

**CAPITALISM**  
**SOCIALISM**  
and  
**ISLAM**

BY **SYED ABUL'ALA MAUDUDI**

**ISLAMIC BOOK PUBLISHERS**

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## Translator's Preface

The author of this pamphlet, Maulana Syed Abul Aa'la Maudoodi is a well-known scholar among the Muslim luminaries of the sub-continent and occupies a unique position of eminence in the Muslim World, not shared by many. He is a versatile genius and has not touched upon any subject that he has not adorned. He has clarity of thought and lucidity of expression with an extraordinary command over language, and in the fewest possible words analyses and expounds the most intricate problems in a way that the reader simply marvels at and is carried away with the force of his argument and the charm of his language. He has a style, all his own, not easy to emulate.

There are few themes under Islamic faith and practice and the affairs touching the life of the Muslim community that have escaped his prolific pen, and it is really marvellous the way he resolves the knotty problems of the community for the general run of readers and provides food for thought to the scholar, only shorn of learned terminology and academic style.

Economics and politics have, in recent times, acquired vast dimensions, and even specialists find it difficult to tackle problems created in their particular fields. Maulana Maudoodi has no claims to erudition in either subject, yet he has touched upon both in connection with the Islamic Economics and Polity and his writings bear ample testimony to the fact that he has a deep insight into both.

The pamphlet in hand is a part of his book 'Interest' in two volumes dealing with various Economic Systems of the world, and was published separately some twenty years back before completion of the second volume. It impressed me so much that I not only recommended it to all those who could read the original, Urdu version, but resolved to convey it through English translation to all such as could not have direct access to it as such. However, the publishers who had encour-

aged me in this task, like the publishers the world over, after completion of the translation consigned it to oblivion and it never saw the light of the day, all my reminders notwithstanding.

It is from a dust-laden and hurriedly scribbled first copy of the rendering of the original that this improved version got resurrected. Things have changed since then. But the changes affect only the ephemeral not the eternal truths which must abide.

Capitalism, Nazism (Fascism) and Communism have been the theme of so many books by Muslim writers in this country and elsewhere, but few have done justice to them. The Islamists have either cursorily brushed them aside as heresy and as such unworthy of their serious attention; others taking sides with either of them, according to their personal leanings, have tried to equate and identify its spirit with that of Islam in a shamefaced, apologetic manner.

Not so with Maulana Maudoodi. He has the courage of his convictions on the one hand, and on the other, is most fair and impartial in his criticism. His worst opponents, save the fanatical few, have admitted that his brief stock-taking of these economic world orders, is the fairest that can be expected from a staunch believer in Islamic faith and his deep insight into them is really marvellous. One may not agree with the panacea prescribed by him for the ills of the unbalanced tyrannical economic system under which humanity is groaning today, but it is very difficult to find fault with his analysis of the malady.

How much success has been the translator's share in conveying the ideas of this great author is for the reader to judge.

SHARIF AHMAD KHAN

Jamia Nagar  
New Delhi-25  
INDIA

# The Background of Capitalism

In the recent past the leadership in thought and action has been the monopoly of the West. Naturally, our problems relating to culture, polity and economy are the same as extant there and the outcome of the same conditions as obtaining in the life of the West. That our thinkers are seeking solution to these problems on the lines presented by the Westerners, is also under the influence of the West, which is reflected in every phase of our life. Consequently, it is necessary to take stock of the historical background of the existing social patterns and also the ground on which the solutions, both prescribed and in practice, are based. In the light of the historical survey, it will be easier to comprehend the issues when they come up for discussion in some detail.

## FEUDAL SYSTEM :

With the disintegration of the western wing of the Roman Empire in the 5th century A.D., the cultural, social and economic integrity of Europe was disrupted. The fabric holding together various nations and countries gave way, because the system which had made it possible had ceased to exist. Although the Roman Law, their universality and creed had left an impression on the minds of Europe, and it exists even to this day, but with the dismemberment of the Empire Europe fell divided into numerous principalities. Old geographical units were divided and even the people of a single racial and linguistic origin, could not bring themselves together to constitute a viable unit. Repeated divisions of territories resulted in the formation of petty estates, manageable by local landlords and this marked the beginning of the feudal system. Here are some of the outstanding features of this system which appeared by slow degrees and with the advent of time became firm and abiding.

1. Land ownership became the criterion of power and prestige and permanent privileges came to be reserved for the land-holders of

the territory. They maintained internal security and were directly in touch with the feudal lords or the king. All other classes, be they the tillers of the land or craftsmen or traders, used to live under subservience to the privileged classes. There were social distinctions among these classes as well, and the society became a ladder in which the occupant of any rung was the god of those on the lower and born slave of the ones on the higher rungs. The highest position was reserved for the family of the estate owner and the lowest the lot of those who could not find any one to dominate and rule over.

2. The Christian Church had been recently established in Europe. It had no code of life of Divine Origin though it invited people with such pretensions. It made a compromise with the upstart (Feudal System) and went on granting sanctions to all the Conventional institutions privileges, distinctions and restrictions which were taking root in the society of the age. Every notion with passage of time becomes an article of faith and any controversy about it even in thought is considered heresy. Therefore every convention that found its way into society attained the position of a commandment and denial of it meant the denial of the Deity and Religion itself. In literature, philosophy, sociology, polity and economics, whatever shape anything adopted under feudal system, the church included it as such. In the 'Scheme of Things Divine', and any attempt to change it became a crime — nay — heresy.

3. In the absence of any central administration, construction and maintenance of highways and insurance of safety in travel became nobody's business, and it had a deleterious effect on commerce, large-scale production and marketing. As a result of these limitations trade and industries became localized and peoples' horizon limited within the bounds of the feudatories.

4. Various industries and trades became departmentalized and permanently attached to one or the other section of artisans and tradesmen. Nobody born in a particular 'trade group' dare cast away his trade, nor any one born outside it could enter any trade. Every professional group had to keep its trade to itself. Production was acti-

vated by spontaneous local demand only and found a market in the adjoining territories, barter being usually in vogue for such transactions. These factors impeded progress and closed the door for technical reform and pooling of resources.

These ills, the outcome of the decline and fall of the Roman Empire, were not in the least remedied by the establishment of the Holy Roman Empire.

Pope Ceasar might have provided uniting fabric in the spiritual, moral and in some degree political fields to Europe, but in the feudal system, whatever shape, cultural, social and economic systems had taken, did not change, nay, it had become so firmly established that any other Code of life was simply unimaginable.

#### RENAISSANCE :

It is beyond the scope of our subject to go into the details of the breaking of this monotony, the factors at work behind it and their mode of operation, and how that all-embracing movement known as Renaissance actually started. Briefly, on the one hand the domination of Spain and Sicily by the Moors, and on the other the crusades, brought the West into direct conflict with those nations of the world who at the time were the torch-bearers of culture and civilization. Although the religious bigotry inculcated in them by the Christian Church stood in their way and did not let them pay attention to Islam, but Muslim contact benefited them in the shape of a vast treasure of thought, knowledge and advanced modes in life which in course of time marked the beginning of a new era.

In the history of Europe, from the 14th to 16th century was the interim period between the middle ages and the modern age. During this period many phases of life of the West showed activity under the influence of the notions imported from outside. They started adding to their knowledge of Physics, Medicine, Mathematics and Engineering. The invention of the Printing Press accelerated the pace of propagation of ideas and knowledge. With intellectual awakening necessarily followed criticism and reform in every phase of life. The knowledge



of various arts imparted a new life to industries, agriculture, trade and every other walk of life. With the discovery of unknown geographical units, the horizon of the vision widened, and also it opened to them foreign markets for the exchange of raw material and finished goods. This exchange gave impetus to commerce which had remained dull for centuries. In spite of limitations, the business of European traders improved both within and outside the Continent. Cities sprang up on all the important centres of commerce and grew rapidly. The centres of wealth, power, intellect, civilization and culture gradually started shifting from feudatories to these modern cities which were now becoming the centres of industry, commerce, modern sciences and arts. The leaders of this new activity belonged to the bourgeoisie class—traders, bankers, industrialists, and controllers of sea-borne commerce—who had profited by the opportunities provided by this change, inhabited cities, used to travel far and wide, or at least stationed within the sphere of outside influence and in whom an urge for change and advancement had already been created. But their paths to progress were impeded by the restrictions in the field of thought, morals, religion and social, political and economic orders created by the alliance of church and feudal system. In whichever walk of life they wished to get out of centuries old ruts of tradition, they were stopped by the clergy and the feudal lord. This gave rise to a struggle against these two powers and a war broke out in every field of activity. In the field of learning and arts the intellectual repression enforced by the church, was challenged, and the right of freedom of thought and research were clamoured for. In the economic, social and political fields the authority of feudal lords was challenged and voice was raised against all the distinctions created under the feudal system. Gradually this struggle resulted in the retreat of obsolete system and the advancement of the newly rising forces; and by the 16th century things came to such a pass that innumerable small feudatories began to merge into larger national states of Europe. The spell of the spiritual bonds of the church was broken. The non-theocratic rulers of the newly founded national states began to confiscate the big estate of the church. Putting aside the universal church the various nations started establishing separate churches,

which, far from being rival powers or partners in authority, were wholly dependent upon the states. And with the breakdown of the united domination of the church and feudal system, the bourgeoisie class gradually became freed of the traditional and social bars maintained by this system which had outlived its utility.

### THE LIBERALISM OF THE MIDDLE AGES :

The crusade against the church and the feudal system was carried under certain principles headed by liberalism. The pioneers of the new order used to preach liberality, generosity and accommodating spirit in every sphere of life and every field of thought and action. Whether it be in the field of religion, philosophy, learning and arts, or social, cultural, economic and political fields, they wished to remove every tie, obstacle, narrowness, and hardship from the path of progressive elements.

In this struggle if the narrow-mindedness of the church and the feudal lords was on the one extreme the liberality of the bourgeoisie was heading towards the other. Selfish motives were operating on both sides. [Neither cared for the right and just course, and true knowledge and unbiased thought were far from both.] If the one defended baseless dogma, unjustified distinctions and self-determined rights and privileges in the name of God, religion and morals, the other as a protest against this in the name of freedom of thought and liberality shook the very foundations of religious and moral truths which had never been questioned through the ages. This was the period when Polity was divorced from the moral code, and Machiavelli openly defended the idea that morals need not be considered where political ends and policy were at stake. This was the age when in opposition to the church and the feudal system, the statues of 'Nationality' and 'Nationalism' were carved out and placed on high pedestals, thus laying the foundation of the evil, 'Narrow Nationalism', which has converted the world into a live volcano of strifes and national hatred.

And it was during this period that the idea of 'Interest' on money being just and lawful was put forward, when from times immemorial all

the canons of religious and moral systems, and doctors of law were of one opinion on the unlawfulness of interest. Not only had Old Testament and Qur'an decreed it unlawful but Aristotle and Plato also considered it unjustified. It was prohibited in Greek and Roman Laws. But in the period of Renaissance when the bourgeoisie rose in revolt against the church, interest was labelled as a necessary evil to begin with, until, under the influence of strong propaganda, the Reformists of the church, under pretence of the frailty of human nature, declared it lawful in emergency. Gradually, the whole stress of moral discussions centred on the rate of interest, and leading thinkers of the age poured out all their eloquence on the issue that the rate of interest should be reasonable. Ultimately, the idea got deep rooted that religion and morals have nothing to do with business matters; from the economic point of view, interest is natural and reasonable and just as nothing can be said against house rent, rationally there is nothing wrong with interest !

But strange as it may appear, during the renaissance, whatever ground the bourgeoisie class had gained from feudal lords, under cover of loud propaganda of liberality, kept it for themselves alone. Their liberality did not remind them of a class lower than themselves, who had suffered much more under feudal system and had a right to privileges brought by liberalism. For example, when the foundation of parliamentary system was laid in England and real authority was transferred from the Lords to the Commons, the whole of this authority was snatched by the liberal bourgeoisie. The arguments they put forth to secure franchise for themselves were clean forgotten when refusing this right to the lower strata of society.

## THE INDUSTRIAL REVOLUTION

The invention of machine in the eighteenth century accelerated the pace of the revolution which began in the renaissance period. New scientific knowledge and inventions when harnessed to industries, agriculture and means of communication, there started a chain of large scale production. acquirement of raw material and supply of finished goods in every corner of the world which could not be imagined before this.

The opportunities of advancement, prosperity, power and authority offered by this mighty revolution were mostly utilized by the same bourgeoisie class which was in power in renaissance and now closest to such advantages by virtue of its hold on commerce, industry, capital and also learning and arts. By combining capital, technical knowledge and power of organization, it brought into existence a new order which is known by the name of 'Modern Capitalism'. Under this new organization huge factories and business concerns were established. Professional classes and brotherhoods on the basis of trades were broken up. For petty industrialists, individual craftsmen and shopkeepers with limited resources, life became insufferable. Artisans from countryside and small towns were forced by circumstances to come down to cities and knock at the door of the capitalist to offer themselves as wage-earners. Petty traders and businessmen were also compelled to strive with the big industrialists and businessmen or accept the position of their agents. Thus the authority that came in the wake of new discoveries was snatched by the bourgeoisie class and they started widening the circle of their enterprises. The greatest obstacle to such expansion was the nationalist state which had come into existence as a result of renaissance movement. Their despotic rulers claimed 'Divine Rights'. The former feudal lords had become their foot-stools, and national churches their religious and spiritual supporters. Political authority rested entirely in the hands of this 'trinity', and this created so many obstacles in the path of the bourgeoisie. They not only impeded their progress in the field of industry and commerce, but there still persisted remnants of the old feudal system in the culture and civilization which were disagreeable to this newly emerging class.

