



BHARATIYA  
JANA SANGH

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# PARTY DOCUMENTS

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1951-1972

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RESOLUTIONS  
ON  
ECONOMIC AFFAIRS

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VOLUME 2

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on  
Economic Affairs

BHARATIYA JANA SANGH

Vithalbhai Patel Bhavan,  
New Delhi (PIN 110001), India

**B.J.S.**  
**PARTY DOCUMENTS**

**VOL. 2** { Resolutions  
on  
Economic Affairs

First Edition : February 1972



Price { Paper Cover : Rs. 18.00  
Cloth Bound : Rs. 20.00

**Publishers :**  
**BHARATIYA JANA SANGH**  
Vithalbhai Patel Bhavan  
New Delhi (PIN 110001), India

**Printers :**  
**Navchetan Press (P) Ltd.**  
(Lessees of Arjun Press)  
Naya Bazar,  
Delhi (PIN 110006), India

## FOREWORD

ON OCTOBER 21, 1972, the Bharatiya Jana Sangh completed twenty-one years of its existence and entered what may be regarded as its age of youth. In the life of a country as ancient as India a period of two decades hardly matters much but for the Jana Sangh this period is of great importance, concerning as it does the story of the party's genesis, and of the formative years of its life.

At the time Jana Sangh was born, the country was enmeshed in problems arising out of partition. Congress hopes that the creation of a separate Pakistan would put an end to an agonising chapter of communal violence and animosity had been falsified. The Hindu-Muslim conflict had only become enlarged into an Indo-Pak confrontation. Pakistan's aggression in Jammu and Kashmir State continued. In East Pakistan (now Bangladesh), Hindus were being decimated in a systematic manner. There was widespread discontent in the public mind regarding the Government's Pak-policy which in effect was only an extension of Congress' Muslim-appeasement policy. Dr. Shyama Prasad Mookerji's resignation from Government brought into the open the fact that even the Nehru Cabinet was divided on this issue.

It was but natural that a political party formed in these circumstances should lay maximum emphasis on warning and preparing the country against the Pak danger. For any nation—and particularly so, for a nation like India just emancipated, and partitioned—no issue can be of greater moment than the preservation of its independence and integrity. But the Jana Sangh leadership was fully alive to the fact that for national security, economic and industrial strength was as imperative as military strength. It was, therefore, that in its very first manifesto adopted on October 21, 1951 the Jana

Sangh laid as much stress on making the country 'prosperous' as it did on making it 'powerful and united'. In its enunciation of the party's aim, the manifesto expressed a resolve to rebuild India as "a social and economic democracy," guaranteeing equality of opportunity and liberty of expression to all individuals.

On economic issues, the Jana Sangh's approach right from the outset has been based on pragmatic considerations and not on dogma. It rejected both complete nationalisation as well as free enterprise and favoured a middle course. It advocated nationalisation of defence industries but in respect of other industries suggested an approach which under overall state-regulation, "encouraged private enterprise to expand in the interests of consumers and producers alike." The three-pronged approach—*growth in production, equity in distribution and restraint in consumption*—commended by the Jana Sangh in 1951 is as valid today as it was then.

The Jana Sangh has all along stood for abolition of Zamindari and the principle 'land to the tiller', for measures to prevent concentration of economic power in the hands of a few individuals, for the imposition of curbs on profiteering, and for the adoption of fiscal and taxation steps to remove the vast disparities in incomes of various sections. These attitudes of its have made it clear that it has not emerged on the political arena as a defender of the *status quo*, but as a champion of change, though it would like such change to be in conformity with Bharatiya values and brought about through democratic means.

Between 1951 and 1972, the Jana Sangh has traversed through many ups and downs. It has fought five General Elections. Taking victories and defeats of electoral battle in its stride, it has carved out a permanent place for itself in Indian politics. During these 25 years of independence, the introduction of adult franchise, spread of education, expansion of means of communication, and of radio and the press have brought about a new awakening in the common mind. The common man has become more conscious about his rights. Sections

oppressed and neglected since centuries have risen for the improvement of their social and economic conditions. The common man's desire to become a co-sharer in national prosperity is extremely natural. A party dedicated to the public good has to be alive and responsive to the needs and aspirations of the people and identify itself with them. This is exactly what the Jana Sangh has done. *The focal point of all its economic policies and programmes has been the 'daridra' (the poor) in whom it has seen the manifestation of 'Narayana' (divinity). Making him happy and contented is for the Jana Sangh the highest form of worship.*

As a centrist party, the Jana Sangh has been subjected to attacks both from the extreme right as well as the extreme left. Protagonists of complete freedom in the economic sphere have assailed it being worse than communists. On the other hand in the eyes of the so-called progressives, the Jana Sangh has been a reactionary and a defender of vested interests.

There is a third category of critics which accuses the Jana Sangh of sailing with the wind and of having deviated from its original path. Jana Sangh's decision at Ghaziabad about ceiling on urban property is cited as an example of such deviation. So also is the suggestion that the ratio between maximum and minimum incomes be limited.

The question of ceiling on urban property came up before the Jana Sangh even at its initial stages when the party decided in favour of agricultural ceilings. It was strongly argued then that there ought to be similar ceiling in the urban sector also. The suggestion was not rejected in principle but it was felt that the time for undertaking such a programme had not yet come. Generally speaking, however, a party resolved to rebuild Indian society on the basis of Bharatiya *Sanskriti* and *Maryada* as a modern and progressive nation cannot accept that an individual's right to amass wealth, and spend on consumption should be absolute and untrammelled.

