Swatantra 1506 Newsletter

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CENTRAL ORGANISING COMMITTEE DECISIONS

The Central Organising Committee of the Party met in New Delhi on March 4 and 5. 18 out of 25 members attended this meeting. The meeting began by recording the Committee's grief at the serious illness of the Late Shri Govind Ballabh Pant. It discussed various matters connected with the Party's organisation.

The Committee after a discussion of the budget proposals of the Government of India, unanimously adopted the following resolution:

BUDGET:

"The Central Organising Committee of the Swatantra Party condemns the Budget proposals placed before Parliament by the Finance Minister. They are oppressive and ill-conceived and add enormously to the burdens already borne by the poorer and lower middle classes of the people by taxing articles of necessity such as cloth, kerosene, matches, coffee, tea and vanaspati and adversely affecting agriculture and transport by the increased duty on diesel and other fuel oils. India being already one of the most heavily taxed countries in the world, these fresh measures of taxation cannot but lower still further the standard of living of the people affected already by high prices and the depreciated value of the rupee.

"Unless the Plans are shorn of some of their spectacular projects and unless public expenditure which has risen alarmingly in the last few years through the proliferation of the services is drastically reduced, taxation will keep on going up, the cost of living soar to greater heights and inflationary pressures increase. The end result can only be the greater misery of the people. In any view of the case, additional taxation is wholly unwarranted particularly when government's professed objective of holding the price line will be defeated by increasing the inflationary pressures through additional measures of taxation.

"The Central Organising Committee is convinced that the reckless spending and borrowing by the government in order to implement the unrealistic and exhibitionist policies on which they have embarked must rapidly bring economic disaster to the country and, unless public opinion organises itself very actively, the situation will be beyond redemption."

(See Supplement for the speech in the Lok Sabha on March 15 by the General Secretary on the Budget which may provide talking points for Party speakers).

CHINESE AGGRESSION:

The Committee then turned its attention to the Communist Chinese threat to India's security and passed a resolution critical of Government's attitude. It said:

"The Central Organising Committee of the Swatantra Party observes with deep regret and resentment the continued weakness and hesitation that mark the policy of the Nehru Government in respect of Chinese aggression and the encouragement thereby given to China to continue the policy of nibbling at India's frontiers and of isolating India from her neighbours. It has become imperative that positive steps be taken to build up friendly relations with all neighbouring countries interested in stemming Chinese expansionism."

CRORE FUND:

Giving thought to the problem of raising finances for the coming General Elections, a resolution setting up a One Crore Fund was adopted as follows:

"The Committee resolves to make an appeal to the people for a Swatantra Election Fund of Rupees One Crore and authorises the General Secretary and the Treasurer to take all necessary steps in this matter."

DELHI BY-ELECTION:

Another resolution that was passed was the decision to permit the General Secretary of the Delhi Party, Mrs. Manmohini Sehgal to contest the by-election to the Lok Sabha, which had fallen vacant after the Congress incumbent Mrs. Sucheta Kripalani had resigned. The resolution stated:

"The Central Organising Committee considered the position in regard to the impending by-election to the Lok Sabha from New Delhi and had before it the request of the Delhi unit of the Party for permission for Mrs. Manmohini Sehgal to stand at this by-election. The Committee heard the President of the Delhi unit. It also had before it a telegram received from the General Secretary of the West Bengal unit of the Party urging that Mr. N. C. Chatterjee should be the Party's candidate to Parliament from one of the constituencies in West Bengal at the next General Elections.

"The Central Organising Committee decided that notwithstanding the general decision taken at its meeting in Hyderabad in December 1959 that the Party should not normally contest by-elections to

Parliament or State Assemblies before the next General Elections, Mrs. Manmohini Sehgal should be adopted as the Party's candidate for the forthcoming by-election to the Lok Sabha from the New Delhi constituency."

GENERAL SECRETARY IN LONDON

"The new wave in Indian politics threw up a ripple on the shores of England today," writes the *Birmingham Post* reporting the General Secretary's press conference in London on February 15. He said that the Swatantra Party had potential majority support of the people of India. Referring to the coming General Elections, Mr. Masani said that the Party proposed to put up as many candidates as it can and hoped to emerge as the main Opposition. Its aim was to provide an alternative Government. He pointed out that it had the second largest membership of any political Party in India viz., more than 300,000 members.

Discussing the character of the Party, Mr. Masani added that the Swatantra Party which was basically an agrarian Party, might enter into an understanding at the time of the elections in order to prevent the splitting of votes among democratic opposition candidates.

While pointing out that the Party had strong support among the rural populations of Bihar, Uttar Pradesh and some parts of the Punjab and in the coastal districts of Andhra, he said that the problem was chiefly one of men and money. He attributed the fear of reprisal by the Government as the main factor which prevented business men from supporting the Party. It was a form of timidity and short-term selfishness to which many were prone.

Mr. Masani concluded his Press Conference by listing the achievements of the Party:

The Party had helped:

1) to end the pall of silence and conformism in the ruling Party, in the Press and among the general public and make them discuss frankly domestic and foreign issues, and
2) to stimulate second thoughts in the Congress and the Government on economic policies.

While in London Mr. Masani addressed the British Group of the Liberal International, of which he is a Patron. He also had talks in the House of Commons with Mr. Jo Grimond, the British Liberal leader.

The Times Education Supplement of February 24 carries an exclusive interview with Mr. Masani. "India has had enough of Mr. Nehru's Marxist tendencies," says the Times quoting Mr. Masani. The rest of the interview deals with the Party's attitude to education and student life.

NEWS FROM STATE PARTIES

ANDHRA

Party offices at Mandasa and Haripuram in the Srikakulam district were declared open on February 26 by Shri G. Latchanna, president of the District Party and leader of the Party in the State Assembly. On the occasion public meetings were held at both these places with officials of the taluk Party presiding.

The Secretary of the Kasibugga district Committee, Shri Hari Krishna, addressing a meeting praised the efforts of Shri Krishnamurthi for his role in strengthening the Party. Shri Budagala Jagannadharao who also addressed the gathering affirmed that the Party, when it comes to power, will do its best to encourage self employed people and give all help in improving cottage industries. Shri Goondra Chandriah Naidu also spoke. A vote of thanks was proposed by the President of the Panchayat Board of Pentakota.

The town of Chodavaram in the district of Visakhapatnam now has a Committee with Shri Kandarpa Venkataratasimhan as President.

At Mallapalam, a hamlet in the Chodavaram taluq, a meeting of Party members held on February 12 under the Presidentship of Shri Rapeti Ramunayudu, Secretary of the taluk led to the formation of a village Committee.

At Dimilí also in the Vísakhapatnam district, amidst prayers and traditional pooja, the Party office was opened on February 26. Shri Narasimha Murthi, Advocate, hoisted the Party flag. That evening a procession of over three hundred elders of that area proceeded to Gandhi Park where a public meeting was held with Shri Hari Pantulu in the Chair.

Several villages in the taluka of Tadepalligudem, Bhimavaram, Narasapuram and Tanuku in the district of West Godavari were visited by the Secretary of the District Committee, Shri Kommareddi Bapaiah and Shri Pratti Seshiah, Organiser, on February 25 and 26. They met several workers and laid the groundwork for the establishment of Party units in these areas.