#### MODERN LIBERALISM :

In this era the liberalism which had conquered the first battle, came in the field armed with new weapons and clamoured for democracy in politics, for individual's freedom in social, cultural and literary fields, and in economy a 'Laissez Faire' Policy. They asserted that neither church nor state or society had a right to impede the path of individual's struggle for progress or profits. (Every one should

have a fair chance to use his potentialities and faculties according to his aptitude and might advance as much as he could. The interests of society were best served by giving free rope to the individual; absolute freedom in every walk of life and every field of action from external checks, every conventional bar, every religious and moral bond, and absolutely free from every legal and social interference ! In this way the supporters of this mode of thought did their utmost to bring into vogue everywhere tolerance, free thinking, licentiousness individualism and in short 'reasonability' in their own terminology.

In Politics they demanded the utmost curtailment of authority of the state and greatest freedom for the individual. The state should be nothing more than an agent to prevent encroachment of individuals on each other's rights and to safe-guard individual's security. As for the cultural and economic affairs, they could be entrusted to individual's unaided efforts and the government need not interfere by action or guidance. It was part of the demand in the political field that the authority to rule should neither rest with any ruling family nor monopolised by certain families of landlords. The country belongs to the people, and the machinery of the government is run with the taxes paid by them. Therefore, it is but right that they should have the sole authority to form, dissolve or change governments, and their voice should be effective in legislation and governance of the state. This hypothesis formed the basis of the neo-democracies which sprang up in the world about the close of the eighteenth century.

In the economic field they stressed the principle that if economic laws were allowed to operate freely without external interference and obstruction, the individual's unaided efforts would accomplish the greatest deeds of collective welfare; the production would go on increasing and its distribution would also be affected in the most agreeable manner, provided the individual was given a free hand in his affairs and the government did not meddle with this natural process. This law of uncontrolled economy formed the basic formula of the neo-capitalism.

No doubt this liberality of the period of industrial revolution had

in it certain elements of truth like that of the liberality of renaissance. And these elements of truth ultimately brought it success. But here again the two fundamental infirmities of the western mentality clung to the truths as they had done during the Papal and feudal systems. They were selfishness and extremism.

The selfishness of the sponsors of this order was reflected by the lack of sincerity in the demands of justice and fairplay for the common man. In presenting these sound principles they were not motivated by the love of justice, but by their usefulness in serving their own selfish ends. This was proved by the fact that the rights they demanded for themselves they were not prepared to concede to their employees or the poor public.

As for the extremism, it was reflected in every word and move of the sincere section of their learned men and writers. They took certain truths and exaggerated them beyond limits. In doing so they conveniently ignored certain other truths and the vacuum thus created, they filled with those that would go in their favour. It must be admitted that any truth when exaggerated beyond limits becomes a falsehood and manifests contrary results in practice. This exaggeration and disparagement is apparent in every phase of the system based on the principles of licentious individualism. But for the sake of my subject I will confine myself to the economic phase and show what an unbalanced economic system came into being by the interference of their selfishness and exaggeration with the natural laws of economy and what fruit it bore.

#### MODERN CAPITALISM :

As already pointed out, the economic system based on the liberal theory of uncontrolled economy came to be known as Modern Capitalism. The fundamental principles of this system are as under :

1. *The right of personal property* : Not only the right of ownership of articles of common use such as garments, utensils, furniture, house, conveyance, cattle and the like, but also articles used in the production of various necessities of life to be sold out to others,

machinery, tools, land and raw materials come under this class. The right of ownership of the articles of the first category has been admitted without question by every system that ever existed. The question arises in regard to the second category, comprising means of production ; and it has become a controversial issue whether these can be justly allowed to remain in individual's ownership. The first distinctive feature of the capitalistic system is that it admits the right of the individual ownership. In fact this right is the foundation-stone of Capitalism.

2. *Right of unhampered struggle* : The rights of the individuals to use their resources, individually or in groups in any field they like, the gains accruing thereby or the losses incurred were their own concern. They will face all the liabilities in this business, but no limits can be placed on their profits. They are not bound to limit their production to any ceiling fixed for them, and may demand any price for the finished products they like, offer any terms or accept any liabilities they consider proper in connection with their business and frame any rules they like ; there must be free dealings between the seller and the buyer and the employer and the employee, and whatever terms are agreed upon between them must naturally be enforced.

3. *Profits as the stimulus for work* : The Capitalist system depends for production and its enhancement on the human instinct of greed for gains and profit motive inherent in him, and the system asserts that this is the strongest, nay, the only stimulus for action. By reducing the prospects of profit you limit the field of his efforts and labour. Keep open the prospects of gains and allow every one to earn as much as he can by use of his wits and labour and you will find him putting in his best and utmost in the field of production. This will automatically increase production and its standard will also improve from day to day, all the available resources will be utilized, the circle of supplies of the necessities of life will widen, and thus the love of gains will by itself accomplish the general good which no artifice whatsoever can force them to achieve.

4. *Competition* : The exponents of Capitalism assert that com-

petition is the only check to the selfishness of the individuals in an uncontrolled economy and maintains true equilibrium among them. This is nature's own provision. In the open market with more than one producer or dealer of the same commodity competition must arise and by repeated reductions a proper standard of prices is automatically established, and profits can neither mount too high nor go down too low permanently, accidental fluctuation excepted. In the same way, the employees and the employer come to proper terms of wages and remuneration by natural adjustment due to competition, provided the competition is free and no monopolies and cartels stand in the way.

5. *Discrimination in the rights of the employee and the employer:* Every capitalist institution comprises two parties, the proprietor who floats any business or industry at his own risk, manages it and is responsible for any gains or losses at all times, and the other the daily wage earners and the permanent staff of paid servants who are not at all concerned with the profit or loss of the industry or business. They lend their time and labour or other faculties for this business and are paid for according to the terms mutually agreed upon. At times the business keeps running at a loss, but the labour receives its wages regularly. At other times, the business is ruined entirely and the proprietor bears the brunt all by himself, but the labour is not at all affected save the change of place in shifting from this business to another. The supporters of the capitalist system assert that the very nature of the affair demands that the entire crop of the profits should go to the party who bears all the losses and undertakes all the risks of the business. As for the wage-earner, he is entitled to fair wages at the current rates depending upon the nature and quality of his work. The wages should neither go up with fair gains nor scale down with losses. His work entitles the wage-earner to the wages agreed upon mutually and no more. The rise and fall in the rates of wages, if at all, will be brought about by the natural law of demand and supply governing the prices of all other commodities. In case of abundance of working hands and scarcity of employers the wages will go down and vice versa. A good worker will fetch more for the quality of his work and the skill he puts



in that work, and the proprietor must keep him satisfied with occasional awards and quick promotions in the interest of his own business. The worker would also put in more effort to improve and further the interests of the business in proportion to the fairness or otherwise of the wages. The proprietor would naturally like to keep down the cost of production in order to pocket the largest margin of his profits and as such inclined to keep down the wages. But the workers would, on the other hand, like to meet the necessities of life with comparative ease and to improve, if possible, the standard of their living and would always demand increase in wages. This controversy must give rise to a sort of struggle, but as always happens in other affairs, here too, rates of wages agreeable to both the parties will emerge as a result of accommodation and adjustment.

6 *Confidence in the natural causes of Progress* : The exponents of capitalism assert that since profit in business depends only on low costs and larger production, self-interest demands that the businessman should take to most advanced scientific methods to increase production, keep his machinery and implements in perfect working order, purchase raw material in bulk at low cost and never be complacent in the matter of improving his methods of business and its better organization. All this gets accomplished without external intervention or artifice under the urge inherent in 'Laissez Faire'. Natural laws utilize the individual efforts of vast multitudes of unorganized individuals and groups to accomplish collective progress and well-being unaided, which no planning could accomplish so nicely. This is Nature's own Planning which is perpetually at work but so quietly that we do not usually see it working.

7. *Non-intervention of the State* : The advocates of this system assert that the above-mentioned principles come into full play only in case of perfect freedom of individuals without the least intervention from any source. Nature has provided such a harmony in the economic principles that when they operate together in perfect unison, the result is always the common good, although the individuals are striving each for his own personal gains. As already stated above, when individuals

see their efforts resulting into unlimited gains they put in their energies and capabilities whole-heartedly in the acquirement of such gains, and this automatically results in the largest production of quality goods for one and all. When the craftsmen, traders and suppliers of raw materials are faced with competition in the open market, prices get stabilised automatically. Standards of quality improve by themselves, and the demand of finished goods by the consumers needs no investigation. It does not become a state to interfere in this natural process of production of wealth and unbalance it, but it is only called upon to create conditions ensuring utmost freedom for individual efforts. It ought to maintain law and order, safeguard the rights of ownership, and use the force of law for the fulfilment of trusts, and defend the country and the security of her industries not only against foreign aggression, but the difficulties created by foreign powers in the path of their progress. It is the duty of the state to play the role of maintainer of peace, justice and fairplay and overall supervision, and not to take upon itself those of the trader, craftsman, landlord, or even go so far as to hamper the progress of those engaged in these useful trades by its untimely and frequent interventions.

## ILLS OF CAPITALISM AND THEIR CAUSES

These were the principles propogated with full force during the period capitalism was taking birth. And since there was truth in them, notwithstanding partial exaggeration, they were accepted on all hands. In fact there was nothing very original about them. They were the time-honoured principles based on which human economy had worked through the ages. Originality, if any, was to be found in the exaggeration and force with which some of them were applied to the economy of the period of industrial revolution by the bourgeoisie. Moreover, they did not base the whole structure of their organization on these principles only but introduced some defective principles as were no less important for a balanced economy running its natural course undisturbed, than the ones they adopted. They also rendered some of their adopted principles ineffective under selfish motives. These four factors were jointly responsible for the ills which raised their head in

modern Capitalism and went to such extremes that there was a general clamour against them.

Let us examine these causes briefly :

1. The 'natural laws' so frequently referred to by the advocates of Capitalism in support of their uncontrolled economy are not correct to the extremes to which these people stretched them, not only in their speeches but also in practice. Lord Keynes (1883-1946) was perfectly right when he said, "The natural and physical laws do not hold so much sway over humanity that they may bring about perfect harmony between the interests of the individual and the collective well-being of the society." The deduction from economic principles that enlightened self-interests always endeavour for the collective welfare is no deduction at all. In fact it would not be correct to assume that self-interest could always be enlightened. On the contrary, it is so often noticed that individuals striving in self-interest are either so simple or infirm than they are incapable of serving their own, nothing to speak of catering to the demands of collective interests". It is only common-sense which proved the error of their exaggerated assertions, but experience proved by the practice of the bourgeoisie that their self-interests were not enlightened. They united themselves against the purchasing public, the wage-earner and the government which maintained internal security, and entered into an intrigue to carry away all the spoils of the Industrial Revolution. And this unholy alliance exposed the fallacy of their strong argument put forth in favour of uncontrolled economy that the balance of profits is maintained in the natural course by mutual adjustments. That is why a man like Adam Smith, himself a staunch supporter of 'Laissez Faire' policy in the economic field, was constrained to remark:

"Seldom a gathering of businessmen terminates in anything less than a conspiracy against the public and a resolution to artificially raise the prices. They go so far as not to spare even ceremonial gatherings from such crimes".

In the same manner their thesis about individual ownership and freedom of action regarding individuals' rights which, they maintained,

should not be curtailed, were also exaggerated. [If an individual utilizes his assets in a way which adversely affects the livelihood of millions, or an individual in his pursuit of personal gains marks out for himself a channel having ill effects on the physical or moral health or the well-being of society, there is no reason why he should be given a 'letter decachete' for his favourite pursuits, and the law of the land may not limit his freedom of action in as much as the individual freedom thwarts collective welfare.] They had stretched the non-interference policy of the state beyond its proper limits, and it could not but show its ill-effects. When powerful individuals unite to exploit the masses and the government becomes a spectator or guards the interests of the mighty ones, the result is necessarily turbulence, which once created, does not always confine itself to proper channels.

