

## RAJAJI is 87

Rajaji completed 86 years of age on December 8. Respecting his wishes, Party units throughout the country contented themselves with meetings of workers who reiterated their resolve to carry high the flag unfurled by Rajaji.

Hundreds of people, including many school children, went to his home to wish Rajaji many happy returns.

About 2,000 poor persons were fed at Mylapore, Washermanpet and Park Town at noon and children

were given sweets at schools in various parts of the city.

Special pooja was offered in 175 temples. Thanksgiving services were held in a number of churches and prayers said at a few mosques.

Six divisional party offices were opened in Madras City and a large gathering of Party workers gathered at Broadway and took a pledge to continue their support to the Party's ideals.

## FIRST KERALA STATE CONVENTION

Kottayam was the venue of the first ever State Convention of the Swatantra Party to be held in Kerala. The Convention was presided over by Mr. N. Gopala Menon and inaugurated by Mr. J. M. Lobo Prabhu. Among national Party leaders present were Rajaji, Prof. N. G. Ranga and Mr. M. R. Masani.

Addressing the Convention, Rajaji said that the conversion of conviction into effective action alone could depose the Congress from power.

He added that, though the Swatantra Party now had been working for five years only, the impression of himself as well as his colleagues was that the intellectuals of the country are "very much in sympathy with us." The intellectuals were feeling that the Swatantra Party was the only Party about which the country could look to, but there was something which prevented the sympathy and agreement of the intellectuals from giving it strength which should lead to the removal of the Government.

Presiding over the Convention, Mr. N. Gopala Menon pleaded for the adoption of the system of proportional representation in elections. By adopting the system, the elected members might respond more equally to the division of opinion in the electorate.

Mr. J. M. Lobo Prabhu in his inaugural address said that there was a basic identity of aims between the Swatantra Party and those of Socialists which "only words have obscured." While admitting that the ideological differences between the Swatantra and Socialist parties were relevant, Mr. Lobo Prabhu said in a democracy every party was socialist in some degree, because all must be interested in the masses in whom the voting power rested. What was not realised was what the Swatantra Party designated as

welfare could fit in the hundred and one definitions of socialism, with the added advantage of being the most pragmatic.

Mr. Masani, who spoke on the second day of the two-day Convention, pleaded\* for the emergence of a Third Force in Kerala. He said that the democratic opposition forces should hold together to see that neither the Congress nor the Communists came to power.

The holding of the Swatantra Convention in Kerala, Mr. Masani said, heralded the entry of a new member to the Swatantra family. The Kerala State unit of the Swatantra Party had come into existence. He hoped "this infant" would grow from strength to strength and lend a hand in the great task ahead.

Saying that the Swatantra Party need not be depressed or disappointed over its performance hitherto, Mr. Masani said that the Party's progress in Kerala had been admittedly slow. This was largely due to the emergence of the Communist threat which had created conditions that were not favourable to the emergence of the Swatantra Party. The Congress had weakened democracy in the State and opened the door to the Communists, which was true of Bengal also. "We have to be very careful that we did not facilitate the entry of the Communists again," he added.

In a resolution adopted towards its conclusion, the two-day Convention expressed the hope that "all parties in Kerala, other than the Congress and the Communists, will enter into suitable electoral understandings to avoid conflicts harmful to the common object, and thereby ensure the defeat of the Congress and Communist parties in the forthcoming elections



to the State Assembly and provide Kerala with a good democratic Government."

Later addressing a public meeting, Prof. Ranga congratulated the 15 Congress dissident M.L.A.s who voted down the Shanker Ministry in Kerala for "the courage of their conviction". Denouncing the charge that the Swatantra Party was a party of landlords and businessmen, Prof. Ranga said that the fact that all the legislators who were returned on the Swatantra ticket came from the rural areas was a positive proof that it was a party of the peasants, agricultural workers and the common man.

Also speaking at the public meeting, Rajaji cautioned the people of Kerala that China was watching the forthcoming elections in the State and,

unless they wanted to help China and its hegemony in Asia, they should not vote Communist. "If I were in charge of the Government of India today," Rajaji affirmed, "I would ban the Communist Party of India, not because I do not believe in freedom of opinion but because there is a military menace outside we cannot afford to take risks. Your elections are not only of local importance or importance to New Delhi but also of importance both to Moscow and Peking. I want you to give an immediate answer to Peking and Moscow that no communist will be returned to the Assembly. At any rate I want you to show that not so many communists are returned as in previous times."

## PARTY ELECTIONS

Elected State Committees have now taken positions in the States of Andhra, Bombay City, Gujarat, Himachal Pradesh, Kerala, Madras, Maharashtra, Mysore, Orissa, Punjab, Rajasthan and Uttar Pradesh. These elected Committees now take the place of the *ad hoc* bodies functioning hitherto.

