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Swatantra Newsletter

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HOMAGE TO A DEPARTED LEADER

"A progressive farmer and patriot who had taken part in the freedom movement", to use the words of the Chief Minister of Uttar Pradesh, Mrs. Sucheta Kripalani, passed away on March 26. He was Mr. Raghavendra Pratap Singh of Mankapur, member of the State Assembly since 1937, member of the Swatantra Party's Central Organising Committee and indomitable leader of the Swatantra Group in the U.P. Assembly.

The U. P. Vidhan Sabha adjourned for the day as a mark of respect for the departed leader after observing a minute's silence in his memory. Tributes paid to him crossed party lines in moving testimony to the respect he commanded from people of all shades of political thought and opinion.

The Swatantra Party bows its head in memory of a fearless comrade and offers its deepest sympathies to his family and to his colleagues in the Uttar Pradesh unit of the Party.

ALL INDIA KISAN SAMMELAN

Over five thousand kisans from all parts of the country gathered in the Capital on March 30 to record their protest against the Constitution (17th Amendment) Bill.

This is the first time the Swatantra Party has organised a major rally in Delhi. Presided over by a kisan from the Punjab, Choudhury Inder Singh, the rally was addressed by peasant representatives from the different States. Prof. Ranga and Rajaji also addressed the Sammelan.

After the deliberations had concluded, those assembled marched in procession to Parliament House. Almost a mile-long, the procession was marked by its orderly and disciplined behaviour. Outside Parliament House, Swatantra Members of Parliament including Mr. M. R. Masani, Mr. Dahyabhai Patel; Mr. P. K. Deo, Smt. Gayatri Devi, Sardar Kapur Singh and Thakur Yashpal Singh, addressed the marchers.

Separate deputations of the processionists were led by Prof. Ranga to the Speaker of the Lok Sabha and Mr. Dahyabhai Patel to the Deputy Speaker of the Rajya Sabha, Mrs. Violet Alva. Mr. M. R. Masani introduced to President, Dr. Radhakrishnan, the following morning a deputation.

The Sammelan adopted unanimously a resolution warning that, if the 17th Amendment Bill became Law, the peasants of India would resort to peaceful Satyagraha. See Annexure for full text of resolution.

Speaking on the occasion, Rajaji said: "Let this be a warning from this parliament of peasants to the Indian Parliament, which is now tampering with the sacred Constitution, that the peasants of India will resist this amendment with all the force at their command."

He added that they must face the ruling Congress Party which was suffering "from high blood pressure and paralysis" and draw blood from it as they had done in Rajkot, Amroha and Farrukhabad.

Prof. Ranga told the Sammelan that the party would organise an agitation if it failed in its efforts to get the Seventeenth Amendment withdrawn. "What is the use of having independence for the country if the farmer is not to be free? Who will protect the country's independence if the peasants are to be enslaved?" he asked.

The Sammelan helped to bring into sharp focus the peasants' opposition led by the Party and the disastrous effects the measure would have on not only agricultural production but on individual freedom itself.

Statewise, the representation at the Sammelan was as follows:

Andhra Pradesh 22, Bihar 290, Delhi 100, Gujarat 140, Himachal Pradesh 32, Madhya Pradesh 20, Madras 21, Maharashtra 235, Mysore 25, Orissa 30, Punjab 600, Rajasthan 2,000, Uttar Pradesh 1,500.

The Delhi unit of the Party, which played host to the Sammelan and made arrangements for the reception and stay of the kisans, deserves a word of thanks for having discharged their responsibilities in a commendable manner.

PARLIAMENT REJECTS 17th AMENDMENT BILL

While going to Press, we have received the welcome news of the 17th Amendment Bill having failed to obtain Parliament's consent.

This has however been quickly followed by reports that a special session of Parliament is to be convened later in May with the specific purpose of pushing through this Bill but under a different label viz the Constitution (Nineteenth Amendment) Bill.

The next issue of our *Newsletter* will carry in greater detail the report of discussions in Parliament on this Bill.

KISAN DAY

To reiterate the Party's strong opposition to the Constitution (17th Amendment) Bill to be now known as the Constitution 19th Amendment) Bill and to lodge its protest against the attempt to once again get this Bill adopted, the Swatantra Party has called upon State Units to mobilise the people's protest by observing Sunday, 24th May as KISAN DAY.

