

## THE UNION BUDGET

While within the ruling party itself opinion on the Budget proposals for 1964-65 was sharply divided, the Swatantra Party both within Parliament and outside was generally critical of the proposals. In a hard hitting speech described by the *Hindustan Times* of March 4 as "a careful and lucid analysis of the taxation proposals", the Party's General Secretary, Mr. M. R. Masani, carefully dealt with the various aspects of the Budget extending a cautious welcome to some parts while denouncing others. While concluding his speech, Mr. Masani asked Hon. Members to subject the Budget proposals to the following acid test proposed by Gandhiji: "Is what you contemplate going to be of any use to the poorest and weakest man?... In what way (will) this Budget bring comfort or cheer to the poorest and weakest members of our community." Mr. Masani expressed his opinion: "This man—the poorest and weakest man—I consider the *Forgotten Man* of this whole Budget." Speaking on March 9 the Party's Leader, Prof. N. G. Ranga devoted the major part of his speech to the problems of the peasantry and criticised the failure of the Budget proposals to assist the agricultural sector of the economy.

The full texts of the speeches delivered by Prof. N. G. Ranga and Mr. Masani will shortly be published by the Central Office in booklet form.

At a public meeting organised by the Bombay unit of the Party on March 4, Prof. Phiroze Shroff, the principal speaker, described the Budget as an "attempt at cheating, double-crossing and hoodwinking the people." It betrayed, he added, an approach not of democratic socialism but of "despotic anti-socialism."

Presiding over the meeting, Mr. Lalchand Hirachand felt that the fiscal policies of the Government had taken the growth of production to a point of stagnation and the so-called 'socialistic pattern' was mainly responsible for it.

Dr. (Mrs.) Shantabai Gulabchand said that the increased incidence of income-tax would crush the middle class while the so-called mixed economy continued to cripple production.

At a meeting of the Forum of Free Enterprise, Mr. A. D. Shroff, a member of the Party's General Council, said that the objective of the Finance Minister to stimulate economic growth and build up confidence in the capital market would be defeated by the Budget.

### A Weak-kneed Policy

The Amroha-Farrukhabad-Rajkot trio got together on the same platform at a public meeting at Sapru House in Delhi on February 26 to discuss India's foreign policy.

Presiding over the meeting Acharya Kripalani said that the Government should stick to the resolve to get every inch of Indian territory vacated by China and not talk in terms of the Colombo proposals. There should be no talks with the Chinese Communists unless they vacated the Indian territory forcibly occupied. Dr. Ram Manohar Lohia said that Communist China must restore the situation which existed on August 15, 1947, before negotiations on the Sino-Indian border dispute could be held.

In a reference to Indo-Pakistan relations, Dr. Lohia said that whatever the Indian and Pakistani leaders thought the peoples of the two countries loved each other. There was nothing common between the peoples of Pakistan and China. A loose confederation between India and Pakistan on matters of foreign

policy would bring the two countries closer. Dr. Lohia added that India's foreign policy had failed. She was losing friends and had enemies on her borders.

Dr. Lohia demanded an enquiry into the circumstances which led to the reverses during the Sino-Indian fighting.

Mr. Masani said that the question before the country was not whether she wanted war or peace but whether she wanted to follow realistic policies in order to ensure national and territorial integrity or follow a policy of 'illusion and appeasement.'

Stating that "India cannot fight China alone," Mr. Masani clarified that non-alignment should not mean that she should not accept arms aid from friendly countries. He pleaded for establishing friendly relations with the Republic of China in Taiwan. He criticised Pakistan for having copied Mr. Nehru's bad example in adopting an illusioned and self-deceiving attitude by befriending China.

Mr. Masani demanded Sadr-i-Riyasat's rule in

Kashmir, release of Sheik Abdullah and other prisoners and fresh elections after six months.

### **The Bandaranaike Letter Sequel**

Mr. Lal Bahadur Shastri's reply to Mr. Masani's letter to him on the "Bandaranaike Letter" is far from satisfactory. In fact, Shastri's reply concedes that the Prime Minister did give some sort of assurance to Mrs. Bandaranaike that Indian troops would not be moved up to McMahon Line, something which had been repeatedly denied by the Ministry of External Affairs.

The correspondence was released for publication by Mr. Masani with Mr. Shastri's permission and a copy of the correspondence is published in Annexure A.

### **Swatantra's Economic Policy**

With the reiteration in the Party's resolution adopted at the recent National Convention entitled 'The Swatantra Alternative', of the Party's stand that it does not believe in laissez-faire and that it opposes not planning as such but the kind of planning that is now in vogue, a new line of criticism is now being raised. This takes the Party to task for talking in broad terms and not coming down to brass tacks so far as economic policy is concerned. *Commerce* of February 8, while generally welcoming the resolution adopted at the Convention, makes this criticism.

Mr. Masani replied to it in the *Commerce* of February 22 and Rajaji followed it up with an elucidation in the issue of February 29. This discussion has been reprinted for the benefit of readers in the form of Annexure B of this Newsletter.

### **In Parliament**

While the debate on the Union Budget in the Lok Sabha has been already been dealt with, there were

several other important issues that came up for discussion in both Houses of Parliament.

In the Lok Sabha Prof. Ranga spoke during the debate on the President's address. Mr. P. K. Deo participated during the discussion on communal disturbances in East Pakistan and in support of an unofficial Bill calling for the disclosure of Ministers' assets moved by Mr. H. V. Kamath (PSP). The Party's Chief Whip, Mr. C. L. Narasimha Reddy, spoke in support of an unofficial resolution calling for the termination of the National Emergency and during the discussion on the Railway Budget. In the Rajya Sabha, two speeches delivered by Mr. Dahyabhai Patel and Prof. M. Ruthnaswamy, the Party's Leader and Deputy Leader during the debate on the President's Address, were of significance.

Extensive extracts from these speeches form Annexure C of this Newsletter.

There were a number of other issues on which our members had their say.

During a discussion on the standards of University education in the country, Prof. Ranga asked the Minister of Education whether he was aware that even in colleges a lecture in English had to be translated into the local language. On another occasion, during a discussion on subversive activities especially in the border areas, Prof. Ranga expressed his dissatisfaction with the Intelligence Service.

When a Communist member moved a resolution calling for immediate steps to push through reforms to secure land ownership to the tiller, to remove rural indebtedness and to provide price supports and marketing facilities for agricultural produce Prof. Ranga intervened by saying that the self-employed, land-owning peasants should be accepted as tillers and the ownership rights of peasants respected. He affirmed that after the abolition of the zamindari system, no landlords existed in the country.

## **Around The State Assemblies**

### **ANDHRA PRADESH**

During the Budget debate in the Andhra Assembly, Mr. G. Latchanna, Leader of the Party's Group in the State Assembly, said that Mr. Sanjiva Reddy's gesture of deciding to quit office has been offset by his decision to continue as the Leader of the Congress Legislature Party. He raised another interesting question: Who was responsible to the Governor — Mr. Sanjiva Reddy or his nominee for Chief Ministership, Mr. K. Brahmananda Reddy? In a parliamentary form of Government, the Cabinet would ultimately be responsible to the Governor, he said.

Challenging the Government to face the electorate on the additional land levy issue, Mr. Latchanna quoted from a book based on Supreme Court judgments and contended that no Government could impose tax on land exceeding 50 per cent of the net income from land. He said the Congress had pro-

mised during the elections that it would not raise taxes. When it had gone back on this, it was not improper to launch a satyagraha. The member alleged that when he went to "Greenlands" to serve the 'Notice' on the Chief Minister for immediate redressal of popular grievances, Mr. Sanjiva Reddy had told him boastfully that the Congress had regained Kulwakurthy. When reminded of the Congress reverse in Kankipadu by-election, it had attributed it to other factors. Mr. Latchanna said that when the Congress scored a victory, it was a victory for the Congress ideology, but the reverses were those of individuals. The Congress every day denied the existence of groups in its fold. But nevertheless they surfaced throughout the country, he said. Giving of banjar lands to jawans was not a new idea. Even during the British regime, that had been done. The jawans had a right to the land but the excess land should be distributed among the landless poor. He

quoted a High Court judgement to show how the Government had all along unjustifiably taken caste as the criterion for backwardness.

## GUJARAT

Participating in the debate on the Governor's address in the State Assembly on February 25, Mr. Bhailalbhai Patel, Leader of the Opposition and President of our State unit, attacked the planning and agricultural policies of the State Government.

He attributed the crisis in gur and sugar supplies to a faulty agricultural policy which offered no incentive to the cultivator. Mr. Patel reminded the Government that the farmer did not have security of tenure. While the farmer was not protected against depression, he was, however, prevented from taking advantage of the boom period by Government intervention. He quoted in this context the instance of the restriction on the movement of Digvijay cotton.

He also criticised the State Government for tolerating a situation where Gujarat was forced to pay an exorbitant price for gas produced in Gujarat. He reminded the House that Pakistan was prepared to deliver her gas at Rs. 56, whereas Gujarat was asked to pay Rs. 100 for gas produced in her own territory!

## ORISSA

In a joint letter to the Governor, the Leader of the Opposition and President of the State unit, Mr. R. N. Singh Deo, along with M. P. K. Das, Leader of the PSP group, and Mr. Mahapatra (Ind.) have explained why they stayed away from the Assembly during the Governor's address. They said that the abstention was in protest against the prorogation of the House by the Governor on October last year, three days ahead of schedule, when the notice of a no-confidence motion against the Speaker was pending before the House. The letter said that the abstention was also in protest against not inviting members of the State Assembly to the swearing-in ceremony of the new State Ministry on October 2.

### AN APOLOGY

Due to a misunderstanding in packaging and despatch, a few copies of the January-February issue of the Newsletter were posted without affixing stamps. We deeply regret the inconvenience this might have caused to those readers who may have received such copies and from whom the postal authorities have recovered dues.

### Annexure 'A'

Correspondence between Mr. M. R. Masani, M. P. and Mr. Lal Bahadur Shastri, Minister without Portfolio, in regard to Mrs. Bandaranaike's letter of 7th March 1963, to Mr. Chou En-lai.

Mr. Masani's letter to Mr. Shastri of Feb. 4, 1964:

My dear Lal Bahadurji,

I recently received from a friend abroad a copy of a letter dated 7th March 1963 from the Prime Minister of Ceylon, Madame Srimavo Bandaranaike to Mr. Chou En-lai, of which I enclose a copy. If you will kindly turn to the first paragraph on page four, you will see that it conveys an assurance given by our Prime Minister that "it was not his intention to advance his forces upto the McMahon Line, and that I could give you this assurance."

As it happened, the correspondent in Honk Kong of the *Times of India* and in a despatch published on November 11, 1963, mentioned that such an assurance had been given. This statement was, however, flatly contradicted the same day by a spokesman of the Ministry of External Affairs. A copy of the two press reports are also attached for your perusal.

I referred to this matter while addressing our Party's National Convention in Bangalore a couple of days ago and mentioned that I would be writing to you in this connection, since you are now attending to the affairs of the Ministry of External Affairs.

