Swatantra Newsletter 1529

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NATIONAL CONVENTION

The Party's third National Convention will take place in Bangalore on Saturday and Sunday, February 1 and 2, 1964. Preceding it will be a meeting of the Central Organising Committee on Thursday, January 30, and of the General Council on Friday, January 31.

There has been talk of the need to avoid extravagance and ostentation in holding political Conventions especially in the context of the national emergency. The talk has been heard loudest from the ruling party although the recent Jaipur Session of the AICC was anything but modest. In order to set an example, our Party has decided to eschew needless exhibition of pomp and extravagance and to conduct the proceedings of the Convention in a business-like manner within the confines of a Hall.

Details in regard to the Convention are being communicated to the State units of the Party.

RAJAJI'S BIRTHDAY

On December 8, Party units all over the country celebrated Rajaji's 86th birthday. In many parts of South India, prayers were offered in temples and churches and mosques for his long life and continued activity. A report from the Central Zone Unit of our Party in Kerala informs us of a meeting held on December 8 which was presided over by Mr. Krishna Iyer, President of the Central Zone Unit, and addressed by Mr. C. M. John, Mr. K. P. Joseph, Mr. K. V. Vaidyanathan and others. Similar reports have been received from Bombay City, Andhra Pradesh and Mysore.

Saurashtra Peasants Join the Party

The General Secretary of the Saurashtra Khedut Samaj, Mr. Dharamsinh Patel, along with five hundred active members of the Samaj have joined the Party. In a statement issued on the occasion they have affirmed that the Swatantra Party alone has the welfare of the peasants at heart as exemplified by the Party's uncompromising opposition to the 17th Amendment Bill.

Earlier, on November 24, the Working Committee of the Khedut Samaj appealed to all peasants in Saurashtra to support the Swatantra Party, especially in the ensuing panchayat elections.

Sardar Bahadur Lal Singh

Sardar Bahadur Lal Singh, a founder member of the Swatantra Party, passed away on December 15.

A former member of Parliament, an agricultural expert and adviser to the Planning Commission, President of the All India Agriculturists Federation and the All India Cane Grower's Federation, Sardar Bahadur Lal Singh joined in calling the informal meeting in Madras in June 1959 which resulted in the birth of the Swatantra Party. He has throughout been a member of the Central Organising Committee of the Party.

On the eve of his death, Sardar Bahadur Lal Singh was actively engaged in developing a dynamic agitation in the Punjab against the 17th Amendment to the Constitution.

A wreath with the blue flag of the Swatantra Party was laid on the bier at his funeral in Delhi by Mr. M. R. Masani and Col. Pasricha on behalf of the Party.

On 19th December, a meeting was held at the Constitution Club with Sardar Hukum Singh, the Speaker of the Lok Sabha, in the Chair at which tributes were paid to Sardar Bahadur Lal Singh and a condolence resolution was passed.

By the sad demise of Sardar Bahadur Lal Singh, the Party has lost a valuable member who impressed everyone by profound knowledge of agrarian affairs, his innate modesty and his deep love of the peasant. The Party shares with the members of the bereaved family their great sense of loss.

Mr. Muthuramalinga Thevar

Mr. Muthuramalinga Thevar, an eminent leader from Tamilnad, President of the Forward Bloc and an Associate Member of the Swatantra Group in the Lok Sabha, passed away last month after a prolonged illness.

Rajaji and Prof. Ranga, who addressed a meeting at Madurai on November 12, recalled the great services that Mr. Thevar had rendered to the country especially during the freedom movement and exhorted the people to live up to the noble cause for which Mr. Thevar had strived.

The Madurai Municipal Council at a meeting resolved to request the Union Government to issue a commemoration stamp bearing Mr. Thevar's picture. The Council further decided to erect a full-size statue of Mr. Thevar in a prominent place in Madurai Town.

Congress Rout in Goa

Dohad, Amroha, Farrukhabad, Rajkot and now Goa. The people of Goa have pronounced their verdict in unmistakable terms. The Congress Party went to the polls with its usual cockiness born of sixteen years of continuous power, but went down in ignominous defeat. No doubt a variety of alibis will be given by them and indeed Mr. Nehru has already given his. But whatever the alibis, the facts tell their own story.

The Swatantra Party has every reason to rejoice the Congress debacle and at the relative success of the United Goan Party. The Manifesto they issued on the eve of the elections has several points of similarity with that of the Swatantra Party. It is true the Swatantra Party has not taken any stand as a Party on the issue of statehood for Goa as have the United Goans, but it would not be out of place to recall a resolution on Union Territories adopted at the Party's Second National Convention at Agra on November 26, 1961. The resolution said: "This Convention records its support for the democratisation of the administration of the Union Territories." The Party's election Manifesto which was also adopted at that Convention says that the Party would "Work for the democratisation of the administration in the Union Territories".

It has been claimed by some that the results of the elections represent a victory for those in favour of Goa's merger with Maharashtra. This argument is as specious as the one used by the ruling party in Delhi of claiming that they represent the majority of the Indian people, when in reality they polled less than 45% of the total votes cast in the last General Elections. In fact, the President of the Goa Pradesh Congress Committee, Mr. Purshottam Kakodkar, has himself in the course of a statement issued on December 14 said that the verdict of the Goan electorate proved that the majority of Goans were not in favour of a merger with Maharashtra. On the contrary, whereas the Maharashtrian Gomantak had polled 109,000 votes, those who voted for the parties opposed to merger numbered 140,000. "If that could be taken as a referendum, the majority was against merger," he said.