SHEIKH ABDULLAH'S RELEASE

The release of Sheikh Abdullah by the Kashmir Government, with the concurrence of the Government of India, created a new situation and it is natural that leading members of the Party should comment on it. Since there is no Party decision on the subject of Kashmir, members of the Party have the freedom to express their individual views.

In this connection a reference to the background of the Party's position may be of interest. The Party's Statement of Policy of March 1960 lays stress on "the settlement of outstanding issues with Pakistan and serious consideration of the offer made by Pakistan for collaboration in the defence of the sub-continent." This stand of the Party was reiterated by the General Council on February 10, 1963, in the course of a resolution considering measures for strengthening the country's security and defence.

During the last few years, Prof. Ranga and Mr. Masani have on more than one occasion joined with leaders of other opposition parties and groups in addressing letters to the Prime Minister urging the early release of Sheikh Abdullah.

During the debate in the Lok Sabha on Foreign Affairs on September 16, 1963, the leader of our Group, Prof. Ranga had said: "In regard to Kashmir, I would like to know why it is that the Prime Minister allows that Conspiracy Case to go on for all these years. Why has he been satisfied, in keeping with all his love of civil liberties – all of us have stood for civil liberties –, one of the great leaders of the Kashmir area and the Kashmir people, Sheikh Abdullah, once a bosom friend of the Prime Minister, in jail and detention during those years, and now under this pretence of a conspiracy case, in jail, for so many years? Does this redound to our credit? Does it in any way help us in our approach to the Kashmiri people vis-a-vis the Pakistanis, or enable us to grow to be in a position some day, if we may have to do so, to persuade the Kashmiri people to choose their comradeship with India by an overwhelming majority? I want answers to these things."

During the weeks prior to Sheikh Abdullah's release, Mr. M. R. Masani followed up this line of thought when he spoke at Ambala and Jaipur during the month of March. "Whether we do it today or tomorrow or decades later," he observed, "we have to make friends with Pakistan to ensure India's security...... It will be a happy day when we will be able to live like good neighbours even though we may not like one another." Mr. Masani urged the need for winning the goodwill of the people of Kashmir and suggested the release of Sheikh Abdullah, mid-term elections to the Kashmir State Assembly to enable the people of Kashmir to have a government of their own choice, followed by discussions between the Government of India and the new Government of Kashmir regarding the future status of Kashmir. Addressing the first Regional Convention of the Bombay Unit of the Party on April 5, following on Sheikh Abdullah's release, Mr. Masani observed that if the people of Kashmir wished to remain a part of India nothing would make the people of India happier. If, on the other hand, they insisted on a special relationship such as that between India on the one hand and Sikkim and Bhutan on the other, we could not deny them that alternative.

Welcoming Sheikh Abdullah's release, Rajaji wrote in *Swarajya* of April 11, "May Sheikh Abdullah be inspired and enabled to do a caesarean operation and extricate Kashmir from the Indo-Pakistan problem, thereby strengthening both India and Pakistan. We may now hope for some clear thinking on the question of what is to be done with the Kashmir Problem. If Kashmir is an 'integral part' of India, let that bond rest not on compulsion or the illusions of legalism but on the urge of the heart, on confidence and cordiality. Many smaller States in the world enjoy autonomy, and there is no reason for refusing autonomy to Kashmir, specially when it is good for all concerned. There is no way of establishing peace and good neighbourly feeling between India and Pakistan except by making Kashmir an independent and friendly State. The Gordian knot would then be cut, and there is nothing thereafter to divide Pakistan from India.

Following this up on April 18, Rajaji wrote again in his Dear Reader Column of *Swarajya*; "Kashmir is not real property to be disputed on the basis of title-deeds and assignments. It is a community of people who have all the rights of similar communities in the present-day world, and undoubtedly Sheikh Abdullah is their best leader who has suffered for their sake. India's reputation will reach its nadir if unwise counsel prevails and leads to any imposition of restraints on Sheikh Abdullah now. Let there be an election in Kashmir with Sheikh Abdulla leading a party standing for whatever solution he considers to be the best. Let Sheikh Abdullah be opposed by any other leader, be it Bakshi or Sadiq or any other and their group standing for the Indian formula of accession already completed. Such an election would be democratic and *simple*, and be as good as a plebiscite without its implications. Forsenic arguments will not bring about peace and happiness either to India or to Pakistan; it would be foolish to reiterate them in order to acquire real property for India which will yield no rent or income but only increase our liabilities, civil and military."