With the completion of elections at the State level, the penultimate stage has now been reached. Party elections will have been completed when the General Council consisting of elected representatives of State units meets at Jaipur on January 30 and 31 to elect the National Executive and office bearers.

## BIHAR PARTY REORGANISATION PROCEEDING APACE

The Advisory Committee for Bihar set up by the Central Organising Committee held its first meeting at Patna on November 14 with Mr. M. R. Masani in the Chair. Mr. Dahyabhai Patel, M.P., who has been specially requested by the Central Organising Committee to help in the reorganisation of the Unit in Bihar, was present.

From reports presented to the meeting it was evident that by and large there had been little deviation in the loyalty of the rank and file for the Party.

In order to develop further the Party's work in the State, it was decided to try and establish contact with the Party's loyal members, friends and sympathisers in the various districts and to accelerate the drive for enrolment of Worker-members. To assist in this process it was decided to set up informal advisory groups at the district level.

To give a fillip to the Party's activities, especially in districts where a good response can be expected, Mr. Dahyabhai Patel responded to a desire expressed

by members of the Advisory Committee to tour various districts of the State.

The Party participated in the Sonapur Fair, which is reputed to be the biggest cattle fair in Asia. Lakhs of peasants from all parts of Bihar and from the neighbouring States of Rajasthan, Uttar Pradesh and even from Madhya Pradesh attend this fair.

Armed with literature published by the Party on agrarian matters and with a loudspeaker, the Party's workers put across the message of the Party. More important was the opportunity the Fair provided to convey to the people of Bihar that the Swatantra Party was thriving in the State and that the exit of this or that individual had not affected it in any manner.

The next meeting of the Advisory Committee is scheduled to take place on January 8 at Patna. Mr. Masani and Mr. Dahyabhai Patel, who will be in Patna for the purpose will also address a public meeting in the City that evening.

## ORISSA UNIT THREATENS AGITATION

Mr. R. N. Singh Deo, President of the Orissa Unit and Leader of the Opposition in the State Assembly, has along with the leader of the SSP in the Assembly issued a statement urging the Centre to "take immediate steps for the removal of the present Ministry of the State."

They have also demanded the appointment of a Commission to inquire into the charge of corruption

against the Ministry at the earliest "to save the State and democracy from disaster".

The statement said "the Central authorities had adequate warning against the dangers inherent in the delay in setting up of a commission of enquiry against the Orissa Ministers and in their further continuance." "Hence the Central authorities must also



share the responsibility for all the unfortunate recent happenings in the State", it added.

The statement described the action taken by the State Government in dealing with the recent student agitation as "thoughtless, desperate and provocative." The statement added that the students could not possibly maintain the Gandhian spirit in their agitation. "But there is no doubt that the cause for which they fought was sacred and noble. They fought to vindicate the dignity and honour of the individual", it added. The statement criticised the arrest and imprisonment of many political workers and students under the DIR and described it as a "clear misuse of emergency powers."

## TWO RESOLUTIONS FROM FORMOSA

Mr. Dahyabhai V. Patel M.P., Leader of the Swatantra Group in the Rajya Sabha recently, led a five-man delegation to the tenth conference of the Asian Peoples' Anti-Communist League in Formosa. The following resolutions forwarded by him from Taipeh make heartening reading:

### Resolution on Support to India in Resisting Chinese Communist Aggression

"Noting that the Chinese Communist regime, after its earlier military occupation of Tibet and invasions of India in 1961 and 1962, has replenished its military supplies and concentrated its armed forces to step up aggression and that, following the recent explosion of a nuclear device, has posed a greater threat to India.

"Considering that the Indian Communists with the support of their Chinese counterparts exploited the unrest of the Indian people at the time of food shortages to start a large-scale anti-government demonstration with a view to subverting the Indian Government:

*Resolves:*

1. To give its sympathetic support to the Indian Government and people for their courage in fighting against the Chinese Communists and suppressing the Indian Communists;

The State Council of the Orissa Unit, which met in Bhubaneswar on November 30, resolved to launch "mass agitation for the removal of the corrupt Ministry in Orissa", if the Union Government did not take "immediate action" to replace the Ministry and institute a judicial inquiry into charges of corruption against some Ministers.

The resolution criticised the Government of India for "the long delay" in acting against the Ministry and said: "It will be dangerous to yield to the intense lobbying, political pressures and delaying tactics of accused persons as this will only further exasperate the people."

2. To urge the Free Nations of the world to extend moral and material support to India in its effort in fighting the Chinese communist aggression and subversion;

3. To urge the free nations of the world, especially the anti-communist nations of Asia, to watch closely the massive concentration of military forces on the Indian border which constitutes a renewed threat of invasion of India and to take effective actions to repulse it;

4. To urge the Indian Government to sever diplomatic relations with the Peiping regime."

### Resolution concerning close Relationship between Pakistan and Communist China

This conference views with great regret and concern the recently developed close relationship between Pakistan and Peiping regime of Mainland China.

