



Towards a Great India

A magazine of the Freedom Team of India

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Care for India? Then lead India.

It will take at least 1500 leaders to reform India's governance. If you believe you can lead India, then apply to join the Freedom Team.

- India can be changed.
- India can become an ethical place.
- But the very best Indians must come together on one platform first.

Target/ achievement

Year	Number of leaders wanted	Number of leaders on FTI
2008	100	38 (including observers)
2009	500	
2010	1500	
Beyond	2500+	

To join the War for Freedom – a war against corruption and sloth – go to this website:

<http://freedomteam.in>

info@freedomteam.in

Message from the Team

Liberty in thought and action is the only condition of life, growth and well-being: Where it does not exist, the man, the race, and the nation must go down. – Vivekananda

The Freedom Team of India (FTI), floated as a concept in April 2007, was convened about a year ago. It is a platform where educated and honest Indians who are committed to freedom can work together to deliver freedom and good governance to India by contesting elections. In 2008 about 30 leaders joined the team. In 2009 we would like to find at least 500 leaders.

Why is liberty important? As Vivekananda pointed out (quotation above), without liberty a nation necessarily 'must go down'. And, indeed, India has gone down the gurgler. After independence we allowed interventionist and corrupt socialists (and criminals of all hues) to assume power. Today, not only are our freedoms badly endangered, even our life is often in peril.

We ask in frustration: 'When will Indian politics be reformed?!' But we also know the answer in our hearts: *never!* – unless the indifference displayed by educated Indians is overcome. Unless we assume our responsibilities as citizens, which includes entering politics and contesting elections, we must forget the dream of governance reforms in our lifetime. It is time to stop day-dreaming and to ask ourselves: '**How can we get involved?**' Each of us *must* grow into a leader.

There is nothing inevitable about India's corrupt governance. It is purely man-made – by corrupt Indians. No one *has* to live with this mess.

But we have a large chattering class which talks endlessly but shirks politics. FTI, unlike the chattering classes, is a group of *citizens*, not observers alone. That makes a huge difference. We are interested in action, not in idle fantasies. Our members - leaders all of them – have a single goal: to deliver outstanding governance and good policies to India, with your help.

Before we build the capability to contest (and, with appropriate communication, win) elections, we need good leaders to assemble. At least 1500 leaders who believe in freedom need to join this effort, as a team, with no one the 'boss'.

We are not interested in chasing power for the sake of power, but power for the sake of doing the right thing. **Our aim is to build the India of the future.**

So, come, join us! You don't have to leave your existing organisation to align with this team. If, however, you feel you can't lead India at this stage, then at least spread the message! Pass on this magazine widely, for a start.

New website, brochure, and formation of Trust

FTI is developing a new website and brochure. We are also going to register ourselves as a Trust and open a bank account. That will help us expand our search for leaders.

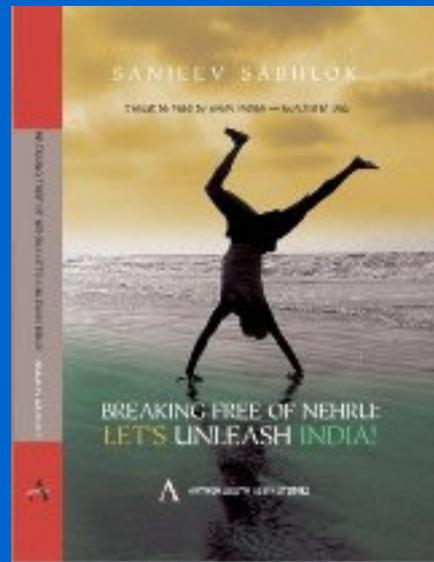
Keep a lookout for FTI's new website on 26 January! www.freedomteam.in

Join the Freedom Team, or ask your friends and relatives to do so.

To subscribe to this magazine: <http://groups.google.com/group/towards-a-great-india>.