SWATANTRA IN PARLIAMENT

It was a very eventful session. An increased dose of Statist policies was injected into the fabric of our politics. From the liberal point of view, it was a session where the forces that stood for individual freedom lost the battle but not without fighting hard on every front. The Companies (Amendment Bill, with some atrocious clauses, was adopted. The Unit Trust of India Bill introducing one more State monopoly was established. The third Five Year Plan, inspite of coming in for severe criticism, continues to live its artificial life. The Preventive Detention Act has been given a fresh lease of life for another three years. But, whatever may have been the outcome of this or that debate, the discussions that went on under the high dome of Parliament at least served to pose the real issues in clearer perspective.

Not surprisingly, the opposition viewpoint was sought to be deliberately misrepresented. The weekly *Commerce* in its issue of December 14 very rightly observes: "Another unfortunate feature of these speeches (from the Treasury benches) was the attempt to misrepresent the viewpoints of the Opposition, especially those of the leaders of the Swatantra Party. On going through the full text of the speech of Mr. M. R. Masani, for instance, one does not find him opposed to planning as such or to State participation in economic development. This is also true of Prof. Ranga. But both Prime Minister Nehru and Finance Minister Krishnamachari persisted in their game of trying to create a wrong image of these two Opposition leaders by repeatedly stating that they were against planning and in favour of a completely free market economy. Of course, Mr. Masani and Prof. Ranga are critical of the priorities given to heavy industries and of the dominant role earmarked for the public sector in the industrialisation of the country...This does not mean that they repudiate planning and are against State-ownership of any industry. It is time that such responsible leaders as Mr. Nehru and Mr. Krishnamachari refrained from indulging in half-truths."

The voluminous texts of speeches made by our members in both Houses received by this office is indicative of the extent of our participation in the debates. The limiting factor of space compels us to report on only some this time, while others have had to be withheld.

THE CONSTITUTION (17th Amendment) BILL

The Party's leader, Prof. Ranga, suggested to the House on November 18 that members of the Joint Committee on the Constitution (17th Amendment) Bill should tour the country to record evidence. He said "It is not easy for ordinary kisans and their leaders to come all the way to Delhi to give evidence before the Committee...I want the Committee to tour at least three or four places in each State; otherwise it would not be possible for the ordinary kisans to appear before the Committee and give evidence."

Prof. Ranga, while opposing an amendment moved by the Communists that extension of time for consideration by the Joint Committee be given only till December 1, said that it only indicated their "unholy impatience" to get the Bill through somehow.

The Speaker did not agree with Prof. Ranga's suggestion that the members of the Joint Committee should tour the country.

The Communist amendment was lost and an extension of time for the Joint Committee to present its report on the last day of the first week of the next Session in February was approved.

THE COMPANIES (Amendment) BILL

On November 28, the Lok Sabha referred this Bill to a Select Committee.

Leader of the Swatantra Group Prof. N. G. Ranga, expressed his misgivings about conferring vast powers in the Government. He said: "As we find that this Government is not only interested in gaining more and more power over people's enterprise, as represented through these joint stock companies but also is not so efficient or competent or honest, we are naturally hesitant in agreeing to all these powers being given to the Government."

Adverting to Government's proposal to convert Government loans to shares in Joint Stock Companies, Prof. Ranga said that this was an effort by Government to become major share-holders and make such companies their agencies.

Mr. M. R. Masani, who was on the Select Committee, appended a Minute of Dissent along with Jan Sangh's R. V. Bade. They characterised as "nothing less than outrageous" some of the provisions of the Companies Bill as returned by the Select Committee.

Their differences with the Committee's report were most pronounced in respect of clauses 7 and 8 which, they said, gave the Government "the right to deprive all trustees of their right to vote as shareholders of joint stock companies and to transfer this right to a Public Trustee appointed by the Government."

Maintaining that no case had been made out in favour of this, they regretted that the Committee did not accept their plea that the deprivation of voting rights should only operate in the case of trustees who are found to be using them for the advancement of their own or the donor's interests. Perhaps, they said, the most valuable right of a shareholder, whether trustee or otherwise, if that of participating in the control and management of the enterprise. To deprive the trustees of this right without recourse to a court is a proposal which should have no place in a free society.

The Finance Minister, moving the Bill as returned by the Select Committee accepted all amendments suggested except one, viz. that in regard to the conversion of loans into equity capital with retrospective effect.

This particular clause had raised a fierce controversy even inside the Congress Party and Mr. Nehru and his Cabinet colleagues ultimately decided to oppose the change suggested by the Select Committee although it had been supported by the Congress Party Executive by a majority of 17 to 2.

Speaking immediately after the Finance Minister, Mr. M. R. Masani sharply attacked the Treasury benches. Mr. Masani said he was shocked that the decision of the Select Committee and of the Congress Parliamentary Party had been reversed "at the dictates of one man."