2. Particularly, during the period of Industrial Revolution this mighty exaggeration of the "Laissez Faire" economy proved all the more erroneous. The fundamental change brought about by the Industrial Revolution in the method of production was the replacement of human and animal power by mechanical power. Installation of one plant meant maintenance of ten workers out of a thousand required for the work previously, which showed clearly it was inherent in this mode of production to throw millions of workers out of job, while retaining a few to run the machinery. For such a type the vehement claims of absolute individual ownership and freedom of striving, and demand of non-interference of the state was on principle most improper. How, on earth, could it be justified that an individual or a group of individuals, just because it had the resources to do so, might be allowed large scale production of a certain kind of goods in a locality without the least consideration for the business of millions of craftsmen producing the same stuff in their homes, shops or small factories. This does not mean that the machine should not have been used at all. Only its blind use should have been discouraged and the government ought to have looked to it from the very beginning that the millions, rendered jobless due to the use of mechanical power in production, were provided for. And since no provision was made for the contingency in the very dawn of machine age, human society was confronted by the gigantic pro-

blem of unemployment unknown in history. And evidently, unemployment is not an isolated problem; it is on the contrary, the precursor of a multitude of intricate problems of material, spiritual, moral and cultural life of mankind. The question is, why a single individual, or several individuals jointly, should be allowed the utilization of their resources in a manner affecting such great intricacies in the collective life. And how can this imprudent utilization be called by any sane person enlightened selfishness which automatically serves collective interests? What a folly to advise the state to sit idle after issuing open licences to individuals for uncontrolled utilization of their resources and close her eyes to a calamity on a national scale brought about by a small group.

3. When this method of production robbed millions of their means of subsistence and they were driven out from their humble seats of industries into the streets of towns and villages to beg the big mill-owners and business magnates for work and their daily bread, it was but imminent that these hungry job-seekers should stoop to the lowest scale of wages offered by the Capitalists. All of them could not be employed and a considerable number of workmen remained permanently idle. And even those who were absorbed were not in a position to haggle with the Capitalists for better terms of employment, for they had come seeking employment to his door uninvited, and resisting his terms they would have starved in the evening. Besides, there were thousands of other idle workers who would have pounced upon their jobs on those very terms. Thus, the whole argument of the bourgeoisie offered in support of the principle that in a free competition, the employer and the employee automatically come to a fair and just settlement of wages by mutual bargaining. And this happened because of the fact that competition there was, but not open. Here one individual had by force taken possession of the means of livelihood of millions and when hunger-stricken they approached him, he offered them work, not to all of them, but to a small fraction, and that too at his own terms. Under these conditions, it is apparent, the whole of the bargaining power had accumulated with one individual, and none of the wage-seekers was left with any to have his terms even considered. That is why with the

advent of modern capitalism during the Industrial Revolution, the society faced not only unemployment but progressive poverty and destitution. Those, who flocked to the big industrial and Commercial centres seeking work there, had to toil for long hours on very low wages. They drudged like beasts. They had to put up in hovels in big cities under worse conditions than beasts. Their healths were ruined, their mentalities became low and their morals ebbed even lower. In an atmosphere of utter selfishness, sympathy was unknown among the nearest of kin—even filial and fraternal love and sympathy seemed to have disappeared. Children became a burden to the parents and wives to the husbands. Not a single phase of life was spared the ill-effects of this erroneous and one-sided uncontrolled economy.

4. And funnier still is the fact that the bourgeoisie who were staunch supporters of liberality and democracy and pitching themselves against the land-owners had secured franchise for themselves, were not prepared now to allow this franchise to millions of those common people whose bread they had snatched. For themselves they recognized the right of organization, each separate industrial group of owners forming an association, wherewith they could propose and decide market prices, remunerations of permanent employees and rates of wages of workers on daily work-basis; but they refused their employees and labour the right to organize themselves and bargain with them with their collective power. To beat all, they insisted on their rights to close their mills and factories without notice and leaving the labour without work thus forcing the hungry stomachs to cuts in the rates of wages. But they were not prepared to recognize the right of their employees to demand an increment in wages through strikes while they fully justified their own conduct in turning out disabled workers from their factories and were not prepared to listen to their entreaties regarding their future; having spent the prime of their lives in working for the betterment of the business, now that they were worn out and had no resources to fall back to, they were left to die on the street.

At this stage the bourgeoisie totally forgot the argument they were wont to put forth in defence of the principles of self-interest as the only motive for progress. They did not forget that prospects of unlim-

ed gains would urge them on to work hard thus ensuring collective progress and general prosperity, but when it came to their employees, they conveniently ignored the fact that those with limited prospects of gains, nay, with very narrow prospects, those with not so happy a present and a darker future, had no reason to put their body and soul in their toil and take the requisite interest in their work.

5. Moreover, they departed from the normal and reasonable methods of business and adopted measures to serve self-interests which were damaging to the collective welfare, helped abnormal soaring of prices and retarded both the production of wealth and the pace of progress.

For example, the Capitalists with their great purchasing power, go on purchasing the necessities of life and their hoarding brings about artificial scarcity and sky-rocketing of prices.

And that hundreds of middlemen, may with their bank accounts and telephone bills, go on buying and selling goods, needlessly adding to its price in every transaction, when they have not justified their share in the margin of profits by either sharing in its production, transportation, or any other service to add to the utility of the finished articles.

And that the goods produced may be burnt or thrown into the sea for fear of scaling down of prices with its heavy influx into the market.

[And that with the help of huge capital luxury articles may be produced, and then demand created for them by unscrupulous advertisement, persuasion, free distribution and numerous other ways of canvassing, thus making it necessity of life for the lower and the middle class who find it difficult to earn bare subsistence.]

And that capital and labour, instead of being invested in the production of the bare necessities of life for the general run of people, is lavishly spent in the production of unnecessary articles just for the greed of a greater margin of profits in the latter investment.

And that an individual or a group may with the aid of enormous capital, present to the consumers articles injurious to their physical and

moral health and dangerous to the culture and civilization, in very attractive forms, and shamelessly appealing to their baser passions, may draw them towards this business and thus drain their none too heavy pockets once they have been set to this craze, notwithstanding their difficulties in making both ends meet.

And above all the most dangerous and devastating method of robbing the weaker nations of their rights in pursuit of commercial and economic interests and dividing the world into various spheres of influence; and bankers and the magnates of industry and commerce of big nations may use their national governments as instruments of their unsatiated thirst for exploitation and entangle them in endless strifes which find solution neither on the battle fields nor at peace conferences.

Does all this go to prove that if individuals are let alone in their drive for self interests, the collective interests are automatically served at their hands? On the contrary, they have thus proved, beyond doubt, that uncontrolled selfish interests are seldom liberal, especially so if economic and political powers also come to be centred with them and they being their own legislators, legislature may become their hand-maid. Under such conditions, in most cases the greater part of their activities is devoted to sacrifice the collective interests to their own, instead of serving them.

6. To crown all, they crossed all limits of reasonability and decency in recognizing the right of the individual to let his hoarded money on interest. Interest has existed in most of the human societies in all ages as a detestable social evil, and moral codes have very often suffered it indignantly. But barring the pre-Islamic 'Jahiliyah'\* of the Arabs, the laurels go to the bourgeoisie thinkers of the modern 'Jahiliyah' of the west for making it the only reasonable method of business, and the only basis for building up the entire economic structure. They moulded the law in such a fashion as to make it support the money-lender instead of the debtor. We are going to deal in some detail this blunder and

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\*Jahiliyah—Unislamic free-for-all man-made code ... of life in utter disregard of heavenly guidance.



its evil consequences in a forthcoming chapter devoted entirely to this discussion, but suffice it to briefly remark here that with interest as the basis of loans and all money transactions, the uncontrolled industrial revolution accelerated the pace of the already one sided flow of all power, money, influence, privileges and gains, and the unbalanced state of corporate life reached its summit. Now the most fortunate individuals in the society were those who had somehow managed to put together some money, and they easily gained supremacy over the talented, the toilers, the planners and executors, those devoted to steering the business through fair and adverse conditions, and those who saw to all odd services in connection with the production and supply of goods. In short, all others, save one who simply lent out money to investors in business and had no more to exert himself, lost importance. The profit of investors and all others in a business is fluctuating and uncertain, but his is fixed and certain. They are exposed to risks of losses, but for him net-profits are guaranteed. They are all bound to take interests in the ups and downs of the business, but the money-lender heedless of everything is concerned only about his interest. When the business is up and flourishing he makes a dash for it with his hoarded money until it gets congested and prospects of profits appear bleak. But in bad-weather for business, he does not only not extend his co-operation, but withdraws the money he had offered for investment earlier until the world is faced with a grave crisis of dull business. In every phase of business there are losses, inconveniences and risks for all those engaged in it. Not so for the money-lender. For, at the most, he risks his rate of interest which may be high or low according to ups and downs in business. Not only businessmen, producers and landlords but governments are working for him and in his interest. They construct roads, railways, canals and invest in other useful works with his loans, and for years, nay, for centuries, collect taxes from the nation to pay out his interest, so much so that if a nation has to wage a war, the public exchequer gets much easier squared with those who lose their lives, or get mutilated or suffer loss of property or others who suffer bereavement of their dear and near ones, fathers, sons, or husbands, but those privileged few of the nation

who lent out money in war, their interest has to be paid for a couple of centuries, and contributions have to come from even those who staked their lives in that war. In this way, this interest-laden economy metes out positive all-embracing injustice to real producers of wealth in every way and in every phase of life. It has placed the entire control of public economy in the hands of a few selfish capitalists who are neither interested in the collective welfare nor render any real service to the society. But since the life-blood of the whole economic machinery, the all-powerful capital, is in their hands and the law of the land allows them to hoard it and let it out on interest, they have not only become the dominant sharers in the country's wealth produced by collective effort, but have acquired the privileged position wherewith they can compel the society to work for their interest, and they wantonly play with the fortunes of nations and Countries.

7. The society that came into existence on the basis of modern capitalism, lacked sympathy, co-operation, compassion, love and allied noble sentiments, and was full of their opposite numbers. What to speak of human sympathy, real brothers could not expect help or co-operation from each other in adversity. On the one side the invention and use of machine was throwing thousands out of work at a time, and on the other, the unemployed, the infirm, the disabled were nobody's responsibility; neither the government nor the millowner nor the money-lender cared for their maintenance. This new order had created conditions and encouraged such morality in them that the support of the fallen or tottering remained nobody's responsibility. All their provisions against accidents, disease, death and other unfavourable circumstances, benefited only those who were earning at the moment, and a little more than they needed, so that they might save it and set it aside for the rainy day. But what about those who were not earning at all or just bare subsistence? What were they to do in their hour of need? The only answer to this question with the modern capitalism is that the needy ought to go to the money-lender, pawn their garments, house-hold utensils or their wives, trinkets and obtain money; and borrow money at a rate of interest which at times may go to three hundred percent. When this amount, he is unable to pay back,

he ought to ask the same money-lender for more money to pay back the former debt.

8. It is apparent that in a society with such heavy percentage of unemployed and millions earning not enough to let them purchase bare necessities of life while shop-windows are bursting with purchasable articles, full play of industry and trade is not possible. That is why we behold the puzzling phenomenon that with immense resources of the world yet untapped and millions of able-bodied workers, with still more persons who go without bare necessities of life and would very much like to purchase luxuries as well as articles of every day use, whatever the factories of the world turn out, though much below their maximum capacity, is left lying in the markets for the poor purchasing power of the people, and a formidable number of unemployed is not put to work for fear of over-production, since what little is produced does not find consumers. Similarly, capital and natural sources are not fully utilized, for the portion that is being handled is infructuous, and any further ventures would be disastrous to both the capital and the development of natural resources.

This unhappy state of affairs knocks the bottom out of the bourgeoisie argument put forth in favour of their hypothesis that in a free and uncontrolled economy the individual effort in pursuit of personal gains automatically provides for the development of the resources and increased production. Experience has shown that development and increment apart, they have, through their short-sightedness, created obstacles in the way of their own personal gains.

# The Reaction of Capitalistic System

These were the factors really responsible for the evils that cropped up in the cultural and economic order emerging from the conditions created by the industrial revolution. We have examined them in some detail in the fore-going pages, and it is apparent from this study that these evils did not appear as a result of those natural laws of economy put forth by the bourgeoisie in support of uncontrolled economy but due to the corruptions with which they got mixed up.

Had timely notice been taken of these evils and the West could somehow come upon a comprehensive and wise guidance which would let them formulate a balanced and even economy during this newly emerging revolutionary period, the industrial revolution would have proved a blessing for themselves and for the whole world. But woe to the western mentality and character that it showed the same infirmity here which it had done on previous occasions, and later history followed the course to which it had jolted earlier. The position occupied formerly by the landowners, the ecclesiasts and the royal families was now taken by the bourgeoisie, and with all their predecessors' unreasonableness tyranny and injustice; and the former position of bourgeoisie with its demand of rights, complaints, chagrin and protests, was now occupied by the working classes of the society. Just as the contented class of the feudal order had made improper use of religion, morals and some truths from the natural laws in support of their unreasonable distinctions, undue privileges and cruel restrictions in their attempts to silence the hue and cry of the have-nots, the contented class of the Capitalistic order now followed suit. And then just the way the bourgeoisie in a mood of irritation, antagonism and frustration, instead of trying to get at the root of the blunders committed by the feudal lords and the church, and rectifying them, spent a good deal of their energy of antagonism against the truth in which their opponents had taken refuge; the working classes and their leaders too in their fury lost their faculty of balanced

thought and attacked the natural laws of culture and economy, in vogue since the dawn of creation, instead of pitching their force against the real evils of the bourgeoisie culture. The middle class, notwithstanding its shortcomings and frailties, is intelligent and educated, and they had maintained their mental balance even in their zeal of protest and opposition. But the masses, oppressed and crushed through the centuries, and lacking in knowledge, intelligence and experience, once they got infuriated under the agony of hardships and bursting with complaints, never thought of using their common-sense in weighing the new ideas before accepting them. The ideas and mode of thinking that fed, sustained and ventilated their feelings of rancour, fury and revenge appealed to them most.