Once again on April 25, Rajaji in a front page article in *Swarajya* entitled 'Am I Wrong?' wrote: "I see India and Pakistan cannot go on as they are now going on, without both of them utterly ruining themselves soon. Take Kashmir out as a live baby and both India and Pakistan can be saved as they deserve to be — as the civilized and peace-loving peoples of the world want them to be ...... Is there any hope for India or for Pakistan, if we go on hating each other, building our two houses, both of us on the sands of continued foreign aid against a future Kurukshetra?.....

"To fight on two fronts, Pakistan and China, was considered folly. But when Pakistan had begun a gesture of uniting with China and making a joint front, the folly of keeping two enemies going is trebled in magnitude...."

Rajaji went on to ask, "But today the plain and the only question is: does not the good of India and of the sub-continent as a whole, and indeed of Asia as a whole as against the dark forces of communism, lie in Indo-Pakistan reconciliation?"

Rajaji concluded with the exhortation: "Let us not act like common village litigants fighting for a piece of real property."

Following a different line, Mr. P. K. Deo spoke in the Lok Sabha during the discussion on the Demands for Grants of the External Affairs Ministry on April 9: "We all know that Kashmir is an integral part of India, in fact and in law. This is affirmed by history, tradition and culture. We got the legal status by the Instrument of Accession of Maharaja Hari Singh, and it has been further ratified by the Constituent Assembly of Kashmir and subsequently by the elected Assembly of Kashmir.

"However firm it may be, if we want that it should be permanent, we will have to win the heart of the people of Kashmir, and make them feel one with us. This cannot be achieved by thrusting on them an unpopular and corrupt government as we have done for the last ten years.

"The separatist provision of Article 370 has to be abrogated. That will hasten the process of full integration of Kashmir with India."

The same attitude was given expression to by Mr. K. M. Munshi when he gave an interview to the *Gujarat Samachar* in Ahmedabad on April 18. Alleging that the Government had deliberately created trouble by releasing Sheikh Abdullah, Mr. Munshi argued that constitutionally Kashmir cannot be separated from India.

RAJYA SABHA ELECTIONS

The Biennial elections to the Rajya Sabha took place in March. From the overall point of view, our Party has reason to be satisfied. We have emerged *as the single largest Opposition group in that House*, the Communists having been relagated to second place. Mr. Dahyabhai Patel now occupies Mr. Bhupesh Gupta's position.

With DMK support, the Swatantra nominee in the Madras Assembly, Mr. S. S. Mariswamy, General Secretary of the Tamil Nad unit, secured the highest number of votes polled.

In Uttar Pradesh, *as a result of our understanding* with the Jan Sangh, our candidate, Sardar Ram Singh, was declared elected despite our strength in the U.P. Assembly being only 14.

In Rajasthan, Mr. Devi Singh of Mandava romped in, with the support of the Jan Sangh.

In Orissa our Candidate Mr. Sankarprasad Singh Deo of Dhenkanal was declared elected.

In Gujarat, Mr. Dahyabhai Patel the leader of the Group in the Rajya Sabha, who stood for re-election, was returned with a comfortable majority.

In Bihar, however, the Party's first candidate, Mr. Parmanand Kejriwal, was surprisingly defeated despite the strong Swatantra Group in the State Assembly. The Party's second candidate, Mr. Anandchand of Bilaspur, was however declared elected.

As a result of the biennial elections the Swatantra strength in the Rajya Sabha has gone up from 11 to 13 and that of the Communists has been reduced from 13 to 11.

News from State Parties

BOMBAY

The Bombay unit of the Party organised its first regional Convention on April 6. The Convention was inaugurated by Smt. Gayatri Devi and presided over by Mr. Piloo Mody Vice-President of the unit. Dr. (Mrs.) Shantabai Gulabchand welcomed the speakers and the delegates. Mr. M. R. Masani and Mr. Bhailalbhai Patel were among others who addressed the Convention.

Seven resolutions were adopted. These were: on Civic Affairs which conveyed the unit's decision to contest the forthcoming Municipal elections in the city; a second calling for the setting up of an independent and autonomous planning authority charged with the responsibility of drawing up a Master Plan for Bombay; a third on the Inami and Special Land Tenures Abolition Bill of the Maharashtra Government; a fourth warning against the nationalisation of the foodgrain trade; a fifth on the rise in prices; the sixth on corruption and the seventh on the Budget proposals.

After the Convention had concluded, the unit organised a public meeting at Chowpatty the same evening addressed by Smt. Gayatri Devi, Mr. M. R. Masani, Mr. Bhailalbhai Patel, Mr. Dahyabhai Patel and Mrs. Shantabai Gulabchand. Mr. Piloo Mody presided.

