

MR. MASANI'S speech at Sunderbai Hall at a Public Meeting organised by the Bombay Region of the Swatantra Party on 25th March 1963.

Two very eminent leaders of industry and business have expanded to you the various features of the current year's Union Budget and I would not like to insult your intelligence by covering the same ground which I think had been adequately covered by them and have left you in no doubt about the disastrous effects on our economy and on the life of our people of these proposals of the Indian government. I think the time is all have come to move on to the next stage of our examination of this budget and try to derive certain conclusions about what this means and what should be done in such a situation. What the previous speakers have said briefly comes to this that by reason of the crushing burden of indirect taxation by way of customs and excise duties on many of the necessities of life used by every man, woman and child in this country, rich and poor on the one hand and by this Super Profits Tax which penalises the efficient running of industry and business and strikes at the root of private enterprise and initiative in this country the impression will be created and hardship and misery caused to the people and economic progress of this country be grievously retarded. That as I understand it, is a fair summary of what has been put to you so far and I need hardly say that I consider it to be a most moderate and correct statement of the position.

Now, if that is so the question that must have bothered many of you is 'why this has been done', what can be the reason for this absurd behaviour the reckless behaviour on the part of those who have been entrusted by us with authority. All know well that this question must have occurred to you when Mr. Murarji Vaidya and Mr. Shroff were speaking but why this folly? If the money could have been raised otherwise with less disadvantage less pain, less damage, to the country why they are doing it. If all this money are not necessary why it is being raised. Our esteemed leader, Rajaji has sought to answer this question by describing this as a 'mad-man's budget-' I think he ^{is} ~~has~~ perfectly right, by any standards of sanity this would be considered as a budget worthy and emanating from a lunatic asylum. But one must also analyse the madness. Not long ago, Mr. George Brown, the Deputy Leader of the Labour Party speaking in the House of the Commons made the remark with much less provocation than this, he said about Mr. Macmillan: 'I can conclude that the Prime

Prime Minister has gone slightly mad.' If Mr. George Brown had been speaking in the Lok Sabha, the only change he need to make is to drop the word slightly, because in so far as our Prime Minister and the Finance Minister are concerned this is a work of a mad man. But Ladies and Gentlemen, I would like to suggest to you that there may be a method in their madness. That this is not madness of foolish people, this is the madness of malignant people, of people who have got ~~malice~~ malice and hatred in their heart of people who want to destroy rather than to construct. This is a kind of deliberate madness, a madness that is persistent a fever on the brain. Now I think there are two emotional stimuli, to emotional thinking that is at the root of madness. Because every mad man has some emotional disturbance that makes him mad, as any psycho-analyst or psychiatrist will tell you. The first of these emotional neurosis or upsets that is at the root of this budget is something that is not to do with our financial policy but with international policy. Every historian knows the saying that a country's foreign policy reflects its domestic policy. But it is perfectly correct. But I remember in making a remark to our great deputy Prime Minister Sardar Vallabhbhai Patel some time in 1950 or 49 not very long before he died when I said to him that just as a country's domestic policy is reflected in its foreign policy, some time it happens that a country's foreign policy has repercussions on its domestic policy. As the foreign policy happens to be wrong when disaster overtakes the country's domestic policy also. Unless we know for ten years now our Prime Minister has been obsessed by a hatred of the Western Democracies and a love for Communist Dictatorships. Every aspect of his foreign policy wrongly called neutral, wrongly called non-aligned has been a coward attempt to help Soviet Russia and to injure and come in the way of Britain and America and the Western Democracies. This bias, this emotional bias has coloured every aspect of our international relations. During the days of the Chinese attack last October, in a lucid moment our Prime Minister said. 'we are living out of touch with realities, we are living in a dream-world, and this attack has brought us down to earth.' Unfortunately, that contact with reality did not last very long. It ended on the 20th of November when the Chinese Communists for their own reasons stopped the attack ~~of~~ on India.