Organisational matters came up for review and discussion at a meeting of the State Committee of the Party held at Vijayawada on February 15. Mr. B. Ramachandra Reddi, State President who presided called upon members to intensify their efforts to collect funds for the Party. A report on Telangana was then submitted and the General Secretary reviewed the progress of the Party in the State with special reference to the district of Anantpur which he had toured recently. It was resolved at this meeting to intensify the work of organisation of taluk and constituency Committees and the collection of funds. It was further resolved to make arrangements for pamphleteering, holding of cultural programmes etc.

Shri Ramachandra Reddi and Shri T. Krishnamma visited Nuzvid taluk on February 17 with district Party leaders. The Party office was declared open at Hanuman Junction by Shri Ramachandra Reddi. A meeting was then held which was addressed by the State and district leaders.

At Nuzvid itself the visiting Party leaders were entertained to tea at the residence of Shri M. Hanumantharao where many prominent advocates and businessmen of the place were present. The Party office at Nuzvid was declared open by the State President who also hoisted the Party flag. President of the Nuzvid Constituency Committee Shri Kalagara Satyanarayana welcomed the leaders.

At a meeting held on the occasion Shri Ramachandra Reddi appealed to the gathering to replace the Congress by the Swatantra Party in the next Elections. The General Secretary, Shri T. Krishnamma, affirmed that the Party stood for safeguarding the lives and liberties of the people. Later that night a public meeting was held at Ramanakkapet under the Presidentship of Shri Satyanarayana, where the visiting leaders addressed the gathering.

Party President, Professor Ranga was in Guntur in the last days of January. He visited several villages in the Tenali and Bapatla areas on January 30 and 31. At Donepudi he participated in a workers meeting. Among others who took part in the proceedings were Messrs. Y. Venkatarao, N. Vijayarajakumar and Dr. N. Venkatakrishnarao.

On February 1, Kancherlapalam was the scene of a big procession which culminated with a public meeting. Professor Ranga was accorded a rousing reception.

On the 3rd Professor Ranga visited other villages like Mulukuduru, Chundurupalli, Eatheru, Marripudi, Appikatla etc., and contacted many influential people in the area and called upon them to support the Party. Another meeting was held at Poondla which was attended by over three thousand people. Shri L. Rosiah, Vice-President of the local Panchayat Board presided over this meeting. Shri P. Koteswararao, Joint Secretary of the State Party, Shri A. Ramakotiswararao and Shri Achanti Nagiah were among those who spoke. Professor Ranga's speech was punctuated with frequent applauses as he catalogued the reasons why the Congress must be thrown out of power. He also addressed meetings at Chandavole on the 3rd, at Kakumanu on the 5th morning, at Garikipadu that afternoon, at Chinalingayapalem in the evening and at Chirala on the 6th. The meetings were very well attended and extremely responsive to the speeches delivered.

A public meeting was held under the auspices of the Kuppam Constituency Committee of the Chittoor District unit with Shri T. C. Rajan, Secretary of the unit, presiding. Among those who addressed the meeting were the Deputy Leader of the Party in the State Assembly, Shri P. Rajgopal Naidu, and Shri V. Srinivasalu Naidu, Joint Secretary of the District Committee. Well-known Tamil poet and author, Shri Kanchi Amrutham also addressed the gathering.

Anantpur district was extensively toured by the State General Secretary in the company of the district Committee President, Shri D. Aswathappa, Shri S. Ramireddi, M.L.C., and other local leaders. He addressed a public meeting on the 11th at Rayadrug where he said that corruption is on the increase and neither the Nehru government nor the State Government is in a position to offer good and sound administration. Former minister and Swatantra leader from Kurnool, Shri N. Sankara Reddy and Shri P. Rajagopal Naidu, M.L.A., also addressed the meeting.

An ad hoc Constituency Committee has been formed for Rayadrug with Shri Muttulu Bojjappa as President and Shri R. R. Nippani as Secretary.

Similarly an ad hoc Committee has been formed at Uravakonda with Shri Neelapati Veerappa as President. A public meeting was held on the occasion.

A meeting of the Executive from the Telangana region was held at Ranga Bhavan, Hyderabad recently, when it was decided that a purse of Rs. 1 lakh would be presented to Rajaji the next time he visit Hyderabad. To this end a Sub-committee called the Rajaji Purse Committee has been formed with Shri S. N. Reddy, Vice-President of the State Party, Nawab Amir Ali Khan, Shri R. Venkatasubbarao and Shri Hakin Narayanadas. Mr. Venkatasubbarao will be the Convenor of the Sub-committee.

At Karimnagar a town Committee has been formed following the visit there by Shri R. Venkatasubbarao.

ASSAM

On the invitation of some friends of the Party in Garo the General Secretary of the Party in Assam, Mr. John Deng visited Mendipathar in the Garo Hills on February 1. The very arduous journey involved in a visit to such a place was more than compensated, reports our Shillong unit, by the successful nature of the visit. For the inhabitants of Mendipathar showed considerable enthusiasm for the Party. Soon after his arrival there an ad hoc Committee was set up in the area headed by Mr. P. Sangma. Mr. Sangma's younger brother, Mr. Nalindra Sangma, is an independent member of the Assam Legislative Assembly. This is the second district in the State of Assam to have a unit of the Party, the first one being the Shillong district.

A public meeting was held on February 9 at Laitduh in Cherapunji which was addressed by the General Secretary, Mr. Dorbok and Professor A. Warji. As can be expected, it was raining at Cherapunji. Despite this however, numerous people from the neighbouring villages arrived in groups to attend the meeting which was presided over by the Chairman of the village Committee of Laitduh. Two Sirdars of the area who also addressed the gathering asked for clarification of the Party's stand on a number of issues, to which the General Secretary gave his answers.

BIHAR

The reconstituted State Committee of the Bihar Party met on February 15. It took stock of the Party's progress since its inception and reviewed its position in the light of the changes in Bihar politics. The committee authorised the President to reconstitute the district and Sub-divisional units of the Party in the state.

A tour and travelling Sub-committee and a Publicity Sub-committee has been set up to arrange tours of Bihar by Party leaders from other parts of the country, and to organise a programme of publicity.

Raja Kamakhya Narain Singh of Ramgarh, President of the State Party, made a rapid tour of the Saran and Champaran districts between February 21 and 24. He addressed nine meetings at Nayagaon, Parsa, Baikunthpore, Berauli, Gopalganj, Mirganj, Siwan, Basantpore, and Baniapore in the Saran district and from the 25th to 28th addressed over eleven meetings in the Champaran district. Wherever he went arches and buntings had been set up to welcome him. The Bihar Party reports that the meetings were invariably "an ocean of human heads."

The Vice-President of the State unit, Shri Ram Binod Singh and President of the Saran district unit presided over all meetings held in Saran district during the tour of the Rajasaheb.

At Mehnar also in Saran district, the General Secretary of the State Party, Raja Jagat Kishore Prasad Narain Singh addressed a meeting which was presided over by Shri Ram Binod Singh.