It was a misfortune that "the Prime Minister is a half-baked Marxist." A few "loud-mouthed fellow-travellers, led by Mr. Nehru, Mr. Krishna Menon and Mr. Malaviya, are subverting the liberty of the Congress Party," said Mr. Masani.

Mr. Masani said that till now India's prestige abroad had been high because they had not committed a single breach of faith. "Today the Government wants to cheat as a lender. It wants to break faith as a lender. I shudder to think what the World Bank and foregn Governments will think about it."

Mr. Masani added that the Government was violating two important conventions of Parliamentary democracy. One of these was that there should be no party whips in a select committee. The other was that the Government always bowed to the decision of a select committee.

The full text of the Swatantra spokesman's speech is to be found at the end of the Newsletter. (Annexure)

As was to be expected, the Lok Sabha passed the controversial Bill, rejecting after a rivision the Select Committee's amendment that past Government loans to companies should not be convertible into equity capital except in the event of default, but with an amendment by the Finance Minister designed to give Parliament an opportunity to discuss and modify any orders for conversion of past as well as future loans.

THE UNIT TRUST OF INDIA BILL

The Unit Trust of India Bill was introduced in the Lok Sabha on December 4 and passed the following day.

What is a Unit Trust? Explaining concept in the Lok Sabha, General Secretary of the Party, Mr. Masani said: "The essence of the Unit Trust is a voluntary coming together of small investors. The essence of it is that it is non-official and the Government has no role to play whatsoever except that of supervising the honest administration of these funds. The third and the most essential aspect of the unit trust is that it enters into free competition with other unit trusts and with other investment organisations in the country." He added: "...the unit trust....provides even the small man with the chance of avoiding putting all his eggs in one basket and of spreading his savings thin so that no disaster may overtake him. Even a man who puts in Rs. 10 does not put all the ten rupees in one enterprise; a rupee each goes to ten enterprises so that if one makes a loss, he might be compensated by the gains and profits of the other nine. This diversified portfolio, which was beyond the reach of the small man with Rs. 50 or Rs. 100, now comes within his reach."

But the Government had something different in mind. They wanted a Unit Trust which would be a State monopoly. The Bill as introduced in the Lok Sabha had no intention of allowing the formation of such trusts in the free sector. And therefore Mr. Masani moved an amendment that instead of rushing through with the Bill it should be circulated for the purpose of eliciting opinion by the 29th February, 1964. The amendment was lost.

Why did Mr. Masani move the amendment? Because a good idea had been distorted and in place of non-official voluntary organisations competing with each other the Government had proposed a single government-run corporation dominated by officials. The Swatantra Party welcomed therefore another amendment moved by a Congress member Mr. V. B. Gandhi seeking that similar privileges and similar facilities should be given to other trusts, whether they may be in the State sector or the free sector. The Finance Minister was not willing to give an assurance that at least in the next session he would introduce a Bill enabling competition from the free sector.

Mr. Masani said: "This Bill creates another State Capitalist Monopoly. We are opposed to all monopolies, whether in the State sector or private sector. But this Bill creates another obnoxious State capitalist monopoly. It will have very disastrous effects on the industrial future of our country. Let there be no question as to who will dominate the Corporation. It is the Government of the day. Eight out of the ten trustees are going to be the nominees of the Finance Minister. The Finance Minister says that the Central Government only occurs once in the clause about the dissolution. But that is not so because 8 out of the 10 institutions that will nominate the trustees are themselves the nominees of the Government. Therefore, this will be a Corporation dominated four-fifths by the Government of India and one-fifth by the spokesmen of the scheduled banks who are given a minor share."

Giving other reasons, Mr. Masani pointed out that very few would be willing to invest in a Government run unit trust since they would not trust a Government which had made a mess of the administration of State enterprises. He agreed with Dr. Lohia that politics would enter and with it the bigger evil of corruption engendered by the proliferation of licences and permits. He explained: "Every permit and licence already is a source of corruption. Now you will get a very big lollipop offered; if this unit trust invests in a company, it gets capital; if the unit trust does not invest in it, it does not get capital. Think, Sir, of the financial power of corruption that will be implicit in such an arrangement. Think also of the prejudice that can be exercised, because the Unit Trust of India will have prestige and its refusal to invest in a company would be considered to be a black spot on the credibility of that concern...In other words it will be a kind of Damocles's Sword. The granting of credit will be a favour and the denial of credit will be a punishment."

More concretely, he pointed out to the manner in which this would affect collection of funds by political parties, especially the Congress, during elections. He said: "When the Companies (Amendment) Bill was before the House, every single party, except the Congress Party, wanted to ban corporate contributions to political funds, excepting the majority party which carried it through the House, and they were the greatest beneficiaries of that provision in 1962. In such a situation it is quite clear that the danger will be that there will be a *quid pro quo*, that a firm that gets money from the Unit Trust will be expected to give back a part of it to the coffers of the Congress Party. There is a danger that we cannot ignore after the scandal involving Shri K. D. Malaviya and Shri Serajuddin."

"Therefore", he said, "since this measure is a distortion of a good idea, since the country has not had time to consider it – most people do not even know what it is about, including, if I may say so, many hon. Members of the House – it is necessary that some more thought was given to it, to study the measure in its implications and that is why I propose that this Bill be circulated for eliciting public opinion for a period of three months.