This was the 'worthy' offspring of the irritation of the (plebians), poor, which came to be called \* 'Socialism'. Hardly more than half a century had passed over the birth of neocapitalism when 'Socialism' was born, and in about as much time (a little more than fifty years) the world resounded with its activities.

### SOCIALISM AND ITS PRINCIPLES

The authors of this new creed started their attack from the Right of Personal Property, pointing it out as the root of all evils. Barring personal apparel, household utensils, furniture and such

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\* Socialism really means 'Collectivism', a term coined as an antony of 'individualism' of the neo-capitalistic order. Under this caption various theories had been put forth by the predecessors of Karl Marx. The common end in view in all of them was the formation of a mode of living beneficent to the society as a whole. But they all remained on paper and it was Marx who answered the general demand in a particular form of 'Socialism', known as 'Scientific Socialism', 'Marxism' or 'Communism'. Here we are going to discuss only this particular form, the only one that took root. The technical terms we have used in this discussion are those which common readers are conversant with, and have abstained purposely from learned terminology and finer shades of differences.

other tit-bits, individual ownership of land, machinery, tools and other means helpful in the production of wealth ought not to be allowed as personal property. For an individual in possession of them must produce wealth and hoard it, thus adding further to his means of producing wealth and by means of this accumulated wealth he is bound to employ workers on pay basis, daily or weekly wages or rent of land, which means he will stop at nothing short of what the bourgeoisie capitalist was doing. So why not strike at the root of all evils and save all further trouble. The question arose that like utility articles, the right of ownership of means of production is not an innovation brought into being by the bourgeoisie Capitalists, but such ownership has been the foundation through the ages, on which all cultural and economic structures have been laid. How is it possible to resolve so cursorily to uproot it all. In answer to this a brand new philosophy of history was invented to show that in the beginning of human civilization, the right of individual ownership was unknown; it was much later that the powerful classes of society established them with selfish ends in view. It was pointed out that these rights have been recognized throughout history by all the religious, moral and legal orders. None of them ever went in for the outlook that the culture and economy based on individual ownership of all the means of production is basically wrong. Then came the ready answer that religious, moral and legal orders have in every age been the instruments in the hands of the dominant classes of the society. Those classes which came in possession of the means of production of wealth and monopolized them, stood in need of certain principles, formalities and laws, and those who came forward with these in accordance with their selfish motives, were designated Prophets, Saints, Moral Teachers, Law-givers and Legislators. The working classes have been the victims of this sorcery sufficiently long and they have now decided to break this spell !

Objection was raised that to accomplish complete eradication of these rights a very tough fight would have to be put up in which the various elements of the same nation would come to

grips and class-war would flare up in every town and village of a country. To this came the prompt reply with complete fabrication of the philosophy of history in which it was proved that the entire human civilization has emerged through class-wars and there is no other path for cultural evolution.

The objection was repeated with the plea that it was inherent in human nature to strive for personal gains and every child is born with this tendency, and hence, deprived of the right of individual ownership and the chances of earning in proportion to effort, the individual will lose this inner urge and the result will be disastrous for human civilization. The ready answer came from the protagonists of this new fangled creed : Nature ! Instinct ! Tendencies ! What bourgeoisie nonsense was all that ! There are no such things as these in a human unit. All his tendencies are the product of environment. Change the environment and his mode of thinking is changed, and his being will be nursing a different set of sentiments and showing quite different tendencies. In the order of individual ownership human beings are individualistic in their mode of thinking ; with the establishment of collective ownership, it will change over to collectivism. ]

They were asked as to how they were going to run economic affairs on eradication of individual ownership. Promptly came the reply that all means of production, land, factories and all other institutions of industry and commerce will be nationalized wholesale. The workers in these institutions will get the dividends of profits, and they will elect the managing staff to run the entire economy.

Question was again raised as to how they proposed to transfer the ownership of land, factories and other means of production from individuals to collective charge. There were two different answers to this query :

The exponents of one creed turned round and said that the change will involve democratic procedure ; with sufficient popular support the government will be taken over, and then the landed

properties, industries and commercial concerns will be gradually acquired by means of legislation with or without compensation, as the case may be, and nationalized. These were the people now commonly known as 'Socialists' and their creed at times designated as "Evolutionary socialism"

The protagonists of the other creed answered that the change could not be brought about by democratic means and a revolution was inevitable. To accomplish it the working classes will be organized, every possible method of waging war will be used against the privileged classes, Bourgeoisie government will be overthrown, and workers' dictatorship established. The landed property and business concerns will be taken over by force and those resisting will pay with their lives. All class distinctions will be abolished and the entire populace converted into one class—the working class – (all individuals working for their own bread), and it will be strictly prohibited that any person may make any other person or persons work for him and he may live on the gains thereof. And when this revolution is accomplished, and there is no more danger of the revival of the capitalist classes, this worker's dictatorship will automatically dissolve (God only knows how? Author) by an order in which all departments of life will function by mutual consent, consultation and co-operation without any external governmental machinery or compulsion. This second creed is known as 'Revolutionary socialism', 'Bolshevism' and Marxism. But today it is known to the world by the popular name of 'Communism'.

For seventy to eighty years, this new creed of 'Socialism' with its innumerable offshoots and various schools of thought continued making headway in Europe and her colonies. In the beginning it was a novel idea of a few adventurers, and its introduction, argumentation, and inferences were in their entirely nonsensical, and as such appealed only to the infuriated working classes, not because of knowledge and wisdom but extremely excited sentiments. But craze for originality is one of the very interesting infirmities of



the western\* mind, especially when such originality is utterly devoid of sense and its author presents it in a thoroughly dashing style, trampling accepted principles, and arranges his hypothesis scientifically enough to make it look like a 'system'. These peculiarities were found in scientific Socialism' to the last degree. That was why many intelligent people from the lower middle class and some cynics and a few clever persons from the bourgeoisie class itself turned to this new creed. Soon there were piles of books, pamphlets and newspapers, explaining, propounding and spreading this new cult. Parties holding various views on Socialism were organized in many countries and at last a vast majority of human beings came to seriously believe that a cultural and economic order can be established on the basis of these views.

### COMMUNISM AND ITS BALANCE SHEET OF LOSSES AND GAINS

In so far as Evolutionary socialism is concerned, it has not been able to place before the world any model whereby we can have a clear idea as to how this method is going to transform the individual ownership into the collective ownership and with what results. Therefore, leaving it aside we proceed to take stock of the Revolutionary Socialism or Communism which used to great advantage the conditions created by World War I (1914-18) and brought about a complete revolution in Russia and established there a cultural order based on their views.

The Russian or the scientific Socialism has been the subject of much heated discussion during the past years, there being a regular

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\*It is not under any geographical prejudices that this remark was made. The oriental mentality under the influence of the west is found to be worse. The Westerners have a redeeming feature in this regard for their love of originality and systematic presentation in a scientific style. But here in the East, is emerging a slavish mentality which is overawed by the mere fact that a certain idea comes from some great thinker of the West.

tug of war between its supporters and antagonists in drawing a balance sheet of losses and gains. Those for it, include many items under the columns of credit which are really the points of good management in capable hands. On the other side, its opponents enter many evils in the debit column which are not really the evils of Socialism but the result of authority falling into the hands of cruel and narrow-minded persons.

For example the supporters of Communist Russia are apt to compare the poverty, ignorance and backwardness of Czarist Russia with the educational, intellectual, industrial and cultural conditions prevailing in Russia today, and attribute the resultant (of such additions and subtractions) to the blessings of Communism. Obviously, they are not justified in this calculation. Whatever progress Russia has made during the past thirty or thirty five years, when compared with that of U.S.A., Japan or Germany during the corresponding period, the balance may not go in Russia's favour. Taking for instance Japan of 1868 as regards education, industry and utilization of natural resources, and production of wealth, and that of 1904 in which year she defeated Russia, the progress is really astounding. Or a glance at Germany of 1870, and its comparison with her condition in the beginning of the twentieth century is sufficient to show us how rapidly Germans had progressed in educational and intellectual fields and developed their economic resources and production. When these are placed against the Russian progress sheet, little is left to her credit of those much-talked of laurels. And then, there is no hard and fast rule that all the unusual progress made by a country in a given period is to be credited to the principles underlying her cultural economic and political orders. For it often happens that the entire machinery of collective affairs is running on bogus principles, but wonderful results are obtained due to the individual qualities of her leaders and the fine capabilities of those strengthening their hands. Similarly, many of the shortcomings of Communist Russia pointed out by her opponents are those, more or less, met with everywhere in the regimes of non-Communist tyrants. Therefore, there is no reason why we should add them all to the account of

Communism instead of allowing it due margin in view of some bad persons misusing their authority in a Communist regime.

### MERITS OR ADVANTAGES

Brushing aside the irrelevant items when we look at the accomplishments of communism which has been given to us by its experiment in Russia we find the following in its credit columns :

1, Abolition of individual ownership of land, factories and other business concerns resulted in the saving of the difference between the production cost of articles and their market value due to the numerous additions of the margins of profit of the Zemindar, producer and retailer (middleman's profit) which now went to the public exchequer and could be utilized for common good.

2. By taking over of all means of production by the state under its exclusive control it was possible to develop and utilize them to the best advantage according to pre-conceived planning, and on the other hand to make concerted efforts to meet the demands of the people throughout the country.

3. With all the material resources of the Country at her commands, when the government started running industries under a comprehensive plan, it was possible to employ all the able-bodied men in the Country and also to educate and train people under a well-considered scheme so as to turn out only the requisite number of workers and craftsmen for various trades under the Collective economy.

4. The margin of the profits referred to above when it came in the hands of the government, it was able to utilize a certain proportion of it for 'Social insurance', thus providing for the disability, invalidity, maternity confinement, and many other needs of the workers.

### DEMERITS OR DISADVANTAGES

No doubt, the evils that appeared a result of 'Laissez Faire' policy in the Country's economy needed such an operation and it

(Communism) removed all the putrefying material successfully. But what price Russia had to pay for this operation ! And in her attempts to cure certain chronic ills of the old order what fresh maladies it introduced into the system of the Society ? Let us take stock of it all :

1. It was no easy job to take over workers, factories and all other means of production from the individual owners and to hand them over to the collective charge. It was a very tough job and took years of continuous operations of horrible tyrannies to accomplish it. Every one can imagine what a hard fight would people put up if we were to decide wholesale abolition of individual ownership. [Wherever it is taken up, it will involve a bloody struggle.] It is estimated that the enforcement of this scheme cost them about two million lives. Another two million were sentenced to various penalties and servitudes and yet another four or five millions had to leave their country and get dispersed throughout the world. Only to enforce the scheme of the collective farming millions of petty landowners (Kulaks) had to be annihilated in cold blood, which made the staunchest supporters of Communism scream with horror.

(2) If we decide on turning out by force the rightful individual owners of private properties against all canons of law, morality and religions under the pretext of enforcement of a novel scheme of our own, we will not only have to reject them (all accepted laws) but to root them out wholesale alongwith private ownership. Moreover, to enforce this scheme, under every imaginable cruelty, harshness and oppression, falsehood and deception, we will have to invent a new code of morality which permits every sort of cruelty, oppression and tyranny. That is why Communist leaders launched a very strong propaganda against the Deity and religion in order to bring about their desired change and badly crushed the Muslim and Christian religious sects alongwith the bourgeoisie and brought into being a new moral order which in the words of Lenin is this :

"We reject every moral order based on any supernatural

concept originating from ideas beyond the ken of class considerations. We believe morality to be entirely dependent on class struggle. [Whatever is imperative in the abolition of old profiteering collective order and in uniting the working classes is perfectly moral.] Our morality consists in our strong discipline and perfect organisation and our fully conscious struggle against the profiteering classes. We refuse to believe there are any eternal principles of morality. We must expose this deceit, this falsehood. Communist morality is nothing more than a fight for the firm establishment of Workers' Dictatorship."

This was another heavy cost which Russia had to pay for Communism, not only in the form of ten million human lives but along with them their religion, dogma, morals, humanity, nobleness and whatever else stood in the way of enforcing a novel scheme brutally.