Recommended readings

1. **Capitalism and Freedom** by Milton Friedman
2. **Capitalism: The Unknown Ideal** by Ayn Rand, Nathaniel Branden, Alan Greenspan and Robert Hessen
3. **The Ultimate Resource II** by Julian Simon
4. **Breaking Free of Nehru** by Sanjeev Sabhlok
5. **Economics in One Lesson** by Henry Hazlitt
6. **The Use of Knowledge in Society** by Friedrich A. Hayek
7. **India Unbound** by Gurcharan Das
8. **On Liberty** by John Stuart Mill
9. **The Law** by Frédéric Bastiat
10. **Liberalism** by Ludwig Von Mises
11. **Two Treatises of Government** by John Locke
12. **The Triumph of Liberty** by Jim Powell
13. **Growth Triumphant** by Richard Easterlin
14. **Roots of Freedom** by John W. Danford
15. **Good to Great** by Jim Collins



Sanjeev Sabhlok's book, **Breaking Free of Nehru – Let's Unleash India** introduces the concept of Freedom Team in greater detail. The book is now available in bookstores for Rs.495. More details including a preview are available at: <http://www.sanjeev.sabhlokcity.com/breakingfree.html>

Websites promoting liberty

Centre for Civil Society (ccs.in)

Liberty Institute (libertyindia.org)

Ludwig von Mises Institute (mises.org)

Articles by Team Members

From this issue, *Towards a Great India* will publish articles by team members (in alphabetical order of the last name of the FTI member). Whenever possible, Sanjeev Sabhlok's monthly article in *Freedom First* will also be incorporated into this magazine. Please note that these articles will not be edited (at least at this stage): freedom is not about the flourish with which a message is stated: it is about the *message* itself.

Disclaimer

Views expressed in the following articles **may not represent the views of the Freedom Team.**

Notes

Also, please note that we don't require our members to publicly disclose their identity at this stage. Hence all authors' full names or contact details are not provided at this stage.

1. Religion to be severed from Politics

Ujjwal Banerjee

Mr Banerjee, a finalist in the 2007 'Lead India' contest, works in the Akanksha Foundation

History feeds the present and the present feeds the future. Unless we consciously try to understand the present in the light of the past and do it without any bias, we may not be able to get a true picture of where we need to correct ourselves.

Considering the fact that the country is as much familiar to riots in the name of religion as much as kids are familiar with the game of cricket, its a matter of serious thought to understand what keeps our society in a perpetual state of war within. These riots are simply external manifestations of deep rooted hatred that lurks in the minds of people. And each riot gives birth to lakhs of minds which decide to take this negative spirit ahead probably in a different context may be in a different time frame. But it surely emerges.

Riots have happened. Media has covered them enthusiastically with exuberant histrionics and at the end of it all the guilty go scot free. Politicians continue their games. Citizens continue to live with their religious frenzy.

This entire situation throws open two important questions. One, effect of combining religion with

politics and second which also is related to the first, the role played by citizens in general in perpetuating this state of affairs.

The communal division in the name of religion has always been soft soil for political groups. As much as it is easy to gain mileage out of this display of a party's inclination towards a certain religious group, it's a dirty game which has benefited none.

One, it draws the attention of people away from things which actually should matter to them in terms of good governance and good services and second, it keeps the nation divided.

The other important aspect is the role played by citizens as they use discriminatory attitudes in their interactions in the society. Some of the simple examples like hesitating to rent a space to a person from the minority community, discrimination in enrolment of students, looking at a job seeker with skepticism etc lead to a state where an individual feels victimized and to him the State appears to be conspiring to make him stay in that position of powerlessness.

This kind of attitude leads to marginalization and extreme hatred which gets manifested in different forms. At times such frustrated people might become the most eligible candidates for the extremely dangerous religious teachers or else terrorist groups which are hatching the plan of the next attack in the name of religion.

There are no easy answers to changing from this state where we are in today.

As a society, we should be extremely cautious about the way we understand the differences of birth and how they define our attitudes towards other people. The only understanding which can really help a phenomenally segregated society such as ours is to accept religion as a means to human and societal betterment through pursuit of righteousness.