By the time I could do so, however, I see in this morning's press that a spokesman of the Ministry of External Affairs has once again denied that any such assurance was given by our Prime Minister. The

spokesman is reported to have expressed the view that, since the Ministry has not seen the letter, they could not communicate with the Prime Minister of Ceylon on the strength of a mere press report.

I hope, after examining these papers, you will agree that Madame Bandaranaike's letter to Mr. Chou En-lai, which has now come to light, raises an issue of considerable national importance.

You will notice that there is a flat contradiction between the denials of the Ministry of External Affairs on the one hand and Madame Bandaranaike's categorical statement to Mr. Chou En-lai on the other which she, on her part, has repeated to him after having once referred to it in her earlier letter to him of 25th January, 1963. Madame Bandaranaike also mentions that Mr. Ali Sabry and Mr. Ofori Atta were present when the Prime Minister gave her the assurance and authorised her to convey it to Mr. Chou En-lai. I trust you will agree that this contradiction cannot be left unresolved.

While of course the action to be taken in the light of this development is for Government to consider, I hope you will agree that Parliament and public in this country have a right to expect that our Government will ascertain from Madame Bandaranaike whether the text of the letter that has come to my hands, which she has not so far contradicted, is the correct text and, if so, to remove the misapprehension

under which she and her colleagues appear to be labouring and ask her to correct herself with Mr. Chou En-lai. I am sure you will appreciate that, if action on these lines is not taken after this letter is brought to the notice of the Ministry of External Affairs, an odd situation will arise that the assurance conveyed to Mr. Chou En-lai would stand on record and not be withdrawn and at the same time the people of India will be asked to believe that no such assurance was in fact given. I am sure the Government would not like such a situation to arise.

I shall be grateful if, after you have an opportunity of consulting the Prime Minister in this connection, you will kindly let me have an early reply indicating what action is being taken to clear the contradiction between the position taken by Madame Bandaranaike on the one hand and by our Ministry of External Affairs on the other.

Yours sincerely,  
M. R. MASANI

*Mr. Masani's letter to Mr. Shastri of February 10, 1964:*

My dear Lal Bahadurji,

I was a little taken aback this morning to learn that you had not seen my letter to you of February 4 which had been sent by express delivery and a confirmation copy by registered post. I enclose a spare copy herewith for your perusal.

I would very much appreciate an early reply as you will appreciate that this is a matter which, if it should become necessary, I may find it in the public interest to raise in Parliament. On the other hand, I would naturally not like to move in the matter until you have had an opportunity to look into it and enlighten me about the facts and what is being done.

With kind regards,

Yours sincerely,  
M. R. MASANI

*Mr. Shastri's letter to Mr. Masani of 13th February, 1964:*

Dear Shri Masaniji,

I have received your letter of the 10th February, 1964, together with its enclosure. I am looking into the matter immediately.

Yours sincerely,  
LAL BAHADUR

*Mr. Shastri's letter to Mr. Masani of 27th February 1964:*

My dear Masaniji,

Thank you for your letter of 10th February, 1964 with which you enclosed a copy of your earlier letter of 4th February. I regret very much the delay in looking into this matter and sending you a reply due to my other preoccupations and my absence from Delhi.

2. You have, in your letter, suggested that the

Government of India should take action to remove misapprehension, if any, on the position of the Government of India on the question of movement of Indian troops up to the McMahon Line. In this connection, you also refer to a report from Hong Kong published in the *Times of India* dated 11th November 1963, which was contradicted by a spokesman of the Ministry of External Affairs.

3. The fact of the matter is that on an enquiry by the Ceylon Government through their High Commissioner in November 1963, the position of the Government of India on this point was clarified to the Ceylon Government.

4. In this clarification it was mentioned that the Prime Minister of India had, in the confidential exchange of views with Prime Minister, Mrs. Bandaranaike, and her colleagues on 13th January 1963, told her that India will not accept any restrictions on the deployment of her forces in the NEFA though, as on that date, the Government of India did not, while extending civil administration right up to the McMahon Line, intend to move Indian troops right up to that Line. This statement of the intentions of the Government of India as on 13th January 1963, was made at a time when the question of acceptance of the Colombo proposals by India and China was under consideration. Since then, several developments have taken place, more particularly China's refusal to accept the Colombo proposals without reservations. There is, therefore, no bar to the movement of the Indian military forces to any point in the NEFA within the cease-fire line as recommended in the Colombo proposals. This is a matter to be decided by the Indian military authorities purely on strategic and defence considerations.

5. As the necessary clarification was already made as early as November 1963, I hope you will agree that there is no need to take any further action in this matter.

With kind regards,

Yours sincerely,  
LAL BAHADUR

*Mr. Masani's letter to Mr. Shastri of February 29, 1964:*

My dear Lal Bahadurji,

Thank you for your D.O. letter No. 139-MWP/64 of 27th February.

2. I am obliged to you for the information your letter contains and am glad to know that the assurance given by our Prime Minister was not of the far reaching nature that Mrs. Bandaranaike believed it to be and that the position of our Government was clarified to the Ceylon Government last November. Since in a democracy it is important that the people should know the truth, it is a pity that the position was not simultaneously explained by the Ministry of External Affairs to our own Parliament, press and people.

3. In order that the public perplexity and concern in the matter resulting from the contradiction between Mrs. Bandaranaike's letter to Mr. Chou En-lai of

March 7, 1963 and the statements of the Ministry of External Affairs should be allayed, it is desirable that the people of India should know the facts and I shall, therefore, be grateful if you will kindly agree to our correspondence commencing with my letter to you of

4th February and terminating with this letter being released by me for publication.

4. I shall appreciate an early line in reply.

With kind regards,

Yours sincerely,  
M. R. MASANI

#### Annexure "B"

### SWATANTRA PARTY'S ECONOMIC POLICY

*Commerce editorial of February 8, 1964*

Even fiction can be made to appear as a fact through constant and consistent propaganda, much more so these days, when people are preoccupied with their means of living, having little time to think or verify. The leaders of Congress Party have often been saying that the Swatantra is a party of rightist reactionaries, bent upon establishing a capitalist society, and that it does not believe in economic planning or in State ownership of industries. The Swatantra Party has, therefore, done well to reiterate, at its third National Convention held at Bangalore last week-end, that it does not believe in laissez-faire, nor is it opposed to planning. What it is opposed to is the type of planning done by the Congress Party, which has necessitated frequent amendments to the Constitution to the detriment of the freedom of the individual and violation of the fundamental rights guaranteed in Part III of the original Constitution adopted in November 1949. The substance of the resolution adopted at Bangalore is that Swatantra's planning will be confined to the four corners of the fundamental rights before they were abridged by the powers-that-be in the past 13 years. The touch stone of its plans for economic development is whether they will achieve the welfare of the people and will be of any use to the poorest and the weakest members of the community. Its order of priorities will start with the increase in the production and provision of elementary necessities such as pure drinking water, food, clothing, shelter and employment. On the question of State ownership of industries, the Party is of the view that such should be limited to the provision of infrastructure. Every Swatantra leader who spoke in favour of this resolution sought to highlight the virtues of his Party's approach to planning by presenting them against the failures of the Congress Party in this respect and drawing attention to the heavy tax burdens, increase in public debt, rise in prices and cost of living, shortages of essentials of life, growing volume of corruption, etc. By implication, the Swatantra leaders mean that, under their system of planning and order of priorities, economic development will be more rapid and less painful, if not totally painless. They will have to do a lot of explaining, if one is to believe what they say.

It can be readily granted that there is excessive and injudicious taxation in the country, that there are far too many controls than necessary, that the Congress Party is creating a myth when it talks of the existence of harmful concentration of economic power, that there is both the need and the scope for giving a

bigger role to the private sector, that considerations of rapid economic growth should have a priority over ideological dogmas and that, in the interest of economic efficiency, the value of profit-motive should be recognised. Indeed, there is a lot more that can be added to this list of the lines on which the Congress Party's economic policies should be amended in order to ensure optimum rate of economic growth with stability and without detriment to the fundamental principles of democracy. This journal has pointed out on many a occasion that the defects in the economic policies of the Congress Party and its administrative weaknesses in implementing plans for industry, agriculture and community development have provided a fertile ground for communism to flourish. Of late, most of the steps which the Congress Party has taken to improve its performance and to plug the loopholes have meant more strength to communism and less stability for private enterprise and individual initiative which are the pillars of a genuinely democratic society. But all this does not mean that economic planning by the Congress Party has been such a total failure, as is made out by the Swatantra Party. Nor has that planning been of the Soviet type, as Mr. Masani is never tired of saying; it is not even of the Yugoslavian type. Such criticisms are sheer exaggeration, if not false. It would do a lot of good to the Swatantra Party, if it is restrained and balanced in its criticism and does not repeat the mistakes of Congressmen and Communists in this respect.

The problem of economic development of India is unprecedented in the annals of history. The population, already over 440 million, is going up at the high rate of nine to ten million a year. The rate of capital formation is small. The people are impatient and highly conscious of their rights. There are politicians who are promising heaven on earth if the real Soviet-type or Chinese-type planning is followed. In such a state of affairs, it will not be possible to attain a rate of economic growth that will be sufficiently substantial to fulfil the aspirations of the people without a certain amount of hardship, without centralised planning, without controls and without State initiative in regard to certain heavy industries, in addition to activities for providing infrastructure facilities. The room for difference of opinion can only be in regard to details and not on fundamentals.

All along the Swatantra Party, however, has only been talking in broad general terms. This is not sufficient to carry conviction even to those who concede the need for an Opposition party like the Swatantra,

in order to ensure the survival of democracy. It must come down to brass tacks and show in detail that the priorities indicated by it will lead to a more rapid increase in gainful employment, will result in less stress on balance of payments position and will mean less hardship to the people than has been the case under Congress planning. It must work out and show how much steel, fuel and power, cement, textile fibres, housing materials, capital goods, fertilisers and transport facilities will be required to provide the basic amenities needed by the people, according to its conception, and how it will find them. It must also show how it will raise the necessary resources. In other words, it will have to draw up a counter plan on the assumption that it will be in power one of these days. It is no use merely saying that all this will be done when the Party is returned to power with a majority. The Congress Party, too, was talking in vague terms before it came to power, but, when it started implementing its ideas of a welfare State, it found it necessary to go in more and more for heavy industries, for more taxation, for more controls, etc. What certainty is there that the Swatantra Party will do better? It cannot expect to be placed in power on broad generalisations. It will be imprudent for the Swatantra Party, in particular, to try to win the affections of the people merely by capitalising on the failures of the Congress Party, because, for reasons already mentioned, rapid economic development of a country like India cannot be achieved without tears.