This Conference is of the opinion that Pakistan, being a member of the South East Asia Treaty Organisation, should be an advocate and ally of Free Asia and not of Communist China. Hence, Pakistan's very intimate relationship "with Communist China has given a setback to the Anti-Communist movement in Asia.

"This Conference, therefore, calls upon the Government of Pakistan to break off all relations with Communist China and try to display its true friendship with Free Asia, being a member of the SEATO."

## SWATANTRA MP AND MLA REGAIN SEATS

The Supreme Court on October 9 held that the use of the "Dhruva star" as an election symbol in a pamphlet did not amount to a corrupt practice under Sec. 123(3) of the Representation of People Act.

Mr. Justice Mudholkar said that since Dhruva was not regarded as a deity or godhead a reference to him could not be said to have religious significance even to an orthodox or an illiterate and religiously minded Hindu.

The court therefore allowed appeals by Mr. R. A.

Patel who was returned to the Gujarat Legislative Assembly and, Mr. Narendrasingh Mahida who was declared elected to Parliament from the Anand Constituency.

The Court set aside the orders of the Gujarat High Court and dismissed the election petitions against the appellants.

One of the grounds on which Mr. Mahida's and Mr. Patel's election was challenged was that the successful candidates were guilty of corrupt practice



inasmuch as they and their agents had distributed pamphlets with a star prefixed with the word Dhruva as a symbol with a view to giving religious impetus and to appeal to the voters to vote for them in the name of religion.

The High Court of Gujarat held, reversing the decision of the election tribunal, that Dhruva Star was the symbol of Hindu religion.

Mr. Justice Mudholkar said that the High Court

had delved deep into the Vishnu Purana, Mahabharata, and the Bhagwat for digging up the story of Dhruva and ascertaining his qualities of steadfastness and devotion to the creator. All that, the judge said, was wholly unnecessary.

Mr. Justice Mudholkar said he did not think that there was any justification for the High Court to read more into the symbol used by the appellants than what it apparently contained.

## ARRIVALS AND DEPARTURES

Mr. Darshan Singh, leader of the Municipal Congress Party of Amritsar, Punjab publicly announced his resignation from the Congress Party and has enrolled himself in the Swatantra Party. The *Tribune* of Ambala while reporting this said that "entreaties" from local Congress brass failed to change Mr. Darshan Singh's mind.

In Kerala, Mr. Raghava Menon, a respected member of the dissolved Assembly and one of the veteran Congressmen who contributed to the fall of

the Shanker Ministry, has enrolled himself as a Worker of the Swatantra Party.

In Bombay, popular film actor Pran and his wife have enrolled themselves as Life Workers of the Party.

In Madras, however, three associate members of the Party in the State Assembly have left the Party and have chosen to function in the Assembly as members of the Tamilnad Forward Bloc Party under the leadership of Mr. Sasivarna Thevar.

## SWATANTRA AND LABOUR

Since August this year, Mr. G. B. Sukhee, an experienced trade unionist who enrolled himself as a Worker of the Party, has been carrying out a survey of the extent of participation by members of the Party in the trade union movement. This need arose since the salutary labour policy of the Swatantra Party was unfortunately getting a negative interpretation from certain quarters inasmuch as it was taken to mean "hands off labour". Far from desiring such a situation, the Party's labour policy was a positive one of encouraging the growth of a trade union movement free from political vested interest and geared to the requirements of its membership and industry. And to demonstrate its sincerity, the Party imposed a sort of self-denying ordinance of not attempting to form trade unions affiliated to the Party.

Since August Mr. Sukhee has visited Hyderabad, Madras, Mysore, Delhi, various towns and cities in Rajasthan and Punjab, Kanpur, Lucknow, Dhanbad, Bhubaneswar, Cuttack, Rourkela etc.

Mr. Sukhee's report is very encouraging for the surprisingly large number of active trade unionists whom he found to be Party members. Many of our members were active in Unions affiliated to the H.M.S. and the I.N.T.U.C. but true to their Party's policy they have not sought to introduce Party politics in the trade unions. According to Mr. Sukhee, our members are in one or another manner connected with over forty unions with a membership of over 80,000.

The Central Office proposes to hold regional training camps where our members who are in the trade union movement could be trained in the principles and practice of trade unionism. Such camps will include courses on labour legislation, the philosophy of trade unionism, collective bargaining procedures etc. With the assistance of the Party's Labour Organiser, it is also hoped to establish a liason with the members working in the trade union movement so that some sort of comradeship may be established.

## THE FREEDOM OF THE PRESS

Inaugurating a one-day seminar on "Freedom of the Press - Theory and Practice", organised by the Press Guild of India, Mr. K. M. Munshi said that for the success of democracy a strong and free press was necessary. The present attitude of politicians that whatever they said was correct and should not be criticised by the Press was a negation of democratic principles. "When the Press becomes a State monopoly, it is a negation of freedom", he observed.