If we go by that understanding, the politicians would be compelled to explain their policies on core issues of development and we as a society would measure them on the number of children they are able to educate, the jobs they create, the number of hours of electricity they are able to provide etc. Whether they provide party tickets to yoga experts or attend Iftaar parties wearing skull caps, will not be of anyone's concern.

2. Terrorism and Governance

LK Kandpal

Mr Kandpal is Principal of New Digamber Public School, Indore. He can be contacted on 9826013060

What is terrorism? Terrorism is defined as 'the unlawful use or threatened use of force or violence by a person or an organized group against people with the intention of intimidating or coercing often for ideological or political reasons.' By this definition, we should wonder if the government, which is an organised group, though directly or indirectly elected by us, is itself involved in terrorism. In fact, terrorism can be physical, political, social, mental, or ideological. To a great extent, exercise of power indiscreetly, is terrorism. If we extend this definition, it may also mean amassing wealth disproportionately and unethically at the cost of others not so wealthy by powerful people within the state or by some super powers at the cost of poorer countries.

In a way, the US is responsible for a kind of the state terrorism exercised by it on other countries. Since 1945, the United States has been reported to have intervened in other countries 67 times, causing twelve million deaths, by overt or covert action. Hence, the targets of the September 11 terrorist attack were symbolic of anger with the World Trade Centre, representing a system of world trade that amasses ill-gotten wealth in a few hands at the cost of impoverishing billions in the Third World. This may also symbolise an attack on the super power for its sophisticated bellicosity against the rogue nations, which do not toe its line of thinking.

Talking of state terrorism further, the state has all the power- the police force, the intelligence, which it uses at its sweet will to serve its vested interests. The media is by and large in league with the government and the political party in power. Even these pillars of democracy at times are seen terrorising the people in their own way. The common act or threat of violence by the state police to create fear and extract information through third degree methods or narcotic test on a victim definitely amounts to state terror. Hence, terrorism emanates from legitimate political institutions intent upon

creating a state of fear for political ends, and therefore includes the activities of sovereign states themselves. The lawful citizen is helpless in view of the state terrorism compounded by secrecy, deception and hypocrisy as the terrorist states typically act with clandestine brutality.

A few recent examples of state terrorism are the handling of Arushi/Hemraj murder case. No body knows who the actual culprit is. How the state police and then the CBI terrorised the accused or victims no one knows is an act of state terrorism. Recent gruesome murder of government engineer Manoj Kumar Gupta in Auraiya (UP) is the latest in the series of state sponsored terrorism. It is learnt that the police have decided to invoke the provisions of the National Security Act (NSA) and the Gangster Act on BSP MLA Shekhar Tiwari and the other accused in connection with the murder of a senior here on Wednesday but he still remains as a loyalist of Mayawati's BSP. We shall forget him like we have forgotten Satyendra Dubey, the NHAI engineer at the Golden Quadrilateral highway construction project, another victim of state goondaism. It was reported that Uday Kumar, prime accused in the murder case fled from the Patna civil court giving the slip to a police team escorting him! Another ghastly act sponsored by state or the goons of the party in power is the murder of Manjunath, an MBA from IIM Lucknow and an engineer with IOC. We all have forgotten about these cases. Even if we remember, can we do any thing?

If history is any testimony, the fact will be established beyond doubt that all countries have been involved in the acts of terrorism in some way or the other. The question is how this monster can be tackled. A state can handle terrorism from within or outside with all means and methods at its command.

To escape from this terrorism is a near impossible. It can certainly be brought under control by an enlightened and disciplined citizenry. Vigilant people will ensure that all state governs as per the provisions of national and international laws and that all the institutions of the state mechanisms function transparently. Until we monitor them effectively, the state will let loose terror on people even with the excuse of eliminating the non-state terrorism. If vigilant citizens check state sponsored terrorism, I am sure, external threats of terror can be checked as the latter feeds on the former or vice versa.