The Swatantra Party must also evolve a policy for tackling employer-employee relations. The lower middle class and the working class are sceptical of this Party and are being increasingly attracted by trade unions which believe in communism. It must play an active part in inculcating among employers the philosophy of trusteeship and try to convince workers that their interests will be safer in a mixed economy of the type it has in view and not in that of the Congress Party or that of any other leftist party. This will be one way, in fact an effective way, of minimising the risks of nationalisation. The absence of any reference to employment and labour policies is a perceptible lacuna in the economic programme of the Swatantra Party.

In contrast to the nebulous character of the Swatantra Party's attitude to planning and economic development is its vigorous and forthright opposition to some of the specific policies and programmes of the Congress Party. A typical instance is provided by its stand on the seventeenth amendment to the Constitution now before a Select Committee of both the Houses. This is a dangerous measure, in that it exposes the entire peasantry to the risks of serfdom. There is no overemphasis or exaggeration in the Swatantra Party's criticism of this latest attempt of the Congress Party to whittle down further the fundamental rights of the people. Every one who cares for the future of democracy in this country must read the Swatantra Party's clear analysis of the implications of this unwarranted new assault on the already attenuated Constitution. Equally impressive is its line of

reasoning against nationalisation of banking. Although the Congress Party has not officially accepted the demand for nationalisation of banks, its stand on this issue is vague. Many leading Congressmen still swear by it and the others who have said "no" have done so only on the ground that the time is not opportune for enforcing this "reform." Now that the Swatantra Party has opposed it on grounds of principle, the Congress Party will have to reckon with the fact that at least one of the Opposition parties is not in favour of this mischievous demand, designed to perpetuate the one party rule in this country.

#### Mr. M. R. MASANI'S REJOINDER

*Commerce — February 27, 1964*

I have read with interest and appreciation the stimulating front page article in your issue of February 8 entitled "Swatantra Party's Economic Policy."

There is one point in your article on which I would like to take you up. You allege that all along our Party "has only been talking in broad, general terms" and urge that "it must come down to brass tracts." You then go on to say that "it will have to draw up a counter-plan on the assumption that it will be in power one of these days."

There are two difficulties in the way of what you suggest. The first is that no Opposition in any parliamentary democracy is expected to place before the country an alternative budget or an alternative plan to that of the Government of the day but only an alternative policy or approach. Secondly, the Swatantra Party does not believe in "a plan" in the sense of having one comprehensive Five-year plan of the nature that is current in the Soviet Union and our own country but in the methods of democratic planning such as those adopted by Monnet planning in France and the N.E.D.C. in England, where there is no one plan for the country's economy as a whole.

The Swatantra Party has certainly suggested a concrete alternative approach in the resolution entitled "The Swatantra Alternative" adopted at the National Convention in Bangalore, the proceedings of which you have reviewed, stating clearly that our pattern of planning would provide for the following:

"(a) a proper order of priorities starting with the increase in production and the provision of elementary necessities such as pure drinking water, food, clothing and shelter and employment;

(b) a reallocation of the role of State and Free enterprise so that the State may perform its proper function of providing the infra-structure through the provision of roads and railways, efficient communications, facilities for the peasant such as irrigation and easy credit, cheap electric power and education, both technical and general; while all other economic activity should normally be left to competitive enterprise;

(c) the incentive of legitimate gain under conditions of competition among producers;

(d) the elimination of monopoly in both State and Free sectors so as to provide maximum efficiency and service at minimum cost to the consumer;

(e) reducing to a minimum governmental controls and regulation to foster economic expansion and minimising corruption;

(f) the maintenance of stable prices through the observance by Government of measures of monetary discipline;

(g) the revision of policies relating to taxation including land revenue so as to foster saving, investment and employment opportunities; and

(h) remunerative prices for agricultural producers."

In my own speech in Parliament during the debate on the Mid-Term Appraisal of the Third Plan on December 5, 1963, I had gone even further and had anticipated your suggestion in regard to showing "how much steel, fuel, power, etc., will be needed to provide the basic amenities needed by the people." I had pointed out that our production of foodgrains would have to be doubled from 80 million tons in 1960-61 to 160 million tons in 1975-76 if the elementary needs of nutrition were to be met and that simultaneously the cloth production would have to be doubled from 9 million to 18 million yards in 1975-76. I had gone on to point out that even providing a minimum of Rs. 30 per month for the satisfaction of the basic needs of food, clothing, shelter and other basic needs of living would entail a per capita income of Rs. 540 a year in 1975, in place of the present per capita of Rs. 330. I had then gone on to argue that, in order to achieve this objective, our rate of growth would have to go up from the present miserable 2 per cent to 7 or 8 per cent a year. Finally, I had shown how such a rate of growth had been achieved in countries like West Germany, Japan and the Republic of China by the application of the Swatantra Party's policies of family farming in agriculture and competitive free enterprise with essential minimum controls in the field of industry and trade.

#### RAJAJI'S ELUCIDATION

*Commerce, February 29, 1964*

Enclosing a cutting of his editorial comments on the proceedings of the Swatantra Convention held at Bangalore in the first week of this month, the editor of *Commerce* writes asking me to write up a concrete plan prepared in detail from the Swatantra angle. The favourable view he takes of our programme entitles him to ask for such expanded elucidation as is possible, for a party in Opposition to give. But it is perhaps unreasonable to ask for a regular budget to be prepared by a new party without the assistance of full data as to resources and requirements from government secretariats. Reasonable or otherwise the demand may be, it is certainly not possible for me to comply with such a request. What we want is however clear enough, as clear as our criticism of what is now going on. We want the aims of socialism, that the living conditions of the poor should be made much better, to be fulfilled in reality and not merely sounded in empty slogans. We want industrialization to come more effectively and extensively to the rescue of unemployment. We

want the production of the basic necessities of life in our country to be increased, so that the problem of scarcity in this respect should no longer remain unsolved. We want more prosperity within the limits of the potentialities of our nation, so that there may be more satisfactory and more even distribution of it at all layers of the social body. We want these things to be done without incitement of class conflict. This would be possible only if production is considerably increased through sustained encouragement of those who have to work in various ways and contribute their savings to this purpose. We want national resources to be computed and national investments planned thereupon, without succumbing to the ruinous temptation of gigantism. The cold war having changed its pattern we should not depend on foreign aid being available beyond the limits of repayment.

If these principles have to be put in concrete figures and terms, we require all the official data that are available to the Government and the services of its secretariats. In all seriousness, I say that if we are put in a position of responsibility, we can clear the stables and produce what the editor of *Commerce* demands. Of course there is bound to be the hang over of things already done or half-done but that cannot be avoided in democracy. That incubus must be allowed for in every case.

Once a licence is obtained for the investment of heavy capital and the organization of an industrial unit, it is absurd to hamper the task of the organizers and add to the cost of production by putting hurdles in the way of getting all the materials and the machinery necessary, from time to time, for the industry to be started and maintained in efficient condition. But ask any industrialist now enjoying the blessings of the permit-licence-quota raj and he will tell you his tale of delay, losses and frustration. All this must stop. Capital and enterprise can be attracted and kept at a high level of efficiency and production, if this suicidal policy of multiplicity of permits and taxes is given up. Let us tax profits as they come and in due measure. Let us not hurt ourselves by delaying and adding to the cost of production by ordering various levies, hurdles and taxes at all the stages of production. There is no need to complicate the tax structure this way. Imports from foreign countries will be taxed—we cannot help it—by the exporting nation. But why should we needlessly add our taxes to imports of material and machinery and increase the cost of the production which we deliberately plan, over and above levying an adequate tax on the end profit. The present policy makes industrial products needlessly too costly for our own internal consumption, and reduces all chances of export.

The burden placed now on the poor and lower middle classes is intolerable and must be removed. There should be no indirect taxation on the necessities of life; every levy which raises the cost of living of these classes should be withdrawn. There should be no "land revenue" levy under Swaraj in India. That item of taxation should be put in the limbo of forgotten things. It has no place in independent India

struggling to produce foodgrains in adequate measure. Only a fee for registration of proprietorship and transfers should be charged and no tax on farming as such or on farming income, so long as our farming industry has not improved so as to become really taxable. Every little is a great and significant fraction of the miserable *per capita* income of our peasantry. The rupee earned by our poor people must be more effectively protected from falling in real value which a wiser management of our affairs can certainly prevent. This is intimately related to the general lines sketched here regarding national resources, and investments and borrowings.

The policy of raising money on basing the structure of taxation on the shoulders of the numerous poor, on the ground that a comparatively light burden on each head of a vast population will bring in a substantial total, must be completely given up. Our poor are in the position of the camel who awaits only the last straw to break his back. Only those who can be taxed, according to immemorial practice, should be taxed and not others, directly or indirectly.

And these taxpayers, too, should be taxed in such measure only as will leave undamaged the zest for life and work, and for saving and investment; not as now, completely frustrated and drifting without enthusiasm for life or industry, and without a *sense of security or certainty*. This will of course greatly reduce the till for public expenditure. As against this, what is left over will be living seed for national prosperity and will bring into active operation the urge at the higher levels of our national life for increased industrialization. In natural sequence, the national till will be augmented so that the State can spend more money on the services required for national life in general, and for equalizing the amenities of life for all. This is the healthy way to attain the stated objects of socialism and not the way of torture and the killing of the sense of freedom and the way of national bankruptcy—which is the road we have been taking under the Statist regime. Gigantism must be avoided as an evil, and its disappearance should not be looked upon as a loss resulting from the pruning here advocated. What gigantism we have been already committed to, and on which investments have been heavily made, the giving up of which would cause heavy loss would have to be suffered as an unavoidable inheritance of folly.

The slogan of "go back to the village" is contradictory of the policy of increasing industrialization. It is not a slogan which will now receive any response. The rural population is pouring into the big cities where alone there are industries which offer possibilities of employment to the more adventurous sections of rural workers. This has created the too well-known slums of our cities and the horribly neglected villages. Instead of the futile, bleated and meaningless cry of "go back to the village" where you can give them no employment, what we should aim at is to bring into being many more small industrialized areas spread all over the country. Let us create as

many industrial towns as we can in each district of a State instead of concentrating the industrial workers in the principal cities only. A new pattern of urbanization on this principle must replace the present drift. Then the slums will gradually disappear of their own accord. We can then look after the working population better than we do now, giving them good drainage and sanitation, and good drinking water and good housing. Work will increase all over each State and absorb a much larger part of the rural population, automatically leading to all-round equalized prosperity and amenities of life. The whole face of the country will be altered. We cannot ever give good housing, good drainage and sanitation, and healthy drinking water to our vast population if we do not have a scheme of medium size urbanization such as herein sketched.

The concrete pattern emerging out of this will provide us with a proper basis for external borrowing. Borrowing will be easier. Our potential friends would gladly help in that respect if the picture herein drawn is adopted and put in concrete dimensions and terms.

Our foreign policy is not an item that can be placed in a separate chamber. Our defence services should be strong and reliable and well-equipped. But we cannot, without firm foreign alliances, be strong enough to deter aggression or remove the fear of aggression from abroad. If this and its favourable financial consequences be fully realized and a correct foreign policy shaped and put in action, our defence budget need not so greatly eat into our tax resources, squeezed out to the detriment of national life. A sensible foreign policy will itself be a national asset of great significance, both in itself and in its potential capacity for deterrence and developing a sense of security.