DEBATE ON THE FOOD SITUATION

Participating in the two-day debate on the Food situation, Prof. Ranga said on December 4 that an atmosphere for the reimposition of controls was being sought to be created by certain Ministers. He recalled that soon after independence it was on Gandhiji's insistence that controls were removed. When they were brought in for the second time, it was only because of the "administrative genius and political courage of Rajaji and the late Kidwai" that they were withdrawn. He blamed the Government for the present conditions and said that it was due to their own mismanagement of sugar supply and distribution that there were difficulties and they sought, "to bring in these controls in an indirect way, first for sugar and later on for food products." Prof. Ranga opposed the Government's policy of discrimination between urban consumers and rural consumers, between urban people and rural people even in regard to gur distribution.

He said that the future to fix remunerative prices for agricultural commodities was acting as a big disincentive to the peasantry. No sizable increase in agricultural productivity could be expected unless this and various disincentives to production were removed.

The disincentives listed by him included non-insurance of crops against vicissitudes of nature, threat of introduction of cooperative farming, discrimination between peasants who had joined co-operatives and who had not, and the increasing burden of taxes as well as Excise duties which impinged on the agricultural economy.

Prof. Ranga felt that imported foodgrains should be used to relieve distress to the poorer sections of consumers by supplying them at subsidised rates. It was wrong to use the imports as a lever to keep down the general price level of foodgrains, specially for the reason that the farmers were afforded no protection against fall in prices in years of bumper crops.

While concluding he said: "I repeat my warning against any scheme of introducing directly or indirectly their so-called policies of regulation, which would only result in compulsory procurement and fixing unremunerative prices for the peasants. If they do not give up their disincentive policies, it would be impossible for them to expect agricultural production to go up and they would be only living in a fool's paradise."

MID-TERM APPRAISAL OF THIRD PLAN

The Government's report on the mid-term appraisal of the Third Plan was described as an admission by Government of "dismal failure" on every aspect of the economic front by Mr. M. R. Masani speaking on December 5, soon after the Minister of Planning had summed up the highlights of the appraisal.

Mr. Masani conceded that the appraisal document was "honest" and did not hide the shortcomings. For this he would congratulate the Minister. There had been failure on every aspect of the economic front. "It was a kind of picture which no Government should have come forward with before Parliament without offering its own resignation."

The rate of growth achieved, he said, had been one-third of what was expected. "This means going back not even keeping abreast" in view of the increase in population. There had been a drop in food production, and industrial production had not shown any better.

He attacked the performance of the Government saying that the document represented "910 days of wishful thinking, wasteful planning, excessive intervention, rigid regimentation, outdated dogmas and deepening public discontent."

"This Plan must be scrapped," he continued. "There is nothing in this Plan which is worth preserving or maintaining. The whole thing is wrong minded. The whole approach is wrong. The question is not one of implementation."

Mr. Masani said: "If the new Ministerial class thinks that people would like to wait and starve till the end of the Fifth Plan, they are mistaken".

What then was the alternative to the Plan? Mr. Masani said that the alternative to planning was the reversal of State Capitalism by a system of mixed economy, in which the Government confined itself to the limited sphere of the infra-structure, like irrigation and power, roads and communications and education, leaving the rest to people's enterprise.

Noting that the Planning Commission had worked out that a man needed Rs. 30 a month for the barest necessities of life, Mr. Masani said the "per capita income" of the country had to be raised to Rs. 545 a year by 1975, if the "minimum income" were to rise to Rs. 360. To achieve this, he said, the rate of economic growth should be increased from the present "miserable two per cent" to seven or eight per cent a year.

To assure a reasonable standard of life to the people, the production of food-grains and cloth should be doubled.

Mr. Masani said that he was seeking priority for consumer goods because a starving man could not produce. "To maximise production, you must invest the available resources in such a way as to get the highest possible returns," he added, declaring that he wanted the "sovereignty of the consumer" to be established without delay.

Pointing to Communist China's reversal of priorities, Mr. Masani expressed the view that "stupid as they are" the Chinese Communists had recently realised the folly of giving priority to heavy industries and had refixed priorities as follows: (1) agriculture,

(2) light, consumer industry, and (3) heavy industry. He wanted India to learn the lesson.

Later during the debate, Prof. N. G. Ranga said it was not correct that the Swatantra Party had a negative attitude towards planning. It stood for balanced development of various sectors of economic, agricultural and industrial fields through planning carried out within the limits of the freedom of enterprise guaranteed by the Constitution. What it rejected was "the lop-sided importance being given to basic and heavy industries at the cost of agriculture" and the "current pattern of centralised top-heavy planning." He said that, contrary to the Prime Minister's characterisation of the Planning Commission as "an advisory body", it was in "actual practice" a "mandatory" body, otherwise how could it have forced the Mysore Government to modify their decision about ceilings on land holdings? He said the five year plans were not national plans because opposition parties had no hand in their formulation. Prof. Ranga demanded parity between prices of agricultural commodities and industrial goods.