The present surge of emotions in the public, marked with natural cynicism against the system, can be capitalised for building a resurgent and renaissance India. This is time that eminent people from all walks of the society created and expanded the network all over India; enrol members to be actively involved in the mass awareness. Let there be people's forums, which set agenda and action plan. All these small groups and sub-groups must put their acts together and act as a cohesive Watchdog. They can compel the state to govern. People's power is more lethal than the muscle and money power.

Lastly, we should also be prepared to provide leadership, which is ready to provide alternative efficacious governance. In a simple way, we must build power- power of collective people's leadership. When 100 people collectively take up an issue, it has a force. Can we have a 100- people brigade in every district, who will raise the issues and can also act as watchdog of the government's schemes and make the government agencies and leaders accountable to people. The atmosphere is right now. Many youths wish to do something but have no defined path or leadership. Can we provide them the leadership? Let's all pledge to eliminate the reign of terror.

We all know that India is a great country and we all love it. Please keep the religion and caste on the back burner. Think of only development and governance as an agenda. No terror can strike a country whose people are watchful and alert. Let there be governance and there will be no terrorism.

3. Building a monetary and financial system for a free society

Sanjeev Sabhlok

This article was first published in the January 2009 issue of *Freedom First*. Sanjeev Sabhlok, PhD, is a former member of the Indian Administrative Service. He now works as a public servant in Australia. His contact: sabhlok AT yahoo DOT com

For a wealth-destroying event of the magnitude of the global financial crisis (GFC) to have taken place despite celebrated economists running Western economies tells us that 'standard' economics has failed at a most fundamental level, like theories which said the earth is flat. Instead, the ideas of thinkers like Ludwig von Mises and Friedrich Hayek (the economics Nobel prize winner of 1974) of the Austrian school of economics, who repeatedly warned about the dangers of state-induced distortions in money

markets, have been fully vindicated.

Unfortunately, the economics taught today continues to ignore these great economists' insights. Current economics is more inclined to side with Marx who dreamt of state-controlled credit in the hands of a national bank. It is time the world asks these 'standard' economists the blunt question: why must free societies have Marxian central banking?

Unfree financial markets

People exchange goods and services in the free market at a mutually agreed price. The unit and medium of exchange, money, is also created by these markets. For instance, notes issued by private banks in medieval Europe, being commitments to pay specified amounts of gold to the bearer of these notes, were readily accepted as money. This system of money creation and banking, based on the 'gold standard', arose spontaneously from freedom.

However, in 1694, the British government, in financial distress, found a convenient way to produce money from thin air by giving sole rights to produce money to the newly established (private) Bank of England, and receiving an advance of £1.2 million in return. This anti-competitive distortion of previously free money markets became very popular among later governments. Some enlightened governments did allow free banking for a while: for instance, in Sweden between 1830 and 1902. Indeed, this (Swedish) free banking episode eliminated booms and busts and dramatically reduced bank failures. But Sweden soon abandoned free banking because it demands great discipline from governments which would rather follow Robert Mugabe's inflationary footsteps, instead.

The free market also ordinarily determines the price of money, which is the interest rate that this money commands in a competitive marketplace. This market-based interest rate perfectly matches the society's time preference of consumption. But central banks are established exclusively to interfere with this free determination of interest rates by distorting money supply and fixing the price of money. Naturally consumers and entrepreneurs are confused in these economies.

We can see why Americans save so little and borrow so much. By deliberately preventing the time preference of society from being disclosed through the market, and by (often) forcing interest rates to fall below their market rate, people are motivated to consume more and save less. Sensible persons won't save when their savings don't earn much interest or even earn a negative interest after inflation and taxes. They would rather borrow at low interest rates and consume in excess. Americans are quite rational; it is their politicians and central bankers whose heads need a check up.