Mr. Munshi described the proposed formation of the Press Council as a "menace to free Press" and said that the provision that the decision of the Council would not be challenged in a Court was "the last nail in the coffin of the free press."

"Its (The Press Council's) object is clearly to give the Government indirect control over the press," he averred.



## COMMENTS ON THE FOURTH PLAN

We shall from time to time publish comments by our leaders on the Fourth Plan. We begin with a comment by Mr. Masani made on the occasion of a press conference at Patna on November 16.

Mr. Masani declared that the Fourth Plan, if carried out in its present shape would pose a greater danger to the country than the Chinese nuclear explosion. He said that the Fourth Plan as accepted

by the Union Government was a bigger projection of the Second and Third Plans, which were the cause of the country's ruin. Prime Minister Shastri, he said, had talked a great deal about top priority to agriculture in the Fourth Plan but the proposed outlay was only 15 per cent of the total plan allocation. This was only two per cent more than the outlay on agriculture in the Third Plan.

## THE FOOD CRISIS

Elsewhere in this issue we have reported at considerable length the Party's views on the present food situation and the Government's mishandling of the problem, as expressed in Parliament. Outside Parliament, Party leaders and organisations have expressed concern at the deteriorating situation and the patently wrong measures Government is taking to meet the problem.

### Rajaji

Addressing a public meeting at Georgetown, Madras City, Rajaji said that he had written to the Prime Minister, Mr. Shastri, asking him to give up the policy of interfering with the normal trade channel in foodgrains, and to allow free trade. Mr. Shastri had written back to say that he would study the suggestions and come to a decision in a week.

Rajaji said that the present arrangements had replaced thousands of dealers in foodgrains. This interference by the Government had resulted in a stalemate in distribution, and the people had been forced to undergo misery and suffering for the faults of the Government.

Criticising the Ordinance promulgated by Government enabling it to punish foodgrain merchants by summary trial, he said the handling of the foodgrains trade by the Government would result in higher prices, and even if it somehow succeeded in overcoming the present food difficulty, the people would have to pay more direct and indirect taxes to finance the Fourth Plan. The only way out seemed to be vote the Congress out of power in the next General Elections.

### Mysore Executive Resolution

The Mysore State Committee at its meeting in Bangalore on October 28 adopted a resolution noting with concern the deteriorating food situation. The resolution, among other things, said:

"The Committee has taken note of the daily deteriorating situation in regard to the supply of rice, wheat and sugar all over the State and the statements issued by the Food Minister and the Chief Minister of the State Government on the subject. ... The Committee is convinced that the present intolerable situation has been brought about by the

bungling "of the Government in matters relating to Food production and so called land reforms and its interference with normal trade channels in respect of the movement and distribution of Foodgrains. The Committee considers that, by introducing rationing of foodgrains after three Five Year Plans under which hundreds of crores of rupees have been spent ... the Government utterly failed to lead the country to the goal of self sufficiency in Food. The Committee calls upon the Union Government to abolish the Planning Commission which is mainly responsible for the Food muddle and to give a directive to all State Governments to reverse their land policies in regard to ceilings, cooperative farming etc. so that agricultural production in the country may be liberated from the dangers that are now threatening to ruin it."

### Profiteering by Cooperative Societies — Bombay Unit's Charge

In a statement to the Press, the Unit's General Secretary, Mr. Madhu Mehta, disclosed that the Bombay unit of the Swatantra Party had concrete evidence to prove that various Consumer cooperatives in Bombay were selling rice at excessive rates to the consumers. The Bombay unit had in its possession various cash memos to prove that prices charged exceeded the fixed prices by 15% to 30%.

The Bombay unit has demanded a thorough enquiry into the working of these societies and for the taking of punitive action against those societies which have contravened the Maharashtra Government order.

The press statement then goes on to give details of cash memos in its possession.

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## AROUND THE STATE ASSEMBLIES

### Andhra

Mr. G. Latchanna, Leader of the Swatantra Group in the Andhra Legislative Assembly moved a motion of no-confidence against the Congress Ministry in the State.

In a scathing attack on the Government's policies, Mr. Latchanna blamed the Planning Commission for the several ills in the administration and pleaded for the abolition of the Commission.

In a speech, often sarcastic in tone, Mr. Latchanna said that the indifferent attitude of the ruling party to all criticism, confident of their numbers had led them to an autocratic approach to problems. He refuted the charge that the Swatantra Party was a rich man's party and said it was the Congress in the State that was loaded with Rajas, Maharajas and Kumara-  
rajas.)

### Rajasthan

Leader of the Opposition in the Rajasthan

Assembly, Swatantra Party President in the State, Mr. Lakshman Singh of Dungarpur, tabled a Motion of No-Confidence in the Congress Ministry headed by Mr. Sukhadia.