Other activities in March included a meeting on March 4 organised by the Colaba unit on the "Impact of the Union Budget" addressed by Prof. P. J. Shroff and presided over by Mr. Lalchand Hirachand. Another public meeting on "Current Political trends and the Union Budget" was addressed by Messrs Piloo Mody, R. V. Murthy and B. K. Mistry under the presidentship of Dr. Sequira on March 8. The Bandra unit, as usual, organised a cultural and sports event which included a canoe race, a swimming competition and a Live Duck Dip on March 29.

MYSORE

The State Committee has set up an Action Committee to organise public meetings in different parts of Bangalore city to focus the attention of the people on four issues, viz. (i) soaring prices, (ii) Buildings Tax Act, (iii) Unsatisfactory Bangalore Transport Service, and (iv) Electricity Tariff rates on outlet basis. The idea behind this project is to gear Party machinery and prepare for the forthcoming Corporation elections in the City.

Already between the 1st and 28th March six meetings have been organised in the City.

The first meeting at Malleswaram was presided over by Dr. I. S. Patel. Messrs Gopala Salenna, M.L.A., Dr. M. G. Seshadri and Mr. P. Ramadev Corporators and Messrs P. H. Seshagiri Rao, M. R. Janardana, B. N. Gupta and M. S. Rajagopalan addressed the meeting. A resolution urging the Government to withdraw the Buildings Tax Act was unanimously adopted.

The second meeting held at Rajaji Nagar on March 12 under the presidentship of Mr. B. Channabyre Gowda, M.L.A., was addressed by Mr. Seshagiri Rao among others.

The meeting on March 15 was held at Laxminarayanapuram with Mr. S. V. Kashinath, M.L.A. in the Chair. Among those who addressed the meeting was Mr. S. K. Ramanuja Iyengar (President of the Malleswaram Rate Payers Association).

An important feature of the fourth meeting held at the Harijan Colony in Mariappana Palya was the presence of a very large number of poor Harijans including a fairly large number of women who presented a memorandum to our leaders assuring their support. Mr. Gopala Salenna M.L.A. presided. Mr. J. M. Lobo Prabhu and Mr. Daniel were among those who spoke at this meeting.

The Gandhi Bazaar Circle meeting on March 23 was the occasion for a moving speech by Mr. P. H. Krishna Rao. President of the Basavangudi unit Mr. K. G. Abdul Samaad Khan presided. State General Secretary Mr. V. T. Sreenivasan, and Mysore city and District unit President Mr. H. Ramaraj Urs addressed the meeting.

The last meeting of the month at Sajjan Rao Circle on March 28 was held under the presidentship of Mr. P. H. Krishna Rao. Speakers included Mr. B. Channabyre Gowda M.L.A. and Mr. Abdul Samad Khan.

The Mysore unit wishes to express, through the columns of this Newsletter, its grateful thanks to Mr. P. S. Sridharamurthy for having so kindly placed a room free of cost at the disposal of the Basavangudi Constituency unit.

Swatantra in Parliament

Texts of speeches received from our Parliament Office in New Delhi indicate the leading part taken by our members on issues that came up for discussion ranging from Petro-Chemical Plants to the Budget and banning of books.

We have, subject to limitations of space, given extracts of speeches delivered in both Houses of Parliament in the months of March and April.

Three speeches, one by Prof. Ranga on April 21 during the discussion on the Third Reading of the Finance Bill and two others by Mr. Masani during the debate on the Finance Bill (April 17) and the Companies (Profits) Surtax Bill (April 22) will shortly be published in booklet form.

In the Lok Sabha

THE BUDGET

Smt. Vijaya Raje — March 4

We were anxiously looking forward to the Budget, and the rural population too had been eagerly looking forward to some relief by way of cheaper food and cheaper clothes. But I regret that the Budget in this respect has proved to be both a great disappointment and a betrayal of the hopes and aspirations of the common man.

Unfortunately, the Finance Minister has not given any express indication of controlling the prices of daily necessities, the burden of which is reacting sharply on the common man.

The food prices have not declined, and the price of cloth has already registered an upward rise, and threatens to rise even further.

Instead of producing food, the Government is wasting its time in socialisation of food distribution and controls, which have been the bane of our economy. Even the Minister of Community Development is said to have complained that the lack of progress in the rural sector is due to too much centralised planning. It is a thousand pities that in an agricultural country like ours, agriculture should have been so criminally mismanaged for the sake of the Government's planned economy.

