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WILL LIBERALISM SURVIVE SOCIALISM ?

by

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~~13th December, 1959.~~

There is an idea afoot that liberalism came before socialism and therefore must fade out before socialism. I would like to examine that assumption and suggest~~ing~~ looking fifty or a hundred years ahead to consider which is the more likely to survive, and which in point of time is getting outdated today.

a little

I would like to be ^{a little} autobiographical, to start with. In 1934, I established in this country, along with Jayaprakash Narayan and some others, ^{the} Congress Socialist Party. In 1959, ~~six years ago~~, I joined with Mr. Rajagopalachari and others in establishing the Swatantra Party, which is a Liberal party, and not a socialist party. Thus, not only ~~does~~ a Liberal party get established by a former socialist, but another former socialist, Mr. Jayaprakash, blessed our coming into existence in 1959 and said that it was a good thing for India that this party had come into existence.

and this is the case

Now, how did it happen that two of us, ^{and this is the case} who represent a major trend throughout the world, switched over from a socialist to what may be considered an anti-socialist position? ~~How did this happen? I think it happened for two reasons. One was age and the other was experience, and the two are related.~~

When I went to London as an ardent socialist, I met a Conservative Member of Parliament, who happened to be a friend of my father's. He was very nice to me and entertained me to a meal. He casually asked me: 'Young man, what are your politics?' I said: 'Sir, I am an ardent socialist.' The old Tory patted me on the back and said: 'Very good, my boy. That is exactly what you should be at your age. You see, if at 21, you are not a socialist, you have no heart. But if at 41 you are still a socialist, it means you have no head!' It is interesting that by the time I was 41, I wrote a book called Socialism Reconsidered in which I renounced socialism and declared my liberal and Gandhian faith.

I remembered the old Englishman who had by then died. How right he was!

Now, our great leader, Mahatma Gandhi, used to say that consistency in political affairs is 'the virtue of an ass.' He was himself a very inconsistent person, who moved from position to position as he developed and the world developed. The point I am making is that it would be very stupid for anyone to hold on to a point of view or a dogma, disregarding what is happening around him over a period of time.

Briefly, the reasons why my friend Jayaprakash Narayan and I stopped being socialists were twofold. The first was the basic failure of the Soviet experiment to achieve the objectives for which the October Revolution had been made.

Having watched the failure of the communist experiment in Russia to deliver the goods, we both therefore began to grope towards something else, some alternative system of thought or values. We found this alternative in two things. One was what is broadly called liberalism, of the kind that Liberal International embodies. The other was the thought and actions of Mahatma Gandhi, with whom we came into intimate contact, whom we fought as socialists for many years till he converted us.

Now, Gandhi taught us two things basically. One was that ends and means are interlined, that you cannot produce a better society by methods that are not clean and decent, that the end does not justify the means. By the time your means, which are ~~an~~ dubious, are practised, your end gets vitiated. In other words, to take the Soviet Union by liquidations and butchery, by distortion and lying, you cannot produce a more fraternal society. You have only got to look at the kind of men who have ruled the Soviet Union to realise that this is not a more fraternal society: Stalin, Molotov, Vishinsky, Khrushchev. These are not the embodiments of a more brotherly, free and equal society.

The other thing Gandhi taught us was that the State was no longer

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a great friend of freedom and progress in the 20th century, that perhaps the biggest threat to human freedom comes from the State. This Gandhi repeated a hundred times in different ways by saying that there is no violence as evil as the evil of violence of the Government. All other violence can be forgiven, understood or controlled, but when the Government becomes violent and dominates and oppresses the people, that is the most foul kind of violence. ~~Therefore, he was vigorously opposed to socialism and communism.~~

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Gandhi phrased his test of any system in this way. He said:
"I will give you a talisman. Whenever you are in doubt, or whenever the self becomes too much with you, apply the following test. Recall the face of the poorest and the weakest man whom you have seen, and ask yourself, if the step you contemplate is going to be of any use to him. Will he get anything by it? Will it restore him to a control over his own life and destiny?" In other words, Gandhi, being a lover of the poor ~~that~~ man that he was, to him any "ism" or any ~~own~~ system was to be tested on this touchstone: what does it do for the lowest, the poorest, the least privileged? This, I think, is a very good test for all liberals to accept.

