

CONTROLS AND FREEDOM

M. A. Sreenivasan



FORUM OF FREE ENTERPRISE

SOHRAB HOUSE, 235, D. NAOROJI ROAD, BOMBAY-1

CONTROLS AND FREEDOM

M. A. Sreenivasan

TO talk of controls in a free economy may, at first sight, seem antithetical and incongruous, like talking of Kangaroos in Malabar Hill or of a strike in Peking. But such an impression would be superficial. For, controls are not inconsistent with freedom. Paradoxical as it may seem, they are necessary for true freedom to flourish and expand.

All around us, we see how the seeming contradiction between freedom and control is seized upon and exploited by enemies of freedom. It is part of their plan to confuse people into believing that liberty is the same as *laissez faire*, and that individual freedom means the law of the jungle, and thus to condition the people to accept regimentation.

It happens that I am one of the lucky few that have not spent all their life at the wrong end of the control business. I was, for a few years, actually administering controls, in an economy that, under the regime of a Maharaja, seemed freer than it is today.

As Minister for Food and Civil Supplies in Mysore, I presided over a bewildering maze of controls and permits and licences—a veritable Queutopia, to use Sir Winston Churchill's expression. Fresh territory was added to the Queutopian empire at each session of the Legislature, and by Ordinances in between. My officers and I controlled and rationed foodgrains of every kind, from rice, ragi and

"People must come to accept private enterprise not as a necessary evil, but as an **affirmative** good."

EUGENE BLACK
President, World Bank

wheat, to all sorts of pulses and grams. We controlled steel, cement, coal and petrol and kerosene, timber and railway wagons. There was control over cotton and cloth, on wool and silk. One control speedily gave birth to another. Control of foodgrains led to control of fuel, and then to sugar and jaggery, and on to potatoes, and to groundnuts and then to tamarind, and from tamarind to chillies, and from chillies to onions. Every complaint of a shortage or high price of any particular thing became the excuse for imposing control on that thing. Seekers of permits and licences crowded the multiplying offices; and the queues got longer and longer.

It will take long to describe the ingenuity, inventiveness and plain unvarnished mendacity with which people sought to evade the controls that sprang up around them or, at least, to dull their edge. It was quite usual to find what were called ghosts in food ration cards—the ghosts being imaginary members of a household. A favourite ghost was a living grandmother or grand-aunt who appeared as a mouth to feed in many ration cards,—reminding us of the *Devas* and *Asuras* of old who had four, ten or a hundred heads! Remote villages in jungles and swamps, that were listed "*Becharāk*", that is, without light, uninhabited, because they had been abandoned, suddenly sprang to life and teemed with population—judged from the rations claimed by the imaginary inhabitants.

And so it was in one form or another with each thing that was controlled. Control beget hardship, hardship beget resentment, resentment beget evasion, evasion beget blackmarket, blackmarket beget corruption. It was a dismal business.

It fell to my lot to be associated with those war-time

controls. It was an irksome and unpleasant job. The mantle of buying and selling foodgrains ill-fitted my shoulders, or those of my officers. I hoped it was but a temporary operation—like blocking a canal to desilt it and repair its banks and sluices, and looked forward to the day when the controls and restrictions would be a forgotten nightmare.

Happily, the war was over at last. With the advent of peace, and with the coming of independence, people eagerly hoped that the days of regimentation would be over.

Gandhiji, as is well known, was firmly against controls and their continuance. Rajaji abolished food control and rationing in one bold sweep when he was Chief Minister of Madras. But Gandhiji and Rajaji were lovers of freedom. They did not hanker for power.

War is a favourite excuse for regimentation of the people. The excuse for the controls and bans I have described was that there was a war on at the time. The controls and prohibitions were imposed under a high-sounding omnibus enactment known as the Defence of India Act. But in peace time, dictators, and rulers that have tasted power, quickly think of new wars to be waged. There is, for instance, the perennial war against poverty, and the imperative need to fight it "on a war-footing". This kind of war has one advantage that a real shooting war cannot offer. It has no end.

The war-time controls were plain, obvious and unsophisticated. Today's controls and taboos are subtler, more refined, more pervading and less obvious. They are not ugly coils of barbed wire. They are high-walled prisons of polished marble. The God invoked, the Deity in whose

name they are imposed, is not the God of war, but a socialistic Juggernaut whose revelations and commands are vouchsafed to the common people through high-priests, in the form of Five-Year Plans.

