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"Mr. Nanda's political stunt in attempting to raid wholesale traders' stocks in Delhi in a valiant attempt to unearth hoarders has boomranged as a result of the Delhi Administration's admitted failure to find anything irregular. The mountain in motion has failed to produce even the proverbial mouse," said Mr. M.R.Masani, M.P., General Secretary of the Swatantra Party, while addressing the Commerce Graduates' Association here this evening. "This fiasco should open the eyes of the people to the attempt of the guilty men responsible for the mess in which the country finds itself today to divert the people's wrath from themselves to scapegoats like peasants and traders," said the speaker.

The root cause of the food shortage and the high prices, according to Mr. Masani, was the lopsided order of priorities in the Congress Government's planning since the Second Plan was prepared. Forgetting that in an agricultural country the only basic industry is farming, the National Planning Commission imposed on the country the Soviet pattern of putting heavy machinery, steel and other capital intensive industries first, consumer goods industries next and agriculture last. The economic collapse threatening the country was the nemesis of apeing of Communist countries like Soviet Russia and Communist China, which are now themselves importing wheat from the capitalist countries. The same policies were producing similar results in India. Food production, which was neglected in the Second and Third Plans was lagging behind population growth. At the same time, the investment of scarce national resources in low and slow yielding projects like the heavy engineering plant in Ranchi and the steel plants created inflation. The result of this basic blunder was further aggravated by deficit finance and heavy indirect taxation.

In this context Mr. Masani disclosed that deficit finance had, during the past few weeks, touched an all time high in any month since India won its Independence in 1947. According to the Reserve Bank statement for the six weeks ending July 10, 1964, Treasury Bills outstanding had risen by over Rs.149 crores. Most of this represented deficit finance.

In 1963 Mr. Chou En-lai announced at the Congress of the Chinese Communist Party that, as a result of the lessons learnt, the new order of priorities was to be agriculture, consumer goods and heavy industry in that order. Would the Congress Government in Delhi have /courage to come forward and /the similarly admit its blunder over the past eight years?

Describing some co-operative societies as satellites of States governments, Mr. Masani repeated his charge against the Maharashtra State Co-operative Marketing Society Limited and produced a voucher dated 16th June, 1964, which showed that the Society had sold Jowar at the rate of Rs.61.10 per quintal while, according to their own statement reported in the press this morning, they had obtained that grain at between Rs.41 and Rs.43 per quintal. Mr. Masani produced another voucher showing that the Bombay Workers Central Consumer Cooperative Society Limited had on 5th August sold wheat procured from Madhya Pradesh at 43 to 48 paise per kg. at the rate of Rs.1.34 per kg., thus making a profit of 200%. "If this is not profiteering", asked Mr. Masani, "I would like to know what is?"

According to Mr. Masani, immediate relief for the people could only be secured if four measures were quickly taken:

(1) Bringing adequate supplies from the buffer stocks, which are over five million tons according to the Union Food Minister, on the market through fair

price shops and the trade, which would bring down prices immediately. State Governments were among the biggest hoarders and profiteers in the country.

Other measures suggested were:

(2) Abolition of zonal barriers,

(3) Decontrol,

(4) Immediate cessation of the export of all edible articles until the situation radically improved.

M R Masani

(M.R.Masani)