In his speech while initiating the debate, Mr. Laxman Singh criticised the Ministry for the use of the administration for Party ends and said the Chief Minister's statement on the eve of the recent Hanu-mangarh by-election that the Congress nominee, Mr. Kumbharam Arya, would be named a Minister if he won, was against all parliamentary tradition and practice. It was a clear inducement to the people to vote for the Congress nominee. He also alleged that a large number of Government jeeps were used by the Congress in the by-election after their number plates had been changed.

Mr. Man Singh Mahar, a Swatantra member, charged that while permits for cement were being given for the construction of cinema houses in Jaipur it was denied to common people for building houses.)

## Swatantra in Parliament

(Any erroneous notions that might have existed in regard to the Swatantra Party's stand on the No-Confidence Motion last September must have been dispelled by the uninhibited attack by Swatantra members in both Houses on the persistence by Government in policies that have by now proved to be futile and in many cases positively dangerous to the economic life and democratic fabric of the country. The classless character of the Party was eloquently evidenced by the manner in which Swatantra members defended the rights of individuals, whether peasants, public servants, industrialists or workers in industry. Judging by the hard-hitting speeches delivered by Swatantra members, it was apparent that they did not have much hope in the new Government's capacity "to make changes and rectifications in policy that were necessary in the present context" and for which reason the Party's Group in the Lok Sabha had in September last abstained from supporting a Motion of No-Confidence.)

In fact, when asked at a Press Conference in Patna on November 14 as to what he thought of the Shastri Government, the General Secretary Mr. Masani, said: "I am somewhat disappointed by the record of the Shastri Government and it looks to me likely that our hopes may not to be fulfilled."

### Food Situation

#### PROF. N. G. RANGA

Speaking on November 17, during the debate on the food shortages in Kerala, the Leader of the

Party's Group, Prof. N. G. Ranga warned that if the Government pursued its policy of informal rationing and cordoning off certain cities, the Government will be making "much trouble for themselves." "As a result," he predicted "it will become the funeral of not only one Minister but of the whole Government, not only here but also in the States."

Said Prof. Ranga in the same speech: "The biggest hoarder I consider to be is the Government. They have themselves been advertising that every day a ship was coming from America, it was being unloaded in Bombay, Calcutta, Madras or some other place. What have they been doing with all these stores, with all these buffer stocks? Are they keeping them in anticipation of the marriages of their sons and daughters? Are they not intended to meet the real primary objective with which they were supplied to us by America and other countries, namely to enable this Government to place these stores in all those vulnerable places so that it would be possible for them to make available these supplies the moment local shortage arises? It is not as if they have not been given any warning in regard to this particular matter. Several months ago we made this charge against Government when similar trouble arose in Bombay and Calcutta. In spite of it, Government has not become wiser. Therefore, I charge them with being the biggest hoarders in the country."

"I went to my constituency, Chittoor, the other day and I saw the huge big serpentine queues of men, women and children, and women fainting. A woman who had already taken her grain went and sat there.



I happened to go there, and I asked her if she had not got her foodgrains. She said yes. Then I asked her why she was sitting in such a doleful manner. She said that she had been standing there for so many hours in the sun, she got tired and she began to swoon, therefore she was taking rest. These experiences are to be found in other towns of Andhra. Only the other day, my hon. friends had gone to Guntur. I do not know whether they noticed any queues there, but in the whole of Rayalseema there are queues now, even in Bombay and everywhere, and as a result of these queues what would happen is that it is not necessary for the opposition parties to do any propaganda; all that the opposition parties have to do in 1967 is to keep themselves ready with their organisational machinery, then the tide will throw all the votes into their hands, provided they can hold them."

## **Food Corporation**

### **N. DANDEKER**

The Party's point of view on the Government's proposal to set up a Food Corporation was presented very effectively by Mr. N. Dandeker on November 20 and 21.

Mr. Dandeker said that "ordinarily one would be inclined to say that, on the whole, it is a measure to which one need not in principle take exception." Yet Mr. Dandeker said that he had grave misgivings about the purpose of the Bill and opposed it. Why? Here are the reasons outlined in the course of his speech:

### **Past Experience**

"...knowing the manner in which the various State Trading and other State Corporations have started in the beginning and the manner in which they have subsequently grown, namely, gradually to oust from the field the ordinary trade channels, those hundreds of people who are engaged in that particular business and gradually converting the operations into a large monopolistic octopus, I view this measure with some apprehensions as to the implications of it, on the one hand, and as to the motives behind it, on the other, in so far as government policies are concerned. I also view with grave apprehensions the consequences which may emerge from this, not merely in terms of profiteering by this very Corporation, that is to say not merely in terms of harm to the interests of the consumer in the long run, but also in terms of the potential harm which it contains in the course of its development as an anti-farmer device. In other words, this seems to be a measure for the compulsory acquisition of foodgrains throughout the country as a means for monopolistic distribution throughout the country whereby, in fact, all that will remain is to attach to the State in this country the name of "Communist State".

