

Bombay

Client :-

Swatantra Party.

Subject :- Swatantra Party.

Indira Nation, Panna

24 MAR 1955

'Wanted-Rethinking On Taxation'

The idea of an integrated tax structure was borrowed from Professor Nicholas Kaldor of the United Kingdom. It meant imposition of wealth and expenditure taxes over and above income tax estate duty, capital gains tax and other taxes which are considered to be normal. Prof. Kaldor had made it very clear that, if India wanted to follow his advice in going in for wealth tax and expenditure taxes, a pre-condition of such a reform should be that there would be a ceiling on income-tax. He said that the income-tax should in no case exceed seven annas in the rupee for the highest slabs. In other words, he wanted to tax idle wealth on the one hand, and on the other hand to give incentives for those who have income and would use it productively. What has happened however, is the worst of both worlds. While additional burdens in direct taxation were placed on the shoulders of those who 'produce' the relief that was envisaged by Prof. Kaldor to stimulate productive enterprise was conveniently overlooked.

the scrapheap by advanced socialist parties like the German Social Democrats, the British Labour Party and many others in Europe. They have realised that welfare cannot be promoted by excessive taxation or by nationalisation because the precondition of welfare is the creation of wealth which in turn requires incentives to work hard, save and invest.

We want a better life for the mass of the people, and particularly for those who are the poorest. But to want welfare is one thing and to want a Welfare State is another. As Mr. Jayaprakash Narayan has quite rightly described it, the Welfare State is "a creeping paralysis" that destroys the character of the people and the economy of the country. In other words, Welfare and the State are contradictions. There is little welfare about a State. The State is primarily an engine of rule, of control a police mechanism. Such a police mechanism is essentially not meant for welfare. Welfare comes from the production of an ample measure of goods and services which the

create conditions which make for a rapid and large-scale increase in wealth. We should encourage more and more people to be wealthy. A prosperity-owning democracy such as exists in the Scandinavian countries, in Switzerland Australia New Zealand West Germany, Britain and the U.S., should be our aim.

In order to encourage this trend, the Government should play upon the desire of the common man to improve his lot. Crores of people in our villages should be given an opportunity to share in the good things of life to be able to buy consumer goods, and to have some comfort. That is real welfare and social justice. It also means that a big home market is created in which the products of industry can be absorbed. At the same time, it would create purchasing power in the pockets of our people through which they can buy the things they need to enrich their lives.

Mar. 22: A 10-year old boy was
KURHANI (Muzaffarpur)

BOY KILLED IN CLASH

Mr. Anek, a student from Thailand, spoke about his country's contribution to world peace and understanding. Mr. U R Sinha proposed a vote of thanks—H S.

information was completely
gations it was found that the
military police. After investi-
gation, police constables and about six
arrived on the spot with few
Special Magistrate for
Holl.
formation, the Development
On receipt of the in-
village. Communal riots in the
strated on duty for Holl appre-
a message to the Special Ma-
trials in the village had sent
Makhia in order to harness his

Encephalitis
Efforts were being made to
move the difficulty early so
died.
me of English altogether he
tent to immediately ban the
therefore for the State Govern-
state it was not possible
nating the use of English lan-
and the High Court were con-