Shri Janki Nandan Singh, General Secretary of the State Party and Chairman of the Reception Committee of the Bihar State Convention was continuously touring the countryside of Darbhanga with his large band of workers. It is reported that he obtained an enthusiastic response wherever he went.

The First State Convention of the Bihar Party was held at Dalsingh Sarai in Darbhanga district on March 11 and 12. (A detailed report of this Convention will be published in the next issue of our Newsletter.)

BOMBAY

En route to Delhi to attend the meetings of the Central Organising Committee, Rajaji spent a couple of days in the City during which he fulfilled a number of engagements. On March 1st he addressed a meeting of the Swatantra Crore Fund Committee. While impressing upon those present at this meeting the need for adequate finances to contest the elections, he called upon them to put in their best efforts and help in realising the targeted One Crore Election fund.

That afternoon he addressed members of the Maharashtra Chamber of Commerce and later in the evening met active workers of the Party. He emphasised at this meeting that for the Party to progress it must have a band of selfless workers. He later answered questions put to him by some of those present at the meeting.

On the night of March 2, Rajaji addressed a mammoth public meeting at the Napoo Gardens in Matunga. It is reported that nearly ten thousand people were present at this meeting which was presided over by Mr. Murarji Vaidya, Chairman of the Bombay unit.

His last public engagement before leaving for Delhi was a meeting of the Press Guild.

The Malad unit of the Party has now started a Swatantra Social Service Centre. This Centre was inaugurated by the Vice-president of the Bombay unit, Mr. Piloo Mody on March 12.

On March 16 Mr. P. Mody presided over a meeting arranged by the Matunga unit of the Party to explain to the people the Swatantra Party's position viz-a-viz the municipal elections. Mr. R. V. Murthy, the General Secretary of the Bombay branch, Mr. Madhu Mehta and Mr. Ramesh Kulkarni were among those who addressed this meeting. Explaining to the people the position of the Party, the speakers said that just as the Party had made it a matter of principle not to bring in politics into the trade union movement and among students, in the same manner it had decided that politics should be kept out of civic and local bodies; These organisations were meant to improve the civic life of the community and not indulge in political debates. This stand of the Party has been appreciated by intelligent public opinion.

GUJARAT

Mr. K. M. Munshi, a Vice-President of the Party, accompanied Shri Bhailalbhai Patel on a tour of Gujarat from February 5 to 9. Mr. Munshi addressed large public meetings at Broach and Baroda on the 5th and 6th February respectively. At both these meetings popular enthusiasm for the Party was much in evidence.

On February 8th along, with Shri Bhailalbhai, he attended an Industrial Conference of industrialists of Gujarat at Nadiad. This Conference had been convened at the initiative of Shri Bhailalbhai Patel and the Gujarat Party. Mr. Munshi presided over its deliberations. The main topic of discussion was the establishment of an Oil-refinery for Gujarat. A resolution urging the Union Government to take immediate steps for its establishment was passed. Another resolution was passed for the establishment of a permanent Committee of expert opinion to devise ways and means for promoting the industrial and agricultural progress of Gujarat. From Nadiad Mr. Munshi accompanied by the State Vice-President Mr. Dahyabhai Patel toured Chor-Varodara in the district of Ahmedabad.

Shri Bhailalbhai Patel toured the Panch Mahals districts between February 11 to 13, and addressed public meetings at Godhra and Shivarajapur.

Bhils who inhabit this area welcomed him in large numbers and assured their support to him and the Party in the struggle to free the people from the octopus tentacles of State control. He went on to tour Baroda district where he addressed public meetings at the villages of Karjan, Kandari, Mota Karara and Dhabhoi.

The new General Secretary of the State Party, Mr. Manmohandas Desai and Shri Shantilal Dave, Kaira district secretary, accompanied by the State President, toured the Kaira district between February 21 and 23. They toured the Thasra Taluka and addressed meetings at Chandasar, Angadi, Thasara and Dakor. Similarly public meetings were addressed by them on the 22nd at Agarva, Marghakui and Kalsar. All these meetings are reported to have been very well attended.

Mr. A. D. Shroff toured Gujarat from February 25 to 28. He was accompanied by Shri Bhailalbhai Patel. He addressed the Merchants Association of Rajkot and the Rotarians at the Rotary Club in the evening.

Between the 25th and the 28th Mr. Shroff fulfilled a series of engagements. He addressed industrialists of Baroda at Bhailalbhai Hall and a public meeting at Jubilee Baug.

On the 27th Mr. Shroff performed the opening ceremony of the district Party office at Broach and on the last day of his tour addressed members of the Merchants Chamber of Surat and the Bankers Association of Surat at two separate meetings. He rounded off his tour with a public meeting at Nagindas Hall. In his speeches he criticised Government's restrictions on trade and the harrowing conditions under which private enterprise had to function. The unrealistic and ambitious plans of the ruling Party, were also severely criticised by Mr. Shroff.

The visit of Mr. Shroff, who is a member of the Party's General Council, to these areas in Gujarat has had a salutory effect. Businessmen and industrialists who hitherto were keeping aloof from our Party due to a variety of reasons chief, among which being fear of the Congress Party's frowns, have now come to understand the Party's programme and principles in proper perspective and have picked up courage to pledge support. The Gujarat Party reports that the business man has now realised that his future is tied with the progress of the Party.

MADHYA PRADESH

The new President of the State Party is Shrimant Raj Rajendra Maloji Narsingh Rao Shitole, M.L.A. The State headquarters of the Party are at present situated at Narsingh Niwas, Pichhadi Deodi, Gwalior.

All the nine districts of Indore region now have functioning units. Mr. N. C. Zamindar toured the Chambal area and contacted the Ratlam, Jaora and Mandsaur units of the Party. At Jaora in the district of Ratlam an important Party meeting was held. Shri. Hirwe Sahib of Ujjain, Shri. Parulekar, Shri Jadhav, the Raja Saheb of Panched, Shri Pandya and the Porwal of Jhabua district and others attended this meeting. A new unit has been established at Depalpur in the district of Indore.

Membership campaigns are progressing very satisfactorily in the districts of Dewas and Dhar. The Indore regional unit reports that the district workers of Jhabua have been showing considerable enthusiasm and energy and have successfully organised areas like Ranapur, Jobat etc.

At Mandsaur, Shri Nanalal and Maharaja Govindsinh are actively at work.

Party workers in Ratlam extended a warm welcome to Shri N. C. Chatterjee, President of the West Bengal unit when he was on a short visit there. Earlier an important meeting of district representatives was held at Jaora.

Bichdod, a village near Ujjain was the venue of the Ujjain district Convention held on March 4 and 5. Through the efforts of Party men like Shri Mangilal Jain, Shri Upadhyaya, Thakur Dulersinhji and others, the Convention was a grand success.

On the first day thousands of villagers flocked to the venue and accorded a warm welcome to Rajkumar Udai Singh of Kaluhera, on the outskirts of Bichdod. He performed the flag hoisting ceremony. A small meeting was then held under the Presidentship of Shri Sewaram Patel who dwelt upon the agricultural policy of the Swatantra Party. Mr. Zamindar reports that he was surprised to find literally thousands of landless labourers opposing the Land Ceilings Bill.