### **Board of Directors**

"Of the total Board of Directors, six are to be clearly officials anyhow, namely: the Chairman, the directors representing the ministries of Food, Finance and Cooperation, the Managing Director of the Central Ware-housing Corporation, and the Managing Director of this Corporation itself. There remain six other Directors whom Government would appoint. There is no indication whatever, either in the Bill or in the Minister's speech, as to the source from which these six Directors would be drawn, what sort of qualification they will be expected to have and what sort of experience they will be expected to have. This raises considerable doubts in one's minds as to whether this is not in fact intended to be an entirely Government-owned, Government-managed, Government-directed corporation in every sense of the term, including the day-to-day management, including those occasions on which the Board of Directors get together for the purpose of deciding specific issues and policies in the normal course of business."

### **Absolute Monopoly**

"...my apprehensions are about absolute monopoly; and they are founded upon three major threats to the trade and to the producer. The first major threat is compulsory procurement on behalf of the Food Corporation. This will set up a procurement monopoly in favour of the Food Corporation whereafter it is anybody's guess as to what sort of price the producer will get. One can reasonably anticipate that with a procurement monopoly in favour of the Food Corporation, the possibilities are, indeed the probability is, that the producer would be squeezed down to whatever price he is compulsorily given and must take, because there will be only one monopolist buyer..."

"...The second threat is that of monopoly in favour of the Corporation in the matter of movement of foodgrains from one State to another and from district to district. ...There have been remarks and observations by the Food Minister in the course of the food debate which lead one to apprehend that there is intended here a considerable monopoly in movement with the result that the State Food Corporation together with its satellite Corporations in the States, will probably be the only body which will be entitled to all major movements in foodgrains.

"Thirdly...there is the proposed monopoly of rail transport. It is ridiculous to suppose that this Foodgrains Corporation is intended merely as a corrective, on a competitive basis, to the foodgrains trade and at the same time to suggest that movement by rail would be monopoly of the State Food Corporation."

### **Incompetence of State Trading**

"...This Food Corporation with a capital of Rs. 100 crores is presumably intended to handle trade which



over the year would be of the value of Rs. 3,000 crores. If there are in this country 500,000 villages, I imagine there are at least 50,000 market towns and market villages and so on. This State Trading Corporation is expected to have enormous staff, numerous agencies, large office personnel and enormous working resources with which to make advances, to make purchases, to do sorting, grading and storing, to do distribution through agents and directly within its own retail shops. I am certain, having some knowledge of the nature, extent and magnitude of operations involved, the number of persons involved, the number of transactions and the stages of transactions involved and, in particular, the problems that are involved in agricultural credit lending to the producers on crop expectations, that this Corporation will find itself with enormous amounts of outstanding dues, enormous amounts of bad debts, with the enormous tangle of distribution and purchase. It will be in a state of total confusion. And I fear this precisely because of the inability of a State Corporation of this kind to engage in trade of this kind without making a complete mess of it; and precisely because the Government never admit their mistakes — quite contrary to the motto *Satyameva Jayate*.... In the result they will find that the only way of overcoming and remedying the complete state of confusion will be, of course, to confer monopolistic powers to the Corporation in this trade. And they will, of course, blame the trade for their failure, — particularly for their failure to work in competition.

## The Law Against Hoarding

**N. DANDEKER**

Swatantra spokesmen bitterly denounced the Essential Commodities (Amendment) Bill which was introduced in the Lok Sabha on December 8. The Bill prescribed drastic and stringent punishment including summary trial and no right of appeal, in certain specified cases, for food offenders.

In a scathing attack on the Bill Mr. N. Dandeker denounced it as "unnecessary, uncivilised, savage and cruel."

He argued that both the Ordinance (which the Bill seeks to replace on the statute book) and the Bill represented another milestone in the progress of the country down "the slippery road of unprincipled legislation which has become the fashion of the day." He charged the Government with being afraid of the judiciary and trying to lay down drastic punishment because it knew that left to themselves, the judges would not pass vindictive sentences.

Mr. Dandeker said that traders were threatened with dire consequences and most of them were seriously considering giving up their trades. The Government was indulging in "exhibitionism" and trying to terrorize the traders into giving their support for the Congress Party.

"I do not want the guilty persons to go unpunished, but when a person is accused, he is not guilty. The fundamental basis of the rule of law is a fair trial," he said.

Mr. Dandeker wanted to know what would happen to cultivators who held back their produce with a view to selling it at a most opportune time — whether they would also be considered traders and hoarders?

## International Relations

**M. R. MASANI**

General Secretary of the Party, Mr. M. R. Masani, was the Party's spokesman during the discussion on International affairs which began in the Lok Sabha on November 23. Relevant extracts from his speech follow:

### The Agreement with Ceylon

"...We have neglected our neighbourhood and gone gallivanting round the world, and this has been the consequence. I am very glad that there have been signs that the present Prime Minister and the Foreign Minister are inclined to turn their attention to their immediate neighbourhood, to try and mend the fences and create better neighbourly relations between ourselves and our immediate neighbours. I hope these efforts will continue.

