 1971, to bring this about. Unfortunately, it would appear that nothing short of a miracle would be needed to persuade the selfish, petty-minded leaders of the existing political parties to subordinate their personal and party interests to the interests of the nation. With that bitter experience, I may be forgiven if I am sceptical about the

current efforts being made.

First of all, I do not think those concerned will all get together and unless they do so, a mere partial consolidation will not do much to undo the mischief of the British electoral system. Secondly, even if they did get together, can the electorate be expected to vote for them? -- a hotchpotch which has nothing in common except a desire for the removal of the present government? I doubt it. Thirdly, if they did get elected, what kind of government would they provide? Would it be strong and united enough to restore discipline and bring about the 'U' turn which is what the country needs? Again I doubt it.

LESSON OF HISTORY

When reform fails, history teaches us that there is no alternative to revolution. It is a question of time. Poverty and universal franchise make a very explosive mixture. If any proof were needed, we have had it in the last few months. First Gujarat and now Bihar. It is good that my friend Jayaprakash Narayan, with his maturity and his dedication to principle, is at the helm in Bihar to prevent the futility of another Gujarat.

Till Jayaprakash Narayan emerged on the political scene at the beginning of this year, I had felt as a student of history that India was following the path that Indonesia under Sukarno, Ghana under Nkrumah and Chile under Allende had pursued to their doom. As a liberal democrat, I felt depressed at this picture but as a student of history I felt the parallel was valid in all fundamental respects.

There is a lot of difference between forecasting and advocating a development. A cancer specialist detects cancer, he does not support or

.. 8 ..

advocate it. A weather specialist in the meteorological department puts out a storm signal, but he does not welcome the storm.

I have always responded warmly to what Winston Churchill, a great Democrat, had to say very aptly on the subject when he observed in his characteristic style: "Of all the known systems of government, Democracy is undoubtedly the worst", and then he continued after a pause; "except all the others".

A FREE COUNTRY

But is Democracy the same as majority rule ? Or does it mean a pluralist society where a citizen has the freedom of choice as a worker, investor, producer and consumer; where there is a free press; where there is freedom of expression and dissent? That in my view is a free society. Majority rule may or may not exist with a free society. For example, Hitler won a free election and then established a dictatorship. Does a majority justify Nazism or any other form of totalitarian dictatorship such as Communism ? We have to learn to distinguish between a free society and majority rule. Mr. N.A. Palkhiwala put his finger on the spot when he observed not long ago that while it is good to have both a free society and democratic government, if one is driven to a choice, a free society without elections is greatly to be preferred to rule by elections without a free society.

I am glad that Jayaprakash Narayan has come forward to provide the country with an alternative to the Indonesian, Ghanaian and Chilean path. We are fortunate to have in him a leader qualified to make a peaceful Gandhian revolution. I am optimistic enough to believe that, if Jayaprakash Narayanan lives long enough and

.. 9

.. 9 ..

survives the obvious dangers to his health, he might be able to bring about a revolution of a non-violent nature where one can have the 'U' turn India requires without a violent revolution or a military take-over.

Is it enough for us then to wish J.P. well and then sit on our hands at home ? If we pass the buck in that manner is it likely that the desired result will follow ? It is what the people of India do from now on that will decide which of the paths that loom ahead will be followed. What is needed is grass roots leadership to provide the infrastructure ~~without~~ which political parties and democratic structures floating at the top tend to shrivel.

Field Marshal Maneckshaw said last May in Bombay that "Of all the shortages in the country the most acute shortage is that of leadership in every walk of life." That is true, and what I would presume to add is that perhaps the quality of leadership that is shortest in supply is moral courage. As Dr. Samuel Johnson observed long ago: "Courage may not be the greatest of virtues, but it is the one without which all the others are useless."

..