

Meeting of the British Group of
Liberal International on 15th
February, 1961 at 7.30 p.m.

(654)
~~Liberal~~ I challenge - *Drake*
became jumping over
Grand Hall
Biggest democracy

Strategic positions symbolic of underdeveloped
Most underdeveloped area underneath the hats
and caps men wear.

Achievements

Free Elections *& opposition*
Rule of Law - *But Constl amendments*
Press

Physical Construction - *Industrialization*

Pakistan - relaxation - tribute to Brohi and
Dayal

Shines by comparison with neighbours

Parth Br. Agency
of administration, law & education

BUT - disillusion and cynicism

(a) No Public Philosophy

Back turn of Gandhi

Socialist pattern and secular democracy
do not inspire

(b) Gulf between profession and practice

- (1) Unity vs. groupism
- (2) Austerity vs. grab
- (3) "Not an inch of Indian soil will be
surrendered" - only 10,000 sq. miles

- (4) Non-alignment vs. double standard
e.g. Dalai Lama vs. Nepal Congress

- (c) No alternative Government

Double imbalance.

II

S.P. - Nagpur resolution the spark plug

Three pronged attack

- (a) Ceilings
New depressed class - £ 22.10 per month
for family of five
- (b) State monopoly in wholesale trade and food
grains
- (c) Joint cooperative farming equals Kolkhoz
Voluntary nature a myth
P.M. in Parliament
Can't live for three years, won't get
back old farms

Nagpur Resolution made broad based opposition
party viable

52% of population owned land

Initiative taken by All India Agriculturists'
Federation

Professor Ranga, C. Rajagopalachari, K.M.
Munshi, Raja of Ramgargh, S.K.D. Paliwal
Sir H.P. Mody.

Welcome by J.P. who is non-Party

Philosophy in a Nut-shell

Faith in People's capacity:

Abraham Lincoln: The legitimate object of
government is "to do for the people what needs
to be done, but which they cannot, by indivi-
dual effort, do at all, or do so well for
themselves."

Erhard: "Let the men and the money loose
and they will make the country strong."

Gandhi: "That Government is best which governs
least."

Defence of farm and family c.f. Japan
in industry mixed economy on equal terms,
faith in competitive market - no monopoly.

Need for checks and balance and autonomous
social forces - no concentration of economic
and political power in same hands, otherwise
Djilas's New Class.

Planning

Opposition to Soviet type planning which
cannot co-exist long with Parliamentary
democracy e.g. Planning Commission -
Super Government.

A.P. Jain (Times of India - 11.5.1960)

"....the leadership of the Prime Minister
as its Chairman gave the Planning Commission
a 'position of prestige which rivals the
Cabinet'. Secondly, the system gave rise to
dual responsibility at the top level with
two highly-placed persons tackling the same
subject, one as a Minister and the other as
a member of the Planning Commission. 'There
are occasions of rivalry and friction and
cases are not unknown when the Planning
Commission has encroached on an area which
by all standards is reserved for the execu-
tive. This widening gulf between our policy
making and departmental working has already
given rise to various types of difficulties..."

Andhra ceilings bill and President's query
re. his own powers

Proper planning body the Cabinet and planning
mechanism the Budget.

Contrary to common impression *to be* those of *down of*
collectivised economy ~~to be rated~~ in body
politic lower in backward country *lower*

All sided development - no false priority to
heavy industry - tightening belt for future
generation } Stable currency - honest rupee

Controls source of corruption

Hence limited Government guarantee against corruption

Second point of departure (developed since birth
of the Party) - Defence Policy.

"When our territorial integrity has been violated and our soil occupied by a communist power, the concept of non-alignment has little meaning. Our policy therefore now needs to be reviewed and brought into closer relation to the realities of the international situation. In the Party's view, this is not the time for ideological adventures in domestic policy. The measures necessary for ensuring the country's security and defence include: the settlement of outstanding issues with Pakistan and serious consideration of the offer made by Pakistan for collaboration in the defence of the sub-continent; collaboration with the countries of South and South-East Asia with a view to concerted measures for the security of the region; and vigilance against infiltration and fifth column activities."

Character of Party - predominantly Liberal
e.g. Liberal International, Gardone
Association

In view of rural character small holders - Party
in Hungary before 1948

Outlook

No resistance to ideology but

organisational problems staggering

c.f. Western Europe shortage of men
and money - big business timid in
controlled economy - e.g. companies
bill.

III

Optimistic regarding outlook for India

Popular education and awareness spreading apace
Barring coup on Fitzgibbon's line, which unlikely
but cannot be ruled out in view Defence Minister
No great danger - *CP only resistance value*
Vitality of production ^{of} forces will survive
Government policies.

Economy refuses to die.

Richard Fry, Financial Editor, Manchester Guardian Weekly - January 26, 1964:

"When the period of the second plan ends,
it will be shown that the public projects
have fallen short of the target by 10 per
cent while private enterprise has done
nearly 40% more than its stint."

But population major problem - Scissors
too little being done
Even budget of 1% in III Plan turned down
by Planning Commission

India will remain dependent on foreign aid
for at least half a century

Nehru's ^{ambitions} unrealistic

Government to Government loans to be deprecated.

- (a) At India's risk
- (b) Wasteful
- (c) Strengthens authoritative trends

Equity capital best form

- (a) At investor's risk
- (b) Fosters people to people cooperation

Basic reasons for investment and aid

- 1) Tremendous potential market
- 2) Internal stability
- 3) Enlightened self interest
John Donne "No man is an island
entire in itself...."

"The income per head of an India and an American stood in a proportion of one to fifteen in 1938; in 1952 the proportion was one to thirty-five."

(M. Pierre Moussa in "The Proletarian Nations")

Risk of inaction outweigh the risk of action

"We cannot be sure of outcome even if we strongly help. We can be reasonably and pessimistically sure of outcome if we do not help."