3. We have seen with our own eyes in this Country of ours, that with loose morals on the one hand and state Control of various necessities of life on the other, a whole chain of bribery, misappropriation and embezzlement bursts out, and the consumer public is badly harassed for all the commodities obtainable by means of permits, licences, ration cards or under quota system. For the corrupt government officials this is the golden period. Now imagine a country where the entire moral order has been shattered and pragmatism firmly inculcated in her inhabitants, further illustrated by the example of their leaders in the matter of perpetrating worst cruelty, and where on the other hand, not only some necessities of life but the entire economic wealth of the country and all other means of subsistence are under strict state control, how much bribery, misappropriation, embezzlement and harassment of the people will be there, is apparent. And this is not mere conjecture. What little finds its way from behind the 'iron curtain' from time to time shows that one of their toughest problems is the bad conduct of the government servants and managerial staff of various economic institutions. In fact the existence of this

problem there is not at all astonishing ; rather its absence would be so, for, you can with impunity break up a certain order regardless of morals, can replace it with another under conditions of moral chaos, but can never run a newly established order with moral bankruptcy. To run it properly, you must have men of strong moral character ; and this you have made impossible by your own doings.

4. The most essential requirement in connection with the abolition of individual ownership and establishment and successful running of the collective order is the expunging of selfishness and the craving for personal gains from human beings, and replacing these by the sense of striving for the common good to such a degree that it may become the sole stimulus for their activities. The communists had claimed that human nature, instinct and hereditary tendencies were mere inventions of the bourgeoisie philosophy and science, and no such things were to be found in human nature known to them. They asserted their firm intention to expurgate these tendencies of craving for personal gains and selfish interests from people and to create in them, by a suitable change in the environments, a sense of striving for the collective interests. But they have miserably failed in giving their claims a practical shape. They have not succeeded in intensifying the real sense of collective well-being in their people and those holding the reins of economic and cultural organizations, by an iota more than what is met with naturally in every society. Far from expurgating the natural cravings for personal gains and selfish interests, they could not attenuate them. They had rather to recognize and make room for the profit motive and had to come down to appeal to the selfishness of the workers to make them work. But what involved them in worse trouble than of the bourgeoisie order was their barring all natural avenues of profit-seeking through industry, commerce and other forms of paying business and declaring all simple, fair and direct manifestations of this instinctive craving unlawful by means of strong propaganda, whereby this was suppressed and like all other suppressed human passions got perverted and sought unfair outlets for itself which started digging at the very roots of society. Bribery, mis-

appropriation, theft, embezzlement and other evils of that kind owe their abundance mostly to this cause in a Communist society. The only thing prohibited there is the investment of one's hoarded wealth in business for further multiplication. All other uses of wealth are open there as in the capitalist society. An individual can go on to any lengths in spending on his dress, food, medicine, conveyance, furniture and luxury articles. He can raise his standard of living to any heights he likes and can go in for all those forms of good-times, even debauchery, which Western society allows. Then he can keep by what he saves and invest it (not directly though) through government in business and may be allowed eight to ten percent interest on his investments. In case of death he is free to bequeath it to his heirs.

5. All the massacre, upheaval and devastation of creed, morals and humanity on such a large scale was undertaken only to end middleman's profit and direct it towards public exchequer, so that it may be distributed evenly or at least fairly among all instead of fattening a few selected pockets. This was the sole aim in view in the abolition of private property, and if this had been achieved it would have been the real advantage of the collective ownership or nationalization. But was it ever realized? Let us examine how the profits of agriculture, industries and commerce, pouring into the public exchequer, are being distributed :

(a) The difference between the top and bottom remunerations of government servants and other staff of all the economic concerns is no less than that of the bourgeoisie society. On the one hand the remuneration and standard of living of a common worker is much lower than that of his counter-part in England or America and is not much higher than those in India and Pakistan; but on the other hand the emoluments of directors, managers, high government officials, military staff, actors and actresses, authors and compilers of books have steadily mounted to several lac Roubles. In other words, if not entirely, at least to a great extent, the dividends of industry and commerce are being distributed unevenly between the upper and lower

classes as formerly it used to be between the workers and bourgeoisie capitalists.

(b) Then the feelings of hatred, enmity and revenge engendered between the working classes and the bourgeoisie to bring about the communist revolution, created hostility in all the non-communist societies of the world against Russia, thereby compelling her to spend the greater portion of her savings, which had been denied to the bourgeoisie through abolition of individual ownership, on armament.

(c) What little can be saved from these two major items of expenditure and allotted to the poor working classes is no more than that spent on Social Insurance\*. And what is the ratio it bears to the bulk of their gains ? Hardly one or two percent :

It may, well, be asked where was the necessity of abolishing individual ownership and thrusting upon human life the unnatural system of collective ownership at the cost of so much bloodshed, oppression, cruelty and sacrifice of religion and morals when this much and much more could be achieved for social insurance by other means peacefully.

6. What Russia paid in the form of tremendous loss of life and property and whole-sale devastation of religion, morals and humanity was really the initial capital in the experiment of launching the business of collective ownership, collective management and the collective planning. Now that it is established let us take stock of what it is paying and at what cost !

\* Funds for 'Social Insurance' in Russia are raised on the basis of wages paid to the worker. The management of every institution has to contribute to it ten to twenty per cent of the total amount spent on the workers, deposited under the head 'Social Insurance Scheme'. In this way about 14% of the total budget of remunerations and wages of the country is being spent for the general welfare. Calculated in terms of the total economic gains of the Country it comes to hardly one or two per cent.



Everyone has been assured of bare subsistence and also there is a collective insurance of relief under adverse circumstances. And this is all that the new set up has given to the inhabitants of that country. Let us now see what it has cost them.

It was inevitable for the change-over from the individual ownership to the collective order that the party which had come forward with the movement, the communists, must also undertake to put it into practice. They believed, and the nature of the work also demanded, that a very strong dictatorship be established which might with full vigour demolish the old order and establish by force the new one. As such it was established and called workers' dictatorship. But as everybody knows, all the farmers, labourers and workers of various departments of life in Russia are not members of the Communist party. Hardly five percent are members. So nominally it is workers' dictatorship but in fact it is the dictatorship of the Communist party over the workers. And what a dictatorship? Not a simple affair by any means. Collective ownership means that all landholders of the Country have been ousted and an almighty Zemindar (Land lord) installed as the exclusive owner of land. Similarly, all millowners, businessmen and employers, made room for one powerful capitalist holding sway over the entire field of production and resources all alone. And in his hands centred the political power of the whole country. This is communist dictatorship! And if even now you behold on the surface that all those mighty placed ones wielding this economic, cultural and political power are elected by the vote of the common man, does it really amount to democracy? Who is there in Russia that dare challenge the Communist party in elections? And if any have the foolhardiness to make such a venture who is going to feed them? Which press will voice their programme? And what means of communications will they use for moving about the country in their election campaign? Nay, it may not take them very long to cross over the gap between life and death after undertaking all this. In fact under the regime of collective ownership, the government takes over so much power that had never before been accumulated in the history of mankind by any Chingez, Halaku, Czar or Caesar. The party once, coming in this power, the public becomes

absolutely helpless against it. No corrupt form of government in the world is so difficult to change as a corrupt Communist government.

For the successful execution of any nation-wide plan that the party in power may consider necessary for the country, it harnesses the power of press, radio, cinema, school, and the whole economic machinery all of which have been moulded according to a set policy. The success of the plan depends entirely on this that the thinking, opining and decisions may be the monopoly of those few brains entrusted with planning in the centre and the rest of the country, the entire populace may be mere working hands in the execution of those plans without raising any questions. For in this regime there is only a solitary cell or hangman's noose for all such as have the audacity to criticize, find fault with or opine on a certain issue. If he is 'let gone' with mere exile, he should count it a favour. That is why even prominent communist leaders and workers in Russia who had no mean share in the success of communist drive, were sentenced to death, imprisonment for life and exile outright, only because they had contended with the authorities. Then it is also one of the peculiarities of the communist morality that the individual taken in for contention is further accused with various horrible charges, and communist courts have a wonderful knack that whoever is brought to their docks by the party in power, starts pleading guilty to the best purposes of the prosecution, not mincing matters but loudly owning that he is dangerously treacherous to the communist party, an agent of the capitalists and a fifth columnist for Russia.

Again, since this order has been established after suppression of individual ownership and religious cults and the people have not been annihilated from the world not even from Russia, on the graves of whose feelings, passions and rights this 'fine castle' has been raised, the communist party is constantly in mortal fear of a counter-revolution. Moreover, the communists realize full well, notwithstanding their denials, that there is such a thing as human nature and it has an inherent craving for personal gains, and it is this inner urge or profitmotive which is always striving for the revival of the old order of individual proprietary rights. It is because of these considerations that on one

side the communist party affects 'purges' in its own ranks from day to day, so that it may be kept perfectly 'clean', free from any elements savouring of 'reaction', and on the other, the party government is ever on its guard to root out any dangers, possibilities, even suspicions of a counter-revolution, in any part of the country. It has organized a wide network of intelligence whose innumerable workers go about in every institution, every home and crowd, sniffing at the reactionaries. This network of detectives has created barriers between husbands and wives, so much so that even the children are not spared being used as spies for their own parents. A very guarded view of the Russian political and intelligence departments is that a couple of hundred or thousand men arrested and put to death by mistake is much better than the escape of a few culprits who may bring about a counter-revolution. Therefore, they keep an eye on workers in every mine, office, and institution and take notice of any labourer or official who resents or manifests dissatisfaction with the management of his own institution or the country. What to speak of resentment or dissatisfaction, if he is suspected of harbouring such germs, he is arrested without notice. And since this practice is so common, any worker, failing to return home one evening, is taken by his wife to have been detained by the police. From the next morning she begins sending his requirements to the police office, and their acceptance confirms her suspicions. No questions in this behalf receive any attention from the police office. Then one day her parcel is returned without previous notice. And this is the only indication she gets about her husband having been put out of the way quietly—a 'martyr' to Lenin. Now if she does not want the same fate to overtake herself, like a good comrade, she does not allow a breath of all this to escape her lips and seeks for herself a husband beyond reproach in the matter of reaction !

This is the price the inhabitants of Russia are paying for two simple meals and relief in times of distress. Is it really a good bargain ? No doubt a person in straitened circumstances may prefer jail to his distasteful freedom when overcome by intense hunger,

since he is assured of two square meals, enough clothing to cover his nakedness and a hovel to cover his head ! But has it now become the problem of the entire human race to choose between bread and freedom, the two appearing incompatible ? Is there no other way of earning one's bread save in a world-wide prison with a few 'COMRADES' as jailors and wardens ?

### REACTION AGAINST SOCIALISM

The intensity and the wide scale on which the oppressions were perpetrated by the Communists in Russia to establish this new order and the sudden flare which the success of this revolution brought about in the smouldering fire of class war, compelled the thinkers in all non-Communist Countries of the world to think of amending the principles and practices of uncontrolled economy which might redress the grievances of the working classes, and their countries might escape the danger of a communist revolution, Although the evils of uncontrolled economy had become apparent since neo-capitalism came into its own, criticism was constantly levelled against them, and partial and superficial reforms were affected from time to time, but genuine realization of the need of changes, amendments and reforms came only with the working, influence and consequences of the Russian socialism. And this reaction took two different shapes in two vast regions of the Capitalistic order.

The nations whose national life had been thoroughly shaken by World War I, who stood exposed to utter annihilation due to class war incited by communism, and where democracy had never been too firmly rooted, became the birth place of Fascism and Nazism. While others where democracy stood on firm ground and whose national life had not been much perturbed by War, retained their old liberal, democratic capitalism intact in theory, trying to amend its 'Laissez Faire' nature by reforms to remove its defects.

### FASCISM AND NAZISM

The Communists generally hold these two cults as reaction of

capitalism and accuse capitalists of having interposed Hitler and Mussolini in the face of losing their game. But this is not the fact. Truth to tell, they were not the dishonest agents of any particular class or vested interests. They belonged to the same category as Marx and Lenin, and were no less sincere, intelligent and short-sighted. They realized that on one side War had so badly shattered their national life that their Countries' long standing prestige was crumbling to dust, and on the other the internal defects of uncontrolled economy and the outer appearance of Communism were entangling the various strata in the nation in a bloody and devastating struggle. Therefore they set about thinking of measures which would remove the internal clash of class origin, thereby saving the integrity of their nation from going to pieces, and then strengthening it economically, culturally and politically to get it recognized by the world anew. But they along with their supporters and followers had inherited all the infirmities of the Western mentality which we have seen at work through the course of history. Like their predecessors in thought and action they took certain truths and exaggerated them excessively, and rejecting certain others replaced them by erroneous notions, thus composing a new unbalanced code of life and presented it to their nation.

Let us now examine this new mixture and see in what ratio truth and falsehood were interwoven in it and what was the balance of their gains and losses. Although these twin brothers have been put out of existence, after their defeat in World War II, yet many of their evil innovations exist to this day under assumed names in various countries of the world. Even our own Country is not immune to such evils. Therefore an analysis of the useful and detrimental elements of Fascism is just as necessary as it was before the World War.