The old war-time controls were imposed under the Defence of India Act. Today's encroachments on freedom are not for the defence of India against an alien enemy. They are for the defence of the people against themselves. These stifling endearments, these paralysing embraces of our Government are to save you and me from ourselves, from our silly ideas and initiatives, our rash enterprises, our mad ways and bad habits, and our crazy notions of freedom — for, does not the Government know better than you and me, what is good for us, what we should or should not do?

And, in place of the war-time plea of foreign aggression we have now the plea of foreign exchange, by reason of which the Government has no alternative but to decree fresh sets of controls, permits, quotas and licences.

As a result of all this, our Central Government at Delhi exercises a concentration of power, and operates an array of far-reaching controls that dictators may envy. Just as the Imperial Government did during the war, our democratic Government today controls or dictates the price of steel and cement, sugar and paper, coal and petrol and kerosene oil, coffee, tea and rubber, and a hundred other things. In addition, our Government controls practically all forms of transport; — the fraction that is not controlled is strictly licenced. The bulk of the mining industry and a large part of other industries are reserved for the State — the public sector, as it is called. Government has taken power to say what industries may or may not be started by a citizen or

by private enterprise and how the enterprise may or may not be financed, organised or expanded. The Government's State Trading Corporation has a monopoly or a favoured position in buying and selling several important commodities, and is poised to invade and annex more territory. In the name of agrarian reform, our Government has established a firm hold — almost a stranglehold — on land and agriculture. To crown it all, by nationalising life insurance, by nationalising or gaining sway over most of the banks in the country, and by its credit and currency operations the Government has now got a tight grip over the monetary affairs of the people that a few men in New Delhi can, by remote control as it were, alter or reduce the value of the rupees in your pocket and mine, shrink the worth of our pensions or savings by the pressing of a button. You cannot run, much less start, any industry or business today, without approvals and permits from a number of officials and Ministries and without maintaining suitable envoys in New Delhi, or making costly pilgrimages to that New Mecca-cum-Kashi. You cannot go abroad even to study modern techniques or get new ideas without the sanction of another set of officials, unless, of course, you can manage to get included in one of the official delegations to various parts of the world, to study or demonstrate methods of agriculture — or other culture, such as music or dancing.

To defend our health and our morals against ourselves, our Government has imposed Prohibition. So far, no one is sure if this post-independence control has improved either the health or the morals of the controlled. But no one has any doubt that it has not improved the morals of the controllers. Prohibition takes pride of place among the many controls that have given rise to the large-scale corruption

and the disrespect for law that we meet with everywhere. Rumour has it, however, that this cloud, if cloud it can be called, has a bright silver lining; that wherever Prohibition has been imposed, it has created a new and flourishing industry.

A more striking example of the effect of years of control and regimentation on the minds not of the ruled, but of the rulers, is the statement recently made by the Prime Minister that the Government were thinking of controlling prices as a means of preventing them from going up. One would have thought that a whole decade of experience in administering price-controls would have been enough to bring home the lesson that, so long as inflation continues unchecked, one can as effectively hold the price line by clamping on a fresh set of price-controls as he can bring a fever down by breaking thermometers.

I have described, in some detail, the picture of the old war-time controls we had to endure when we were a subject nation; and of the peace-time controls we are now subjected to as an independent nation, as I know that the matter is very much in our minds today, when we begin the fourteenth year of our Independence.

"There is absolutely no limit," observed Bertrand Russel, "to the absurdities that can, by Government action, come to be generally believed. Give me an adequate army with power to provide it with more pay and better food than falls to the lot of the average man and I will undertake within thirty years to make the majority of the population believe that two and two are three, that water freezes when it gets hot and boils when it gets cold, or any other nonsense that might seem to serve the interest of the State. No person who did not enthusiastically accept the official

doctrine would be allowed to teach or to have any position of power. Only the very highest officials in their cups, would whisper to each other what rubbish it all is; then they would laugh, and drink again."