That afternoon a business meeting was held and later on in the night there was a public meeting where over six thousand villagers heard the speakers in absolute silence. Shri Kakasahib Parulekar was elected President of the meeting. An appeal from the Maharaj Saheb of Kaluhera was read out in which he urged the people to join the Party and protect Dharma. He expressed his faith that under the leadership of men like Sardar Shitole and Shri Rege, the Party would progress. He was followed by Shri Hirwe who delivered a sharp speech drawing attention to the mess to which the country had been led by the Congress. He pointed out the dangers of Stateism, corruption and the undemocratic tactics of the Congress Party. He prophesied that if these were not checked in time, there would be anarchy in this country.

Mr. Sewaram, the next speaker spoke in the local dialect. The Rajkumar Saheb in his speech described the sorry plight in which the Congress found itself today. He cited a number of examples to prove his point of how very corrupt and inefficient the Congress organisation had become. He called upon the people to strengthen the Swatantra Party.

In his Presidential address, Shri Kakasahib Perulekar congratulated the organisers of the Convention and the people for their tremendous enthusiasm. Pointing out the prevailing conditions he said that the only remedy is for the Swatantra Party to be entrusted with office. The meeting ended with a speech by Shri M. Jain.

The next day matters relating to organisation were discussed and a few resolutions adopted. The first resolution was on Land taxes and expropriation of inam lands. Another resolution was to contest the 1962 elections from the Tarana Constituency. The third was a demand for an enquiry into a charge of embezzlement. The fourth resolution dealt with a local problem expressing opposition to the construction of an unnecessary large tank. The fifth opposed Land Ceilings and Cooperative Farming.

The Indore unit writes that the Ujjain district Convention was successful beyond all expectations. The people of Ujjain have rallied round the Swatantra cause and they confidently expect that in the forthcoming General Elections our Party would render a good account of itself in this area.

MADRAS

Rajaji continued his tour of Coimbatore district in the first week of February, returning to Madras on the 7th. During this period he appeared on numerous platforms at meetings organised by various organisations.

At Erode and Gopichettipalayam for instance, he addressed meetings of the Bar Association, of Party workers, of Merchants' and a public meeting at the latter town. At the merchants' meeting Rajaji mentioned, that just as the British people practised divide-and-rule policy, the Congress Party today is practising the same policy between the different Parties in the opposition. Among those who addressed the public meeting were Messrs Saw Ganesan, State President and Mr. G. K. Sundaram, State Vice-President. He also addressed public meetings at Karna Perumal Koil, Avanashi, and at Kumaran Maidan at Mettupalayam, Tiruppur and Palladam, Pollachi, Peelamedu and Coimbatore.

The Sulur Panchayat Board accorded Rajaji a reception. On February 4, Rajaji attended a meeting of the State Committee held at Coimbatore. That evening he addressed a public meeting at Pollachi. He was given enthusiastic receptions at the villages of Podanur, Chettipalayam, Kinathukadavu and Koilpalayam. Earlier he addressed a workers meeting at Tirupur on February 3.

Rajaji also attended the Coimbatore Taluk Conference at Ganapathy and the taluk conference at Udumalpet where he also addressed a public meeting. This concluded the highly successful tour by Rajaji of the district of Coimbatore. Rajaji in the course of his tour was presented with a purse of Rs. 26,062. The only engagement which he could not fulfil due to indisposition was a scheduled meeting on 7th February. The meeting was however held with Shri K. Narasimha Iyengar, advocate in the Chair. Messrs G. K. Sundaram, S. S. Mariswamy State General Secretary, Dr. M. Santhosham, Dr. S. Krishnamurthy Rao and others addressed a gathering of about 20,000 strong.

However, far from settling down, Rajaji returned to Salem on February 18 to fulfil his engagement there. In the morning he addressed a meeting of Party workers at the residence of Dr. Krishnamurthy Rao and attended a reception in his honour that evening by Dr. Santhosham, an eminent surgeon of Salem. Over one thousand people attended this reception. Later that evening Rajaji addressed a huge crowd of 50,000 people at the Bose Maidan. State President, Saw Ganesan who had accompanied Rajaji in his Coimbatore district tour, proceeded to Ramnad on the 7th where he attended a meeting of members of the Party at Manamadurai. This meeting resulted in the formation of the East Ramnad district Committee.

On the 9th a Committee was formed at Okkur in the Sivaganga area, followed by a public meeting. On the 10th and the 11th, the State President toured the Sirkali taluk in the district of Tanjore and addressed over ten meetings. Continuing his tour of Tanjore, he addressed meetings at sixteen other places between the 12th and 16th February besides participating in a number of workers' meetings and flag hoisting ceremonies.

At Thiruthani in the district of Chingleput, he addressed a public meeting on February 22, along with Dr. Santhosham, Mr. Mariswamy, Mr. V. K. Ramaswamy Mudaliar, M.L.A., and others. Mr. M. Venugopal Chettiar presided over this meeting.

February 27 saw the State President addressing a public meeting at Lalgudi in the district of Trichy with S. Thangavelu Angarayar presiding. The President of the Sangili Andavarpuram branch, Smt. Jothi Ammal and Dr. R. Kalamegham, the District Secretary also spoke at this meeting, which was attended by over four thousand people. Later the Lalgudi Constituency Committee was constituted by the President.

MYSORE

Sardar B. K. Nagur, M.L.A., one of the Vice-Presidents of the State Party, toured the district of Bijapur and it is reported that within a short period was able to enrol over two thousand members in the district of Bijapur.

PUNJAB

The enhancement of taxes in one form or the other by the ruling Party apparently is a continuous process. Our Party, alert to this picking of the pockets of people by the powers that be, embarked on a campaign to educate them and to warn them against the pickpockets. Small rural meetings were held by our Party throughout the State during February. In order to present a united opposition of all democratic Parties, our Party sought the cooperation of all the democratic opposition Parties on all common and non-controversial issues. A meeting of the State Committee held at Patiala on February 12 adopted a resolution which among other things stated: "This meeting....takes serious note of the abnormally chaotic and alarming conditions prevailing in the State as a result of the pre-planned, extremely cold and calculated moves of the ruling party to keep the various sister communities asunder and estranged from each other in order to strengthen its own Party dictatorship by weakening and demoralising the opposition parties through keeping them divided and at logger-head on one issue or the other, indeed, of its own creation. It also views with great alarm the general victimisation of its, (ruling Party's), political opponents vis suppression of Civil Liberty and enjoyment of fundamental rights so richly guaranteed under the Constitution; as also employment of brutal and tyrannical measures to achieve its ends; no less of gagging of the Press, the top-heavy, rather crippling taxation in the form of 'Betterment Levy,' 'Land Revenue, (addl; Surcharge),' 'Enhancement of property tax by 50%', 'Marla Tax' and six-fold increase in the Stamp Duty etc."

The resolution also criticized the rampant corruption prevalent in the ruling Party and the indiscriminate distribution of quotas and permits by the Party for its own ends.