However, I am glad that the Prime Minister has, even at this late stage, changed his views on the subject at last. Addressing a metting of the National Development Council on 8th November last year, he said:

> "People seem to think that an industrial plant solves all the problems, which it does not. At the present moment in India, whichever way you start, you come back to agriculture. We dare not be slack about it as we have been I am afraid."

Even Mr. Khrushchev, in November 1962, said at the Communist Party Central Committee that it was old-fashioned to regard steel as the only measure of modern economy.

Industry seems to have fared no better. Here, too, because of the Government's socialistic policies, the State sector is pitched against the interests of the country. Though the performance of the State sector leaves much to be desired, yet the investment in this sector seems to be on the ascent. In the First Plan it was 46 per cent, in the Second it was 54 per cent, and in the Third it is estimated at 61 per cent. I am afraid that with the new taxation measures, the Finance Minister will be accelerating the speed of State monopoly in all economic fields, and will eventually succeed in completely eliminating private enterprise from the industrial map of India.

According to a news item in February, 1963, the State Trading Corporation and the Atomic Energy Commission had created a muddle trying to outbid each other in Japan over the export of ilmenite, resulting in a loss of one crore of rupees worth of foreign exchange.

The Comptroller and Auditor-General of India, in his Audit Report (Commercial), 1963, has stated, after analysing the financial result of 46 Government companies as on March, 1962, that on an employed capital of Rs. 1,090.75 crores, the net result of operation of all these companies shows a loss of Rs. 10.60 crores.

According to the same report, the three steel plants of Bhilai, Durgapur and Rourkela had together incurred a loss of Rs. 40 crores.

The yield of the public sector is therefore a matter of concern, since the resources employed there would have yielded better results elsewhere, had the money remained with the people.

In comparison, the private sector has to its credit the development of a wide range of industries. We learn from responsible quarters that during the first decade of planning, not only has the private sector developed various industries, but it has provided additional employment for over one million persons. In the first two Plans, the whole of the private sector undertook 50 per cent of the national investment and produced more than 80 per cent of the additional income in that period. So, private enterprise has proved to be not only an essential, but an effective part of our economy, and, therefore, I hope the Government will not continue to take an unfriendly attitude towards this sector. Mr. Eugene Black has rightly observed that people must come to accept private enterprise not as a necessary evil, but an affirmative good.

I would now like to turn to a very disturbing factor which is greatly agitating the public mind. That is the growing corruption that is spreading like cancer and destroying whatever good that is left in us. Today, there is not a single department of administration at the Centre or in the States which is free from this malady. I feel that there are two major factors which promote this evil, the system of control and the plethora of laws and regulations which result in the concentration of power in the hands of the administration at all levels. My submission, therefore, is that in order to eradicate this evil we should do away with the licence-permit-quota system as this is the breeding ground of all corruption.

PETRO-CHEMICAL INDUSTRY & NATURAL GAS

Mr. Purshottam Bhil — March 13

At the outset, I take up the Petrochemical industries. A Refinery with a refining capacity of 2 million tons of oil per annum with prospects of expansion upto 3 million tons is being set up in the (Gujarat) State and the work of construction of the Refinery is proceeding according to schedule and it may be ready for production in about a year's time. There is no definite indication, however, of the policy proposed to be adopted in regard to the petrochemical industries to be developed in this area. Dr. Henney, the World renowned French Expert has in his report submitted to the Government of India in regard to the development of petro-chemical complexes in the country emphatically stressed the need for the establishment of such complexes as early as possible. According to him the failure to build petro-chemical industries will result in an yearly import bill amounting to about Rs. 51 crores in 1965-66 and about Rs. 150 crores in 1970-71. This alone is sufficient to necessitate immediate action on the question of establishment of petro-chemical industries. It is absolutely necessary not only to finalise but to keep ready the petro-chemical complex much ahead of the date on which the Refinery goes into production and the bye-products become available. It is, therefore, highly essential to establish a special agency to co-ordinate and synchronise the plans of establishing petro-chemical complexes in the country in general and the Koyali refinery area in particular so that no time is wasted when the refinery starts operation and raw materials for Petro-chemicals are readily available.

Unfortunately no clear indication is yet available to the prospective industrialists interested in the development of petro-chemical industries as regards chemical and other properties of the oil and gas, or the types of bye-products likely to be available from the Refinery, continuity of supply and the prices at which such products are likely to be made available. It is absolutely necessary to clarify these matters and to adopt a long term policy in the interest not only of the better and more economic utilisation of th bye-products of the Refinery as also to enable the prospective industrialists to plan in time for the establishment of such industries where these could be utilised.

