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A Comment on Prof. Kirtidev Desai's note "The Present Crisis - A Way Out?"

by M. R. Masani

1. Prof. Desai has performed a service in posing the issues that face us. I would like to supplement what he has said and to provide a somewhat different emphasis.
2. I agree with Prof. Desai that "even now there is a fighting chance to stop the country from going over the precipice". I am afraid I am not equally optimistic about the viability of the methods that are mentioned in his note.
3. To me the note suffers from a lack of realism, in that it plays up the political and moral issues while soft-peddalling the economic ones. As I see it, most of the evils from which our public morality and our democratic life suffer are the direct consequences of the adoption by Pandit Jawaharlal Nehru after independence of what he called a socialist pattern and what I would more precisely define as a Marxist State Capitalist pattern of society. I frankly do not believe that either the moral or political ills from which we suffer can be eliminated unless there is what Mr. N.A. Palkhivala has aptly described as a 'U' turn in the economic policies and plans pursued during the last twenty-five years. Starting in the middle fifties with the Plan Frame for the Second Five Year Plan, which was prepared at the Indian Statistical Institute in Calcutta by Prof. Mahalanobis in collaboration with three members of the Gosplan in Moscow, Prof. Oscar Lange, a communist economist from Poland, and Prof. Bettelheim, a French communist economist, this country has been put on a path which predictably must lead to economic chaos, moral collapse and the loss of Fundamental Freedoms. This is not a matter of hindsight because some of us had warned of these consequences ever since the Second Five Year Plan was published. We had warned that political democracy and "socialism" of the State Capitalist pattern cannot co-exist for long and what we had forecast is now happening. There is no cause for surprise at these developments, but only cause for surprise that they could not be foreseen more widely.
4. Prof. Desai is not unaware of all this because in paragraph 6(1) he does mention this economic collapse but he does not seek to analyse its causes. Not once in the whole note is the 'Filthy, sweaty shirt' of Marxism, as Solzhenitsyn has described it, even mentioned. Quite frankly, one cannot fight an evil if one is not prepared to label it correctly. More than 2000 years ago Confucius had said, "to call things by their proper names is the beginning of wisdom". I suggest therefore that the evil be identified as Marxism and then measures be considered for eliminating it.
5. I greatly fear that no combination of existing political parties is likely to perform this task. The historical record shows that the leaders of existing political parties have neither the vision nor the altruism to subordinate their factional interests for the common good. My own experience between June 1970 and the 3rd of January 1971 has convinced me that it would be optimistic to expect a change of heart on the part of those concerned. Even if by some

miracle the leaders of these parties could dissolve their parties and merge in a new party, their image and credibility is I fear, so damaged that I do not believe the people of India would give them the necessary mandate. If they obtained such a mandate, I fear that they would be unable to deliver the goods.

6. What are these? First and foremost the restoration of economic discipline and an end to the violation of the laws of economics and of human nature. This means the acceptance inter alia of the following policies:

- (a) A drastic reduction in Government expenditure
- (b) A drastic cut in ^{the rates of} direct and indirect taxation
- (c) The eschewing of deficit finance and other inflationary policies and the establishment of an Honest Rupee
- (d) Decontrol and the end of the system of permits, licences and quotas, including the drastic liberalisation of foreign exchange controls and import licencing
- (e) The linking of all wage increases to higher productivity and the ~~drastic punishment of those who lead or sponsor illegal strikes.~~
- (f) ^{restoration of labour discipline} The extension of anti-monopoly legislation to government enterprises and the restoration of a competitive market and consumers' preference
- (g) A correct order of priorities, placing agriculture ^{and infrastructure} first, Consumer goods industries next, and heavy industries last.

7. ^{population control} It is only when Statism has been demolished that we can look forward to a reduction in the massive corruption which Statism has created by the Sub-ordination of economic power to political power, and the consequent creation of black markets and black money. To talk of removing corruption while this political and economic power continues to be concentrated in a few hands in Delhi, against which Acharya Vinoba Bhave had warned many years ago, is unrealistic. The national life has to be depoliticised and the resistance of the "New Class" in New Delhi to be overcome.

8. Majority rule through the electoral process and a fair and pluralistic society with individual liberty sometimes go together and at other times do not. It is good to have both. But when a country is driven to choose between the two, freedom without democracy is infinitely preferable to democracy without freedom.

9. I do not wish in any way to discount the many useful suggestions made by Prof. Desai with which I am in hearty agreement, such as, for instance, Electoral Reform that brings in the list system or some other form of Proportional Representation, or the setting up of non-party citizen councils for the redress of popular grievances, or the promotion of the consumer movement.