Drawing the attention of the other opposition Parties to this state of affairs, the Party resolved to convene a Convention of all Democratic Parties to chalk out a uniform programme to mobilize public opinion against the curtailment of civil liberties, excessive taxation, the widespread corruption and to constitute a Sub-committee to undertake a thorough and comprehensive appraisal of the situation and to contact opposition Parties with a view to enlisting their cooperation.

The State Executive also decided that a series of conferences on district level could be taken in hand beginning with the one at Kapurthala district on February 19 and followed by various district conferences ending with one at Ambala Cantt on March 12. The Kapurthala Conference was accordingly held on the 6th and was well represented. It was presided over by State President, Udham Singh Nagoke and among those who attended the meeting were Sardar Darshan Singh Pheruman, M.P., Dr. Kali Charan Sharma, Sardar Basant Singh, Dr. Mehar Singh, district Convenor of the Amritsar Unit, Shri S. N. Khosla, Ex-M.L.A., and others. The programme of holding a series of district Conferences, however, has had to meet with serious obstacles owing to the imposition of Section 144 Cr. P.C. in various areas. Many Conferences which therefore had to be given up will now be held after these restrictions are removed.

On February 14 a Party meeting was held at Fatehabad in Hidsar district when Mr. Kaka Ram, a Communist leader of that area announced that he was joining the Swatantra Party with three hundred of his co-workers, forty-five of whom were enrolled as members on the spot.

At Phaggan Majra in Patiala district, a rural Party conference was held on February 26 which was addressed by Raja Maheshindra Singh, M.L.A., Sardar Basant Singh, Joint Secretary and Shri S. N. Khosla.

Yet another large conference was held at Badowal in the district of Gurdaspur in February 28. Sardar Darshan Singh Pheruman, M.P., presided.

UTTAR PRADESH

The treasurer of the State Party, Shri Raghavendra Pratap Singh of Mankapur, M.L.A., addressed a meeting of over 10,000 farmers at Lambhua. During the course of a tour of Sultanpur district, the Congress Party's policies of Joint Cooperative Farming and Ceilings on Land holding came in for severe criticism in the course of his speech. Two other Swatantra Party members of the Uttar Pradesh Vidhan Sabha, Shri Baldeo Singh, M.L.A., and Shri Kunwar Sri Pal Singh, M.L.A., also addressed this meeting. The State Party reports that many farmers who were present at this meeting enrolled themselves as Party members on the spot. A few who were in the P.S.P. announced their decision to resign from that Party and to join us.

Ramgunj Bazar, another important town of the district was the venue of yet another big meeting addressed by the State Treasurer and others. Before the meeting concluded many members were enrolled.

Shri Raghavendra Pratap Singh also toured the district of Basti. The Editor of Gaon-ki-Pukar and a Joint Secretary of the U.P. Party, Shri Bhanu Pratap Singh, and Maulana Abdul Hamid Qadri, a muslim divine of Uttar Pradesh were also in the touring party. Visiting important towns and villages in the district, the touring leaders addressed numerous meetings explaining to the people the Party's principles and policy. It is reported that the response from the peasantry was particularly encouraging and that farmers in large numbers enrolled themselves as members.

In the meanwhile, State General Secretary, Choudhury Layaq Singh toured Mainpuri district where he addressed numerous public meetings and established contacts with a number of respected people and secured their support for the Party.

State President, Shri S. K. D. Paliwal, presided over a meeting of Presidents and Secretaries of local units of the Party in the State held on Sunday 26 February in Lucknow. Members of the State Executive were also present. Representatives from the local areas reported on the progress of the Party in their respective districts and discussed plans for popularising the Party's principles. The meeting also gave thought to the selection of candidates for the next General Elections. The President laid down certain conditions which ought to be observed when selecting candidates. The meeting also unanimously decided to invite the Annual Convention of the Party to Agra next December.

SUPPLEMENT

MR. M. R. MASANI'S SPEECH IN THE LOK SABHA ON MARCH 15, 1961 ON THE BUDGET

It is my fortune in Budget debates to speak immediately after Acharya Kripalani, but this time I follow him when he has spoken, not as a leader of an Opposition party, but as an eminent independent Member of the House. All the same, although he has in that way changed, I find it possible to accord a welcome to his words which, I think, deserve the earnest consideration of the House and of the country.

Yesterday, as I listened to the speeches of the leaders of two so-called Opposition parties...

An Hon. Member: So-called?

Shri M. R. Masani: So-called. I use the word advisedly. I found they were really supporting the Budget and the Finance Minister in the proposals that he has put before the House.

Shri Dange, quite rightly, attacked the new indirect taxation, the excise duties, as a burden on the poor. There can be no question that on that he was right. He was right in questioning the conception of the Finance Minister about what "the common man" is and isn't. If the common man is one who is not to drink tea, who should go without coffee, who should never touch a cigarette, who should not chew a pan or have a betel nut, then I would say that such a man is very uncommon. The hon. Finance Minister, for whom we have great personal regard, is indeed a very uncommon man, with his abstemiousness from the little pleasures of life and the little comforts of life, which we all like to share. But he must not try to cast the common man in his own image. A few people like the hon. Finance Minister raise the temper of our national life, but if all of them were to be like that, we might draw back a little in horror from the kind of nation that we would be! We like people to be human, to enjoy their tea and coffee and smoke their cigarettes. We like a little joy in life.

Shri Morarji Desai: I have more joy than you have.

Shri M. R. Masani: Certainly the common man wants a good life, he wants a happy life, a little joy in life.

Shri Dange, having made his point, tried, rather helplessly, to distinguish the object of his criticism from what goes on in the Soviet fatherland or motherland, and quite rightly Shri Asoka Mehta and Shri A. P. Jain pointed out that it hardly lay in the mouth of any one who accepted his theories from the Soviet Union to question a system of taxation where the largest amount of taxation falls as a burden on the consumer, the poor man, because in that country, as we know, the turnover tax, which is nothing more than a sales tax or excise duty, accounts for 40 to 50 per cent of the total income or revenues of the Soviet State. Then another 20 or 25 per cent is added from the profits of State enterprises, which again is indirect taxation, because it adds to the price of the product which is sold to the consumer.

Let me give an example. As we know, the prices paid to the collective farmers for their wheat are very low. The State has the monopoly of grinding the flour. By the time the wheat becomes flour and comes out of the State flour mills, the price has gone up many times over. This is how it is indirect taxation on the bulk of the consumer.

Shri Tyagi: Don't preach it here.

Shri M. R. Masani: Since Shri Dange was questioning the hon. Finance Minister's right to bring in moral concepts and to deprive the people of the joy of living, I would refer him to a Communist magazine, a monthly in the Soviet Union, the *Kommunist* of March, 1961, where, in very similar language, the Soviet editorialists flay the common man for wanting a good time and for wanting comforts in life, preaching in the same moral tone that our Finance Minister does in India. This is what the Communist magazine says:

> "In recent years, Soviet citizens have shown a growing aspiration to ensure for themselves a comfortable standard of living..."

—that is a matter of complaint in the socialist world, and it says that they do it "even by semi-legal and clandestine means".