The dispute over the fixation of gas price is very much agitating the mind of our people. Much heat has been generated over the behaviour of ONGC in this connection. It come as a rude shock to us when we are told that our people will have to pay as much as 90 to 100 rupees per 1000 cubic meters of natural gas to ONGC for the gas produced from the oil fields of Gujarat.

To compare with prices in other States, Oil India Ltd. charges Rs. 9 per 1,000 cubic metres for Nahorkatiya gas in Assam while the ONGC asks for Rs. 80 to Rs. 100 in Gujarat. The fact that the ONGC has no control over Oil India's policies does not explain away the unconscionable disparity. Again, the ONGC demands Rs. 100 for Ankleshwar associated gas supplied to industries in Baroda, Rs. 90 from the Gujarat Fertiliser Company and Rs. 80 for Cambay gas supplied to the Gujarat Electricity Board. These prices cannot but give a rude jolt to consumers who had hoped that the cost of generating electricity and that of fuel can be substantially reduced with the discovery of oil and gas within the State itself.

Various persons and organisations in the State have objected to the high level of prices. The basic contention has been that the State and its industries should be enabled to secure fuel at cheaper cost. The State has all along suffered from a major handicap in its programme of industrialisation—the high cost and irregular supply of coal. The high railway freight more than doubles the pit-head price of coal. Absence of any big hydro-electric projects made cost of electricity quite high.

It was hoped that the cost of generating electricity and that of fuel for industries would considerably drop with the discovery of oil and gas in the State. The prices now fixed by the ONGC have given a rude jolt to these hopes.

Sir, can ONGC take any satisfaction in its work when people start describing it as a 19th Century monopolist.

I think it is pertinent to point out that the benefits of natural resources found in a particular region are usually allowed to be enjoyed by the industries located thereabout. It is greatly disconcerting to note that Gujarat has been deprived of this natural advantage in the matter of fixing the prices of gas to which it is legitimately entitled. The objective of the Central Government of stimulating regional development can be achieved more readily if a uniform policy were to be adopted in regard to the benefits that may be allowed to accrue to each State in respect of its natural resources.

There is no justification for a policy that varies in its application in respect of one commodity from State to State and from one natural resource to another resource i.e. one policy for coal and hydropower and another for oil and gas. In view of the need for accelerating the industrial development in Gujarat State and stimulating tempo in this region, it is strongly urged that gas be made available to the industries etc. of Gujarat at a price of coal prevailing at the pit head so as to ensure competitive capacity of the industries of this region.

I quote here what Dr. Henny of the French Petroleum Institute, in one of his speeches stated about the reasonable price of gas. It, according to him, may be 50 nP. per 1000 cubic feet. It is also reported that the ONGC too had considered and also discussed the guaranteed supply at the price of 50 nP. for 1000 cubic feet with the various major consumers of gas in Gujarat and the officials of the State Government.

It is hoped that the Government of India as well as the Arbitrator appointed by them to deal with this question will take these factors into account so as to enable the State to wipe off the backlog of development and achieve the pace of growth attained by other States by fixing the price of gas at a reasonable level, keeping in view pit head costs of natural fuels.

Sir, I understand that by the end of October 1963, 122 million cubic meteres of gas had been flared up (burned off) at Ankleshwar. The value of this gas at the proposed value of Rs. 100/- per 1000 cubic metre, is about Rs. 1.25 crores. This amounted to 20 per cent of the Oil and Natural Gas Commission's total earnings from the sale of Crude Oil, which amount to Rs. 6.92 crores. If the ONGC can avoid such gross national loss, the question of conflict between the Gujarat and the Central Government for fixation of price would not arise. Why not try to economise and thus help the State economy and also strengthen our Central exchequer.

DEFENCE

Prof. N. G. Ranga — March 20

Mr. Speaker, Sir, from the manner in which we have had the benefit of experience and contacts that our Communist friends have of the working of our ordnance factories and all other installations and establishments which are associated with the Defence Ministry and the defence departments, we can see who, in an indirect way, is running the Defence Ministry and who, in an unauthorised manner, in an un-acknowledged manner, is the real Defence Minister in this country. This is a warning which, I am sure, my hon. friend, Shri Chavan, must have already noted for his own benefit and the benefit of the Ministry of which he is in charge after he has taken over charge of the Ministry.