If the principles advocated here are given a fair chance to be worked out, the poor will immediately feel emancipated and lifted up from distress. The atmosphere will be cleared, the barbed wire entanglement of Statism will go, and people will breathe freedom. All this can be converted into concrete details and figures and a plan can emerge, not a twenty-year long fable divided into four alluring parts, but a clearly chalked out scheme adhering to the democratic way of annual budgets and established practice of securing yearly legislative sanction.

## THE BUDGET AND YOU

Text of speeches delivered  
By Mr. M. R. Masani  
and Prof. N. G. Ranga  
in the Lok Sabha  
on March 3 and 9, 1964

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## IN PARLIAMENT

## Lok Sabha

## COMMUNAL DISTURBANCES IN EAST PAKISTAN

P. K. DEO — February 12, 1964

Sir, I am one of those who have sacrificed our everything to build a more integrated and prosperous India. I cannot reconcile myself with those who were a party to the partition of this country. I charge them that they are the abettors of this holocaust. It is their lust for power and quick desire to ascend the *gadi* or the seat of power that made them accept our motherland to be truncated on the basis of religion. I still feel today that the non-acceptance of partition might have delayed the process of history; the independence of India might have been delayed. But there was no force on this earth which could have stopped the attainment by India of its independence. We see it in the case of Burma, in the case of Ceylon, and in so many small states in Africa; they attained their independence. But today the party in power claims that they are responsible for the attainment of India's independence.

I say that they are the persons who are responsible for having our motherland truncated on the basis of religion. I do not like to take this opportunity to join in the general hysteria that has been let loose, but I would like to associate myself with others in condemning the forces which have fanned the inflammatory situation for their own ulterior motives and for their own party ends.

Coming to the details of this matter I submit that the whole thing started from the disappearance of the holy relic from Hazratbal.

As you know, this thing was made a plea to flare communal passions in East Pakistan, and it had its repercussions in Calcutta. I do not want to go into the details, but at the same time, I would like to urge that it was the unholy alliance of Pakistan with China with the ulterior motive of common hatred against India which was used to exploit the situation to such an extent that we might take the stand or we might take the initiative to break off our diplomatic ties with Pakistan or to force a war on Pakistan which we did not want at all. But I would beg to submit that the real wisdom lies in not getting provoked. We all feel that a policy of platitude or appeasement would not do. It is only a thorough pursuit of the policy of three F's, namely, firmness, fairness and friendliness, which can contribute towards the prosperity of India and Pakistan as a whole.

Coming to the question of rehabilitation, I beg to submit that I am at one with those who have demanded that the migration rules are to be liberalised or are to be eased, and at the same time, more facilities are to be given to those who have been forced to leave their hearths and homes in those circumstances there and who have come to take shelter in this country.

The report says that the Chief Ministers of Orissa, Madhya Pradesh, Andhra Pradesh and Maharashtra have thought over the question and have released two lakhs acres of land for the rehabilitation of the incoming refugees. I do not have the knowledge about my own State and I know that the Orissa Government have completely failed to rehabilitate those aboriginals who have been uprooted from their shifting cultivation, even though it had been bombastically stated that for the welfare of the Adivasis, in the Dandakaranya area provision had been made to the effect that one-fourth of the land reclaimed would be reserved for the re-settlement of the Adivasis. But I know what the state of affairs is. I know that all the aboriginals have not been rehabilitated yet in those lands. Further, where is the land for all those persons who have been or are about to be uprooted for the various development projects? Most hastily, our Prime Minister who was goaded by the former Chief Minister of my State laid the foundation-stone for the Tikerapara dam, for which there had been no blue-prints and whose financial implications etc. had not been studied properly. It was the frenzy or the *zid* of some persons which made him lay the foundation stone of the Tikerapara dam in which four lakhs of persons are going to be uprooted. About 2000 square miles are going to be submerged, and what will happen to the rehabilitation of the persons affected? Dr. Mahatab represents that area, and he knows the problem there very well. So, there is hardly any space in my State for the rehabilitation of these persons on any land. So, the only conclusion that we could draw from these premises is this. If we are to accept, and we shall have to accept, these incoming refugees, and if we want living space for them, then Pakistan should be prepared to accede living space from Pakistan for the rehabilitation of these refugees in this country.

Dr. M. S. Aney: How shall we get it from them?

Shri P. K. Deo: I do not know how we shall get it from them and how it would be possible. Still, I feel, and I reiterate this stand which I have been having all along, that this is a humanitarian problem and this is a problem of the people of the entire sub-continent, which cannot be solved by India alone, but it is the joint effort of Pakistan and India alone that can solve the human problem of this sub-continent.

I beg to submit, as had been suggested by some of my friends, that it is only a confederation of India and Pakistan that can contribute to the prosperity of the people at large in this area and of the entire world. So, that aspect has to be studied, and that problem has to be approached with this perspective.

## PRESIDENT'S ADDRESS

N. G. RANGA — February 13, 1964

My hon. friend Shri Gopalan has taken the the Congress to task for not being very sincere about

what they said regarding democratic socialism. My hon. friend supports, on the other hand, what is known as people's democracy. Whatever commonness there is between people's democracy and democratic socialism can be studied and explained not by me so well as by hon. friends of the Communist Party and of the Congress Party, but to me both appear to be sailing in the same boat, although pretending to belong to two different opposite groups and creating a kind of atmosphere of mock opposition and fight also between themselves.

*Shri Tyagi:* We are sailing in a submarine.

*Shri Ranga:* This Address does not breathe any optimism at all. It looks as if it is drafted by a Government which is suffering from jaded spirit, from spiritual depression and political bankruptcy. They have been in power for such a long time that they have taken power for its own sake, as if it is their own birth-right, and they do not seem to be anxious to justify whatever they do before the people. Whatever is possible for them to say, they seem to think, should be enough to pass for the President's Address. That is how the President's Address is before us. Why has it happened? It is so because they have been in power for such a long time, and they have not found any effective challenge to their power. They have come face to face with failures almost on every front, and they do not at all see a way out of this failure, but at the same time, they are not afraid of the consequences of their failures. Hence this Address that has been presented to both Houses of Parliament by the Vice-President on behalf of the President, rather acting as the President.

What is our position in the world? With all sense of responsibility I say that we find ourselves more isolated today than ever before, and our political and international opponent and enemy, China, is improving her position. A great statesman once talked of one precious year lost. I personally feel those words apply to what has happened during last year. This Address does not say anything at all as to what this Government proposes to do, or has done, in order to recover the lost territory on the Himalayan front. They may say that they have never conceded any right at all to the Chinese to remain where they are, but by efflux of time, the Chinese are likely to gain ground. As they themselves have stated, in regard to various other matters, by efflux of time their own rights have become strengthened. Have we ever taken any step, first of all, to take charge of Longju and to go beyond Chushul on this side anywhere — one step at least in order to establish our right, as a precedent to recover the lost ground? We have not done so. On the other hand, we have given an assurance privately, or at least we have given those people who are interested in these matters to understand, that we are not going to trespass into the so-called no-man's-land that has come to be demarcated there as a result of China's withdrawal. I take very serious objection to this procedure of the Government, to this failure of the Government.

Secondly, they talked about the stepping up of

defence production. They have been saying that they are going to reach a target of Rs. 100 crores worth of production. What that Rs. 100 crores is in terms of our defence materials and equipment and abilities, we do not know, in view of the rising spiral of prices and inflation and in terms of real equipment itself. They would like to keep it all a secret, let them, but where is the assurance that our Government has really made the best possible use during the last one year of the money that we have placed at their disposal and the people who have offered their services for defence, in order to effect this accretion. We have had no assurance at all, not a mention in this Address.

Thirdly, China, on the other hand, has improved her position. One of their spokesman, fortunately now out of office, was saying some time ago that it was China that had come to be isolated. We contested that statement at that time. Events have proved that we were right and he was wrong. China has improved her position. It is proper for the Government to realise the significance of the recognition of people's China by France. It has world repercussions. A number of African countries were till recently French colonies. They have become free. They were contacted by the Chinese Prime Minister. When he was going through the African countries, our Embassies as well as our press correspondents there were lulling us into complacency saying he was not cutting much ice. Actually, he has paved the way for the recognition that he has obtained from France. First of all, he went to canvass all these African countries, as many of them as he could, and then he achieved this big result, and this result is going to have its repercussions all over the world, in regard to SEATO as well as NATO, and that I consider to be a great accretion of strength to China. Compared to that, what is it that we have been able to achieve? Nothing, except that we mention here a number of the dignitaries who visited India, and certainly, our Government has woken up and developed a new definition of dignitaries by including in that term these astronauts also. It is a wonder why they did not also regale us with stories of the visits made by some of the representatives, barring the President and the Vice-President, whom they have sent to East African countries. Why did they send them, on what basis, with what credentials, except that they belong to the inner coterie of their social entourage? Beyond that, what achievement have they got to their credit? Is Ceylon more friendly with us, or Burma, except for that visit recently by one of their leaders? Even in Malaysia what is our position? What is the stand that we are taking in regard to the fight that is going on between the communists and others in the former Indo-China area? What is the positive stand that we are able to take in order to strengthen the democratic case of all these people in these areas?

What is the kind of protection that we have been able to give our own nationals in all these countries, Burma, Ceylon and Malaysia? More than that, what is the fate of all those thousands of Indians who have

been affected so very badly — some of them have been murdered, several people's properties were sequestered — in Zanzibar and other places also in East Africa? We have not been told what our Government has been able to do and proposes to do in order to use its own good offices with all these various independent Governments that are coming into shape in Africa, to protect and promote the interests of our Indians there, who went over there just as they have gone over to various other countries, in a spirit of adventure, in order to develop those countries and also find employment for themselves and become rich and prosperous. There is not a word here about the steps we are taking to protect their interests and promote their interests though in some parts of India our economy is closely inter-linked with their fortunes. What steps have we taken to minimise their sufferings?

Kashmir is now being discussed in UN. When it was taken to the UN, who asked our Government to offer to hold a plebiscite? Now they say: we are not going to hold a plebiscite. Why? By efflux of time. Well and good. They have put the whole of our country in the wrong box. You may give a number of explanations but you have committed that blunder. You want to retrace that blunder. Well and good. But what steps are you taking in Kashmir to see that the people are assured of a better Government a saner and less corrupt Government! Corruption seems to have become the order of the day so far as Governments in India are concerned — State level or Central level. Only yesterday, we put a question and the Home Minister was not prepared to answer. The leaders of the National Conference did not seem to be very popular; the National Conference is itself in tatters though it controls the Government and it does not hold its own in Jammu or in Kashmir. It was the People's action committee or whatever they may call it which maintained law and order for a number of days among the ordinary people. It is wrong to think that all these happened only because of the unfortunate happening regarding the prophet's possession. So many other things had contributed which reached their culmination at this happening. Why does not the Union Government take some drastic action? My hon. friend Shri Shastri tried to bring about some peace there. Why not they take charge of the administration there for at least six months and help those people to achieve a more democratic leadership and have a less corrupt administration? As long ago as 1958, speaking from the Congress Benches, I had the honour of saying to this House:

"So far as Kashmir's internal politics is concerned, I would like some thought to be given by the hon. Prime Minister and also by the Government as to whether we cannot possibly do some thing in order to bring into existence an organised party or leadership which would be co-operative, which would be able to win the co-operation of all the groups and parties. I do not know whether there is any such possibility but an effort ought to be made because

otherwise we hear only of one party and we do not hear of any other party."