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10. Since I hold the view that by the methods Prof. Desai has suggested it will not be possible to stop the situation from worsening -- a contingency he refers to fleetingly in paragraph 12 at the end of his note -- it may fairly be suggested that I should spell out the outlook which would face the country in such an event. I can only do so in the most tentative manner since I do not believe in determinism of any kind.
11. It appears to me that India has now entered a turbulent phase and faces a revolutionary perspective. This is not something to be welcomed, but something which I as a student of history cannot avoid seeing. It appears to me that only a change of regime can deliver the goods and restore economic discipline in the way that is necessary. Obviously, such a regime would have to be firmly opposed to Marxist policies. It is possible that in Ceylon, where there is a well-established liberal democratic party like the United National Party with Mr. Jayawardane at its head, such a change of regime might perhaps be secured as a result of an election. For reasons that Prof. Desai has indicated and which I have underlined, such a possibility appears to be extremely remote in India, however desirable it may appear to democrats like ourselves.
12. History, in somewhat similar circumstances, has shown that the change is more likely to come in a somewhat cataclysmic manner. The policies and the situation from which India is today suffering are only too likely to lead us to those which obtained in Indonesia under President Sukarno, in Ghana under President Nkrumah and in Chile under President Allende. There is no reason therefore to rule out a similar solution in our own case.
13. Making such a forecast is something altogether different from advocating it. The weather expert when he forecasts a storm does not support the storm but only advises that the boats should be pulled ashore. The cancer specialist when he diagnosis cancer does not espouse cancer but he urges appropriate surgery or treatment.
14. What I myself would advocate is the undertaking by all of us of a process of basic public education in which the evils from which the country suffers are identified, and where the 'U' turn which the country needs is spelt out so that, when the time comes, our people are able to distinguish between right and wrong and between good and evil and are able to bring the country back to the path chalked out in our Constitution and to a free society where the freedom of choice of the worker, the producer, the investor and the consumer are restored.
15. Such a process of education would do nothing to come in the way of the suggestions that Prof. Desai has hopefully made. Indeed, it is a matter of satisfaction that, whether one is able to foresee a democratic solution or a cataclysmic one and whichever way history may move, the duty of all genuine democrats is the same -- to educate the masses of the people of India to the values of freedom and a free society.

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Discussion on the Future of Democracy sponsored by the Adult Education Institute and Indian Liberal Group in Poona on May 17, 18 & 19, 1974.

Present :

Dr. S.P. Aiyar
Mr. M.R. Arya
Mr. S.P. Barua
Mr. Dilip Chitre
Mr. N. Dandekar
Mr. C.T. Daru
Prof. K.D. Desai
Prof. Ram Joshi
Mr. M.R. Masani
Prof. P.G. Mavalankar, *M.P.*
Mr. Balraj Madhok
Mr. M.R. Pai
Mr. Ramu Pandit
Mr. S.V. Raju
Mr. Kanshi Ram
Prof. Pravin N. Sheth
Mr. Bhanu Pratap Singh
Mr. K.H. Subramaniam

CONCLUSIONS

Statement of the problem:

At the root of the political and moral crisis is the economic collapse which has developed as a result of rising prices, growing unemployment, food shortage and industrial stagnation. The crisis is a direct consequence of the Statist policies followed by the Government during the past two decades, its inflationary policies and wrong priorities leading to the neglect of agriculture and wasteful expenditure on capital - intensive heavy industrial projects in the government sector.

The prevailing massive and widespread corruption stems from these Statist policies; and the fight against corruption therefore has little meaning if it does not involve a reversal of the counter-productive policies which have led to a dangerous concentration of political and economic power in the same hands. The developments of the past decade and a half have shown that Statism and Democracy cannot co-exist for long.

This growth of Statism and its effect on economic development and the democratic way of life were viewed with concern. There were two views in regard to its causes. One view was that this was due to a misguided understanding of the role of the State in regard to the problems of development; the other was that Statism has been a consequence of Marxist influence on Indian policies.

Programme:

What is therefore immediately needed is:

1. A complete reversal of economic policies which would involve inter alia:
 1. Decentralisation of political and economic power and the delinking of the two.

- ii. Decontrol and the end of the system of permits, licences and quotas including a drastic liberalisation of foreign exchange controls and import licensing.
 - iii. A correct order of priorities, placing agriculture, irrigation and road building first, consumer goods industries next, and heavy industries last.
 - iv. A comprehensive programme of social justice and welfare to cater to the needs of the weaker sections of society.
 - v. Drastic reduction in government expenditure.
 - vi. Rationalisation of the entire structure of taxation and a significant reduction in the burden of taxation.
 - vii. The eschewing of deficit finance and other inflationary policies and the establishment of an honest rupee.
 - viii. Extension of legislation relating to monopoly and restrictive trade practices to government enterprises and the restoration of a competitive market and consumers' preference.
 - ix. The linking of bonus and wage increases to higher productivity.
 - x. A vigorous and effective programme of population control.
2. The adoption of electoral reform embodying the Second Ballot as, for instance, in France which would remove the gross distortion of the popular will which has made a mockery of representative government, given rise to an unjustified perpetuation one-party dominance, and made possible Amendments which have destroyed the spirit of the Constitution and undermined the Rule of Law, including the proposed 32nd Amendment to the Constitution which would have the effect of destroying the independence and freedom of conscience of elected representatives instead of combating defections.
 3. The restoration and strengthening of States Rights and the maintenance of the principle of autonomy to achieve a better Federal balance.
 4. The restoration of the Fundamental Rights of the Citizen as embodied in the Constitution adopted in 1950 and resistance to encroachments on civil liberties.
 5. Freedom of the Press and an end to the government Monopoly and control of Radio and Television.

Tasks:

In order to achieve these tasks, multi-pronged action is the need of the hour. Priority should be given to :

- a. The consolidation of democratic parties and elements;
- b. The promotion of professional groups and voluntary agencies such as farmers' associations, student bodies and youth organisations;
- c. The strengthening of the Citizens Council movement like "Citizens for Democracy" initiated by Jayaprakash Narayan;

- d. Conducting an educative campaign and disseminating ideas and values through the press and other media;
- e. Providing guidance to protest movements so as to prevent them from falling into wrong hands.

Such activities at different levels need to be coordinated with a view to avoiding overlapping and duplication as well as to forging a powerful thrust in the struggle for liberal ideas.

It is hoped that the Adult Education Institute and the Indian Liberal Group, which have sponsored this discussion, will undertake this task of coordination.