I have had the honour of visiting quite a large number of our ordnance factories....There is a kind of diarchy going on there. It is an unseen one in a way and an unacknowledged one in another way. I do not know whether it would be possible for some time to come for the Defence Ministry and the Defence Minister to gain real control and then say that all these defence installations can be depended upon completely, under all circumstances, whoever may be our allies, whoever may be our enemies.

power plants, fertilisers and can do everything that everybody else can do better.

In attempting to plan beyond your resources, you run into inflation; secondly, you run into financial bankruptcy at the international level when you attempt to plan beyond your external resources; and thirdly, we believe that excessive resort to debts and borrowings, particularly external debts at Government-to-Government level, is an evil which must steadily give place to internal and external *private* investment for the prosperity of this country.

Take the rupee resources required for the full Fourth Five Year Plan. This particular Five Year Plan is a peculiar thing; it keeps on fluctuating. When you talk about its overall dimension, somebody will talk to you about some other dimensions. The overall dimension of this Fourth Five Year Plan is Rs. 22,500 crores. But it is said it would be limited to Rs. 21,500 crores, representing the sources in sight. Thus, there is already a deficit of Rs. 1000 crores, to start with.

The resources in sight, but not visible, amounted to Rs. 3650 crores. The new budget of the Finance Minister provides for additional visible resources of Rs. 1000 crores; so that we have now got a deficit of Rs. 2650 crores. But that, together with the previous deficit of Rs. 1000 crores, gives me again a deficit of Rs. 3650 crores.

The second part of the resources dream is this: the private sector is supposed to produce, in the course of this plan, for its job, Rs. 2400 crores. Where is this amount going to come from? It will apparently have to come from the various governmental institutions i.e., from Government. So you add another Rs. 2400 crores to the visible deficit of Rs. 3650 crores, making a grand total of Rs. 6000 crores.

This Plan is supposed to require Rs. 4000 crores of foreign exchange: again, the foreign exchange "in sight", is only Rs. 3000 crores as far as one can see. That means there is a deficit in terms of foreign exchange of nearly Rs. 1000 crores. Even out of the Rs. 3000 crores of foreign exchange resources in sight, nearly Rs. 1400 crores would be required for payment of our debts. Our debts and interest obligations maturing during the next five years will be something of the order of Rs. 1400 crores; so that the net balance available for investment will be Rs. 1600 crores. With this Rs. 1600 crores, we propose to finance, in so far as foreign exchange requirements are concerned, a Plan double the size of the third Five Year Plan, where it is estimated the net foreign exchange available for investment would be Rs. 1950 crores.

We are being taken for a ride, down and down into the depths of disaster. The Planning Commission and the Counci[illegible] Ministers are busy digging their own graves.

(*Lok S*[illegible]965.)

M. R. Masani

The Swatantra Party believes in *Planning, but it* believes in a kind of democratic planning, not Sovietisation. The essential difference between the Soviet pattern and the Western pattern is that one is coercive, while the other leaves it to the people to follow the Plan.

We suggest that the present Third Five Year Plan, most of whose targets are not fulfilled today, should be allowed to continue for two more years so that the majority of the targets might be fulfilled and then, of course, another Five Year Plan may be taken in hand after proper consideration. Mr. Khrushchev did exactly this when he took over from Stalin and found the country in a mess.

There is today the jungle of controls. It paralyses initiative and increases corruption. Mahatma Gandhi had said that "Control gives rise to fraud, suppression of truth, intensification of the black-market, and to artificial scarcity. Above all, it unmans the people and deprives them of initiative." It was against such fratricide that Mahatma Gandhi laid down his life.

The emphasis on controls, regimentation and Statism is where the Government is going wrong. They are hopelessly outdated on this issue. It is not only free countries that see this. More and more socialists and communists all over the world are beginning to see its validity.

The only vested interest in this country is the vested interest of the new class; the new class which has a mixed physiognomy—partly politicians in office, partly officials, and partly private capitalists who play ball with these people. That is the only class against which the common people have to wage a fight today.

This Government has neglected its basic obligations. It cannot supply water to the farmer; it cannot supply drinking water; it cannot provide transport and communications. But this Government still goes into all walks of life where it has no business to go.

The politician has a very legitimate place in the life of this country, but when he tries to displace educationists, sportsmen and businessmen, it is time that he is put in his place. If the politician does not stick to his own walk of life, which is politics, he will soon find that the politician is thrown out of politics itself, as is happening in certain other countries.