As a result of the one party rule in our country, the same horrible consequences are likely to follow in our country, if our people are not able to throw up an effective opposition to be able to control the ruling party. Therefore, I say that the time has come for reorientating our policy towards Kashmir. How long are we going to keep Sheikh Abdullah in jail? Even a life-convict convicted for life imprisonment has an opportunity of being released from jail after ten years. Sheikh Abdullah has been in jail for nearly ten years, except for a short interval of 2-3 months. My hon. friend and others have been talking about abuse of power given to Government under the Preventive Detention and the various other Acts. He is one of their leaders and why should he be kept in jail for so long? If he were to be released and given an opportunity in the present circumstances to find his own side, it is quite possible for us to have two effective, democratic parties, one having a majority and the other having a minority or they may be able to form a people's democratic coalition Ministry or a national ministry so far as that area is concerned. Therefore I urge the immediate release of Sheikh Abdullah.

*Shri Bade:* There will be more trouble.

*Shri Ranga:* Trouble will always be there. The Opposition has to create trouble for the ruling party in a democracy and our democracy can function well only when all the leaders are given an opportunity to make their appeal to the masses.

Is there any law and order in our country? My hon. friend Shri Gopalan just now gave a lot of detailed information about Kerala. It was said that a Minister was able to take law into his own hands. There was another Minister in my part of India who used power in his own way, in his own individualistic, personal, egoistic and vindictive manner. The Supreme Court had to give a judgment. The Supreme Court gave another judgment against another Chief Minister in Punjab. There is then a Ministry in West Bengal whose failure is writ large during the present crisis in spite of the certificate given by the Home Minister this morning. Every one talks of the prevalent corruption at the topmost levels. What sort of corruption? If I happen to be the Chief Minister or Minister or some big guy and if I do not like such and such a person, I have ways and means by which I can get those people hounded out, almost murdered and even butchered and yet escape. This is what is happening in Government. I do not want to mention names though I have the names before me. Some of these complaints are coming to the Home Ministry and for a number of years nothing has been done. Several times when asked whether any action has been taken against such Ministers or Chief Ministers or officers, the Home Minister had to say: we are not able to take any action. Later on they attempted to take party action here and there but we are not interested in party action. We are interested in the constitutional manner in which the Central Home Minister functions from here to assure the social, economic and

political freedom of those people who are opposed to those in authority. It happens that there are many people within the Congress itself who have had the courage to resist this kind of vindictive spirit and personal egoism and along with the Opposition people, they also resisted such things so that there could be sufficient safety and freedom for all the people who had the guts to resist this kind of Mussalonism and Nazism. Is there such an assurance today?

*Shri Tyagi:* There is.

*Shri Surendranath Dwivedy:* Even rival congressmen have been taken in.

*Shri Ranga:* The time has come for the Home Ministry to take effective steps.

Now, they are bringing an eighteenth amendment to our Constitution because the Supreme Court has questioned their right to do such arbitrary things as they have been doing during the last one or two years, in detaining so many people. They have fallen foul with the Supreme Court. Thank God there is a Supreme Court. The framers of our Constitution were foresighted and courageous enough to provide this third wing of our democracy. Because in this so-called Parliamentary democracy, it has become possible for the executive and the legislature to combine and then begin to do things in such a way that the liberties of the people could be endangered. Under these circumstances, they thought that there should be the Supreme Court in order to question their right and authority and test all that they do on the anvil of the Constitution itself. Therefore, my hon. friend the Prime Minister, from the very beginning, almost the next day I think, after the Constitution was passed, began to say that the Constitution is not sacrosanct: there is nothing sacred about it; it can certainly be altered.

If you look into the records, you will be able to find justification for what I am saying. Not once but many times he has said so. He has proved it to the hilt by all these amendments to this Constitution which they have brought forward.

They are talking of the failure on the agrarian front. How could there be success on the agrarian front when this Government goes out of its way to place before this House the Constitution (Seventeenth Amendment) Bill over the Joint Committee of which you have the honour to preside? They have brought forward that Bill which threatens the security of the self-employment and the land-holdings not only of the agriculturists and the peasants but also the agricultural workers, artisans, etc., without giving them any right of a reasonable compensation, without any right of going in appeal to the Supreme Court. Where is any security for any of these agriculturists in our country? Which agriculturist would be so foolish as to invest even Rs. 10 of his hard-earned money in agriculture, while this Damocles' sword is being held over his head? Not being satisfied with it, they are going to bring forward this new amendment to the Constitution.

When the agricultural front fails, how could there be any success of their industrial front? They have

come now here, giving the names of a number of projects. Why? It is something like my going to my father and then asking, "Give me a house." He says, "Yes, the house is coming later on; but now you look at the beams, look at the walls, look at the window panes; all these things are coming up." For how many years are they going to build up in this manner? "Out-house is ready," he says. You may go and live there if you like. All other conveniences will be found in the five elements! It is in this manner that they have brought in and provided for their planning here.

They have listed a number of things. One can also list a number of their failures also. What about the output of mill cloth? Here is an extract from the report. For instance, in 1962-63, it was 4,921 million yards against 5,100 million yards in the preceding year. Year after year, it is the same. About sugar, it is 2.3 million tons now, whereas it was 2.7 million tons in 1960. Because of the slow progress in the first two years, it is feared that the third Plan will end with a big shortfall in many industries like steel, pig iron, aluminium, industrial machinery, automobile, fertilisers, paper and cement. The steel output in 1965-66 will be of the order of 5.8 million tons against the target of 6.8 million tons. Pig iron, 1.2 million tons against 1.5 million tons; nitrogenous fertilisers, 500,000 tons against 300,000 tons. A shortfall of about one million tons in the cement target is also expected and in paper and paper-board also a similar fate is going to overtake them. One can go on like that. It is no good simply cataloguing a number of projects and saying, "Oh, look at the great achievement of ours."

What is this achievement? Have we not achieved such things earlier? The British also used to do it. But at whose cost? At the cost of the people. Here are my Communist friends who supported the Government in their Plan, and now they complain against the new taxes and additional taxes. Therefore, they want those taxes to be withdrawn. I want these new taxes to be withdrawn. True, I want the kerosene tax to go; the Gold Control Order also to go, and several other taxes, especially the tax on diesel oil to go and also so many other excise duties to go. But all this additional taxation has come in the wake of their Plan. Their Plan is lopsided and centrally oriented, and fit only for a totalitarian State and not for the kind of a democratic federal State that we have.

What is the fate of the State Governments today? They have been converted to the status of District Boards. Each State Government — can you believe it! — has not its own senior civilian representing that Government before these great Secretaries of the various Ministries and also their Ministers. They hold separate meetings of these M.P.s. and go on begging us, all parties, to put in a word for their Governmental projects. Here is a big bundle which I have received from the Andhra Pradesh liaison officer. My hon. friend was talking about big business. These Governments have got their Public Relation Officers. The State Governments have their — not High Commissioners — but Public Relations Officers; they are ICS and IAS officers. The State Governments

have been reduced to that plight. We raise our voice against it. We want all their powers to be resuscitated and given back to them. And this plight has come about because the same ruling party is ruling over the States as well as here. Therefore, it is stewing in its own juice. The State Governments are being degraded in this fashion, so much so that, as you know, some of the Chief Ministers are prepared to come here as Ministers of State. This sort of thing has got to be ended.

So I say that this planning has got to be reoriented in such a way that they would give priority to water-supply to shelter, to food, to clothing and to schooling. These are the most elementary things. Instead of that, they want me to feel happy with these three great steel projects. This Government warns against "big monopolists". Who are the monopolists? Is not that officer who is controlling the National Steel Corporation a monopolist? Is he not controlling an investment which goes beyond Rs. 600 crores? My hon. friend Shri Gopalan said, "Beware of all these people. But how much paid-up capital they have all got? only Rs. 200 crores each." Over them all, we have got the Central Government as well as the State Governments and the legislatures also. But here are those great statist monopolists, neo-Mussolinis, administrative Mussolinis, bureaucratic Mussolinis, who are at the head of these great state enterprises. Where is anyone to whom we can appeal? The Public Accounts Committee! Ask my hon. friend what kind of control he has got over them. The Estimates Committee! Ask them also how much power they have got. Ask yourself and various other people also who are presiding over the various Select Committees what power, what strength and what control they have got over all these Corporations. Very little. If I were to accept the advice of my hon. friend Shri Subramaniam, Parliament will have much less control than what they have at present. Thank God, there is still a Railway Minister and a Railway Ministry coming here with a railway budget. We have an opportunity of catching hold of him whenever he goes wrong and taking him to task. But we have no such opportunity of taking other people to task at all. Not a bit. All these people have been thrown up now as a result of Stateism. We are opposed to it. True; we do not want monopolists even in the private sector. Therefore, let us have necessary legislation to control the powers and vagaries of these monopolists, whether they are in the State sector or in the private sector. It is in that fashion that we have got to work.

The time has already come, as I said last time, when we should have a separate Foreign Minister apart from the Prime Minister. As God would have it, it has now become necessary for the Prime Minister to begin to realise the wisdom of what I have been saying since 1949 that he should divest himself of the responsibility of the Foreign Ministry. If he does so and if he thinks of appointing somebody, I am not going to ask him to consult us. But let him keep in mind which person, which choice, would be most agreeable not only to his own party and to the various

groups within his party — one group of his party has become a projection of the communist party — but also to the other democratic groups. There has been some talk unfortunately that all those people who are grouped around him have been anxious to please him and to persuade him to think of somebody who is not very far from his own so-called political background and who is not too much divorced from his own personal affections. I wish to give this warning in advance and I hope he would desist from accepting any such bad advice.

*Shrimati Renu Chakravartty:* Why not mention the name?

*Shri Ranga:* It is not necessary. I wish to warn him and the Government to desist from it, because it is easy to go on trying to please the demigod of the day forgetting national interests. But I hope there are sufficient number of Ministers as well as other friends of the Prime Minister on that side who have the moral courage to be able to tell him and prevent him from accepting such a bad advice.

My hon. friend, the Prime Minister, has fallen suddenly ill. We are all very sorry; I am personally sorry. We have worked together for more than 30 years in fair season as well as bad season. We differed very violently but yet we also learnt to like, love and respect each other. He was good enough to express similar feelings about us. Therefore, we want him to recover as soon as possible. He does not believe in God, but I do. Therefore, I pray to God that he should recover very soon.