Betrayal of freedom

Like other socialist planners, central banks are prone to imagine that the solutions to the world's problems lie inside their presumably super-intelligent but in reality deeply flawed and ill-informed brains (we are all similarly endowed: that is the basic truth about human frailty). Fatal conceit afflicts them as they try to 'fine tune' the economy by randomly tinkering with money supply and its price. Alan Greenspan (whom the great philosopher of freedom, Ayn Rand, erroneously considered as her disciple) wrote in the 1960s that the US Federal Reserve (Fed) had 'nearly destroyed the economies of the world' in the 1920s, and that 'a free banking system stands as the protector of an economy's stability and balanced growth'. This was, no doubt, good thinking.

But strange things happened between 1987 and 2006. As Chairman of the Fed, Greenspan changed colours. Not only did he not liberate the money markets, he kept interest rates artificially low, particularly between January 2001 and June 2004. Had he recalled the Austrian trade cycle theory (which Ayn Rand endorsed) he would have realized the great dangers of administering the price of money. His artificially low interest rates persuaded entrepreneurs worldwide to build things like houses and car factories in great excess, leading to the same over-investment that led to the roaring 20's and thence to the Great Depression. Greenspan thus did exactly what he had earlier decried. Freedom was betrayed by the man once considered its great votary. It is now time to stop this stupidity of having a controlled product (money) in otherwise free societies. Central banking, the illegitimate child of mercantilist monarchs and communist utopians, must be abolished. We must get free banking, instead: based on the gold standard.

US government's socialist interventions

These massive failures of the Fed were greatly exacerbated by American welfare socialism. Nationalised Fannie Mae was created in 1938 to funnel federal funds into home loans, artificially boosting the demand for housing. It was (notionally) privatised in 1968 but remained guaranteed by the US government. Freddie Mac was later created in 1970 to allegedly provide Fannie Mae with competition. American welfare socialism worsened with Jimmy Carter's 1977 Community Reinvestment

Act which required all banks to give loans to people without income or on low income, over-riding good lending practices. Fannie May and Freddie Mac (FMFM) were thereafter 'leaned upon' by successive US governments to buy the sub-prime mortgages issued by banks. Then started what can only be (in polite terms) termed as government-supported fraud. FMFM started guaranteeing sub-prime loans issued by Bear Stearns and also directly sold such debt to foreigners.

Catching and punishing those who make false or misleading claims about a product is a primary function of the government, but the US Office of Federal Housing Enterprise Oversight (charged with supervising FMFM) did nothing to block these falsehoods. Activities of a similar nature were also unfolding in the private marketplace in relation to financially engineered products. For instance, Credit Suisse Group Sellers misled markets about the risks of its securities by touting the AAA ratings it got (bought?) from Standard & Poor's. Self-regulation dramatically failed in the financial sector.

In addition, urban planning laws in many parts of the USA prevented urban boundaries from expanding even though thousands of new housing loans had been issued. This caused house prices to skyrocket. All these bad policies, together with low interest rates, fuelled a major housing bubble which has now burst. The main lesson we can draw from the GFC is that economic booms and busts are always created by government interference, mismanagement, and incompetence; not when markets are free and held to account.

I fear that worse things may be in store for the USA, including the possible collapse of the US dollar by about 2018 given its massive unfunded social security and medicare obligations (the only way to save USA would be for other countries to follow even worse policies!). After destroying and socialising its financial system, the USA government has now started throwing its taxpayers' money at failing companies. In a free society each business or company must take responsibility for its own decisions; if it becomes insolvent it must declare bankruptcy as part of its accountability. If any value is still left over, private investors will buy it out. Using taxpayer funds to bail out companies that no one wants to touch, amounts to theft of taxpayers' hard-earned money. Also, by rewarding incompetents, it creates disincentives for prudential management.

Lessons for India

Despite being founded under the banner of liberty, America has never been completely free. But its badly regulated money and financial markets, coupled with its socialist response to the GFC, shows that it is no longer fit to talk about freedom. This makes it even more important for India to show the way.

India's Reserve Bank should get out of the business of creating money and fixing the price of money. It should become an independent regulator of a private money and banking system. Its current functions should be unbundled: coins and notes should be issued only by private banks; the lender of last resort function should be performed by private insurance companies. Reforms on these lines will disclose the market's true interest rate, and price risks transparently, thus enabling uninterrupted economic growth. Good fiscal policy would have to accompany such reforms, including policies to minimise inflation, but I'll touch upon these related policies in a separate article.