### JUST AND USEFUL ROLE OF FASCISM

Fascism and Nazism were justified in their refutation of the communist theory that the only true and natural relation between land-holders and capitalists and working classes of the same society

and nation can be that of hatred, enmity and clash. They were perfectly right in their assertion that the real thing is not the class but the society and the nation whose different elements and organs serve for the whole in various capacities. The true relation between them is not one of enmity and clash but that of concord, co-operation and mutual help. Their duty is to produce by united efforts necessities of life or all, and by increasing total production add to the nation's wealth and power. Any shortcomings in this concord and cooperation should be made good and any discord or differences removed so that they do not widen and various classes of the same society may not come up to annihilate each other.

They also justifiably refuted the communist theory that individual proprietary rights and craving for personal gains is in itself detrimental to the collective interests and should as such be done away with. They were perfectly right in saying that these two were really useful and essential for collective interests provided they were not unlimited as in uncontrolled economy, and were kept within proper bounds. They recognized the right of the individual to strive for self-interest but this should be subordinate to the collective interests and in keeping with them, not mutually antagonistic. High Finance, Mining, Ship building, Navigation, War Industries and such other 'Big Business' should not be allowed to become individual property, and also all such monopolies should go which allow sacrifice of the collective interests to that of the individual. Speculative business must be altogether closed and interest abolished\* from money-lending system. The business must be limited by rules and regulations with confirm to all interests connected with it and not to that of a particular group. And then if a producer keeps prices at a reasonable level, produces fine stuff, keeps his employees well-paid and satisfied, constantly endeavours to promote the industry and in return for all these services he allows himself profits within

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\*—Although they could not abolish interest practically and the State itself paid interests on its loans, yet both Nazis and Fascists condemned interest and believed in its total abolition.

reasonable limits, he is really guilty of no crime, and there is no reason why we should label him as enemy of the society.

They justly refuted the view of the old liberalism that the government should do no more than policing the state and settling the disputes ; it had nothing to do with the affairs pertaining to the economic phase of people's lives. They pointed out that to affect co-ordination between the various elements of national economy and to remove the causes of strife and clash was one of the duties of the state. They put a ban on strikes and the closing of factories and mills, formulated mixed councils of employers and employees, did their best to justly maintain the balance of obligations and privileges between them, and to settle their disputes through a system of negotiations, tribunals, independent councils and as a last measure, judgment by courts of law was provided.

They also tried to redress this evil of capitalism that the unemployed and disabled workmen were nobody's responsibility, and realizing the far-reaching evil effects of leaving out the helpless as such, the Fascists and Nazis provided on a very vast scale for the social insurance wherewith the invalid, the infirm, the unemployed and those stricken by accidents could be helped. Moreover, they established big institutions for the Child and maternity welfare, children's welfare, care of the lame and other disabled, the aid to the war-disabled and such other charitable purposes. Such an institution functioning in Germany before War was looking after about five million persons.

They also attended to the glaring defect of the uncontrolled economy that the whole economic machinery runs without any scheme, planning and co-ordination, leaving many available resources unutilized, and those utilized lacking harmony. To remove this defect they entrusted the guidance of national economy, its organization and co-ordination to the State. They formed councils of all departments of economic life, and tried to utilize the means of production under a well-regulated and organized scheme, and as a

result of these endeavours they eradicated unemployment\*, brought about a wonderful rise in production and made even progress all over.

### ERRORS AND DEMERITS

These were some of the blessings of Fascism and Nazism. But what Italy and Germany had to pay for them ?

Nazis and Fascists substituted for class hatred and its divisive effect aggressive nationalism, racial pride, hatred and fury against other nations and passion for world conquest, which have never paid dividends to any nation in history.

The proper development and rise of nations is possible only with the help of constructive morals and a noble ideal. The leaders who lose sight of this mode and go in for national hatred, national danger and incitement as permanent measures for national development and progress, spoil the national temperament and a nation brought up under these conditions sooner or later stumbles and falls.

The programme they chalked out for the economic and cultural reform of the nation was not enforced in a simple and reasonable way. Instead a non-sensical socio-political philosophy was fabricated with multitudinous exaggerated facts and practical blunders. To begin with, they laid down the hypothesis that the individual depends for his existence on the setting in the community and cut off from it he loses his entity. As a superstructure on this came the assertion that the individual who keeps aloof and does not become part and parcel of the community must become a non-entity. Next came the claim of arguments like this ; the real symbol of communal relations is the National State, which in turn depends for its stability, solidarity and discipline on the party coming forward with the programme of national integ-

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\*In 1933 when Nazi party came in power there were about eight million unemployed persons in Germany, but after only a few years of Nazi regime Germany came to feel the paucity of working hands.



rity and uplift, which ultimately came to this that a German must join Nazi Party and an Italian the Fascist. In this way, the nation, the state, the Government and the party in power were all put together. All such individuals as had the audacity to differ from the party in power were labelled as enemies of the nation and the national state. Criticism, discussion and freedom of opinion were made dangerous things. Every other party save one in power was denied the right of existence. Elections came to be a mockery and an empty show. To encompass the nation's avenues of thought completely, Press, Radio, School, Art, Literature and theatre were entirely taken under state control so that the workers in the state may not be able to hear any voice save that of the State. This was not all. [Effective measure were adopted not to allow people to have opinions other than those of the dominant party ; but if some wretched brains were detected harbouring ideas at variance with those of the 'national gods', such ideas must either be kept buried in those brains or safe skill the brains must be buried in the earth.]

They adopted the apparently very reasonable view that Collective life without any central planning becomes an easy prey to confusion, disorder and mutual conflicts. And then, taken collectively, there is loss of power and resources on a very large scale. To avoid it the whole national life must get organized and all individuals must work with the regularity of machine-parts under orders of a central control and according to a centrally chalked out plan. They thought that this was the only measure to accelerate the pace of production, progress and prosperity, and as such they brought the life of the whole country with its economic, cultural, religious, social and political aspects under strict regimentation and set according to a pre-arranged plan. In their life, everything was pre-determined, the work of every individual and every institution, wages, prices, privileges and obligations, the ways and means of utilization of talents and skills, the modes of utilization of Capital and resources, even the channels of thought, passions and inclinations were set beforehand. And programmes for all these items were

ready set years ahead. It is apparent that those who took all this trouble for the nation and at the cost of so much mental labour, did this vast scale planning of the whole national life, could not tolerate any criticism from an individual of their own nation, which would have created confusion, drawn the workers, who ought to have been busy with their work, into discussions, and taken away the confidence of the masses from the plan prepared with so much labour. So it was the demand of the inherent logic of planned life which compelled them not to suffer criticism and discussion, and they insisted on every one to speak, if at all, in favour of their plans or keep mum. [Where there is planning, there must be control on speech and thought as well, and no discussion, difference of opinion, criticism, explanation or stock-taking will be allowed. In fact, barring a few select brains, the whole nation will be deprived of freedom of thought.]

Here again the very pertinent question arises as to whether it is worthwhile taking what Nazism and Fascism have to offer us at such a heavy cost? A few individuals of the nation may live as men and the rest as cattle, nay, the inanimate parts of a machine, is too heavy a cost for the satisfaction that every one is assured of his share of daily sustenance.

### INTERNAL REFORMS OF CAPITALISTIC SYSTEM

Let us have a cursory view of those countries where liberal democracy was established on firm grounds, as to what reforms they brought about in the capitalist system, keeping its foundations intact, and with what results?

As pointed out earlier, in the eighteenth century the bourgeoisie class was on the one hand preaching the principles of 'Laissez Faire' policy in economy in its own material interest, and on the other crying for democracy, equality and sovereignty of the people to serve its political interests. It was demanding the right of freedom of opinion and conscience, freedom of press and speech, and freedom to hold gatherings, on the plea that the people had a right to revolt

in face of extreme oppression. In the beginning when they were putting forth these views, they had before them royal families, landholders' class and the clergy. And since pitched against these mighty ones they saw none but themselves, they did not at all realize that the two liberal individualism on which they were basing their economic system on the one hand and the democracy and cultural equality on which they were building up their political order, would sooner or later oppose each other and there would be serious clash.

When their endeavours bore fruit in the form of neo-democracy in various countries of the world and the franchise was extended from the land-owners to the tradesmen, millowners and money-lenders, it was possible under no pretext to disallow its extension to the labourers, tillers of land and other working classes. The bourgeoisie did their best to deprive them of this right, but their own logic stood against them, until at last they had to accede to their demand, though by degrees, much the same way as the landlords had to recognize their rights. Again, there was no argument which they could put forth to justify their conduct in refusing the working class the right of organisation which they themselves had come to enjoy; or that the employers might, by virtue of their collective strength, enforce their conditions on the workers, but the workers might not be able to have their terms recognized on the strength of their organized union.

In this way, by and by, the right of forming associations was also recognized for the labourers and servants and they were allowed to bargain for wages, remunerations and other terms of employment, not single-handed but with collective strength, using the weapon of strikes for the redressal of their grievances, and employing picketing for the success of the strikes.

By the end of the nineteenth century, the old theory that the state was concerned only with the safeguard of individual liberties and it had no positive obligations where national life came in, gave way. Its place was now taken up by the automatically growing

realization that a democratic state was really the symbol of the general will of the people, and it was they who centralized and organized their own political power in the form of the state ; there is no reason why we should persist in the limitation of the sphere of activity of a democratic state like that of autocracy. A democratic state should not bind itself down to the negative obligations, but should take upon itself the service of collective interests of the country in a positive manner, and if there are social injustices in existence, it should, both by means of legislation and executive interference, put a stop to them.

Things had come to this stage when World War I broke out. Then came the Communist Revolution in Russia which annihilated bourgeoisie class entirely, not sparing women and children. Its reaction took the shape of Nazism and Fascism in Germany and Italy, which brought the bourgeoisie and the proletariat alike under a very cruel regimentation. These happenings made capitalism sufficiently 'enlightened', and partly under pressure of the increasing power of people and partly by its own free will, it went on affecting the following changes in the old order of uncontrolled economy :

1. In every branch of economy such organizations of the wage-earners and permanent services as are authorized to speak on their behalf, have been recognized. And also such practical measures as are allowed to the labour associations to be used for recognition of their demands and to bring about pressure to bear in this connection, have been recognized to a certain extent formally or legally. In this way the conflict between labour and capital though not ended, yet the former is not as helpless now as it was during the days of uncontrolled economy.

2. Increment in wages and decreased working hours, easier conditions of work, limitations on the work of women and children, greater care of the life and health conditions of labourers, attempts to make the housing conditions and environments better, compensation, partial though, in case of physical injury and the enforcement of some schemes in connection with social insurance ; all this

was done, not to the extent it deserved, yet the condition of the labourers and lower class servants is not so bad as before.

3. The Capacity of the government as an arbiter between capital and labour has been recognized. Also legal provision has been made for removal of causes of conflicts and settlement of contested issues. This has not yet come to the stage where a just balance of privileges and obligations is determined between the employer and the employee in every branch of economy and the government has not fully taken over the job of arbitration in economic disputes, but this authority of the state has been recognized in principle.

4. The principle that the individual's profit-making should be curtailed in such a way that it may not become detrimental to the collective interests, has also been recognized and that this curtailment is one of the duties of the state.

5. Certain economic services which are beyond individual control, or such control of them is detrimental to the collective interests, have been taken over by the state ; there are Post and Telegraph services, communications, construction and maintenance of roads and other highways, lending of forests and their control, Water Works, Irrigation, Generation and distribution of electrical energy and Currency and Mintage ; besides these, certain governments have taken Mining under their control and have nationalized some of the larger industries.

6. Opportunities have been provided for the low-paid servants and labourers to invest their small savings in cheaper shares of the commercial and industrial firms. Elsewhere permanent employees and labourers are paid only part of their emoluments in cash, the rest going towards their compulsory investment in the capital of the concern. In this way a large number of workers have become partners in the Company or corporation they are serving. In some of the larger outstanding concerns as many as eighty to ninety percent of their labourers are share-holders, and the proportion of their

shares goes on rising due to the facility of purchasing shares on easy instalment basis.

### THE EVILS OF CAPITALISM THAT PERSIST

But in spite of all these changes, amendments and reforms the basic evils of the capitalistic order still persist. Unemployment has not yet been rooted out. On the contrary it is a regular menace of the economy in the capitalistic system barring the intervals of war. In a country like the United States of America whose industries and production of wealth occupy the highest position, soon after the World War II activities came to an end, as many as thirty two lac persons found themselves out of job. Between April and May 1949, this number mounted to over 35 lac. In June, the same year it touched the mark of forty. Irrespective of the dullness or otherwise of the industrial activity, unemployment is more or less a necessary evil of the Capitalistic system.

A puzzling problem referred to earlier in these pages remains yet unsolved ; on the one hand there are millions of those in need of the necessities of life and desiring to have articles of luxury, and there are vast resources, yet untapped for increased production, and hundreds of thousand workers ready to be employed, but we find to our great astonishment that what little is produced by the capitalistic order (obviously much less than the demands of the consumers) is left unsold in the markets, because of the diminished purchasing power of the consumers ; and since this limited production does not find market, producers are reluctant to employ more labour and tap unutilized natural resources ; and unless and until unemployed men are provided work they will have no purchasing power.