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Now, I walked with Gandhi for ten days on his "Harijan tour" in Orissa in 1934, immediately after the Socialist Party was formed by my colleagues and myself. I tried to convert him to socialism. But at the end of the ten days he had not converted me from socialism, and I had not converted him to it. I thought he was a very interesting man, but thought him out of date. That was in 1934.

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In 1955, twenty-one years later, I visited Yugoslavia, a communist country, and I heard the Yugoslav communists talk about the evils of nationalization and State capitalism as ~~put~~ practised in Russia. I heard them talk about the virtues of decentralisation and I said to them: "You know, Gandhi told me all this twenty years ago and I called him a reactionary." In other words, Gandhi's precept that Government is best which governs the least is 100 per cent up to date and in line with the latest trends everywhere.

Let us get our definitions right about socialism. Let us ~~get~~ consider whether the methods of socialism lead to the aims of socialism being achieved. I start with the assumption that all of us want to see an end of poverty, that we all want to see an end to glaring inequalities of status and opportunity that we want to see people free and happy in a fraternal society. That, I think, is basic to liberalism.

Now let us see what socialism is. The Oxford Dictionary has a definition of socialism which I would like to read to you. But before I go to the Oxford Dictionary, let us get the aims right. I think the aims were best put by Lenin. He was a communist, but he was a great man, and he defined the aim of communism or socialism as "a free and equal society." ~~I think it is a legitimate aim.~~ I would still accept it as valid ultimate objective.

Now, the methods of socialism, ~~as I said~~, are spelled out in the Oxford Dictionary, which reads as follows: the Soviet Union.

"The principle that individual liberty should be completely subordinated to the interests of the community, with the deductions that can be drawn from it, namely, the State monopoly of land and all capital."

The British Labour Party has as its objective "the nationalization of the instruments of production, distribution and exchange," which means the State ownership of all industry, all trade, all banking, all lands.

Let us consider to what extent, wherever socialist methods have been tried, these methods have actually achieved, or furthered, the aims of socialism. That is, to what extent, the State ownership of industry, trade and land, create a more free and equal society?

The only countries where socialism has been properly tried out are the communist countries. The other countries, which we shall

discuss later, may sometimes have socialist governments for a while, but they still carry on the system of competitive free enterprise, or "capitalism", as it used to be called. Therefore, the only countries in which socialism has been completely tried out are the Soviet Union, Communist China and the captive countries of Eastern Europe.

Let us consider the Soviet Union which, is the classical case, both because the experiment has lasted for 45 years and because it is the Fatherland, the leader of the communist world. What are the results of 45 years of practicing the methods of socialism or communism? Here are some of the indices.

The rise in the standard of life in the Soviet Union over the last 45 years has been about the slowest in the world, Collin Clarke and other economists have provided data showing the curve in the rise of the standard of life of people in other parts of the world has almost uniformly rise more sharply than in the Soviet Union. Now, this is an amazing phenomenon, that the revolution that was made to improve the lot of the common people, has resulted in exactly the reverse, the relative absence of progress compared with so-called capitalist countries.

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This can be measured by simple things - housing, clothes, food, the things people use. In the Soviet Union, housing is about the shabbiest phenomenon. Even today, sometimes while families have to share a room. In other words, the conditions which we associate with slums in Bombay or Calcutta, are still not known in the Soviet Union. That is because the Soviet Government has not thought it fit to provide the cement, the wood and the steel to build homes for the people.

Clothes are a notorious weakness. Every Soviet woman envies the foreign woman her clother and cosmetics. The Soviet man has to wear shabby suits and shoes. The result is that Soviet diplomats and technicians who go back from India carries half a dozen suits and half a dozen pairs of shoes, on which they make a very handsome

profit back home. There is a black-market in clothing and shoes.