The Freedom Team of India

India needs leaders urgently to take it to freedom. I'd like to request you to consider joining the Freedom Team (freedomteam.in) to lead India. The task is clearly becoming more urgent than ever before.

4. Power of "Action"

Dr. Kamal S.

Dr S. is CEO of a logistics company

I remember a friend of mine from a Rajasthan village who always used to rue that our village did not have a telephone, electricity or roads as against the world around us that is changing so fast ... a very natural reflection if there is a real felt need and a feeling that a positive change is possible. And it is almost always true that such discussion ends at somebody among the government, ministers, local politician, local panchayat being held responsible. In this game of failure responsibility assignment lies the subconscious belief that politics is the way to bring about change because when it comes to the power to influence policy change or getting things done, the political executive can hit the hardest.

In those same friendly discussions, what I today remember the most was the unusual silence of a friend despite he being an extrovert and a successful small business owner. One day, on much goading, he poured out something which still lingers in my memory... he said, "if I cant do anything about it, what is the use of even a mention, I have no *locus standi* on commenting on why certain things are done or not done in a certain way unless I can do something to change or influence it myself. The "change" he was referring to was ground-level-actions with a positive difference and the "influence" he was talking about was the "political- policy- influence" side of it. A few years back, our village managed to have telephones, roads and electricity and I am told that this businessman friend of mine was one of the most active member of our village community that put in efforts running from pillar to post in the administrative corridors to get these facilities/ infrastructures approved.

Almost 15 years thence, this reflection remains an eternal truth. There is one set of people who believe in voicing opinion, in most cases, more vocal than action-oriented and there is always this second set of people who may not be much heard about but to whom action always carries more meaning than words. Not that the arm chair thinkers of the first kind are not important in the way they articulate and show the way but there are more illustrious and exemplary people in history of the second kind who brought about a larger iconic and long lasting social change viz. Swami Vivekanand, Raja Ram Mohan Roy, M.K.Gandhi, Bhagat Singh, Subhash Bose, Mother Teresa.

Down to the current times where direct positive political action is a bigger need, take for instance Arun Bhatia... while millions amongst us may deride today's politics and politician and not tread this much maligned path, Mr. Bhatia saw the brighter side of it that the bottomline still is politics where not only you can voice but put direct actions into it. So bravely he chose the much less charted territory, direct politics. What he believes in is that if he shows the way by DOING it, many would join who are just waiting for a positive & honest leader or an organized effort/platform.

"Action" has more powers of explanation, creation, solution than words. Take Swami Agnivesh, take Medha Patkar or the most recent Lead India campaign in which the little boy leading efforts than be a mere spectator... all of them believe in action, to bring about a difference in whatever way they can in the fields of social change, environment or just a strong display of what is citizen's responsibility. A positive social action can be done in any sphere, a businessman by filing returns and taxes regularly, a corporate in showing transparency and a being a socially responsible corporate... to a common person respecting the rights and duties of other citizens.

To bring about a positive political change in this great democratic India is definitely a big dream. To dream big... is human but to turn it into reality and action, more often than not, requires a superhuman effort which only collective human action can provide. The bottomline thus is the need of a multitude of like-minded people sharing a dream and leading by examples. There is a bit of leadership in every person, he or she just needs to discover it, think positive and guide it to positive action. To leaders politics should come naturally. It is not dirty as it looks to be, the politicians may be and the only way out to is to get into direct and positive political action. If you harbour this dream, we at Freedom Team of India (<http://www.freedomteam.in>) can help you realize it. We do not promise instant action and realization of your dreams for India but we definitely have the resources and leaders to show you the positive way forward.

Please pass this on!

We need to break the cycle of dismal apathy among educated Indians. Act now. Support this work. Please forward this magazine to *all* your friends and relatives in India.

Let us work together to find the leaders we all need. Surely, India has 1500 leaders who believe in freedom!