> "This desire extended from gold smuggling by airplanes to catching fish by the use of dynamite."

—both of which are considered to be highly immoral practices. In that respect, therefore, it is very difficult to distinguish between total State capitalism of the Soviet Union and our own incipient brand of it.

Shri Asoka Mehta, on the other hand, who, by and large, welcomes the Budget also seems to draw back from some other implications of this pattern which he supports. He complains that the public sector, which he wants to grow, does not give an adequate return, because the average return on the investment made by the people of India is nothing more than 0.51 per cent. If he had compared it with the profits made by the people's enterprise, he would have found that the people know how to make very much more money than the Government can ever hope to do. But then why this planning which is leading to State Capitalism? If you allow politicians to initiate schemes and bureaucrats to carry them out, how on earth can you expect any profit at all? These are not the classes who know how to produce, or how to produce at a profit; and that is why Professor Galbraith, whom we shall soon have the pleasure of welcoming in Delhi, who is himself a great advocate of the public sector and a socialist, decries our socialism as "post office socialism" which cannot make profit and only tries to avoid making a loss.

That is also why an apt analogy for the State which tries to produce or enter business has been given by the British liberal economist, Mr. Graham Hutton, when he describes State enterprise as a dog in the barnyard. The dog cannot lay eggs himself but, by constantly barking, he prevents the hens from laying eggs also!

That being the case, Shri Asoka Mehta himself will have to accept the fact that if he wants State enterprise in India on a large scale, it will have to be unprofitable. If he does not want that, he must reconsider the very assumptions from which he starts.

Shri Asoka Mehta: Reconsider socialism?

Shri M. R. Masani: Therefore, neither the Communists nor the P.S.P. are Opposition parties. They are, as I have said on a previous occasion, mere satellites of the ruling party. They are mere pressure groups who want to press the ruling party slightly one way or another, but the combined effort of both is to push the ruling party, in effect, further and faster down the slippery slope of State Capitalism and socialism.

There is only one party which provides an alternative way of life, and that party provides an alternative way of life because we reject lock, stock and barrel, the entire pattern of development on which the present Government is set. We reject it because we say there is a fundamental choice before the country. Either we accept a State-directed or command economy, where decisions as to what is produced and at what price it is sold are imposed from the top on the common people of this country, which is basically the Communist pattern,—we reject that—or we go in for real economic democracy which consists of the process of leaving the people of India...

Ch. Ranbir Singh (Rohtak): *Laissez faire.*

Shri M. R. Masani: ...the freedom of choice to decide what shall be produced and what shall not be produced.

My friend Shri Jaya Prakash Narayan makes the grievance that in a parliamentary democracy the people only vote once in five years, and then after that they are helpless. There is some force in that contention. What is the way that we supplement parliamentary democracy? I say that we can supplement it only by economic democracy where every day the men and women of India go to the market place and cast an economic ballot. They decide what they want to buy, at what price, and what they do not want to buy. Every time that an hon. Member or a citizen of this country, or his wife, or even his child, goes to a shop, he or she casts a ballot by deciding that he or she wants this kind of soap and not that kind of soap, this kind of brush and not that kind of brush, this shoe and not that shoe, this cloth and not that cloth. Every time he does that, he exercises a freedom of choice. If he does not want to buy, he exercises a negative freedom of choice by saying that he does not want to buy. Out of all these votes that are cast every day in the bazaars of India, we get a collective ballot, a General Election taking place every day in this country. Out of this consumers' preference, by the laws of competition, by checking State or any other kind of monopoly, comes the consumer's right to determine the pattern of production in this country. Out of the combined preferences of the people of India, the industrialists, those who want to make a profit, come to know what it will pay them to make and what it will not pay them.

This is the broad philosophic choice before the country. On this choice, the Socialist and Communist parties and the present Government are all in one camp. Against that command economy, we put before the country the concept of decentralised economic power that Gandhiji had at heart when he said that if he had his way the Reserve Bank of India's vaults should be opened and the gold that was there should be distributed among the people in all the villages of India. That is how economic power is divided; a little particle is given to every man, woman and child in the country. That is the real choice before the country.

Having posed a real challenge to the Budget, of which, as I have said, we do not accept any part of the philosophy, I think it is right to say that it is mischievous in three ways. First of all, these additional levies undoubtedly contribute a blow to the lower middle classes and the common people of this country. This is ill-deserved, after all the burdens that have been cast on them in the last decade. The *Hindu* of Madras has estimated that already a rise of about 5 per cent in the urban cost of living has occurred as a result of this Budget. And we may take it that that will be the nature or measure of the rise as a result of this Budget.

Secondly, apart from the burden on the common man, these excise duties will injure the process of industrialisation and aggravate unemployment. Already, as a result of the excise duty on power looms, I believe that anything up to 15,000 men are in danger of being displaced in the artificial silk and other textile industries. As a result of the excise duty on metal sheets and circles of copper and zinc, 5,000 people are already unemployed today at Jagadhri in the Punjab. And they have come in deputation, both the manufacturers and the workers, appealing to the Finance Minister not to destroy that industry. That is only a small industry. They are not capitalists; they are small workers, men whom Gandhiji would have liked to see come up. Those are the ones that feel the pressure of the excise duties. In Mirzapur also the small scale industry has been mortally hit already by these excise duties. The excise duty on diesel, which is a great triumph on which the Railway Board lobby should be congratulated, will restrict transport of goods and people. Finally, the additional duty on newsprint is going to affect adversely the newspaper industry, a necessity for the minds of our people.

In these ways, along with the reduction in the development rebate, the import duty on capital equipment and the surtax on earned incomes, economic development will be impeded by this Budget. If the House does not wish to take my word for it, it knows Professor V. K. R. V. Rao, a Leftist and a supporter of Government's policy. Let me quote from a newspaper of 3rd March his comments on the Government's proposals:

> "There is a danger that the wide array of tax on intermediate and capital goods might affect both the pace of internal development as well as the build up of export capacity. He thought that the vast majority of the new excise duties would result in a rise of the cost of living and the consequent threat of an inflationary spiral."

And that brings me to the third mischief of this Budget. At a time when everyone agrees, and the leaders of Government themselves agree, that nothing must be done to aggravate inflation, this is almost a deliberate act setting in motion further inflationary tendencies.

The *Economic Review* itself supplies the material. During the Second Plan, it points out, the real income of the Indian people rose by 19 per cent. But the money supply rose by 35 per cent. If this is not deliberate inflation of currency, I do not know what is.

The hon. Finance Minister last year said that inflation was not caused by the monetary policy of Government but by the rise in food prices. That alibi that may have existed then has gone. The *Economic Review,* on page 9, points out that since 1958, the food prices, if anything, have declined. And so, it cannot be claimed that the inflation that took place in the last year is due to a rise in food prices. It is due to the monetary and financial policies of Government and the nature of the Plans on which they are launching.

