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For favour of publication

The Editor,
"Commerce".

Sir,

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 tacks." 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 ~~the~~ Monnet planning ^{in France} and the NEDC 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 required 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.

Yours, etc.,

(M.R. Masani)
General Secretary,
Swatantra Party.

New Delhi,
February 18, 1964.