The quality of goods is appalling. Mr. Khrushchev, who at least had the virtue of being very frank, quite often with a sense of humour to boot, said very rude things about Soviet consumer goods. He once said of Soviet beds that you could not lift them from one place to another. ^{in fact} They are so heavy, the wretched things! "Can't we make decent beds for people to sleep on?" he asked.

Then there is a very interesting story about Khrushchev and ^{the} ball pen. It happened at a diplomatic banquet in Moscow three or four years ago when he was the boss. A Russian lady went up to him with her menu, offered her ball pen and asked Mr. Khrushchev, to autograph the menu for her. The boss tried to write his name. Nothing happened. He tried two or three times but the ball pen was not working. So he glared at her, as if she had manufactured it, and handed it back to her. He took out his own ball pen, wrote his name with a flourish, and said: "since this is American, the damned thing works."

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The saddest failure of Soviet Socialism has been in agriculture, which is of much more interest to us in India than it may be to those in Europe. If you read the publications put out by the Food and Agricultural Organisation, which give statistics of ^{per acre} comparative production of foodgrains and other agricultural commodities throughout the world, ~~it would surprise you to know that~~ the Soviet Union comes, near to China, at the bottom of the international scale. In so far as producing grain rice, and wheat per acre is concerned, Soviet agriculture is among the most unproductive. ~~Ever we are not as badly off as they are.~~

Now, it is very interesting, that 45 years after the revolution, Russia which was an agricultural country, lags behind comparable countries in Eastern Europe and in Asia.

In fact, you find that the countries with the smallest farms are the most productive, while the countries with the biggest farms ~~are~~ as in Russia and America, are less productive. This is something which

most of us have not yet grasped -- that only a small farm, intensively cultivated by a family, gives a bumper crops while large farms, whether they are capitalist or communist, in spite of the mechanisation, yield smaller crops. If you see the tables of the F.A.O., you will find that the two best countries are the Republic of China in Taiwan and Japan. So far as rice is concerned, Formosa produces the highest crop of rice per acre in the whole world with Japan coming a good second. After these two little Asian countries, which have very small farms of two or five or seven acres, as in India, we get Denmark, with slightly bigger farms, and England, with still slightly bigger farms, and Germany and France. As the farms become bigger, the productivity per acre drops, until we come then to the United States which, in spite of efficient capitalist production, is quite low in its productivity. Then comes the Soviet Union, last comes Communist China.

What the Soviet Union has done is to produce a great deal of steel. That is about its greatest success in the economic field. Steel and machinery they have produced. The reason they have produced them is militarism. They wanted to dominate the world; and so they produced steel, which goes into tanks and jet planes. Another thing that they have excelled in is the space programme.

Now, the Soviet people are somewhat bitter about this distortion of giving to space programmes and militarism what should be coming to them for their own needs and the needs of their children. This bitterness comes out in funny stories, because in Russia the only way you can criticise the Government is by telling anecdotes.

After Mr. Gagarin came back from space and the whole world went in raptures, the Russians told a little story, which was that a foreign correspondent, soon after Mr. Gagarin's victorious return from space, went to his home to interview him. He knocked at his door and a little girl came out - Gagarin's little daughter. And he asked: "Can I talk to daddy?" The girl said, "No, he has gone out to space." "Out to space again?" he asked: "What a pity. How long will he take to get back?" The girl said: "We will be back after four hours." The correspondent said: "He had come a long way said:

"I will wait here. May be I can talk a little to your mummy instead?"
"No", said the little girl. "Mummy is out too." "Where has she gone?" he asked. "Oh! She has gone to the baker's to get a loaf of bread." So the man said: "I will wait. How long will she be away?" The little girl answered: "She will take eight hours because she is in a queue!"

~~xxxxxx~~ Now, the other claim made for socialism is equality. Never mind if we are not prosperous, we at least can all be equal. There again, ~~I am afraid~~, the results do not justify the hopes some of us had. ~~I was one of them in 1919 or 1920~~, that socialism would deliver the goods so far as equality is concerned.