That moment of lucidity lasted only a few days or weeks and since then we have seen a going back to the same neurosis, an attempt to drive a wedge between India and our Western friends who have come to our assistance, an ungracious pin-pricking attitude towards those who want to come and help us an adulatory and servile attitude to the great Gods in Moscow. We saw an exhibition of that yesterday when Mr. Malinosky the leader of the Red Army passed through Delhi, how lot of people went and to act as funkeys at Palam Airport. This is the first mainspring at the root of this budget. This budget would not be necessary. It would not be necessary to tax the Indian people in this cruel fashion. If our government was ready to accept free the equipment and the arms and assistance that the United States, Great Britain Canada, Germany and other countries have offered us. It is because of this antagonism to the democracies this reluctance to take help from friends who are the countries friends but whom some of our leaders do not regard as their friends. for that they have friends elsewhere. They are trying to dump on the shoulders of the Indian Tax-Payer something that is quite unnecessary. In this budget, if you study it our Defence Expenditure is supposed to go up this year from 378 crores to 708 crores. roughly about 330 crores extra money has to be found. It has been calculated about this about half is to be spent abroad on arms and equipments to be imported in this country. and that half has been offered to us free. by our British and American friends. So only 166 crores or thereabouts is necessary for an additional expenditure this time. If that is so, if only 166 crores had to be raised in India for defence for arming our troops for equipping them and clothing them training them and go on building air fields why is 240 crores of extra taxation? Why this additional 100 crores of taxation that even our defence needs do not make it necessary to tax. This is because Mr. Nehru cannot stomach his pride, cannot stomach receiving help from people, so he wants to dump on you your shoulders and the shoulders of the poorest people in India a burden that is absolutely needless, which other people are prepared to bear people who are well off who have got the equipment but he says 'no' we are too proud we shall pay. I remember about 10 years ago Mr. President, in 1949 I think it was that Mr. Nehru once said in opposing the acceptance of foodgrains and food from the United States 'Better the people die than we go with a begging bowl for food abroad.'

but
A very brave statement of course/in a few years he forgot all about it and as you know for the last few years the Nehru Government has been accepting massive amounts of food grain from United States year after year. and Mr. Patil quite rightly boasts about it. Last June or thereabouts before the Chinese attacked Mr. Nehru said 'better India crumbles in the dust than we accept foreign assistance and military aid. When October came, Mr. Nehru was the first to write letters to all of them asking for military assistance. This false pride, arrogance, the inferiority complex is behind this budget and it is because of this that money that could have been placed at our disposal, arms and equipments that could have come to us these must now be paid for by the blood, sweat and tears of our common people. The mother emotion behind the budget is the emotion of hatred for private enterprise. The hatred of business, the hatred of industry, this again is something that has dogged some of our National Leaders ever since they came to power. People wonder whether this 6% in the Super Profits Tax bill has come. The idea that beyond 6% all profits are immoral and must be punished. If it was interest one can understand it. It is possible to say if you lend a man a hundred rupees we should not expect more than 6% for interest that is our argument. But profit is not made by investment alone. Profit is made by intelligence, by hard work by enterprise by taking of risk. Many human qualities are going in the making of profits. One man may invest a thousand rupees, and make no profit and another man may invest 500 and make a very big profit. It is not money that makes the profit, it is the human being, the qualities of the human enterprise and the human work and the labour that go in. It is labour, manager, technician who create profits, not the man who lends money. So to co-relate profits with investment shows the mind of a petty money-lender and that is the mind of our

Finance Minister has brought to this budget. A man who only understands interest who does not understand the process of industry and how profit is made and how productivity is increased. Now why is that + so? It is so because behind this 6% lurks the desire to destroy private business in India. Those of you who are students of this subject will remember that this 6% figured for the first time in a budget of the Indian Government in 1947. That budget was known as the Liaquat Ali Khan Budget because Mr. Liaquat Ali Khan later to go to Pakistan had introduced as the Finance Minister of India a budget in which there was an excess Profits Tax. and this excess Profits Tax said 6% profits after that everything ~~tax~~ is excess profit. Now it is called Super Profits Tax. That is the only difference. When that budget was introduced the whole of the Congress Party and I belonged to it at that time in Parliament opposed that budget. Sardar Vallabhbhai Patel encouraged us who was in the Select Committee to oppose this bill, the finance bill and Mr. K.C. Neogi and myself and many senior Congressmen many of whom are ministers today drafted and signed a minute of dissent rejecting the Excess Profits Tax in that form. But there was one man in that Congress Party then who supported the Liaquat Ali Budget and that gentleman was Mr. Jawaharlal Nehru. Luckily, at that time, Sardar Patel was alive and in spite of Mr. Nehru's support for Liaquat Ali Khan's budget the Congress Party by and large opposed that budget and most of the damage was taken out when it came back from the Select Committee and two years later the Congress Party itself scrapped the rest of Mr. Liaquat Ali's very damaging provisions for India. But the fact remains that this 6% haunts the mind of our Prime Minister. He cannot bear anyone to make more than 6% on his capital or on his living. and this necrosis this part of his madness which we were discussing why this mad budget comes from this obsession against those who invest

