

Swatantra Party

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14. 6. 1966.

GENERAL SECRETARIES LETTER NO. 124

Dear Friend,

The Mysore State Convention of our Party adopted on June 12, 1966, a Resolution on Devaluation. Since the Resolution had the approval of Rajaji, Prof. Ranga and myself, it may be taken in the absense of a meeting of the Party to represent the Party's point of view on this important development.

The text of the Resolution is attached, and we would request you to circulate it as widely as possible among your local organisations and members, for their information and use.

Yours truly,

M. R. Masani
General Secretary

SWATANTRA PARTY

MYSORE STATE CONVENTION

June 11 & 12, 1966

RESOLUTION ON DEVALUATION

This Convention takes note of the fact that the repeated warnings given by spokesmen of the Swatantra Party, both in Parliament and outside, during the past two years, that devaluation of the currency would become inevitable if the Congress Government persisted in the inflationary policies embodied in all their measures and especially in excessive taxation and the framing of plans seeking to invest non-existent resources with a false order of priorities in favour of low and slow return capital-intensive industries to the neglect of agriculture and goods greatly wanted by the mass of consumers have come true.

2. The Convention notes that the Congress Government have belatedly realised the futility of adhering to an artificial rate of exchange which has no relation to the facts of the international price level and have admitted that this step has been necessitated by the rise of as much as 80 per cent in internal prices during the last decade. The Convention also notes the admission by the Finance Minister that it is beyond the capacity of the Congress Government to bring down the general price level in the country to the level that prevailed even five years back. Coercive measures will only expand and multiply the black market.
3. The Swatantra Party has ever since its inception been cautioning the Government and the country against the perils of inflation. The criminal disregard of these warnings by those in office has landed the country in its present predicament, with considerable hardship and distress to honest citizens of all classes.
4. The entire responsibility for this disaster rests on the shoulders of the Congress Government, which has shown utter unfitness to remain in office a day longer in view of devaluation of the rupee which it has most unwillingly accepted in view of expert world opinion and the need for getting aid and loans to keep itself afloat.
5. In order that the heavy sacrifices entailed in the process of devaluation may not be wasted and the gains that may be possible as a result of this step are not lost, this Convention calls on the Government to take the unbiased advice of experienced men and Organisations as to the lines of policy that should be framed at once. Over and above this, there should be a clear declaration that from now on inflationary policies of every kind will be scrupulously eschewed and that, subject to whatever foreign assistance may be made available, the Indian Government will learn to live within its means