10) The Soviet Union today has more wide inequalities than many so called capitalised countries. The differential between the worker and the manager, between the ruler and the ruled, is wider than in most other countries. In the United States, for instance, the ratio of payment between the highly skilled worker and the non-skilled worker, ~~when we in India know as the coolie~~, is only 2½ : 1. The highest skilled technician does not get more than 2½ times the wage of the most unskilled labourer. In India, it is pretty bad. It is something like 20 or 25 : 1. One would like to see that gap narrow. In the Soviet Union it is just as bad. In Soviet Russia for the last two decades they have had ~~Soviet~~ millionaires, who own millions of rubles in State bonds. They are known as "Soviet millionaires".

The interesting thing is that they are not taxed. In India the highest income-tax and wealth tax exceed 100 per cent. You are taxed on your capital as well as your income. Your wealth tax and your income tax combined can exceed your income for the year. I once made a proposal in Parliament that it should be restricted to 80%, as in Sweden and this was rejected by our present Socialist Government. In the Soviet Union, there is only one rate of income-tax for rich and poor alike. This is 13%. Whether you are a millionaire or you are a worker, you pay 13% of your income as tax. No progression. This would be considered highly reactionary in a capitalist country, but it is considered to be communism in Russia.

Perhaps the most fantastic thing is that there is no inheritance tax. They had it once, but they abolished it. In other words, if you leave million of roubles for your children, they get the whole lot.

All this shows that, far from being the country of equality, the Soviet Union is a personification of glaring and gross inequalities and inequities in society. That is why Milovan Djilas, the communist, former Vice-President of Yugoslavia, wrote a book called The New Class, in which he describes how, under the slogan of socialism, the new class of rulers in Russia, the commissars, the managers of State enterprises and the Red generals, are exploiting the peasants and workers while talking socialism and communism all the time.

So, socialism does not deliver prosperity. It does not produce equality. Does it give freedom? Of course not. The loss of liberty is the most obvious thing in the socialist countries. Lenin was a great man, He was an idealist gone wrong. He imagine that, after a short period of dictatorship, liberty would be restored by the benign Communist Party to the people. The State would "whither away". Now, some of us have been waiting impatiently for this process to start. There are no signs of it yet either in the Soviet Union or any other communist country. The State keeps its monopoly of power very securely in its hands.

Leon Trotsky, who was himself a great communist, said about the Soviet Union, that the old motto: "He who does not toil, neither shall he eat" had been replaced in Russia by a new motto: He who does not obey, neither shall he eat. Because in Russia you have the ration card and if you do not obey or do what you are asked to do, then the ration card is withdrawn and you and your family can starve.

Now, all this had been foreseen by a very wise Italian political philosopher, Benedetto Croce, that in any country where there were no "autonomous social forces", liberty was bound to disappear. By "autonomous social forces", ~~liberty~~ he meant people who own their ~~factories~~ factories, people who own their shops, people who

own their land, and people who practise independent professions like lawyers, doctors, engineers and accountants. In other words, when every one is an employee of the Government, you cannot possibly have freedom or democracy, because there is no one to oppose or criticise the Government. It is only when a peasant can say that this land is mine, that he can stand up to the official. But when you have no peasant proprietors, no businessmen, no free professional people, obviously it becomes a slave State.

Now, let us consider what has been happening in a semi-socialist society like India. Now, we have been practising, or trying to practise, socialist methods for the last 15 years. What is our plight today? We do not have to go to Russia to find out what are the first fruits of socialism. Is there more prosperity? Are we better off than we were in 1947? The answer is NO. Living standards have been stagnant since the British left in 1947. Some classes have benefitted, some are worse off.

7 The Indian Government admits that the real income of the agricultural labourer, the landless labourer in the villages, has gone down in the last fifteen years. He does not take home as much as he could in the old days under the British. The real income of the industrial labourer is more or less stagnant. When the price of living goes up, he gets a dearness allowance. It is not 100 per cent, it lags behind the rise in prices, but let us say that, by and large, he has not lost ground. Anyone who knows anything about the middle class knows that its standards have gone down shockingly in the last fifteen years. In fact, the middle class is being ground out of existence today in India. The biggest victim of socialism is the lower middle class, the educated man with a small income, the clerk, the school master, the shop keeper.