"But one must concede that if the agreement with Ceylon, about which a great deal of feeling has rightly been shown in this House this morning, is an example of that effort, then it is not a very good start. We on these benches cannot accept that agreement. We think it is unsound in principle and that it is a violation of basic human rights. The Ceylon Government may take any path it likes. But it is a very sad day when our own Government makes itself a party to an attack on basic human rights and freedom, which should have been maintained by us in the destruction of which we should have had no part or lot.

"An enlightened journal of Indian opinion, named *Opinion*, of November 17 has this to say, pertinently on this subject:

"To eat dog and not fill even one's ribs is the sad lot of the Government of India today. The disgraceful arrangement about the Indian-descended Ceylonese which Mr. Shastri entered into with Mrs. Bandaranaike is less than a month old and already that formidable female is proposing to whittle it down by putting even those whose Ceylonese citizenship she accepts on a separate Electoral Register. Briefly, they are to be second class citizens and Mr. Shastri is not to concern himself about this. Says the lady, it is an internal matter for her to decide, so she did not think it fitting to mention her intention during the negotiations." The journal goes on to say:



"The theme song of our amazing Government seems to be:

'We're friends, oh! so friendly  
To our dear beloved neighbour:  
She kicks us long and heartily,  
We sing and dance most joyfully,  
'For we're friends, oh! such friends  
With our dear beloved neighbour."

"This is not the spirit in which we want good neighbourliness to be settled. I for one would suggest to the Prime Minister and the Government that now that the Ceylon Prime Minister has done something to strike at the very root of this agreement—as Mr. Swaran Singh just pointed out, the basis on which this agreement was made was that those who remain citizens would remain full citizens—now that the very basis of this agreement has been struck at by the Government of Ceylon, I invite our Government to consider whether this agreement should not be abrogated and we should not free ourselves from this commitment."

#### **The Chinese Bomb**

Mr. Masani said there were three alternatives before India to face the Chinese nuclear threat. One was to appeal to the United Nations and world opinion to call upon China to abandon its nuclear weapons. But would China respect world opinion?

The second alternative was an Indian made Bomb. Discussing the economic consequences of producing an Indian Bomb Mr. Masani was of the view that the cost of producing a Bomb would have disastrous effects on our economy. Giving some facts and figures, Mr. Masani said: "An American expert, Christopher Hohenhemser, estimates that the cost of capital investment on a militarily significant nuclear programme for us would be Rs. 25 crores with an annual operating cost of Rs. 10 crores. The U.S. Atomic Energy Commission has given another estimate—I am only mentioning a few; I do not know which is right—that we can establish enough plutonium production to manufacture one crude bomb at a cost of Rs. 25 crores. Then somebody else has estimated that the cost of establishing a diffusion plant for the separation of Uranium 235 involves a capital cost of Rs. 500 crores and an equal amount of Rs. 500 crores for running the plant, which means Rs. 1000 crores.

"The other day...the French Cabinet accepted a military budget...largely for nuclear purposes... That budget runs to 16,000 million Francs or, let us say, roughly Rs. 1,600 crores for the coming year plus an equal amount, another Rs. 1,600 crores, on the air arm for developing the Mirage 4 so that the bomb could be delivered to its target. These two total Rs. 3,200 crores for one year for France, about three-quarters of the entire outlay of our proposed Fourth Plan per year. So that only one-fourth of the Plan would be left for other purposes, three fourths

would be eaten up by our endeavours, if we were to put ourselves in the position of France."

The third alternative before the country was to accept the principle of inter-dependence of nuclear force, which was the only answer to the Chinese bomb. The Government should enter into agreements, separately or jointly, with the U.S. and the USSR guaranteeing India against any nuclear attack from China. If the USSR could not accept such guarantee, India should accept the deterrent from the U.S.

#### **Prevention of Corruption**

**N. DANDEKER and KAPUR SINGH**

When the Anti-Corruption Law (Amendment) Bill came up for discussion on the floor of the Lok Sabha on November 18, Swatantra spokesmen N. Dandeker and Sardar Kapur Singh were forthright in their condemnation of the measure as one-sided and aimed at public servants while ignoring the real focal points of corruption viz. those in public leadership. Sardar Kapur Singh summing up his speech opined that the bill should have actually been labelled: "Bill for Perpetuating the Powers and Pleasures of the Ministers over the Public and the Public Servants."

In a spirited defence of the public servants Mr. Dandeker observed:

"I think the public servants in this country are being made the subject of attack propaganda-wise. They are reviled; they are abused; they are ill paid and they are overworked. They are also overloaded with responsibilities. They are exposed to great temptations but are expected to be the paragons of virtues, in an atmosphere in which virtue has been the first casualty."