The Survey also goes on to point out that at the end of 1959, the index of wholesale prices was 117.9 while at the end of 1960 it is 124.3, an average increase of 6.5 per cent; and that during the Second Plan there has been a rise of 25 per cent in wholesale prices. The rupee has depreciated to that extent. Therefore, I hope we will not be given an alibi as on the past occasion. Let the Finance Minister admit that it is the monetary policies of Government that are responsible for this inflation. Government professes, on the one hand, to be against inflation; but their practices, on the other, do not coincide with their professions.

In this context, what can the Chief Ministers' Committee do to hold the price line, when the Union Government goes out of its way to make a dent in the price line? What kind of realism is it to say that the Chief Ministers of States should meet once in three months to hold the price line? This is to throw dust in the eyes of the people. Government expenditure will go up with one hand as much as government's revenues go up with the other. What you get at an inflated rupee will not be any more than what you could have got without the inflation and without new taxation. What you get with one hand is spent with the other.

The result of inflation is disincentives to investment, savings and production, also to exports which the Economic Review calls "the central plank of public policy". For the past five years, our exports are stagnant because our things cost very much more than world levels because of the high cost structure caused by Government policies. We shall now be even less able to compete in the world markets than we have been in the last five years.

Having made out this case, people will say: 'All right, we agree that you have made out a case. But what can be done? Somehow the money must be found. Where is the money to come from?' I challenge that very assumption. This assumption that the money has to be found is a complete fallacy. We do not for a moment agree that additional taxation of any kind at all is necessary. It is true direct taxation has reached saturation point. If you want to tax more, then it is the common man or the poor people that are going to suffer, not only this year, but in the years to come if the policies of Government and the present government in office were to continue. I do not accept this point that additional taxation is necessary. I claim that by cutting down civil expenditure and by not indulging in development plans of a Utopian nature, of an unrealistic nature, we can prune our Budget so that the existing taxation, high as it is, would suffice.

Now, I shall be asked to prove this. I shall try and do so. (*Interruption*). I have my own figures and I do not know whether they will be the same as what the Hon. Member refers to.

Let us consider non-developmental expenditure and developmental expenditure apart. Let us start with non-developmental expenditure. This has been rising, as Acharya Kripalani pointed out, at an alarming rate. The Estimates Committee of the House has pointed out that a large part of the additional taxation levied during the Second Plan on the ground that it was to go to the Plan has, in fact, been diverted to non-Plan expenditure. Here are the figures. The cost of the Administrative Services has gone up in the last decade by Rs. 37 crores. Every year it has gone up. In 1951-52, the General Administration cost Rs. 10 crores. In 1960-61, it is Rs. 19 crores; Rs. 9 crores extra. Audit cost Rs. 4 crores 10 years ago; today it costs Rs. 8.5 crores. Union Police, that is Central expenditure on Police, was Rs. 3.8 crores ten years ago; today it is Rs. 19 crores. External Affairs was Rs. 4 crores ten years ago and today it is Rs. 11 crores. In this way, Rs. 37 more crores have been added to what may be called parasitic expenditure consisting of a large army of under-paid and under-worked clerks. Parkinson's Law has nothing to show before the process to which this country is being subjected.

At a time when our frontiers are threatened by Communist China, I would be the last person to grudge a single rupee that is being directed to the defence of the country from that aggression. But how is one to justify the purchase of a secondhand aircraft carrier at a cost which comes, I believe, to somewhere about Rs. 30 crores including the planes that are to be found on it. But who is going to attack the country from the oceans here? We are facing a threat across the Himalayas and, instead of directing the money that we spend on defence to fighting that enemy, we go and buy this big toy for fighting a non-existent enemy. Who is going to invade us from the sea? We are making the same mistake that the Moghuls did in the reverse order. They built a huge land army and neglected the navy, and the British were able to land on the coasts and established settlements all round India and from these they moved in. Now, we are concerned with the attack by a land power on the North and, instead of concentrating on that, we neglect our defence there and we spend money on a navy which we do not need at the present moment.

Acharya Kripalani: They are our friends!

Shri M. R. Masani: Acharya Kripalani is giving an explanation; I hope that it is not the true explanation that the aggressors are our friends. I know the Indian people would not connive at or tolerate such an attitude.

Not only has this process gone on for ten years but there is every indication that they propose to carry on this kind of thing.

According to a paper that was placed before the last meeting of the National Development Council prepared by the Planning body, these are the estimates in the States of non-developmental expenditure and developmental expenditure. The developmental expenditure in 1961-62 is Rs. 420.4 crores and in 1965-66 it is estimated to be Rs. 471 crores—that is, an increase of Rs. 51.2 crores. There is an increase in all the States in the next five years during the Third Plan period of Rs. 51.2 crores. That is to say, Rs. 51.2 crores is going to be the additional amount spent by all the States on development. Now, let us see the figures of non-development expenditure produced by the Planning Commission. Rs. 375.9 crores is the non-development expenditure in 1961-62 compared to Rs. 463.7 crores in 1965-66. There is an increase of Rs. 87.8 crores in non-development expenditure. So, in the next five years, the States will spend on development Rs. 51 crores more while on non-development expenditure they will spend Rs. 87.8 crores more-on purely civil administration expenditure. So, Sir, it appears that the Rake's Progress in which we are indulging over the last ten years is to continue for the next ten years. I am sorry I have not got comparable figures placed before the National Development Council for the Union Government and am, therefore, unable to give them. Perhaps the hon. Finance Minister would be able to give them and supplement the information by giving the corresponding figures which are contemplated for the next five years at the Centre.

Now, let us turn to developmental expenditure. Vast developmental projects have been undertaken, as Acharya Kripalani has pointed out, at expenditure that often goes beyond estimates, and the returns, as my hon. friend Shri Asoka Mehta pointed out in this House and as Shri Santhanam did in the other House, are miserably low – 0.51 per cent return. If any businessman produced such results, he would be driven out of the market and go insolvent. An ECAFE survey, which makes a survey of the whole region on behalf of the UN organisation, complains that in India the development of the private sector has been restrained by the diversion of available external and domestic resources to the State sector – the point being, that money that could have been invested by the people to get a higher return has been conscripted for mobilisation in State projects which are of an unremunerative kind. I will not repeat the argument. The fourth steel plant should never have formed part of the Plan. It accounts for no less than Rs. 235 crores. The additional tax this year is Rs. 60 crores. In other words if this white elephant was not being imposed on this country, the burden of the additional taxation this year, the next year, the year after that and the year after that could be removed from the shoulders of the common people of this country. It is because of such megalomania that the common people are being mulcted today and there is this burden of additional taxation.

I shall take another example – the nuclear energy power stations. For atomic energy and nuclear power station, Rs. 11.48 crores has been budgeted for 1961-62. This expenditure has no relation to the realities of our present day. Twenty years from now, perhaps, the world will have atomic energy for industrial use. But today, the difference between the price of thermal power and hydro-electric power and this power is so vast that to think in terms of the mobilisation of nuclear power for industries is purely Utopian. Here again, for the sake of glory and looking modern in the eyes of the world, we do such things. We are following Russia and other great Powers such as America which can afford this luxury. But what has happened in the Soviet Union, whose Deputy Prime Minister was in our country a few days ago – Mr. Kosygin? He was good enough to admit – I am reading from a newspaper report – and he said that Russia was having second thoughts about the economics of nuclear power. He is reported to have said:

"Russia is having second thoughts about the economics of nuclear power and that, but for the fact that its third nuclear power station had already been launched, it would perhaps have abandoned it."