Then, who has benefitted? If the middle-class, the working class and the landless labourer are all worse off, who has benefitted? The answer is a small number of people have benefitted. Because we have a mixed economy, we have a mixed "New Class." They are not all commissars; some of them are commissars and some are businessmen. And what they do is that by a means of a controlled so-called

socialist economy, where more or less ^{protected} monopolistic conditions are created, they share the profit. If I am in power and I give a license to somebody to produce something with a protected market, he gives me back 10% or 20% of what he makes. So political patronage, operated by dishonest politicians, officials and businessmen, creates a new ring of exploiters which replaces the old system.

Equality? No. It is agreed by almost every one that the result of our three Five Year Plans has been to make the rich richer and the poor poorer. Even the advocates of socialism themselves complain that there is something wrong. Every time a Five Year Plan is put across, it creates more inequalities for the reasons I have just explained.

The workers are no longer as happy about socialism as they were fifteen years ago. Fifteen years ago every trade unionist wanted his industry nationalised, because he thought capitalism was reactionary and socialism would be progressive. Last year, one of our big bank unions, the Reserve Bank Union - passed a resolution on 4th July, 1964. For the first time a trade union came out openly opposing nationalisation. This is what the resolution passed at a specially convened meeting of Reserve Bank employees said:

"This Association is opposed to the nationalisation of banks since experience shows that nationalisation is not conducive to the interest and welfare of the workers".

They found out that the management was more reactionary, more bureaucratic, more heartless than that of any private bank in India has proved to be.

This is, by and large, now the general pattern of trade union reaction: "We have had enough." In Britain, they found this out about ten years ago. We are pretty well catching up.

The best summary of the situation was given by none other than Mr. Nehru, who imposed socialism in India. It is amusing that he gave his judgment in another country than his own. Mr. Nehru was

in Khatmandu, the capital of Nepal, in 1959. Speaking from the superior heights of life in India, Mr. Nehru said in Khatmandu, in a public meeting, something that summarises what I have been saying:

"Socialism in a poor country can only mean that it will remain permanently poor."

Now, I come to the alternative, the Liberal path, the ~~liberal~~ way. If socialism does not serve the purposes for which it was intended, that is, moving towards a freer and more equal society, is liberalism the alternative?

Now, what is liberalism? Liberalism, according to Hobhouse, the great British liberal, in his book on Liberalism, which is a classic, is "a belief that society can safely be founded on the self-directing power of personality, that it is only on this foundation that the true community can be built. Liberty then becomes not so much a right of the individual, as a necessity of society."

Prof. Parkinson of our own time, said in an article recently published in England, "The word Liberal means generous or open-handed. Be generous with what? With freedom and political responsibility." Now, these are two quite good definitions of liberalism. How do we apply them to the problem of social welfare or social justice with which we are concerned? Their application to the economy means a free economy. Now, what is a free economy? There are many variations of the free economy in different parts of the world, but one thing is common to all of them - the Government plays a limited and restricted part. The Liberal economics are the economics of limited government, but ~~minimum~~ government. Social controls and regulation are necessary but must be restricted to the bare minimum. That is one aspect.

The other aspect of a free economy is the "the Consumer must be King". Now, what does this mean? Who is the consumer? All of us

are consumers. We all buy something or other. We, our wives,
even our children buy things for their needs. Therefore, the whole
country is made up of consumers. The whole nation is the consumer.
What does it mean that the consumer must be King? This means that
what should be produced in a country should be what the people want,
should be something for which the people are prepared to pay a
price in the market. The pattern of production must be dictated,
not by Government, not by a Planning Commission, not by the dictat
of anyone, but by the collective will of the people, as expressed
in the market place.