One of the official doctrines dinned into our heads today is that people of this country cannot, as individuals, or groups of free men, find the resources needed to improve the nation's living standards, and that the State has therefore to step in and take charge of wide and increasing areas of the normal activities of the people. It is astonishing to see the number of people who have come to accept this doctrine as true. They have been converted to believe that the Government gets its money, not from men and women like you and me, or loans borrowed in our name, but in the form of rain from the sky; and that the State gets its man-power not from us, our sons and daughters but from a genie raised by rubbing an Alladin's lamp hidden in the Secretariat.

I have said controls are a necessary ingredient and preservative of freedom. What should be the nature and extent of controls in a free economy?

The controls that have a rightful place in a free economy are those that provide the maximum of assistance with the minimum of interference; controls that regulate and safeguard, not those that regiment and emasculate; parapets, not road blocks; hedges, not barbed wire enclosures. The controls that freedom needs and welcomes are not controls imposed from outside but self-imposed, in-built ones, like the nitrogen in the air we breathe, without which our lungs would get burnt by the oxygen, like the glands and hormones that regulate the beat of our hearts and the size of our bodies and keep us from shaping into giants or dwarfs. I like the controls of roaring flames and fierce

explosions in the Rob-Royce engine of a Boeing airliner that carries us safely and speedily to the ends of the earth.

Controls in a free economy should be like traffic control on a busy highway — strict regulation that does not impede, but helps to make the flow of traffic safer, smoother, and speedier.

The most perfect of all the controls that freedom must have is self-imposed controls — the control exercised on every man by his own conscience, the *Swadharma* commended by Gandhiji, as opposed to "the violence of the State" he warned against. This control is God-given. It is omnipresent and incorruptible. It laughs at evasion. It leads to no blackmarkets.

Can there be a more thorough, a more total way of controlling people than to post an understanding and friendly policeman to accompany each citizen? Yet, this really is what the built-in control of conscience does to every man — so long, of course, as religion is not exiled, so long as *Dharma* is not dethroned. Would it not seem megalomania to dismiss or to destroy the power and influence of these four hundred million built-in policemen of freedom, and to hire a horde of officials and underlings to enforce a hundred controls and commandments?

In the days of horse-drawn broughams and dog-carts, it was the fashion to cut off the tails of the horses and to employ uniformed lackeys equipped with whisks to keep flies away from the animals' posteriors. Of course, the fashion provided new employment. But by removing the built-in controls against flies, it left the poor horses at the mercy of the lackeys.

Not a few of the policies and procedures of our Government are reminiscent of that bygone fashion. I doubt if

even the cunning men that invented the fashion could have dreamed that it would provide the inspiration for so many of our current official doctrines and plans.

When can we hope to see the end of Control-Raj and the attainment of Swaraj? Can anything be done to hasten the advent of that day?

There are, of course, many remedial measures that can and must be undertaken. But, considering the number of years our people have endured and grown accustomed to controls, and the extent to which their minds have got conditioned, it may be too much to hope for quick results. The treatment may be long drawn.

If I were asked to prescribe, I would begin by administering a few antidotes. These would be in the form of further controls "on a war-footing", of which I would suggest the immediate imposition of the following:

1. Control over deficit financing as a means of preventing the cruelty of inflation.
2. Control of the output of the Currency Printing Press at Nasik, and a ban on the erection of more currency printing presses.
3. A ban on the imposition of new controls.
4. Licensing of speeches — and the levy of steeply graded licence fee on speeches exceeding five minutes' duration, with surcharges on Platitude, Piffle and Twaddle, and penalties on Sermonisation.

The views expressed in this booklet are not necessarily the views of the Forum of Free Enterprise.

Based on a speech delivered under the auspices of Forum of Free Enterprise in Bombay on August 18, 1960.

"Free Enterprise was born with
and shall survive as long as man
survives."

—A. D. SHROFF

**HAVE YOU JOINED THE
FORUM?**

Annual membership fee is Rs. 10/-
only.

Bona Fide students can get our
literature for a year by becoming
student associates on payment of
Rs. 2/- only.

Published by M. R. P.N., for Forum of Free Enterprise, "Sohrab
House", 235 Dr. Dadabhai Naoroji Road, Bombay 1, and printed
by P. A. RAMAN at Inland Printers, Victoria Mills Building, 55,
Gamdevi Road, Bombay 7.

8|Dec.|1960

JJ4