Acharya Kripalani: We will have second thoughts.

Shri M. R. Masani: It goes on:

"He would not agree with the view that nuclear power stations would be warranted where industrial areas are far away from coal belts, justifying his objection by the case of Russia where coal had to be hauled over much longer distances than India.

I hope, as Acharya Kripalani says, that, having followed Soviet Russia in one direction, we shall now have second thoughts quickly before more money is wasted.

This Budget, Sir, is nothing but a concomitant of the Plan, and we can sympathise with the Finance Minister since he is a prisoner of policies which cannot be justified on their own merits.

There are people who say that "this is all very negative though very effective criticism. But what is the use? Why don't you say something positive?" The *Hindustan Times* of 7th March had thrown that challenge in its editorial. There appears to be some dialectical confusion about the terms positive and negative. What is positive and what is negative? If some wrong is being done and you try to stop it, is that negative or positive? Or, is the wrong itself negative? If you are going down the slope and I put on the brakes, is that negative action? If an innocent person is being attacked and if you go and stop the bully, is that negative action? There is a mathematical concept that "two negatives make a positive." If the Government of India today are following a negative policy and if we people try to set it right in the interests of the country, then anyone who tries to set right the negative is doing something positive and constructive to this country. It recalls a story about King Louis XVI who used to keep people in the Bastille for many years without trial. Standing at the window of his palace one day, he saw a mob attacking the Bastille and he said: "Why are they so destructive and negative? Why cannot they do something positive?" That is a very funny idea. When one follows a policy which is not correct, and when someone draws attention and says that something is wrong, the man who does it is doing something positive... (*Interruptions*). Mahatma Gandhi led us in the very negative path of non-co-operation.

I shall try, however, briefly to list some positive things that we would like to do. I just list them because time does not permit a full exposition of these positive measures.

First of all, we should make a drastic reduction in civil expenditure. We have already indicated where cuts can be made.

Secondly, we would concentrate development expenditure on projects which are labour intensive, which provide employment spread throughout the country – Mahatma Gandhi wanted that to be done– and give quick returns by way of increase in national income. The priorities would be, first, agriculture, then small-scale industries, then large-scale consumer goods industries and last of those white elephants, the steel plants, which are the most unremunerative that this country can afford. (An Hon. Member: Fertiliser?) Certainly, Fertiliser, Certainly, but not steel.

Profitability should be the test of progress and not the amount we spend. I am glad that Prof. Galbraith has given very clear expression to this point of view and since he is a bit of a demi-God to those who support the present policy, let me read a few of his remarks. He says:

"To give people income and then remove it by taxation, inflation or appeals to thrift is an inefficient and self-limiting procedure...

In poor and ill-governed societies, private goods mean comfort and life itself. Food, clothing and shelter, all technically subject to private purchase and sale, have an urgency greater than any public service with the possible exception of the provision of law and order. The burden of proof is on any step that diverts resources from the satisfaction of these simple biological requirements to the almost invariably spendthrift services of the State."

This is on page 242 of the book *Affluent Society*.

This summarises, if any, the positive approach that we have.

Then, thirdly, we would limit taxation to reasonable proportions, so that money is left to fructify in the pockets of the people to be devoted to investment.

Fourthly, we would go in for honest and efficient collection of taxes.

An. Hon. Member: What do you mean by reasonable?

Shri M. R. Masani: I have already indicated that the present levies are not necessary. We can reduce the present taxation and yet the country can go fast and money left to fructify in the pockets of the people to be invested for profit and not wasted in uneconomic projects.

Then, Sir, we would go in for honest and efficient collection of taxes. Professor Kaldor pointed out that a huge amount of money escapes the tax collector's net. If that money could be collected, all this additional direct and indirect taxation would not be necessary. Therefore, the primary duty of the Government is to see that the man who evades tax is made to pay it in full and the innocent man who pays his tax, innocent men like the Government servants and salaried persons, are not unduly mulcted by reason of the incompetence and inefficiency of the tax collecting machinery.

Then, fifthly, we would cut down the capital outlay on the State sector. This will be made up many times over by the same money being invested in the popular sector.

Lastly, we would replace foreign loans taken from foreign governments which are a burden on the country by equity capital coming in in a larger measure. This is an important point, because if you are going to take money from abroad—that we must, and I agree with the Finance Minister that India will need foreign capital for many years to come – there are two ways in which you can get foreign capital: either you get it on your risk or you get it at the other man's risk. If we borrow money from foreign governments, we have to repay the capital and interest, whatever we may do with the money. Whether we use the money intelligently or effectively or we waste it or make a mistake, the loan has to be repaid.

What happens when foreign equity capital comes to this country? With his own money a foreigner comes and sets up his shop. He brings his plant and machinery to make a profit. If he makes a profit, he takes it out of the country. If he incurs a loss – as many State projects are making – then this country does not pay anything. That man loses his money. He brings money at his own risk. That is an important difference. We want foreign capital, but we want foreign capital to come at its risk and not at the risk or at the cost of the interest of this country.

Sir, one last word in conclusion. The hon. Finance Minister has said on page 35 of his speech that the additional taxation that has been levied this year has been levied "with the willing consent of the people". I do seriously question this. I do not think if a referendum on this Budget is held, it would ever be accepted by the people of this country. I know that it would be thrown out by an overwhelming majority. If only the hon. Finance Minister would wait for a year, he will know whether the people of this country are prepared to put up with the crushing burden of taxation that the so-called socialist pattern makes necessary.

Sir, when the country went to polls during the last General Elections, it was told that the Second Plan envisaged additional taxation on this country of the order of Rs. 450 crores. If the Government has a mandate for any kind of taxation, it certainly has a mandate for a levy of Rs. 450 crores additional taxation during the last five years. But what have they done? They have already levied Rs. 1040 crores of additional taxation. In other words, they have exceeded their mandate. Already they have gone twice beyond what they were telling the country that they were going to take out of the country's pocket. Sir, this is not proper in a democracy.

I think this Budget, therefore, has no mandate from the people. It is true it will be carried by a large majority of Members of this House. But, if I may say so with respect, four years after the last elections when the commitment made for Rs. 450 crores has been exceeded twofold, this Parliament becomes what is called in other countries a "lame duck" Parliament. Its mandate has expired.

Shri Dasappa (Bangalore): The gap of Rs. 450 crores was also expected to be made up by additional taxation.

Shri M. R. Masani: That was not what was said. The gap would be filled somehow. If the people had been told that Rs. 1040 crores would be levied and another Rs. 60 crores this year, it would have been an entirely different proposition.

Sir, this Budget has not the mandate of the people of this country. Therefore, this Parliament has become a "lame duck" Parliament. It does not reflect the wishes of the country four years after the General Elections. Its mandate has expired. You may carry it through the House, but I am confident, having faith in the intelligence and patriotism of the people, that next year when they have a chance they will reject the policies on which this Budget is founded and the policies of the Plan on which it is based.

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