#### DISCLOSURE OF MINISTERS' ASSETS

**P. K. DEO — February 14, 1964**

I take the opportunity of congratulating my hon. friend Shri H. V. Kamath on this most appropriate Bill that he has brought forward. I do not think that any persuasion would be required or would be needed for this House and for Government to accept such a simple Bill as this, unless, of course, the intention is that something should be hidden from the House regarding the assets of Ministers.

As late as 1953, when I was a Member of the Orissa Legislative Assembly, I had tabled one non-official Bill entitled the Declaration and Periodical Verification of the Ministers' and MLAs' Properties Bill, and as it was a non-official Bill, and I did not have the support from the Treasury Benches, it was negatived. I hope that this Bill will not receive the same fate.

Coming to the merits of the Bill, though corruption is an age-old phenomenon of degraded human behaviour, every civilised government and every enlightened government has taken steps and has made endeavours to stop it. Similarly, this Bill also envisages that to start with, the assets, both movable and immovable, of the Ministers should be declared and should be available to Parliament for public scrutiny. I do not think that there can be any two opinions on that such a commendable Bill should be accepted.

Of course, those days are gone when one could think of a salary of Rs. 500 a month for the Ministers, or of the Karachi resolution. We do not like to insist that it is feasible under the present circumstances. If the Ministers are not happy with their present amenities or emoluments, those may be increased. But their assets should not be hidden from public scrutiny. Events in the post-Independence period have unfolded that the evil of corruption has seeped much deeper into the fabric of the Indian administration and that its cancerous growth has corroded the very moral fibre of this Indian nation. We are passing through a state of emergency. Government have been armed with special powers to deal with such cases of corruption. But I am very sorry to say that nowhere else have we heard that in such a short period of seventeen months, so many Cabinet Ministers, so many Chief Ministers and high dignitaries in services got involved in charges of corruption. After all, as my leader Rajaji has pointed out, it is the licence-permit-quota-raj which has opened the flood-gates of corruption. Touts contact men, and quota-procurers and licence traffickers have been minting fabulous wealth, and we often hear Ministers resorting to nepotism, highhandedness and gerrymandering and feathering their own nests through their friends or relatives.

In this regard, I would like to point out one quotation from no less a person than Shri Biju Patnaik, the ex-Chief Minister of my State. I am referring to his press statement of June 28th, 1963. This was published by the Orissa Government, and it has been circulated to all of us, and I think you also must have received one copy. Regarding the present Chief Minister of my State, he says at page 29 of that statement that:

"I put him into business in 1959, and in four years, the firm's gross profits a year are over Rs. 16 lakhs for the period ending 31st March, 1963."

So, in a period of four years, our Chief Minister had the privilege of amassing wealth to the tune of not less than Rs. 16 lakhs, when he had absolutely no business experience, and he was just introduced to business for the first time. How did he amass this wealth? I will quote from the proceedings of the Orissa Legislative Assembly of 30th March 1962. The present Chief Minister said regarding the supply of certain tubes to the Orissa Government:

"The rest supply was given by the firm in which I am connected. This is how things stand. We are authorised agents of the Kalinga Tubes who have taken orders to supply."

From this you will understand that the wife of a Chief Minister as the representative of the Kalinga Tubes had been selling these pipes through the wife of a Deputy Chief Minister to a Government headed by Shri Patnaik, benefiting both the Chief Minister's and the Deputy Chief Minister's families with lakhs or rupees in a single deal.

I do not like to repeat other instances as my time is limited, and as they are so well known. Regarding the case of Shri Pratap Singh Kairon, I do not like

to go into details. The less said about it the better because it is *sub judice*, a former Chief Justice of India looking into those questions.

Regarding the former Prime Minister of Kashmir, no less a person than an hon. Member from the Congress Benches, Shri A. M. Tariq, said yesterday in the Rajya Sabha: (Hindi words spoken by Shri Tariq were repeated)

Mr. Chairman: The Hon. Member knows that the proceedings in the other House cannot be quoted here.

Shri P. K. Deo: I am quoting the gist of it, not the whole of it.

From this it will be known that all the charges of corruption have been made not by Opposition Members but by those belonging to the Congress Benches also. I still remember those golden utterances of the Prime Minister — they are ringing in my ears — that blackmarketeers, and profiteers should be hanged by the nearest tree.

An Hon. Member: By the nearest lamp-post.

Shri P. K. Deo: In 1959, no less a person than Dr. C. D. Deshmukh, suggested that there should be standing judicial tribunal and all cases of corruption should be referred to it. But the Prime Minister threw cold water on this proposal by saying in a press statement in January 1960 that "if such a tribunal was appointed, there would be charges and counter-charges as we were a gossiping people." In September 1962, while delivering the Feroze Gandhi Memorial Lecture, my hon. friend, Shri T. T. Krishnamachari, said that there is no use having a tribunal of this type, like the Scandinavian Ombudsman, as it had got a negative role to play. In this lecture he said:

"I do not, therefore, consider the institution of an Indian counterpart of the Ombudsman as having any positive role to play in the determination and functioning of the relationship of the citizen and the executive".

But, however, wisdom has dawned now. The Vice-President in his Address has indicated that very soon they are going to have a Central Vigilance Commission, which is mainly based on the recommendations of the Santhanam Committee. While I congratulate the Vice-President on this bold step that Government propose to take, I submit that its powers should be much wider than have been envisaged. The Vice-President says that the status of the Commission would broadly correspond with that of the UPSC. The status of the Union Public Service Commission is so very limited that its authority cannot extend to Cabinet Ministers. It controls the conduct and behaviour of the services, but it cannot look into the various activities of the Ministers. If the Vice-President is serious about it, if he wants that adequate power should be given to this Commission, then nothing short of a Scandinavian Ombudsman is going to satisfy our demand. The Scandinavian Ombudsman is a parliamentary official. He is appointed by the Parliament and is responsible to it. He has access to all the files. He can scrutinise all the activities of the Ministers. He can even call for action against

those who are connected with the executive. So if the intention is to curb the scope of functions of this proposed Central Vigilance Commission and restrict it to investigation of the conduct of the services, I think we will never achieve the objective.

Here I would demand that this vigilance Commission should be independent of the executive. It should be appointed by the President and should be directly under him. At the same time, it should be insulated from all political pressure. Now the Prime Minister is there as the grand arbitrator. He listens to the various complaints and explanations, at times defends the respondent and soothes the complainant. We do not want that the Prime Minister should do such a job. It is not good for the country; it undermines his personal authority. Sometimes, even motives are attributed, I do not want that the head of the executive should be saddled with this judicial function of sitting in judgement on the integrity of individuals.

Some say that our Ministers submit returns of their assets to an anti-corruption committee of the Congress organisation or to the Congress High Command, so there is no need for them to submit such returns or disclose their accounts to Parliament. In this connection, I submit it is not a party question. The whole thing has to be viewed from a national perspective. After all, the former Chief Minister of my State has said that the Congress Party is not a Bharat Sadhu Samaj or a Ramkrishna Mission; it needs money to fight elections, it is a militant party. So the Party needs funds for its elections. It needed Rs. 40 lakhs during this emergency to stage the *tamasha* at Bhubaneswar. So they need money. So if official pressure is used to raise funds even for the Congress Party's purposes — as the plea was made by Shri K. D. Malaviya that he raised some funds from Serajuddin and Company to fight a bye-election in UP — I do not think it could be justified.

I conclude by saying that this Bill should be wholeheartedly supported and those who oppose it are indirectly giving shelter for corruption to grow.

#### TERMINATION OF EMERGENCY

**C. L. NARASIMHA REDDY** — February 21, 1964

I am at one with the Mover of this resolution that the emergency should come to an immediate end.

This resolution has not come a day too soon. Already the emergency has been used to strengthen the ruling party, to curb opposition, to imprison inconvenient Members of Parliament and Members of the Assembly and to make unabashed inroads into the domain of individual freedom which is the cornerstone of parliamentary democracy.

This emergency and the Defence of India Act were considered necessary to prevent the sabotaging of the war effort, to curb those elements which had extra-territorial loyalties and which were simply waiting for the Chinese to take possession of the soil to give the reins of Government into their hands which they vainly tried to do for those long years.

But, instead of that, what do we see? We see that these elements are flourishing and multiplying themselves like bee hives all along the Himalayan frontier; they are flourishing unchecked, with absolute immunity to their freedom. To me it appears as though they are more or less treated like the adopted sons of the Government.

My friends the Communists have been vociferous and almost tumultuous in their opposition to this emergency. I believe their opposition is only lip-deep, for, what have they to fear about this emergency? The emergency is being used for curbing political parties whom the Communists consider as their potential enemies. Have not the Communists helped the Congress in all the by-elections after the emergency? After the emergency, the Communists and the Congress people became strange bed-fellows overnight. What the Communist younger brother says today, the Congress elder brother does tomorrow. The Communists wanted land ceilings, it is done; the Communists wanted tenancy legislation of their own brand, it is done; the Communists wanted nationalisation of the Life Insurance Corporation, it is done; the Communists want nationalisation of banks, and as sure as the Sun rising in the east, it will be done.

**Shri Nambiar:** All good things must be done.

**Shri Narasimha Reddy:** The Communist were dissatisfied with some of the elements in the Cabinet whom they considered were not in tune with their ideology, and the heads of three Ministers rolled on the floor.

**Shri Nambiar:** No heads rolled.

**Mr. Chairman:** What about the emergency?

**Shri Narasimha Reddy:** I am speaking about the emergency.

The Communists wanted the Constitution (Seventeenth) Amendment Bill for the complete elimination and extermination of the ryots, and the Seventeenth Amendment Bill appears in all its glory, red, lurid halo, and it is going to give the death knell to this civilisation of ours which has endured during the centuries. So, the Communist cry against this emergency is only intended to be a propaganda stunt during the elections, so that they might shine before the people as great defenders of the people's rights.

But the common people are deeply exercised at this dangerous situation of our country. They know that these Chinese devils, if allowed unchecked, would be the despoilers of our homes, our lives, our culture and our civilisation, and they are prepared to do their utmost, to sacrifice their utmost in order to repel the invader, as was quite evident when the emergency was first announced. But instead of seeing an enraged, infuriated nation reoccupying the territories that have been invaded by the Chinese, we see the spectacle of a Government, nervous and shaking, unable to make up its mind, waiting for every fashionable breeze of mediation to come to their rescue, in short, preferring an inglorious peace to the perilous vindication of honour. Now that it is not done. I feel that this emergency is being pursued

only for the purpose of serving a political party and more or less, of liquidating the opposition.

We consider that the emergency should be immediately ended.

Unless tangible and determined steps are taken by the Government to enter the soil which has invaded by the Chinese, there is no excuse for the Government to continue this Emergency. I would suggest to the Government to suspend this emergency in areas other than the Himalayan borders immediately. Failure to do so would be a sacrilege to the memory of those heroes and patriots of our country who fought and died so that a free India may emerge with liberty of speech and freedom of action — model to all the nations which stand for individual freedom and for the dignity of the human spirit.