Refuting the criticism that the Swatantra Party's attitude was "negative", Prof. Ranga said: "I would like to say that we favour democratic planning which would yield, in terms of economics, increased production, non-exploitative servicing. We stand for a non-exploitative society. We do not want to allow either State monopolies or private monopolies to exploit the public, the consumers or the producers. We also want to strengthen the self-employed sections."

The speeches of Prof. Ranga and Mr. Masani have been printed in a pamphlet, copies of which can be obtained from the Central Office.

BILL TO EXTEND THE PREVENTIVE DETENTION ACT

The Preventive Detention Act has been extended for another three years. Speaking on behalf of the Swatantra Group, Mr. Masani opposed the Bill, because it was "devious and arbitrary". Mr. Masani added that he opposed the Bill for the reason it would be a "permanent blot" on a country which shone in Asia as an upholder of democracy in comparison with its neighbours, except for Japan, the Philippines and Malaysia.

"What was the reason for the Bill?" asked Mr. Masani. "The Deputy Prime Minister and the Home Minister at that time (Sardar Patel) did not hesitate to single out the Communist Pary of India for engaging in a deliberate policy of fomenting violence and agitation. He said this was the biggest threat facing the existence of the free Indian State. He referred to a study entitled *Communist Violence in India* which the Government of India had prepared on the activities of the Communist Party."

Giving three major defects of the Act, Mr. Masani said that it was firstly "devious and arbitrary. It is not a straight-forward measure to deal with a straight-forward threat." Secondly it had become like a habit-forming drug, and he was confident that Government could "maintain India on an even keel without this wretched Act." Thirdly, it had confused the minds of people on the issue involved. It had prevented democrats from working together on an issue like this and had driven parties believing in democracy into opposite camps. It had also provided an opportunity for those who do not believe in freedom to masquerade as enemies of this Act and to criticise it with impunity.

Therefore, concluded Mr. Masani, "the Act should be replaced by a straight-forward ban on the Communist Party if the Government of India thinks that the danger is clear and present."

Before resuming his seat, Mr. Masani quoted Benjamin Franklin:

"They that give up essential liberty to obtain temporary safety deserve neither liberty nor safety."

THE AUTOMOBILE INDUSTRY

The Minister for Steel & Heavy Industries, Mr. C. Subramaniam, informed the Rajya Sabha on November 21 that he was looking into matter of merger of the existing three car manufacturing units as a means of cutting down the high prices of automobiles. He stressed that this was the only way to cut down car prices.

Mr. Dahyabhai Patel, leader of the Party in the Rajya Sabha, opposed the proposal and demanded that there should be no control on the automobile industry. It could only progress if there was free competition. He criticised various government programmes of manufacturing small cars and trucks. He drew pointed attention to the notorious "Shaktiman trucks" of Krishna Menon vintage which were manufactured at heavy cost with poor performance.

He affirmed that the automobile industry in India was stifled by high taxation. Pointing out that thirty per cent of anything one took went as tax including the purchase of oil, tyre etc. he asked how could the industry and the country progress under such oppressive taxation?

The occasion was a discussion on the annual report of the Development Council for Automobiles, Automobile ancillaries and Transport Vehicle Industries for the year 1961-62.

Prof. M. Ruthnaswamy expressed his total lack of faith in this kind of development council which, according to him "produced a command performance". He said that he was not at all impressed by the argument in the Report that a car produced at Rs. 7,000 will not be a cheap car. "Even if sales tax and other duties are added, it will be cheaper than the cars that are produced at the present moment in India and even if the price is the same as that of the present cars available it would help to break the queue when people have to wait for two or three years in order to get the car they want.

NEWS FROM STATE PARTIES

ANDHRA PRADESH

The Executive Committee of the Andhra Pradesh Unit met at Hyderabad on December 6 under the chairmanship of the State President, Mr. G. Latchanna. The meeting expressed its deep sorrow at the assasination of President Kennedy and conveyed its condolences to the bereaved family. The Committee also deeply regretted the death of Maharashtra's Chief Minister, Mr. Kannamwar. The Committee accepted the invitation of the West Godavari Unit to hold a State Convention at Tanuku in the first fortnight of January. Decisions relating to cooption of some members and the reconstruction of the Central Council of the State Unit were taken. The Committee gave considerable attention to the strategy of agitation against the 17th Amendment. It also called for the repeal of the Andhra Pradesh Additional Land Assessment Act. It called for the formation of a separate railway zone for the divisions of Vizagapatnam, Vijayawada, Guntakal and Secunderabad with Secunderabad as headquarters. The Committee felt this would contribute to more efficient services. It noted the failure of the State Government in solving the housing problem in the cities and towns of Andhra Pradesh. The Committee protested strongly against the restrictions on the movement of jaggery and demanded its immediate withdrawal.

Earlier on November 14, Prof. Ranga at a Press Conference at Hyderabad reiterated his intention to oppose the 17th Amendment even if it meant in the end a resort to direct action. In Andhra, he said, the Party would organise mass resistance against the additional land levy. Mr. Latchanna, who also addressed the Press Conference, said that the proposed mass resistance may take the form of a no-tax campaign.

An interesting process of "privatisation" where the Andhra government proposes to hand over the State-owned paper mills to the private sector was welcomed by Prof. Ranga who hoped that this good example would be followed in the case of other State enterprises as well.