And this is not all. This evil of the Capitalism, that every year goods produced in great abundance, food grains, fruit and other commodities are intentionally destroyed instead of throwing them into the market, notwithstanding millions who need those articles, remains where it was. The capitalist prefers its destruction, and at a huge cost, to bringing it to the market, thus lowering

prices, and allowing them to reach the needy consumers at reasonable cost.

Again, capitalism has been unable to remove the evil that neither state nor society nor the moneyed class, in fact no one considers it his responsibility to undertake the support or help of those millions who, though able-bodied, starve for want of work, or those who have not attained the age of work, or those temporarily or permanently disabled. Even today only those patients receive medical care who can pay for it, only such orphans are eligible for education as have ample provision in the form of insurance by their deceased parents, and only few can recover from calamities and they are those who have themselves in their sunny days made provision for such contingencies. In short to this day the distressed, the needy, the helpless as such are nobody's concern, occasional help from any source in case of a few being an exception.

Nor has capitalism yet cast off the curse of artificial soaring of prices, and regularly planned scarcities of commodities. Speculation in markets and various forms of commercial gambling still create havoc in the Collective economic affairs day in and day out. People are still at liberty, provided they can put up the necessary funds, to produce whatever they like and as much as they like for their personal gains, and thrust it on the society as they please, no matter whether the society needs it or not, or it is harmful for it. Even today we witness the fact that the society has to go without many dire necessities, while labour and capital are being recklessly employed for production of articles of luxury, play-things of vain desires and superfluous gaieties of the prosperous few. Even now magnates of industry and Commerce and kings of finance are constantly pulling wires, both on the surface and behind the scenes, which are the precursors of international conflicts, jealousies, intrigues and wars.

To this day the reins of society and the state are in the hands of the banker. He judges all collective values in terms of the rate of interest and revolves them on this pivot. It is he who decides

which business deserves investment and which does not. And such decisions do not depend on considerations of the demand and interests of the society, but solely with a view as to which business is likely to bring in profits above or at least equivalent to the rate of interest charged on the capital lent out for this purpose. Judging by this standard, if supply of liquor is more lucrative business than water supply, he will without a pang of reluctance, set himself to supply liquors for the debanchee and leave the masses dying of thirst for plain water.

Capitalism is still the victim of the disease known to the world by the name of Trade Cycle. After every few years of "good business" the economy of the world suffers from fits of slumps. The business world is happily going off at full speed when all of a sudden the tradesmen find that their godownfulls of goods is not being sold out at the desired rate. They stop ordering for the supplies. Under these conditions the producers slacken the pace of production. The financier smelling this danger signal stops financing industries and demands return of the capital already lent. The mills and factories begin closing down. Unemployment mounts. Prices go down. The retailers and consumers become sparing in their orders and purchases for fear of further falls in prices. The production centres still working, further reduce production. Unemployment mounts further. The governments reduce their expenditure in face of dwindling income. The slump becomes keener still. Thus every retreating pace causes further retreat of several paces, until at least the limits of total bankruptcy have been reached, and then all of a sudden the scene changes. Gradually the business gathers momentum and catches up with the former activity. This cycle has become a chronic malady of the Capitalistic system and as yet no remedy has been discovered for it.

These and many other minor ills are present in the Controlled and reformed economy of today just as they were met within the uncontrolled and 'licentious' economy of the nineteenth century. And this is glaring proof of the fact that democracy has not



attempted to get at the root of the evils of capitalism and to think out concerted measures for their eradication. What little has been accomplished is the aggregate of slow changes under the day to day growing pressure of the demands of workers or the impending danger of Communism—the usual bourgeoisie method of reforms of their ways to redress the common man's grievances to such a degree as not to permit Communist exploitation of them.

### DIAGNOSIS AND REMEDY

A cursory review of the historical survey in the foregoing pages will reveal to the common reader several glaring facts. The first thing he will clearly notice are the problems and intricacies common to Western history and the present phase of our social life. He will find here feudal system with many of its peculiarities. The neo-capitalism with its manifold evils has also come into existence. A good few evils we have inherited from the days of our decline and the rest have reached us with the industrial revolution of the west and the capitalistic system. The only difference there is, lies in the absence of Papal rule and the ecclesiastical order. There is no priestly class either, which, in league with the wealthy and the influential, could support the undue distinctions and the self-determined privileges of the powerful in the name of God and religion.

The historical study will also reveal to the readers the real source of inspiration of the 'sooth-savers' of our society who prescribe peculiar prescriptions for the solution of the intractable problems of the society. We hear about somebody stressing the need of the 'Collective planning', someone else anxious to bring about revolutionary changes in the Country's economy, yet another advocating wholesale nationalization of land; from another quarter somebody is voicing nationalization of key-industries alongwith that of the land, another council of lay-practitioners after 'due consideration' comes up with the 'touch-stone prescription' of abolition of Zamindari; all these are 'tested and tried formulae of the novices of the west'. And we will soon be spectators of the experiments in operation in our own Country, performed earlier in Russia, Germany,

Italy, U.S.A. and England. But even in this analogy there is a difference between the East and the West. The novices of the West are at least originators in their own ways, but the 'practitioners' here in the East, in addition to their being novices, are the blind followers of the original masters. The novices of the west may make changes in their prescription in case of detriment to the patient, but here, barring any amendments coming as such from the west, there is no such chance and the patient must use the original prescription in toto to his last breath.

Another thing, that stands out in the social and cultural history and the tales of the thought and deeds of the western countries, is the perpetual struggle, strife and contest. One set of people coming in power, moulds morals, religions law, customs and manners and the whole cultural order according to its own pattern, until they cross the limits of injustice to the other parties. Then it comes to the turn of one of the oppressed groups to engage those in power in a tussle, and as a result of it they indiscriminately discard right and wrong alike of the foregoing regime sweeping away the whole order to the opposite extreme. This works for sometime until injustices of this party become unbearable for the rest of the society and from the preliminary stages of complaints and protests, it reaches the climax of a full-fledged rebellion and the obduracy and inflexibility of the rising group once again sweeps away the truths along with the falsehoods of the preceding set-up. A yet more extremist order comes into existence. As a reaction against the devastation of this flood, a counter-flood rises which is no less extremist in nature than its adversary in the field. (Due to this tug of war, the course of western history appears to be this staggering gait of a drunken man and not the purposeful straight course taken by a sober person.)

Hegel and Marx mistook it to be the natural gait of the cultural revolution of humanity. But in reality all these are the results of only one fact—the western nations' living in total indifference to Divine Guidance and the Book of Enlightenment. The version of christ-

ianity that reached them through Saint Paul was already divorced from the code of life and had nothing more of Divine Guidance than a few moral sermons of holy Christ (Peace and Blessings of God be on him), on which no extensive cultural, political and economic order could be built. The Old Testament too had 98% of it mutilated by human manipulations and only 2% of Divine Revelation. That is why when they had half-hearted recourse to it afterwards they could not get much guidance from it. Islam came to Europe at the time when the Western Wing of the Roman Empire had met disruption not so long ago, and the darkness of the middle ages was just beginning. But the Europe that had accepted Christianity on the condition that it be divorced from the code of life, could not pay attention to Islam which was never content with presentation of Ideology (tenets) without Shariah or way of life. Partly this attitude and partly the prejudices of the Clergy, given much publicity by them, did not allow Europe to seek light and guidance from Islam either. What else was left to them now but to use their own wits in framing 'Codes' for themselves. And that was actually what they did. (But it is evident, man is incapable of purely rational decisions. There is the devil of Passion in close proximity to his Sense of judgment.) It is also evident the entire mass of people does not frame any code of conduct. It is entrusted to only a few sensible and enlightened persons. But they must have certain personal and class prejudices along with wisdom and knowledge. These factors are responsible for the unbalanced state of all 'systems' that were planned in Europe from time to time. And the natural result of this imbalance must have been perpetual struggle and 'grab' throughout.

The question is, whether we too are in this world without Divine Guidance and Revelation of Enlightenment. Is there really no other course open to us for the solution of the problems created by the mixture of the old Hindu Order of Ignorance, the Moghul Order of the Middle ages, and the Current western civilization, save those adopted by Communism, Nazism, Fascism and Capitalism

In the west? Do we have no source of light to help us in the formulation of a balanced system? Those who know Islam, can never answer these questions in the affirmative.

### THE REAL PUZZLE

In what precise manner can Islam help us solve our problems, needs elucidation of the real intricacy confronting us with the rest of the world today. Simply put the puzzle is this :

If we resort to uncontrolled economy, (which permits the individual to freely handle any amount of the natural resources and strive for his personal gains any way he likes, and which has to rely on the wild laws of competition and adjustment by mutual bargaining for preserving justice and balance in society), it brings with it all the evils of capitalism, and in our particular case, the evils of feudal system have also come down, with them, mentioned respectively in our earlier discussions of Feudal System and Modern Capitalism.

And in case of abolition of individual rights in favour of the Collective ownership of all resources of the land, the evils of Capitalism are undoubtedly rooted out, but at the cost of huge losses of life and property and open rebellion against morals and religion as evidenced in the Russian Revolution. And even if it is established by peaceful democratic means, the system of the collective ownership is sure to suppress individual freedom totally. Establishment of Socialism by democratic means is really ousting democracy by democratic measures ; for democracy depends for its existence and successful working on the presence of a vast majority of people following free vocations, whereas socialism means the end of this freedom. Any branch of economy, taken, under the collective control, will convert all its workers into government servants, whose freedom of opinion and action is well-known. As this mode of work spreads over in economy, the freedom of thought, speech, pen, action and assemblage, goes on shrivelling. And the day this change-over is complete, the Country's population would become government servants

in toto. It is inherent in the very nature of such a system that the party coming once in power must stick to it, all attempts to oust it notwithstanding.

And in case we bring to bear strong state control over individual ownership in order to eradicate its evils, and run the entire national economy according to the central planning as had been done by Nazis and Fascists, most of the evils of Capitalism are certainly eradicated, but even this much of regimentation proves fatal, and its results are practically the same as those of Socialism.

And if we allow Capitalism to remain on its original bases, only reforming it internally the way it was done in the United States of America and Great Britain, we are certainly able to preserve democracy and individual's freedom, but retain also the greater and the real evils of this system which have made Capitalism a curse for humanity.

We thus find ourselves between the devil and the deep sea: In safe-guarding the collective interests individual's freedom is trampled upon, and if individual's freedom is looked to, the collective interests are sacrificed. The world has not so far succeeded in getting at a system permitting smooth running and growth of industrial revolution with all its blessings and capable of safe-guarding individual freedom and collective interests at the same time, maintaining perfect equilibrium. On the discovery of such a system hangs the future of the world. If man fails in its discovery, he will commit suicide with the very gun provided by the Industrial Revolution. In case he luckily comes upon such a system, the fortunate country presenting a successful model of it must lead the world.

## ISLAMIC SOLUTION

Let us examine how the Islamic principles help us in the solution of this intricate problem. In this connection a few fundamentals must be clearly understood.

## FUNDAMENTALS

The foremost among them which is essential to understand the Islamic economic order and Islamic culture is the fact that the Islamic point of view attaches real importance to the individual and not to any party, nation or society. Individual is not meant for society, but the society for the individual. No party, nation or society in its entirety is accountable before God, rather every individual singly and in his personal capacity is answerable to Him for his deeds. And on this personal responsibility and accountability depends the entire moral value of mankind. Collective life here does not necessarily mean the collective prosperity but the individual welfare. And in fact the criterion of goodness or otherwise of a social order is the degree to which it can help its individuals to prosper and develop their potentialities or hinder such development and prosperity. It is due to this factor that Islam does not approve of any form of social organization or any measures aimed at the Collective welfare which bind down the individuals in the collective organization to such a degree that the individual character of their personality is suppressed and so many become hollow voices in the clutches of a few.

The full growth of individuality and perfect development of personality is not possible without freedom of thought and action. And for this purpose freedom of opinion, pen and pulpit, freedom of striving and assemblage is not enough ; economic freedom is equally necessary. This is a natural law which needs no lengthy discourse for its proof, common sense can grasp it. A common man in the street knows well that any one not enjoying economic freedom does not enjoy any freedom whatsoever. So the best society for mankind that can be imagined is the one in which there are ample opportunities for a man (servant of God) to earn his simple subsistence by honest work without any pangs of conscience. Although there are meagre chances of earning independent livelihood during this period of industrial revolution, the huge industrial and commercial combines and large scale cultivation having left little field for the lonely craftsman and artisan and cultivator of a small holding to compete with them

and carry on their trades successfully ; but even then in the social orders permitting individual ownership of the country's resources fair chances exist for the resourceful to establish their own individual commercial or agricultural institutions ; as for the resourceless, they can at least change masters or employers, in case service or labour with one is heavy on their conscience. But where all or most of the country's resources have been nationalized, or if the right of individual ownership is retained but Fascist or Nazi fashion, the whole economic machinery of the country is run under strict state control according to an all-embracing central plan, the economic freedom of individuals can never be safe-guarded ; and with economic freedom all others, intellectual, social and political freedoms, are automatically buried. Therefore any social order holding individual's freedom dear and attaching purposeful importance to development of human personality, cannot but absolutely reject all such schemes of the collective welfare as aim at wholesale nationalization of strict control of economic machinery under a central plan.