### THE RAILWAY BUDGET

**C. L. NARASIMHA REDDY — February 24, 1964**

I appreciate the seriousness and thoroughness of Shri Dasappa, our Railway Minister, with which he has embarked upon his duties. He has in his Budget speech dwelt on all aspects of railway administration, such as, accidents, overcrowding, amenities to third class passengers, provision of more sleeper coaches, level crossings, construction of overbridges, provision of underbridges, catering and such other matters. These are the things in which the common man is interested and not the dry as dust details of income and expenditure, tonnage or haulage or other technical details. As we heard the Budget speech and noted the hon. Minister's decision not to raise either passenger fares or parcel rates, we thought that being a man of the people he resisted the temptation and contagion of heaping more burdens on the railway users which betake many Members who are suddenly pitchforked into the Cabinet. Had he tried to plug the loopholes of waste and fraud and had he thought over the tightening of the belt within the present railway economy and desisted from even the small increase of 2 per cent in the supplementary charge on goods freight rates, he would have shone with singular lustre amid his compeers in the Cabinet. However, the Budget is good so far as it goes and we hope that Shri Dasappa, during the remainder of his office, will firmly resist any attempts at taxing the people any further.

As I was speaking on the Railway Budget last year I hoped that the hon. Railway Minister this year would present a clean sheet so far as accidents were concerned. But that is not to be and some very serious accidents have taken place. The hon. Railway Minister says that there is a declining trend in the incidence of accidents and that the Kunzru Report would be fully implemented in order to reduce accidents to the minimum. We are glad to have that assurance and we also feel that in this huge, gargantuan, kaleidoscopic picture of the railways a total and complete elimination of accidents is humanly impossible.

While dealing with the question of accidents we

note that the majority of these accidents have been brought about by the failure in human effort and failure in human effort is brought about by physical or mental exhaustion or by the mind being worried by troubles, family and domestic. In this connection we note the increasing pressure of the railway employees for more dearness allowance than was recently allowed by the Railways. The recent demonstration at the gates of Parliament House signifies how keenly the railway employees feel in this matter. The railway employees stand on a different footing from all the other employees. In their hands lies the safety of millions of people who travel by trains day and night and it is in the nation's interest to keep them in the peak of operational efficiency. I, therefore, suggest to the hon. Railway Minister to give a second thought to this matter and to see whether he could not accede to their demands as far as is humanly possible. The cost of living index is rising day by day and the hon. Railway Minister should see that the case of these railwaymen is tackled personally by himself rather than being handed over to the tender mercies of the Railway Board which, I am afraid, may not tackle the problem properly with the requisite sympathy, consideration and understanding and might finally result in throwing them into the arms of unscrupulous and antinational political parties.

In this connection I would also press upon the hon. Minister's attention the fate of those railway employees who are retired and who are drawing pension. Side by side with the present railway employees, their pension should be increased in consonance with the rise in the cost of living index and they should also be given amenities like free passes for their children to go to School, and free medical aid.

When we consider the railways, the first thing that rises like a nightmare before us is the question of overcrowding. Minister after minister in Budget speech after Budget speech has been mentioning this overcrowding, but they have not been able to tackle it at all from a practical point of view. There is no use of presenting the Railway Budget and saying that all kinds of steps have been undertaken to lessen overcrowding. The only way to tackle it is to run shuttles either drawn by the conventional engines or by diesels which will take all the surplus passengers from place to place in the neighbourhood.

As regards third class passengers, I have seen during my travels — I am not speaking of the lines, I am speaking of the other minor lines — that there are no lights, the shutters are not working, fans are out of order, there is no water in the lavatories. All these defects are there at wayside stations. On the other hand, the railway staff take greater care in looking after trains which are more or less frequented by distinguished political celebrities, leaving out of account all minor lines. Once I was travelling from Gudur via Pakala to a station further on. There was no water, no lights, no fans and the shutters were not properly working. Even when I brought it to the notice of the guard, nothing was done. These

things could be corrected, if the inspecting officers are sufficiently vigilant. I find they are negligent. These officers must be screwed up to be diligent in the discharges of their duties.

Regarding catering, Shri Kapur Singh has already dealt with it. As he says the Rs. 1.30 food which the Railways give is not worth 40 nP. I completely endorse his statement. The food is not good; it is sometimes not cooked. I find even the cooks do not do their duty properly. I feel that there is plenty of pilfering going on in the railway carriages and also in the restaurants managed by the railways. The only way in which to deal with this pilfering is by high-salaried officers inspecting these places and bringing the delinquents to book. If minor officers were deputed to inspect these restaurants, they will take 3 cups of coffee instead of one and go back highly satisfied, and thereby the public will suffer.

I am glad that the Railway Minister has announced that they are going to charge only light wagon rates for plantains to be carried to Bombay from some of the stations in the North East and Western Railways for export to other countries. I would suggest that he must do the same with regard to mangoes, betel leaves etc. which are exported in large quantities from Rayalaseema from stations like Rajampet, Pakala, Kodur and Cuddappah. There is a heavy export of betel leaves and mangoes during the seasons to places like Bombay, Baroda and Delhi. In Delhi itself, there are so many agencies for mangoes from our parts. I got complaints from agriculturists that they find it difficult to get wagons during the fruit season.

There is an important matter regarding Rayalaseema.

Rayalaseema formerly consisted of Chittoor, Kurnool, Bellary, Anantapur and Cuddapah districts. During the time of the British they were considering improving Rayalaseema by laying a new railway line from Nandyal to Cuddapah and then to Rayachoti and Chittoor or via Madanapalli to Bangalore.

*Mr. Deputy-Speaker:* His time is up.

*Shri Narasimha Reddy:* I want to pilfer a few minutes more from you. This is an important matter, and after this I will immediately sit down.

I do not know the details of this, but I mention this to the Railway Minister so that he might get the necessary information. All these districts in Rayalaseema have been paying a railway cess for 15 to 20 years, which was used subsequently for other purposes, but people are still hungering for this Railway. Rayalaseema is known for its rich minerals like iron ore, barytes etc., and if a railway is constructed, it will work at a profit, and will also benefit this undeveloped tract.

## Rajya Sabha

### DEBATE ON THE PRESIDENT'S ADDRESS

DAHYABHAI V. PATEL — February 13, 1964

I missed the presence of the dignified personage of the President of India when we had the Address

on the opening day of Parliament. I hope his illness is insignificant and that he will soon be restored to health. In him we have somebody who is very clear about his thoughts. Indeed a little over a year ago he said in very clear terms that "the Indian reverses in NEFA should be regarded as a matter of sorrow, shame and humiliation, that we have to retrieve our lost prestige and that India's freedom, security and honour are things which are endangered today." Are we doing anything about it?

Next also I would like to say how sorry I am to see our Prime Minister in this state of health. I hope he also will be soon restored to health. But let us recognise that there is such a thing as time, that there is such a thing as age, and the Prime Minister is a sick man and the chances of his being what he was five years ago or ten years ago are rather bleak. Hence his sickness is reflected in the Government. To-day we have a sick Prime Minister. We have a sick Government. I am sorry that in certain circles the sickness of the Prime Minister is being exploited by some people, and people are being asked to be restrained in their criticism, legitimate criticism of Government even in Committees. I do not know whether it is going to be repeated here. Sir, we come here as Members of Parliament to do our duty to the country, and I hope that we shall continue to do so fearlessly in spite of what has happened. If the Government is sick, more so, let them also go on a rest cure. What is happening on both sides of our borders and in the two border States is an indication that the Government is very sick and needs to go on a rest cure, if not go altogether. I must also at this stage take the opportunity of congratulating our representative in the United Nations, Mr. M. C. Chagla — for his bold exposition of India's case in the United Nations. It is a sad reflection on the people who have been in charge, on the people who have been our spokesmen in the United Nations for the last 15 years that they did not raise the many logical points that he raised in his address.

I am fully in agreement with the sentiments expressed by Mr. Ganga Sharan Sinha and other friends in this House about the refugees who are coming from across the border. They deserve our every sympathy. It is not their fault that they are in this plight. We have a certain obligation towards them and I hope that the Government will be liberal towards them. Unnecessary obstacles in the way of their coming back should not stand. I know that this means a great drain on our resources, that it means a great burden on the exchequer. But the Government of India will have to stand up and bear it. If the Government — has courage enough — I do not know if it ever will have it — it must demand a portion of territory, land from Pakistan. When so many people are expelled, when they are thrown out from Pakistan, Pakistan must be made to yield so much of territory, so that we can house those people. I do not know whether this sick Government will ever have the courage to do so.

Sir, I repeat that this Government is sick. What

is happening in regard to the two distinct issues which have figured prominently in this House and how is the feeling of the people being circumvented? I refer to the Serajuddin affair. That has been referred to a Judge.

(The Vice-Chairman, Shri M. P. Bhargava, in the Chair)

But while the proceedings are going on against Serajuddin, the Magistrate, I understand, is being transferred as Chief Presidency Magistrate elsewhere. It is a very ingenious Government that can stop or prolong legal proceedings in this manner by giving promotion to a Magistrate. What will be the result? So many witness have been examined.

The trial, I am saying, will go on. Certain people have been examined. Another Magistrate in his place will take up the re-examination of all those witnesses. It is a legitimate request of any accused. Some of the witnesses will be available, some of them will not be available. So, the trial will prolong. Then the matter will go to the higher courts and to the Supreme Court whether such witnesses should be called again or not. These are all dilatory tactics with only one intention, to shield the co-conspirator in this, and I make this charge with a full sense of responsibility, and if this Government tolerates it, they are pleading guilty, demonstrating the charge that I make that this Government is a sick Government.

Sir, the other affair which I would refer to is something much more serious; it is about the border State of Punjab. The Prime Minister has entrusted the enquiry into the allegations against the Chief Minister of Punjab to a Judge. That was expected, of course. We know, Sir, of a member of the Legislature, a member of the Congress Party, who was beaten up because he made certain charges. He has himself said so, he has offered to prove them before anyone. But much more serious is what has happened a few days ago — a person was shot dead, five bullets were fired into his body at eleven o'clock in broad day light and not one line has appeared in the newspapers anywhere. The person was a close relation of a former Defence Minister of this country. The people who shot him went to shoot him — I am told — in a truck belonging to the son of the Chief Minister. Will the Government enquire into this? Why have no arrests been made? Mr. Nanda wants to arrest Members of the House on a charge of bringing *gur*, under the Defence of India Rules. Where are the defence of India Rules in the case of murderers, people who murder persons in broad daylight and of their accomplices, people who assist them? What is happening to this Government? It is therefore that I say that this is a sick Government and I do not think that this Government can be cured. The only remedy is to end it, and shall I say also that this country is sick of it? Therefore, they are losing repeatedly all the by-elections that have taken place in the last few months. Let them realise it.