This has been well described as "the ballot of the Market
place". The ballot of the market place is superior to the ballot
of the political election. The ballot of the election, which is in
our Constitution, is a very valuable right. It says that you may
vote one in five years for Parliament and the State Assembly.
Now, I was elected at the last elections. The people of my constituency,
rightly or wrongly, elected me. They cannot do a thing about it for
the next five years. I may behave badly, I may make money by graft,
I may misrepresent their views in Parliament. There is nothing they
can do to get rid of me. Outside Switzerland, where they have the
right of recall, there is nothing you can do to your representative
for five long years. After that you may correct your mistake. Now,
the ballot of the market place has a great superiority over the
political ballot. You can change and shift your choice from hour to
hour and day to day. You can buy one brand of soap one day, change over
to another brand the next day, if you do not find it good. You can
change your perfume, your lipstick, your shoes, your clothes - everything.

How does this choice of the small man - does not matter whether
he has ten rupees in his pocket or a thousand rupees - affect the
pattern of production? It affects it through the profit motive,
through what is called the law of the market, which is the only sane
economic law - the law of supply and demand. The industrialist or
the businessman does not produce for fun or for love. He produces for
a profit. He produces what will get him a profit in the market.

And profit is made when the demand exceeds the supply, because when the demand exceeds the supply, then prices go up. But where the supply exceeds the demand, prices drop.

Now, let us take a concrete example. In this country, we have the Monsoon. We have a fixed rainy season which you may envy us for if you like. We rain from June to September then in most parts of the country, we can put away our umbrellas and overcoats till next June! At the beginning of every monsoon those whose umbrellas or coats have worn out, or who do not have one, buy something for the rains, and in Bombay, the appropriate shops are full of umbrellas and overcoats at the beginning of every Monsoon.

Now, who decides how many umbrellas and how many overcoats should come on the market or should be produced? The people decide, not the industrialists. The people of Bombay or India decide how many coats and how many umbrellas shall be produced next year. How is it done? It is done as a result of the experience of the previous monsoon or the previous two or three monsoons. This is called market research. It is reflected in profit and loss. Let us assume that in the last year the 1965 monsoon, which has passed a lot of umbrellas got left over. Every one made a bee-line for an overcoat. What is the result? The result is that next year fewer umbrellas will be produced and more overcoats, because what the man who produces is concerned with is to sell for a profit, to get his money back and make a profit on it. If, on the other hand, all the umbrellas get sold and there is a shortage of umbrellas, and too many overcoats are left in the market, next year more umbrellas will be produced, and less overcoats.

The biggest capitalist has thus to consider what the smallest man in the market wants, ~~even what kind of label he wants, or packages.~~ What appeals to our young men and women will decide what the biggest capitalist in India will produce.

This is how the consumer is King and this is what is called a free market economy. This is the liberal economy as opposed

to the socialist. Socialism says that a group of 5, or ten or 15 people sitting in Moscow or Delhi will dictate to the people what they shall take. This is 100 per cent true in Moscow and 40% true in Delhi. The National Planning Commission, arbitrarily selected, becomes God. They decide what you shall buy and what you shall not buy, and at what price you shall buy it.

The Liberal way, on the other hand, is the way of letting people freely decide what shall be produced for their needs. This is a system which is practised in the whole world, except for the Soviet bloc or the communist countries, in different forms. It is set out in the Liberal International's Manifesto.

Now, the Manifesto of the Liberal International, which was adopted many years ago, is still valid because liberal principles do not change in every five or ten years. Among these principles in the Manifesto, there are certain items are of an economic nature:

"The right to private ownership of property and the right to embark on individual enterprise; consumers free choice, and the opportunity to reap the full benefit of the productivity of the soil and the industry of man. The suppression of economic freedom must lead to the disappearance of political freedom. We oppose such suppression whether brought about by State ownership or control or by private monopolies, cartels and trusts. We admit State ownership only for those undertakings which are beyond the scope of private enterprise, or in which competition no longer plays its part. The welfare of the community must prevail and must be safeguarded from abuse of power by sectional interests.

Now, I think this is a very fair statement of what I have been trying to say.

The examples of this kind of a free economy range from the United States, which have achieved the highest standards of life and equality for its people, Britain, the Scandinavian countries,

France, West Germany, with its German miracle produced by Dr. Erhard, a great Liberal, Japan, the one country in Asia which has raised its standards of life to European standards Australia and New Zealand.