#### **The Wealth Tax**

**M. R. MASANI**

On December 1, the Finance Minister moved the Wealth Tax (Amendment) Bill in the Lok Sabha. Mr. M. R. Masani, who opened the attack from the opposition benches, characterised the measure as one calculated to promote primitive ideas of socialism long since discarded by socialist parties in countries like West Germany.

Some of the reasons outlined by Mr. Masani while opposing the measure were:

"This idea of an integrated tax structure was borrowed from Professor Kaldor. Professor Kaldor had made it very clear that, if this country was to follow his advice in going in for wealth-tax, expenditure tax and the other taxes recommended by him, a precondition of such a reform should be that there would be a ceiling on income-tax, and that the income-tax should in no case exceed seven annas in the rupee for the highest slabs. In other words, he wanted to tax idle wealth on the one hand, giving incentives



for those who have income and would use it productively by means of drastic relief on the other. What has been done is to provide the worst of both worlds. While additional burdens in direct taxation have been placed on the shoulders of those who produce, the relief that was envisaged by Prof. Kaldor to stimulate productive enterprise was overlooked. That is why, while not opposed in principle to a tax on wealth, we from these Benches voted against the Wealth Tax as a whole, because we feel that the total burden of direct taxation, of which it is a part, is not only excessive but is such that it is hurtful to the economy of this country."

### Capital Formation Retarded

Wealth is a good thing. Wealth that is productively used is for the benefit of this country, and when wealth is taxed in this excessive and vindictive manner, as it is today, then the capital formation that this country so badly requires is impeded and harmed. Therefore, the effect of the wealth tax on the economic growth of this country and the rate of growth is adverse and deleterious."

### Swatantra Concept of Welfare

✱ (We have an entirely different approach from that of the Treasury Benches. We do want welfare. We want a better life for the mass of the people, and particularly for those who are the poorest. But to want welfare is one thing and to want a Welfare State is another. Because, as my friend, Jayaprakash, has quite rightly described it, the Welfare State is "creeping paralysis" that destroys the whole economy of the country. In other words, welfare and the State are a contradiction. There is nothing welfare about a State. The State is primarily an engine of rule, it is an engine of control, a police mechanism, and a police mechanism is essentially not meant for welfare. Welfare comes from the production in a society of an ample measure of goods and services which the people can enjoy. If you want welfare, if you want to wage war on poverty and want, as we want to, then we want welfare, but we want it through a modern industrial society.)

"Our People do not object to wealth. Our people want wealth. The poor people want to be well off.

"...We want a property-owning democracy, such as we find today in Scandinavia, in Switzerland, in Australia, in New Zealand, in Germany, Britain and America. We want more and more people to have some little wealth. If you ask the common man, an ordinary villager, 'Is wealth good or bad?' he would say, 'Of course, good; I would love to have some.'

"This Bill, and the Wealth Tax on which it is based, is an enemy of everything that I have put before the House this afternoon. It is an enemy of welfare, it

is an enemy of progress and social advance, it is an enemy of a richer life for our people. All that it has got is the appeal to the envy of the poor to pull down the rich. That, Sir, is not the way a country advances.

### Diversion into Sterile Channels

"Now the hon. Minister will say: 'capital formation is retarded among the common people. But we will form capital. By this kind of taxation, we divert money or capital from private pockets to the State pocket.' That is exactly what is wrong with the Wealth Tax and all other excessive taxation of this kind, because every rupee that is diverted from the pocket of a man who would invest it productively in a spirit of enterprise to make more profit, that rupee is being diverted to the sterile channels of Government. A government can no more create profit than a mule progeny. It is sterile. No government has ever created profitable enterprises anywhere in the world. Therefore, every rupee diverted by the Wealth Tax from the pockets of those who might have productively invested it, as Prof. Kaldor wanted, is being diverted to the sterile channels of the State where it is wasted in the way that we find in our State enterprises."

Dr. M. S. Aney: "What is the guarantee that a private person will divert that rupee to public utility and not use it for selfish purposes?"

Mr. M. R. Masani: "That is a very good question. That is why Kaldor wanted taxation to be so adjusted that the man who did not use his wealth for a productive purpose would be taxed heavily, but the man who used his wealth for creating goods and services the country requires would get relief. The Finance Minister and the Government accepted the first part of the advice, but they forgot the second part, because they wanted to have in their hands more and more money for the sterile and unproductive State sector.

The following day, December 2, the Bill was passed but not before Mr. Dandekar, who was the other spokesman of the Party, had given battle to it clause-by-clause. He moved amendments to all the major clauses, and although they were defeated, he was able to put forth his view, as the *Economic Times* (Dec. 3) observed "vigorously and with clarity."

### Wealth Tax

DAHYABHAI V. PATEL in the Rajya Sabha

When the Bill went to the Rajya Sabha on December 14, the Party, leader in that House Mr. Dahyabhai Patel described the Bill as a "Communist measure." Mr. Patel said that Ministers should first declare their assets "acquired by questionable means" and only then could they take action against the people.

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