BOMBAY

Between the 10th and 29th November, the Bombay Unit kept itself busy with various activities. A meeting of workers of the Swatantra Seva Sangh was held on the 10th, addressed by Mr. Piloo Mody and Dr. (Mrs.) Gluabchand who spoke on the need to nurse constituencies and develop a good organisation. Group meetings were held at the Portuguese Church, in the Fort Area, Lalbaug and Tardeo.

On the 19th, a public meeting was held at the Party Office when a member of the Christian Democratic Party of Germany, Dr. (Mrs.) Gabriel Stecker gave a talk on 'The role of women in the post-war economic development of the Federal Republic of Germany.' Prof. P. J. Shroff presided.

The Party lent a hand in fighting the cholera epidemic which broke out in the city by arranging for free inoculation at Jogeshwari, Bandra East, Dharavi and Tardeo.

DELHI

The Swatantra Club held a meeting on November 24 with Rajaji in the chair. Mr. Masani, who was the principal speaker, outlined the impressions he had gathered during a recent tour abroad. In the course of his speech he affirmed that, except for Japan, the Phillipines, Malaya and Israel, in no other country in Asia was there so much freedom of speech, discussion and of the Press as in India.

Rajaji said that a political party was not like a caste which could not be given up, whether or not one agreed with its ideals and policies. Many Congressmen had told him that they did not agree with Congress policies but could not leave the Congress organisation. People should give up this complex and develop the habit of viewing things with an open mind and do what they thought was right, he added.

The meeting began by observing two minutes silence as a mark of respect to the memory of the five top defence officers who died in a helicopter crash on Friday and also in memory of the late President Kennedy.

Campaigning against the 17th Amendment continues with visits to various villages in the vicinity of the Capital. A worker's meeting held on November 18 at Devnagar sought to educate those present on the implications of the Amendment.

GUJARAT

The Rajkot District Office has, in the course of a report mentioned that the Party's group led by the Yuvraj of Jasdan has emerged victorious by capturing all six seats in the elections to the Jasdan Taluka Land Mortgage Bank, defeating a Congress-PSP combination. Similarly, in elections to the Jasdan District Land Mortgage Bank, all 3 seats were annexed by our group.

In an interview with *Jai Hind* on November 20, Mr. Khushalbhai Patel, President of the Gujarat Khedut Samaj, said that over one lakh and fifty thousand petitions were sent to Parliament from Gujarat and Saurashtra protesting against the 17th Amendment.

MADRAS

The Madras District Committee approved a new constituency committee for Mylapore with Mr. D. R.

Kumar as President and Messrs S. K. Srinivasan and S. Krishna Murthy as Secretaries. The district committee passed a condolence resolution on the untimely demise of Mr. Muthuramalinga Thevar.

MYSORE

The Bangalore City and District Convention was held on December 8. Rajaji, who was scheduled to inaugurate the conference, was unable to attend in view of ill-health. Mr. S. S. Mariswamy, General Secretary of the Madras Unit, officiated for Rajaji. He hoisted the Party flag and spoke at the Convention and later at a public meeting. Mr. Lobo Prabhu presided over the Convention.

In a welcome speech, the Chairman of the Reception Committee, Mr. P. H. Krishna Rao, pointed out the need to focus public attention on issues involving threats to real democratic fights and privileges of the people from time to time. Mr. Jinaraja Hegde, President of the Mysore State Unit, explained the tasks facing the Party. In a resolution, the Convention criticised the complete failure of the governments, both at the Centre and in the States, to bring down the cost of living and attributed it to wrong policies such as State Trading, high taxation and a closed monopoly market created by a system of controls, permits and quotas.

The working of the Bangalore Transport Service was bitterly criticised and the Convention called upon Government to hand the transport services back to private management.

The Convention further charged the City Municipal Corporation with indifference to civic matters and wasting time on unseemly quarrels.

The other resolutions criticising the 17th Amendment and the Gold Control Order and demanding their withdrawal were unanimously adopted.

Of interests to readers would be a letter sent to the *Indian Express* by the State General Secretary, Mr. V. T. Sreenivasan. He refers to a discussion that took place in the Lok Sabha. Mr. Tyagi is reported to have told Mr. Nehru that Mr. Masani was his disciple at one time. Mr. Nehru replied: 'This is the tragedy of it – that a pupil can go astray even with the best tuition.' Mr. Sreenivasan in the course of his letter puts a question to the Prime Minister: "You claim to be the political heir and foremost disciple of Mahatma Gandhi who was your tutor. Have you followed in his footsteps?"

ORISSA

In the Municipal elections held in four Municipalities last month, Party's candidate's were returned in overwhelming numbers. Of the 12 seats in Bolangir, our Party captured 9, in Sundergarh it annexed 9 out of 13, while in Bhawanipatna it captured 11 out of 15.

ANNEXURE

Mr. M. R. Masani's speech in the course of the discussion on the Companies (Amendment) Bill, in the Lok Sabha on 13th December, 1963.

Mr. Speaker, Sir, this morning Members of this House awoke with a shock to know that the decision of the Select Committee of this Lok Sabha and the decision of the Executive Committee of the ruling Party by a thumping majority of 17 votes to 2 had been reversed by the diktat of one man.