In conclusion, Mr. Masani justified the introduction of the Motion of No Confidence, even though all around there was criticism at the time being very inopportune since the frontiers of the country were threatened. He said that a No Confidence Motion at this juncture was essentially a national service, to draw attention to those false and wrong policies of Government which were endangering our defence economy.

This motion of No Confidence is due to the failure wheth[illegible] comes from here or from the Press or from of the Government to listen to the voice of reason, the public of India. They are people with closed minds, they will not listen, they persist in error, and therefore we have no option but to resort to this step.

If the people lose heart, if they despair, as many people do in India, and say there is no escape from these people in office and we have got to suffer them for our lifetime, then Indian democracy is sunk. Finally, this motion has shown the people that in the future, India can have a new Government.

(*Lok Sabha, August* 26, 1965: *Reply to debate on No Confidence Motion*)

Second Finance Bill

N. G. Ranga

The Finance Bill (2), is a bitter and poisonous pill.* We are totally opposed to the political motives and financially unscrupulous approach behind the Supplementary Budget. There is no need at all for the Supplementary Budget. The Finance Minister has however, justified it for three reasons. One is the provision of dearness allowance, which was present in the last Budget. Secondly, there is the border trouble, and Third is the need to provide money for the State. All these arguments in reality have no relevance to facts.

The argument of a balanced budget is also baseless. The Government has indulged in inflation in spite of the repeated warnings given. Recommending the British system based on principles of statesmanship, Prof. Ranga indicated the measures adopted by the Government on the brink of financial bankruptcy. They imposed a block cut of 10 per cent, and sometimes even 20 per cent on every one of the estimates that had been sent up by the spending departments.

The Finance Ministry here has become completely bankrupt of statesmanship, not to speak of the degree of control it has, with the result that these various Ministries have been indulging in extravagant and wasteful expenditure. Time is to think on those lines and to bring in what they called in England the 'Geddes Axe'. If we are able to do this on the Union front, there would be a saving of about Rs. 200 crores on the State front, there would be a saving of about Rs. 100 crores; so in all there would be at our disposal about Rs. 300 crores; and for five years, it would come to Rs. 1500 crores.

Answering the claim that this budget would not push up prices, Prof. Ranga pointed that the incidence of excise duties is ranging from 25 to 40 and even 60 per cent, in the prices that are demanded from the consumers; the import duties have accounted for not less than 40 per cent in most cases, in the cost that is charged on the consumers in this country. Is it inconsistent to say that by this process there would be encouragement to import replacements here? As prices go up a kind of protection emerged and they can say that they want to take advantage of it and that is how they would be able to invest more and more funds in this country on the so-called import replacement machine making industries. On the mother industries, on mother products, on raw materials, whether they are agricultural or industrial or relating to machine-manufacture, he should not put any excise duty or other duty, because that is likely to be passed on to the consumers with a snow-balling effect in a cumulative manner through the various agencies. Unscrupulous duties or invisible duties known as indirect taxes, are the worst possible offence that anybody could have committed in regard to finance.

This measure is plainly inflationary. It will push up the cost of imported capital goods, of imported components, spares and intermediary products etc. by about 15 to 20 per cent, of intermediate products by about 20 to 30 per cent, of imported products manufactured by 40 to 50 per cent, and there will be also a sympathetic rise in the cost and price of indigenously produced capital goods, spares, components and manufactured goods. This will in turn lead to an inflation which will be much worse.

The objective stated is to find resources for the Plan. The physical targets of the Fourth Plan and the estimated money outlays were based on 1963 prices. They were already out of date by 25 per cent. With the rise in prices of today, they will be further eroded by a substantial rise in the capital cost of all products, resulting directly and indirectly from this taxation measure.

The only way to achieve a balance between the resources and the outlay on the Fourth Plan will be not by additional taxation in this manner, and that too by this backdoor method of a supplementary budget but either by cutting down the Plan or by extending the period of the Plan. Further, there should be an efficient implementation and operat[illegible] of the public sector projects. [illegible] on

The Finance policies of the Government o[illegible] years have been disastrous. The [illegible] account dis[illegible] million goldsmiths d[illegible] [illegible]modities. [illegible] rupees wort[illegible] [illegible]ontrol

* Earlier on the 19th, Prof. Ranga described the measure as an unprecedented procedure in Parliamentary history, there being no emergency, economic or political necessitating such an arbitrary step. Mr. Bade and Mr. H. V. Kamath supported Prof. Ranga's argument.