What are broadly the results? One is prosperity. The buying power of the man in these countries is out of all proportion to what it is in the socialist countries. Here are the figures of how long a worker has to work in America and Russia to obtain the same commodity. It is very interesting. It shows you where labour is exploited, and where it is really free. For a loaf of bread - this was valid last year and could not have changed very much - for buying a loaf of bread, the U.S. worker had to work for six minutes. The Soviet worker had to work for 36 minutes to buy the same loaf of bread. For a pound of butter the U.S. worker works 19 minutes, the Soviet worker 3½ hours a ration of 10;1. For a pound of sugar, the American worker works for three minutes, the Soviet worker for 54 minutes - 18;1. For a man's cotton shirt, 1¼ hours in the U.S. and 13 hours in the Soviet Union - again 10;1. The same for shoes 10;1, 11;1 for a suit: 10;1 for a woman's shoes: 10;1 for soap, - and 5;1 for Vodka.

So whatever your needs, you can get them in by working in the U.S. about fifth or a tenth of the time you do in the so-called socialist states.

Even the Indian worker, under so-called capitalism, is better off than Russia under socialism, since he does not have to work as long as a Russian worker, ~~he~~ get a pair of shoes or some cloth.

Khrushchev was taken round to see the homes of workers in Pittsburgh during his last visit to the United States. After visiting the homes of these steel workers, the press asked him: "Well, Mr. Khrushchev, what do you think about our workers' homes? And Mr. Khrushchev, who had seen radio sets, television sets, frigidaires, a washing machines, nice furniture, nice pictures,

carpets and one or two cars per families, made a classic remark, somewhat bitterly, but still with a sense of humour and fairness. He said: "So the life of the capitalist slave is not so bad after all!"

~~Now~~ I think I have said enough to show that there is no question about the fact that Liberal methods lead much faster to the socialist objective than socialist methods. Liberal methods, which are economic freedom or economic democracy, lead to social justice, equality, prosperity and freedom much quicker than the methods of State Capitalism or State-ism, which in France is called 'Etatism'. That is a much more accurate name than socialism, which may mean anything or nothing.

~~Now~~ It is interesting that most of the world is beginning to see this. The world trend is away from communism and socialism and towards liberal democracy. This is not surprising because, after all, human intelligence wins in the end. In the last British House of Commons, which was dissolved in 1964, here are the figures of the age groups of the various Parties.

An even more interesting comparison comes from Germany. Now the German Socialist Party, as you know, has always been the leader of world Marxism and socialism. In the Socialist International they have been the biggest bloc. Let us see how they feel about it. They produced a new programme in October/November 1959. It is basically their programme now. In this country, the Swatantra Party was established in 1959. We produced our ^{Party} Statement of Policy in August 1959. The German Social Democratic ^{Party} published their new draft Manifesto in October/ November 1959.

When I started sending new programme of the Socialist Party, it sounded rather familiar. So I got hold of my own Party's programme. To my surprise and delight, I found that there was hardly any disagreement - that the programme of my Liberal party and the programme of the German Socialist party were exactly alike.

Even the Communists are now moving away from socialism. Even in Poland, Hungary and the Soviet Union they are edging away, as fast as they can under a dictatorship, from collectivism or Statism. You have got to read the works of Professor Lieberman who, while protesting that he is a socialist, is trying to get away from the dead hand of the past, which is keeping down the standard of life of the Russian people.

It is important that we discard labels and look at the facts behind them pragmatically. An American Professor has coined a very good phrase on this point. He has said that in our time all "isms" have become "wisms".

There is a great Liberal in the Philippines. He is Carlos Romulo, who represented his country with great distinction in the U.N. for many years. Two or three years ago, he was nominated President of the University of the Philippines in Manila. A group of "Leftist" or communist students went to him and put to him a question, asking for his declaration of policy. He was asked: "Mr. President, are going left or right?" Carlos Romulo, a good Liberal, answered: "I am going forward."