Now the Defence of India Rules are used against friends who protest against orders, like the *Gur* Control Order, against people who are agitated about

certain things in Bombay, and so on. Somebody who was standing to look at one of these demonstrations was also arrested, because he happened to help certain members of the Swatantra Party, and even my letter to Mr. Nanda explaining the position has not secured his release, while people like this go about freely in this country. What sort of Government have we? Mr. Nanda promised to eradicate corruption in three months.

Do you see corruption on the decrease? Let Mr. Nanda go to Saurashtra where a by-election is taking place and let him see for himself with open eyes what corruption is taking place at every stage, what pressure is being put on people, how people are being called because they assisted in the previous by-election when Mr. Masani fought at Rajkot. When honest citizens, when people working in State Transport offices and such like offices are being called daily to report to the police station when there is no charge against them, it is simply harassment; it is because they helped others against the Congress. Are these Defence of India Rules or Defence of Congress Rules? If the Government wanted to continue the Defence of India Rules, they must convince us of the reasons therefore. They have to convince this country that they are serious about defending this country. There are rumours, there is documentary evidence — if required it will be forthcoming — that the Prime Minister has already given his assurance that India is not going to advance further than the present line.

Shri N. C. Kasliwal: That is not correct; I will challenge your statement.

Shri Dahyabhai V. Patel: We will come to that, my friend. There are so many defenders of the Prime Minister. You need not be in a hurry. The matter is coming.

Shri N. C. Kasliwal: I will show that the letter that you have circulated is completely wrong in facts; you have misquoted facts.

Shri Dahyabhai V. Patel: I have not circulated any letter. My friend is labouring under a misapprehension. But the letter that he refers to may come out. What does it matter? Let the Home Minister come out with a full statement on the matter. We want to know about it, and if, and if the Defence of India Rules are there, why not arrest the forgerers? Why don't you use the Defence of India Rules there? Why do you want more power when you cannot use it?

The review of the state of economy, the President has referred to in detail, to every item, and the President has very frankly acknowledged that the overall rate of economic growth has lagged behind despite a certain upward trend in industrial production and improvement in the balance of payment. The President has made the following main points: The general level of industrial output in 1963-64 is expected to be 7 to 8 per cent higher than the previous year.

To a fair extent, the slow growth of economic progress is due to the shortage of agricultural production which in 1962-63 recorded a fall of 3.3 per cent. While it may be argued that in a country like India

in which, over large areas, the volume and distribution of rainfall are decisive factors in agriculture, it is difficult to achieve a steady rate of growth in agricultural production from year to year. This however makes it all the more essential to secure high yields per acre in areas with irrigation and assured rainfall, and the most important factor to be noted in this connection is that the policies and proposals of the Centre and the State Governments regarding ceiling on land, food procurement and distribution, and cooperative cultivation, and the proposed Seventeenth Amendment to the Constitution have disturbed the mind of the agriculturists. They have disturbed the framework in which alone agriculture can progress, and have aggravated the situation by introducing factors of uncertainty and insecurity all round.

As regards industry, the estimated increase of 7 to 8 per cent falls very much short of the postulated annual increase of 11 to 12 per cent. The pace of implementation of new industrial projects as also of expansion of existing ones and therefore of additions to installed capacity suffered on account of the none too encouraging situation which prevailed in the market on the one hand, and the growing cost of construction on the other. In the case of nitrogenous fertilisers, vital for the sustenance and growth of the agricultural sector, a number of schemes remain unimplemented. Government seems to have little or no interest in the simple, inexpensive process of introducing Gobar gas plant which provides cheap method of replenishing the land with nitrogenous fertilisers. The Government seem to be thinking only in terms of large factories, importing large amounts worth of machinery from abroad. Fertilisers produced in the factories go mainly to benefit large plantations and sugar factories for the manner in which the controlled distribution is made it hardly ever reaches the poor agriculturist. And the amount of corruption and red tape involved in getting the fertilisers make it impossible for him to get any of these fertilisers produced in the large fertiliser factories.

Progress in implementation suffered also in such industries as newsprint, paper and paper board, rayon grade pulp and cement. The uncertainty in the supply position of important raw materials and the general difficulty regarding foreign exchange continue.

A notable development of the year is, however, the record increase of about Rs. 100 crores in export earnings during the year 1963 which has been due mainly to the large quantity exported and the higher unit price. Exports of items covered by the various incentive schemes forming well over 20 per cent. of the total earnings have also shown considerable increase.

This should not, however, make us complacent. It is just possible that the rate of increase attained in the current year may not be sustained in the remaining two years of the Third Plan. For instance, sugar which is expected to account for exports worth Rs. 30 crores during the current year may not go beyond Rs. 155 crores next year due to lack of ex-

portable surplus. Again, in the case of jute the encouraging trend of Rs. 175 crores in 1963-64 as against Rs. 155 crores in the previous year may not be continued in the year to come as the increase in the demand in the world markets is not likely to continue. Further, in respect of oil cakes, the increase in exports in the last two years of the Third Plan might just be moderate because of increasing domestic demand. Nor are the prospects in the case of textiles brighter.

Before I conclude, I must say that I agree with my friend, Shri Ganga Sharan Sinha, about the serious omission in the President's Address to refer to the loss to the country in the death of Dr. Rajendra Prasad. It is one more instance of the sickness that our Government suffers from.

**Prof. M. RUTHNASWAMY — February 19, 1964**

After the hurricane of Mr. Anwar's eloquence my speeches my appear like a wet blanket because, with all due respect in the Vice-President who delivered the Presidential Address this year, I look upon it as an uninspiring document. It looks as if it had been produced by some secretariat official. One indication is the numbering of the paragraphs in the speech, as if it was a memorandum submitted by somebody in the secretariat. And the Bills that are to be introduced in the course of the next year are also an uninspiring lot, amendments to a number of Acts already in operation, not dealing with any great subject of political, administrative or economic reform. It looks like the statement of a captain of a ship in the doldrums, of a captain who looks back with sorrow at the storm through which he has passed and is looking with despondency upon the future course of the ship.

Take first the matter of agricultural production. The Address notes that there is a fall of 3.3 per cent, and this lag in agricultural production is attributed to bad agricultural seasons. It is like a bad workman quarrelling with his tools. Bad agricultural seasons or failure of the monsoons is a fact of life in India; How did the former rulers face the possibility of bad agricultural seasons? The great Chola and Pandyan kings built a large number of tanks which served as reservoirs of water, and thus provided for the time when rains might fail. The English proverb is 'saving for a rainy day'. But we do nothing to save for the rainless days by which we may be faced.

As regards industrial production there has been a slight increase only, about 9 per cent. And may I note the singular absence of figures in order to support the statements in the Address? In paragraph 4 and 5 we read a number of vague statements but nothing substantial in the form of figures to support these statements. Where the Address deals in the past sentence with regard to the past, it speaks of shortfalls and lags in production. Where it speaks in the future about the future it indulges in vague hopes and expectation.

The one bright spot in the Address is the reference to the appointment of a Vigilance Commission. The

Vigilance Commission is not the one that we expected, not the *Ombudsman* for which the Swatantra Party has argued, a commissioner of citizens' rights, a Citizens' Commissioner who would listen to all the grievances of citizens against the Government, against members of the Government, however highly placed they may be. Such a Citizens' Commission would be endowed with powers of initiative. They would not wait as this Vigilance Commission would have to wait for cases being brought by private citizens against this or that official. A real Citizens' Commission would be endowed with powers of initiative, of taking the initiative itself and investigating into any reported or even suspected cases of corruption or maladministration, and it would not baulk an inquiry into ministerial conduct. It is all very well to say that Ministers are responsible to a popular legislature. But when the Ministries are supported by such large and unwavering majorities as the Ministries in India are supported, how can there be any hope of Ministers being brought to the bar of criticism in Parliament and of suspension by Parliament? And I do not think it was a very wise thing to appoint a Judge to be the head of this Vigilance Commission. A Judge is used to, especially if he has been long on the Bench, to long proceedings, to a complicated procedure, and he wants a standard of evidence which cannot be procured in these cases of corruption and maladministration. I think a man with wide administrative experience, a man of independence and of judgment, a man who knows the ways of Government and administration would have been a much better head of this Vigilance Commission.

In foreign affairs the Government still sticks in the mud of non-alignment, and argument is put forward that this policy, this negative policy of non-alignment, is receiving support and admiration at international gatherings and from Asian-African countries. We are reduced to this position that we depend for the endorsement of our foreign policy on these children among nations. We are told that non-alignment is approved by the East as well as the West, by the Eastern Bloc as well as by the Western Bloc. The Western Bloc approves of non-alignment because worse might follow, worse might be the alternative. They do not like India to go over to the Communist Bloc. And the Communist Bloc welcomes non-alignment because the area of neutrality is expanded and when the 'D' Day arrives, the Western powers which stand for freedom and democracy, will be isolated, will have very few powers to support them.

In this connection much has been said no doubt about the Kashmir question and about now it was dealt with at the recent meeting of the Security Council. I join with others in congratulating our

representative who put the case so well and so ably, in striking contrast to his predecessor in that position. On account of a certain attitude taken by the British representative it has been voiced both here and outside that it is time India left the Commonwealth. Now, Madam Deputy Chairman, we are not in the Commonwealth for the blue eyes of British statesmen, nor even for the blue eyes of the present aristocratic Prime Minister of England. We are in the Commonwealth because it serves our interest to be in the Commonwealth, because it helps our national and international position. We are there because it is useful to us, not because of any ideal or any theory, international or national. And if the British representative took a certain line we may criticise it, but we have no right to resent it, because one of the principles and conventions of the British Commonwealth is that each member should be independent, not only in regard to its national policy but also in regard to its international policy. And here I must deprecate the action of certain Members of Parliament, who have gone on a deputation to the High Commissioner, waiting in his ante-room in order to convert the British to our point of view. Whatever criticism we may have to offer, we must offer on the floor of the Parliament and it is not in keeping with our self respect.

*Shri Ruthnaswamy:* Generally our foreign policy has been passive. We are not taking the initiative in a signal way. Look at Premier Chou En-lai going from country to country in Asia and Africa in order to enlist their sympathy for China. At this rate, with no initiative taken at the Ministry of External Affairs, with no initiative taken by our representatives outside, we shall be left in isolation. Already that is the aim of the Chinese foreign policy, to isolate India so that it will stand in isolation and when the 'D' day arrives for the full-fledged invasion by China and India will have no friends to look to. Well, the foreign policy of non-alignment reminds one of the mid-Victorian policy for which Lord Salisbury, the then Prime Minister, was responsible, a policy of "masterly inactivity" and "splendid isolation". The isolation may be splendid but it is of no use to our country.

Lastly in this depressing document we find the bright prospects of better things in the future. It is not on account of the incompetence of the Ministers, not on account of the weakness of the present Government but it is on account of the ideology that they are professing, the ideology of Socialism. It is on account of that handicap that the economic progress has been so slow. It is because instead of aiming directly at the promotion of the national interests, they try to promote the national interest, the economic progress of the country, through an 'ism' through an ideology.

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