Before I go on to consider the tragic implications of this development let me just take five minutes to explain what is the issue between the Select Committee and the Finance Minister. The issue is a very narrow one. Even the press does not seem, judging by today's papers, to have understood the issue. The issue is not whether the Government should be entitled unilaterally to convert itself from the position of a creditor to a shareholder in respect of past loans. The Select Committee's Report itself arms the Government to so convert itself even with regard to past loans subject to one candition – that the debtor has gone into default in some respect. If there is any default on the part of the borrowing company even if the loan was taken twenty years ago or ten years ago, this clause will become operative. The power is given to Government subject only to this – that there is default and three months' notice is given to the defaulting company to put itself right.

Even this is a variation of the original contract entered into between the creditor and the debtor. And it is one of the pillars of the rule of law that we should respect the sanctity of contract. When two people enter into a transaction, the basis should not be changed except by consent. Even this is a unilateral departure. I made myself a party to that departure because I wanted to go along with the majority of my colleagues from the Congress Party, to meet them half way, so that something equitable, something in the interest of the country should materialise. Therefore, I accepted that clause as a compromise between my position of sanctity of contract and their position of making some reasonable modification.

The issue between the Select Committee and the Finance Minister is this. He wants to have that power to himself unconditionally. Even in respect of a debtor company which fulfils all its obligations, he wants power to scrap that contract to which his signature and that of his predecessors has been put and unilaterally, by use of police power, to vary that contract and to treat it as a scrap of paper. That is the issue.

I do not know whether my colleagues who took this view along with me are going to be free to express themselves later or to be gagged in view of this Fascist diktat that has been issued this morning. But in case they are gagged, let me explain, as I understand it, what motivated them. They are perfectly free to contradict me if I am wrong. I think, what motivated the Select Committee in accepting this proviso was that India's credit, the credit of the Government of India, the reputation of the Government of India, the prestige of the Government of India at home and abroad will be smashed if this infamous clause is carried through.

Upto now, India's prestige has been high. Whatever one may think of the policies of the Government, one thing one must say that till this day, till Monday, till the President gives his assent to this clause, there has not been a single breach of faith by the Indian Government since Independence. I say, as a citizen of India, I am proud of this. Only two months ago, addressing the Economic Club of Detroit, in the presence of a large collection of industrialists, I said: "I am a critic of the Government at home. But let me record this fact that my Government, with which I quarrel, has not had to its credit a single breach of faith. It has played fair with people at home and it has adhered to its contracts with people abroad." I regret to say, after this, neither I nor any honest Indian will be able to claim this on behalf of this Government. It is because of that that the Select Committee modified the Bill.

Today, the Government wants to be able to cheat as a lender. It wants to break faith as a lender. It is much easier for a debtor to cheat. I shudder to think what the World Bank would think about it. I shudder to think what foreign Government will think about it because a man who cheats as a creditor is much more likely to cheat as a debtor, because the pressure on him to cheat is much more. This is why we opposed this clause and why we modified it upto a reasonable extent. We wanted India's name to be saved. If this clause goes through, India's name will be mud in the counsels of the nations.

The entire responsibility for this will fall on the shoulders of two guilty men, the Prime Minister and the Finance Minister. They have contributed to violating two very important conventions of our Constitution and of our parliamentary democracy. Those two conventions we took from the British. Until this day, whatever Party we belonged to, we have respected them. One convention was that in a Select Committee, there are no party whips. We leave our party labels behind us. We go there to sit together, 15 or 20 honest people, to try and arrive at a fair decision. There is such a thing as a consensus and that consensus comes out in the Select Committee. Therefore, the first convention which has been respected till this day has been that Members do not take party whips into the Select Committee.

Sir, I as a Congressman have exercised this right to differ from the Government when the infamous Liaquat Ali Budget was introduced in 1947 with the support of the present Prime Minister. I and Mr. K. C. Neogy and ten or twelve other Congress Members of Parliament put in a minute of dissent defying that Budget and the Government's proposals because we were free Congressmen exercising the rights of free parliamentarians. Today, I find that the Prime Minister has blamed Members of his Party who were doing an honest job for the country for not having bowed to the whip in advance. So the first convention that is being violated today is the convention that in a Select Committee party whips do not operate.

The other convention that is being broken is that the Government bows to the decisions of the Select Committee. Only a few months ago, or a year ago, when the Law Minister found himself at loggerheads with the Select Committee on the Fifteenth Amendment of the Constitution, he was democratic enough, to his credit, to bow to the majority of the Select Committee and let that Select Committee to have its way in this House.

This is an unsporting spirit; heads I win, tails you lose. After this, every Select Committee will be a farce. What is the point of this House appointing a Select Committee if everything is to be rubber-stamped by the Minister and the Select Committee is going to act as a group of robots — at least a majority of them. Uptil now, we went to the Select Committee hoping that, by give and take, we could convince each other. Here is a Bill which has come back in an improved form in two respects. Out of that, once improvement would be struck off because of this unsporting attitude of never taking a defeat democratically. We on the Opposition side accept defeat every day. We bow to it. We do not try to reverse it by arbitrary methods. Here, the Finance Minister has over-ruled defeat. He and the Prime Minister cannot stand it. So, they have to bully their own Party to dragon this House into accepting a clause which it does not want; and at the diktat of one man it is reversed.