their money and those who risk their money and those who show enterprise in their business. This is the mind of the State Capitalist or the Socialists who are indistinguishable from the Communists as Mr. Murarji Vaidya has wisely put it and it is this mind, this mind that hates Western Democracies the mind that hates free economic institutions that is behind the budget. The hand may be the hand of Mr. Morarji Desai, the mind is the Marxist mind of our Prime Minister (applause). Now Ladies and Gentlemen, please don't say that you were not warned. Our great leader Rajaji, some of us have been warning you against this Congress Party. We have been telling you that the Congress Party by and large may be right. There are many patriotic and reasonable people in the Congress Party. But the Congress Party unfortunately is ruled by its lunatic fringe, the lunatic marxist fringe of Nehru, Menon and Malavia. It is these men who are dominating the policies of the Congress Party. ~~It is not the moderates, not the majority of the Congress Party.~~ It is not the moderates, not the majority of the Congress Party, and it is because of the tail is wagging the Congress dog that it was necessary to form the Swatantra Party to stop the land from being collectivised and taken away from the peasants and trying to protect you the middle-classes, the small businessmen from this grave and loot that is in the mind of the Marxist in power. But you did not listen and last year you made the mistake for which all of us had to suffer. If therefore some conclusions have to be drawn I am sure there are people amongst you here who voted for the Congress candidate in Bombay last year and I am sure there are. Well, please consider this that what is now happening is your doing a mistake. Everyone of us who voted Congress is responsible for this catastrophe and if you do not want this to happen again, those of you who did not vote Congress last year are now going to make a ^{Solemn} ~~seren~~ resolve never again to vote for a Congress candidate

for Parliament, Assembly or Municipality (applause). I hope you will make another resolve never again to give a rupee to the Congress Party Funds. Give all you want to the Defence Fund, give nothing for the Congress Funds. The two purposes are completely antagonistic to each other. Because I don't believe in all sincerity so long as this present leadership is in power in Delhi India cannot be defended successfully from Chinese Communist Aggression. (applause). This is not the government that can defend India from China and this is not the budget that is meant to defend India from China. Who, Ladies and Gentlemen, will be the most obvious beneficiaries of this budget? Who will capitalise most on the discontent and misery that will be caused. When a goldsmith dies and commits suicide as he did in Bangalore yesterday, who are going to capitalise on this suicide. You know the answer, the Communist Party. The fifth column of the Chinese Communists are the only beneficiaries of this budget and I therefore have no hesitation in describing this budget as a victory for Communist China and a defeat for democratic India. (applause). During the last few days we have had yet another distressing disappointment exhibition of the mentality of the great bulk of our businessmen. We have read the proceedings of the so-called representative body of Indian businessmen, the Federation of Chambers of Commerce and Industry in Delhi and we have read with shame the speeches of their spokesmen have made supporting this budget and asking people to support the government which has brought in this budget. Year after year Mr. Nehru goes and kicks the businessman of India publicly slashing them across the face calls them names and year after year the Federation of Indian Chambers asking him to be their honoured guest, so that he may give another kick in their pants in the coming year. Such class does not really deserve to survive. Such a class that has no dignity, no self-respect, that does not believe in its own

way of life, that does not want to make any immediate sacrifice so that their children can breathe the free air in the India of the future, does not deserve to survive. and I can tell you this that the Swatantra Party has been formed to ~~to~~ protect the businessman of India some of us would suggest in winding up right away. It is because unfortunately as Rajaji has pointed out that the attack on business covers the attack on the people, that under Communism it will always the poorest who suffer most, that the Swatantra Party has to fight for the free enterprise however badly some of the business people may behave. I am glad that there are some honourable exceptions. As you know, the two very fine business houses of this City of which we are proud the house of Mafatlals and the house of Tatas have washed their hands (applause) of the Federation of Chambers and Commerce and Industry a few days ago, because they would not associate with the kind of standards set in that body. (applause). None would have expected any Socialists however humble to follow that example of enlightened businessman who stood up for clean business, But what did we see. We saw the great Socialists of so-called Pandit Nehru going and patronising with the same business people with whom Tatas and Mafatlals refused to sit at the same table. This is the measure of these great Socialists that is our Prime Minister undoubtedly the reason is known to you all because it is this corrupt businessman who gave the Congress Party money for its election funds. (applause). But what are the rest of you doing about it. Just now there are five or six bye-elections being fought by the Swatantra Party for various state assemblies and a seat in Gujerat for Parliament, fought by a tribal poorest of our people. I am sorry to tell you that if you feel so strongly about the budget, you are not yet know the only way to answer this budget. The only way to answer this budget is to send the cheque to Sir Homi Mody who was here

a few minutes ago because his treasury is empty and the candidate who could defeat the Congress candidate have proved to India that ~~this~~ this budget is an unpopular one, people of India don't want it, are not ^{doing} ~~going~~ their duty. So, it is no good just feeling angry about the Federation of Indian Chambers of Commerce and Industry and their leaders and it is no good pressing Mafatlals and Tatas. The way to behave in response to this budget is to decide no more of the Congress Party not a rupee to the Congress Party and not a vote and if you really know your duty you know where to send the money to defeat these people, drive them out of office. (applause)