And this is the stand taken by Islam in this matter. Its opposition to Communism has other grounds too, namely, the subversive and destructive activities of Communists during the course of nationalisation ; but supposing this scheme materializes according to the evolutionary socialist methods of gradual nationalization of land, industries and commercial concerns by means of legislation without having recourse to cruelty and oppression in the change-over and cruel use of force in its operations of confiscation and robbery ; even then Islam is not prepared to accept it, since this system is by its very nature man-killing. Similarly, Nazi and Fascist type of regimentation and planning is absolutely opposed to the nature of Islam ; for whatever their collective advantages they are definitely obstructive to the expression, growth and perfection of human personality.

There is another aspect of this matter. The morality and moral attitude developed in man by Islam rest on the bed-rock of the fear of God's displeasure (Taqlwa) and the sense of responsibility to Him.

Any person or party, with these two qualities, if entrusted with the responsibility of the collective affairs, can never agree to establish and run a system which compels them to shoulder the responsibilities of millions of individuals along with their own. And this is the fact pointed out by the Holy Prophet (Peace and Blessings of God be on him) in Medina during a famine. He was apprised of the soaring prices of commodities and requested for their official control. He declined,\* saying, "I want to meet my Lord God in such a state that there is no complaint of injustice against me from a single soul."

[Moreover, Islam wants to keep humanity nearest to the natural state of things, and disapproves artificiality in all walks of life.] The natural state for human economy lies in the fact that individuals may take hold of the resources of the earth and utilize and profit by them singly or in groups, and there may be free mutual give and take of commodities and services. From times immemorial, human economy has been running on these lines, and only this natural system can permit of individuals living in a society yet being independent in their economic life and maintain their individuality. As for those big and small 'isms' invented from day to day by immature brains, they one and all, suggest one or the other type of artificial systems which convert man from a particular souled human being, a conscious personality and a purposefully important entity, to a mere lifeless part of the Collective machinery.

[Like artificial methods Islam disapproves equally of revolutionary methods.] During the pre-Islamic days the Arabs used various

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\* It does not mean that he left dearness to take care of itself and did nothing to remedy it. What he disapproved of was the official intervention in the market prices and disturb the whole complicated system. Leaving it alone, he devoted all his energies to the moral reform of the businessmen and by continuous preaching brought home to them the fact that voluntary raising of prices is a great sin. His preaching had the desired effect and price index came down to normal before long.



means of earning livelihood that were later declared unlawful and detestable by Islam. But question was never raised as to the previous hoardings or that all the unlawfully earned wealth ought to be confiscated, so much so that no cognizance was taken of the past deeds of once usurers, brothel-keepers and highway robbers. Whatever one had in one's possession was recognized as his lawful property by Islamic Civil Law ; for future all unlawful methods were banned, and all previous properties and hoardings were gradually absorbed by the Islamic Law of Inheritance.

## D E T A I L S

Having grasped the above facts, let us go back a little and refresh our memory with the discussions in the Chapter on the 'Modern Capitalism.' You will realize that they are the true principles of human economy, provided they are shorn of exaggerations incorporated with them by the bourgeoisie of the West because of their selfishness and extremist nature. Again, it will be appreciated that the sources of evil enumerated therein are those that are really responsible for all evils, and if removed, human economy can very smoothly run on its natural principles without the evils of capitalism cropping up therein and resort to their artificial remedies.

This is exactly the *modus operandi*, adopted by Islam. It converts 'uncontrolled economy' into free economy, and limits this freedom in the same way as it curtails this freedom in the cultural, social and other spheres of human society. And along with this, it closes all avenues by which the characteristics, effects and consequences of oppressive capitalism can enter the free economy. Let us now examine in some detail the picture of the economy that comes into existence on these principles of Islam :

(1) Islam recognizes, like other proprietary rights, the right of individual ownership of land and all the accepted forms of proprietary rights over anything are also applicable to it. And there is no limit placed on such ownership ; it may be thousands of acres. If it has come in his possession legally, it is his lawful property. It is

not conditioned by self-cultivation either. It can be let to others for this purpose just as a house, furniture or conveyance is let out. If allowed rent-free, it is charity. But if allowed on rent or partnership in produce it is just as lawful as any other business partnership. As for the ills of the feudal system found in our Country, they are neither purely the outcome of Zemindari system nor call for the drastic measures of abolition of the individual ownership of land, or need such limitations as are being advocated by 'lay-practitioners' of the day under the name of 'Agricultural Reforms', Islam would rather remedy them thus :

All restrictions should be removed from sale and purchase of land and free transactions be allowed just as those of the other commodities.

Permanent distinctions of agrarian and non-agrarian classes should not be allowed to exist in any form and category whatsoever.

The exclusive distinctive privileges enjoyed by the landlords should not be allowed to overstep the legal boundary.

All un-Islamic laws relating to inheritance should be put an end to.

The existing holdings of the landlords should be distributed among their living heirs according to the dictates of Shariah, and for future, Islamic Laws of Inheritance should be strictly enforced.

Restrictions should be placed on land allowed to lie fallow. For instance, those allowed by the government for colonization, if not put under plough for more than three years, will be taken back ; people's own lands lying fallow will be taxable after a certain fixed period.

A certain percentage of the production of the landlords and cultivators will be set aside for purposes to be mentioned in item 4.

If large scale cultivation by scientific methods is contemplated, it calls for such co-operative institutions as will permit consolidation

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### DETAILS

Having grasped the above facts, let us go back a little and refresh our memory with the discussions in the Chapter on the 'Modern Capitalism.' You will realize that they are the true principles of human economy, provided they are shorn of exaggerations incorporated with them by the bourgeoisie of the West because of their selfishness and extremist nature. Again, it will be appreciated that the sources of evil enumerated therein are those that are really responsible for all evils, and if removed, human economy can very smoothly run on its natural principles without the evils of capitalism cropping up therein and resort to their artificial remedies.

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A certain percentage of the production of the landlords and cultivators will be set aside for purposes to be mentioned in Item 4.

If large scale cultivation by scientific methods is contemplated, it calls for such co-operative institutions as will permit consolidation

of small holdings on a voluntary basis, and safe-guarding the proprietary rights of petty cultivators ; then they can manage it all together in the form of an association.

After these reforms, can any one pertinently point out any evils in Zemindari system ?

(2) Islam recognizes no such distinctions between utility articles and means of production that the one may allow of individual ownership and the other may not. It is perfectly justified there that an individual may produce or get together necessities of life for others and sell them out to such as need them. This business he may do all by himself or employ others to do it for him. He is the lawful owner of all such material implements and the factory or depot, which he may use for his production or supply system. All this is just as lawful today as it was before the Industrial Revolution. But uncontrolled industry and commerce can never be justified. According to Islamic teachings it ought to have been and can be controlled thus :

No technical invention employing mechanical power and ousting human labour should be allowed to be harnessed to industries and other business until thorough stock has been taken as to how many hands it is going to render idle and that ample provision has been made for them.

The detailed fixation of the duties and privileges will have to be left to the employer and employee's mutual agreement, but the state must impartially provide basic principles in this connection ; the lowest pay of a working hand or the standard of wages, maximum working hours, the minimum of the right of compensation for physical injury and pension in case of disability, and such other matters.

The government should take upon itself the settlement of disputes between the employer and the employee and for this purpose there ought to be such regulations for negotiations, arbitration and court cases, as preclude strikes and lockouts.

Hoarding, speculation, business gambles and shady transactions must be totally prohibited, and all those sharp practices which help add artificially to market prices, must be legally banned.

Wilful destruction of produce should be declared a penal offence.

Every department of industry and commerce, as far as possible should remain open to free competition, and there should be no monopolies to confer special privileges on persons or groups.

Industries and business adversely affecting morals or physical health of masses should be banned. If any of these is considered essential from a certain point of view, there must be due restrictions.

The government should not bring industries and commerce entirely under its control, Nazi fashion, but should certainly take upon itself the duties of guidance and co-ordination, so that the industries and commerce may not enter wrong channels and there may be complete harmony among the various phases of economic life.

The Islamic Law of Inheritance should be at work here too, so that the hoards of industrialists and businessmen may be disseminated regularly, thus guarding against the creation of exclusive moneyed classes.

A certain portion of the incomes of the businessmen, industrial magnates and other traders, should also be realized and set apart for purposes to be mentioned in item 4.

(3) In finances Islam recognizes the following rights of the individuals :

- (a) They may keep by their savings
- (b) Lend such savings to others
- (c) Invest them in business
- (d) Finance any business concern or industry as partners with full liabilities.

Although Islam would rather have them spend every paisa of their surplus incomes on Charitable works, but it does not disapprove of the above methods either, provided they do not fail to pay two and a half percent of their savings for purposes mentioned in Item 4, and in the event of their death, the entire hoards are distributed among their heirs in accordance with the Islamic Law of Inheritance.

In case of lending out their savings they are entitled to their principal only, under no circumstances, whatsoever, any interest accruing to them, irrespective of the fact whether the borrower utilized it for personal expenditure or invested it in business. Similarly, they are not authorized to profit by the securities, land or other property, placed with them to ensure safe return of their loans in any form whatsoever ; for such profits, no matter in what form, is interest, which can never be allowed. On the same basis it is unlawful to keep any difference between cash and credit prices of the same article.

In case of direct investments in industries or cultivation, they will have to abide by all those rules mentioned under clause 1 and 2.

In case of partnership they must accept full liabilities, which can be settled by mutual agreement. Any form of partnership which ensures only gains for the financing partner who must get his profits in all events at a previously fixed rate, is unlawful.

(4) Islam does not make it binding on the society or the state to provide employment for each and every one of its citizens since this responsibility cannot be accepted without wholesale nationalization of the Country's resources or at least Nazi type of state control over industries and commerce, the evils and disadvantages of both of which have already been pointed out. But all the same Islam does not consider it fair to leave individuals to their own resources, and that the distressed may be nobody's responsibility. Rather, on the one hand it normally enjoins upon individuals singly to

offer help to their utmost capacity, to all such indigent and needy as come their way regardless of any discriminations ; and on the other, it requires of the industrialists, businessmen and landlords to do their duty by their employees. And above all it binds down the society and the state to see it that no one living in its midst goes without bare necessities of life. The state has to provide dole to all such as are out of work, or temporarily disabled, or permanently so, or victims of any accident or any other calamity. The children without any guardian or supporter are the responsibility of the state, and under its guardianship. It is the state that will provide medical aid at its own cost to all such citizens as are unable to pay for it and every hungry stomach has a claim on the state for its filling, and every naked body for its covering ; so much so that any debtor unable to pay off his debts will ultimately come to the state for his rescue. This is the widest imaginable Social Insurance Scheme which must be managed by the state directly. To keep this scheme amply financed Islam suggests the following ways and means :-

Every one keeping by more than a certain fixed amount of capital must pay two and a half percent annually as 'Zakat'.

Every Zemindar and cultivator will have to pay ten percent of the produce of the unirrigated land and five percent of the irrigated, under this head.

Every industrialist and businessman has got to pay two and a half percent of his total annual assets (not two and a half percent of the profits) for this purpose.

Every breeder maintaining a herd above a certain fixed number, has to pay annually to the state a certain percentage of his animal wealth according to an ascending scale.

A fifth of the wealth obtained from mines and buried treasures will go to the state.

In case of wars 20% of the war spoils shall be set apart for this purpose.



This entire wealth will be exclusively earmarked for the expenditure heads detailed in Holy Quran under 'Zakat' and 'Khums', the most important among them being the Social insurance Scheme mentioned above.

(5) Islam on principle disapproves of the state taking the role of the industrialist, the businessman or the landlord. It wants to see the state as a guide, maintaining justice, prohibiting evils and corruption, and serving the interests of the Collective Welfare. The evils of combining trade with political power are so multifarious that its few superficial advantages would not make them sufferable. It allows only those industries to be run under state control that are essential for national life but individuals are not be prepared to run them, or their management by individuals may be really detrimental to the collective welfare. Apart from such works, if the state starts industries and trades in the interest of the progress and welfare of the country, it should endeavour to hand them over to individual management after running them successfully for a certain period.

These limits and regulations and reform measures combined with the seven natural principles of economy enumerated in the Chapter on 'Modern Capitalism', will put an end to all the evils of feudalism and Capitalism, and bring into existence such a balanced economic system in which individual liberties and collective welfare will be amalgamated with full justice to both, without the slightest impediment in the progress of the Industrial Order.\*

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\* For a fuller acquaintance with Islamic economic system a study of the following books of mine will be helpful :

1. Chapter 5 of 'Interest' (Islamic Economic Order and Its Main Pillars).
2. 'Economic Problem of Man and Its Islamic Solution.
3. 'Islamic Code of Life' a Compilation of my Broadcast Speeches.