Now, the Prime Minister has given an explanation for his support. According to this morning's *Indian Express,* at the Party meeting, he said: "Two or three years ago, he himself suggested that Government should have power to convert its loans to companies into equity shares. Hitler had adopted such a course in Germany. Nevertheless, the Party's Executive Committee had decided otherwise." The Executive Committee's crime was it did not follow Mr. Nehru into Hitler's camp.

So far, our Prime Minister has been known as a blind devotee of that monstrous tyrant, Stalin. He adjourned this House when that horrible man died with all his crimes which Mr. Khrushchev has now retailed. Now, the Prime Minister has become a devotee of Hitler along with Stalin! This is where the country is being taken today. That is why I think, more important than the clause, important as it is for India's honour and prestige abroad, this demand to truncate our parliamentary democracy is even more important. Mr. Anthony two days ago appealed to the Prime Minister to stop this steady recession of democratic conventions and processes which were going on. If I may say so, he is wasting his breath. It is India's misfortune that it has had as the first Prime Minister a half-baked Marxist, and we know Marxism cannot co-exist with Parliamentary democracy. This is a tragedy for this country.

Now, I want to come to the second most objectionable part of the Bill and that is in regard to Trusts. Clauses 7 and 8 of the Bill deprive all trustees of all trusts automatically of their right to exercise the rights as shareholders in a company in respect of the shares held by the trust. No charge has to be preferred against a trustee; no case has to be made out against him. His right to cast his vote as a member of the joint stock corporation is being taken away from him. He is being expropriated without anything being alleged against him. This was not the intention of the Bill when it was introduced. The Statement of Objects and Reasons is very clear. Paragraph 2 says: "In order to prevent the use of voting rights attached to shares held by trusts for the advancement of the personal interests of the donors, it is considered necessary to regulate the exercise of such rights in suitable cases." In other words, when a trustee misuses his voting power to work for himself or for the donor and not for the charitable or other objects of the trust, he may be removed and his voting rights may fall to the public trustee. That was an understandable proposition. I was prepared to go along with it. I am prepared to table an amendment in the House for the object stated in the Statement of Objects and Reasons attached to the original Bill. But, again, the Finance Minister has shifted his ground. He comes to the House trying to carry it by giving a reasonable object in the Statement of Objects and Reasons, but when he comes to the Select Committee he opposes an amendment in the very terms of the Statement of Objects and Reasons. Nowadays, one finds that the Statement of Objects and Reasons has very little relation to the operative clauses of the Bill.

The hon. Finance Minister gave an assurance just now that these powers that are being taken will not be lightly or frivolously used. This country will give no weight to his assurance. The word of this Government, which is proposing to cheat, this Government which is proposing to break faith with people inside India and outside India, is worthless from now onwards, and they will not accept that word. No assurances will do. We want the language of the law to be clear.

Thousands of trusts, big and small, are going to be expropriated in this manner. The instinct of charity, which is part of our Indian tradition, is being attacked as if it was some evil. People should be encouraged to form trusts, not punished as if they are criminals.

Talk goes on of aggregation of power, and concentration of power. Yes, there is concentration of power, but in the hands of these people opposite. That is the only concentration of power known to this country.

Sir, let me give the statistics from the hon. Minister's own department. The number of people with small incomes goes up, and the number of people with big incomes goes down; here are the figures from the tax statistics. Individuals with an annual income not exceeding Rs. 15,000 a year have increased by 95 per cent between 1956-57 and 1961-62. Their income has increased by 75 per cent. Let us see what happens in the case of those horrible gentlemen about whom these gentlemen behind me on the right have nightmares. On the other hand, the number of people with incomes exceeding Rs. 2 lakhs a year declined by 16 per cent, and their income had fallen by 26 per cent during the same period. What is the trend? The trend is towards dispersal of share ownership; the trend is towards dispersal of wealth and income.

Our biggest giant enterprises in India are mere toys compared with third class companies abroad. The Finance Minister reads as much as I do, he is a very avid reader, and he knows that the biggest Indian company does not figure in the list of the first 450 joint-stock corporations in the world published by *Fortune* magazine. This shows how tiny and puny we are, and it is these pygmies they worry themselves about – the brave people behind me on the right.

A Reserve Bank study has shown that the share ownership of Indian enterprises is in the hands of a large number of small people, and that the number is going up all the time.

This catchword of concentration of power is valid, but the only concentration is in the hands of this Government. Whenever economic and political power gets concentrated in the hands of two or three people on those front benches, then liberty is in danger, just as the liberty of Congress Members has been violated overnight at yesterday's meeting; that liberty is in danger. I know that the vast majority of the Congress Party do not want liberty to go.

I know that the Congress Party does not want liberty to go. I know that most of them are as good democrats as I am, and I pay tribute to them. But there is a handful of loud-mouthed fellow-travellers of the Communists who have successfully infiltrated into the Congress Party and, led by Mr. Nehru, Mr. Krishna Menon and Mr. Malaviya, they are subverting the freedom of the Congress Party. I want to ask them how long they will stand for this bullying.

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