In this context it must be mentioned that the Jana



Sangh's rational for supporting agricultural ceilings or urban ceilings" is different from that which motivates other parties. We have never shared their illusion that imposition of agricultural ceilings is going to make available large areas of land for distribution to the landless and thus help solve the problem of rural unemployment. The experience of the last 25 years has borne this out. The Jana Sangh had its own reasons for supporting land ceilings, the most important one being that growth in agricultural production can be achieved only through intensive farming which in turn demands that the size of a land-holding be such that the farmer can bestow personal attention on it. The Jana Sangh has also been of the view that in the present circumstances mechanised farming is not suited to India.

Similarly, the Jana Sangh's advocacy of urban ceilings is prompted by a desire to ensure optimum use of urban land. In its Ghaziabad resolution, therefore, the Jana Sangh suggested that while fixing the ceiling, the price of land and the construction thereon should be assessed separately. This rational approach has been widely welcomed. In the present conditions, construction of palatial buildings adorned with spacious gardens and swimming pools, etc. is nothing but vulgar display of wealth. The Jana Sangh is of opinion that for residential houses in urban areas, no plot should be more than 1000 square yards in area.

When in its economic resolution at Ghaziabad, the Jana Sangh said that the ratio between the minimum and maximum expendable income of citizens should be 1 : 20, many people were surprised. They promptly pronounced the verdict: the Jana Sangh is turning left. Many newspapers made the same comment. Some comments were critical, while others praised the Jana Sangh for this 'new line'. In this din of jeers and cheers, both kinds of commentators seemed to forget that as long back as in 1952, party's central working committee had mooted this suggestion at its Delhi meeting and later on in 1954, the Jana Sangh's Pratinidhi Sabha at its Indore session had formally incorporated it in its

manifesto thus :

"For reducing the inequality in the incomes of the different classes, Jana Sangh will take steps towards more equitable distribution of national wealth and guarantee to all nationals the minima of decent living. In the present circumstances, incomes may be limited to a maximum of Rs. 2000 p.m. and a minimum of Rs 100 p.m. with efforts to raise the minimum so that in the foreseeable future the highest and lowest incomes may bear a ratio of 10 : 1."

Two years later, that is, in 1956, at its Delhi session, this issue was again discussed and it was clarified that in this context income meant 'expendable income'. It was further stated that if an individual by dint of honest labour or his ability earns more than the permitted maximum, the excess income would be procured for "development needs through contribution, taxation, compulsory loans and investment." All manifestos issued for various elections held since have reiterated the party's stand on limiting the disparity between maximum and minimum expendable incomes. The critics have either not read these or have read them too casually to be able to grasp their implication.

Even while adhering steadfastly to its fundamental credo and without compromising with any of its basic tenets, the Jana Sangh has lent a responsive ear to the demands of the changing times and adapted itself accordingly. As its very name signifies, the Jana Sangh is the Party of the People, an overwhelming majority of whom even after 25 years of Freedom and four Plans are victims of scarcity, ignorance and disease. This situation has to be remedied. Every individual has to be enabled to procure his minimum requirements of food, clothing, shelter, education and medicine; the necessary expansion programme of materials and services has to be undertaken; and a technology evolved to suit Indian conditions—a technology which ensures *not only mass production but also production by masses*. These are tasks which deserve priority side by side with the demands of national

security. It is precisely these objectives, priorities and strategies which are reflected in the Jana Sangh's *Swadeshi* Plan. Jana Sangh is perhaps the only party which has not merely urged a radical revision in our economic planning, but has also itself suggested the outlines of an alternative plan. Of course one may disagree with Jana Sangh's economic thinking and even criticise it, but no serious student of Indian affairs can afford to ignore it.

In fact if today the Jana Sangh has become the prime target of attacks from our rulers and their communist and communalist allies, this is essentially because these elements are increasingly becoming conscious of the fact that unlike other opposition parties the Jana Sangh is not a splinter party formed by any group of malcontents belonging to another party nor is it a lobby of any vested interests, but is a party which offers a powerful alternative to the Ruling Congress and seeks to inspire and consolidate the people on a three-plank credo of Nationalism, Democracy and Social Justice.

I am happy that documents pertaining to Jana Sangh's principles, policies and programmes are being compiled subjectwise and published. These documents will no doubt be very useful for all interested in Indian public affairs.

*Makar Sankranti,*  
January 14, 1973

—Atal Behari Vajpayee

## PREFACE

BHARATIYA JANA SANGH was born on October 21, 1951. Over the period, the Jana Sangh contested almost all the general and mid-term elections. Its representatives had occasion to project the party's point of view in various legislatures as well as outside. Its resolutions, declarations and manifestos have naturally attracted wide public attention and frequently occasioned general debate. There is therefore an increasing desire to know and understand the party's mind. Need is being felt to make the documents of the party available for researchers and students of political affairs no less than for politicians and writers, not to mention the workers of the party. The present compilation of the party documents is the result of this necessity.

In addition to 'Principles and Policies', only All India manifestos and resolutions passed by the Central Working Committee, All India General Council and Plenary Sessions have been included. Obituary resolutions have been omitted.

The first volume contains the document 'Principles and Policies' which was adopted at the XII BJS plenary session in January 1965 at Vijayawada, all manifestos and party's constitution as amended by the A.I.G.C. in May 1972 at Bhagalpur. Resolutions on economic affairs divided into 4 chapters comprise the second volume. Further volumes are planned to contain rest of the resolutions pertaining to foreign affairs, defence, education, national affairs, party organisation, etc.

Different topics have been grouped according to the Ministries of the Central Government. Many resolutions embrace more topics than one. As such they could be divided or included in any of a number of chapters of different topics. Instead of resolutions being

split up, headings to important paragraphs have been given and listed in the indices where cross-reference to different chapters may be made. Some border-line topics which could justifiably be assigned to one or the other chapter have been placed where the relative importance of each was assessed to be the highest. In translation work preference has been given to simple expression of the underlying idea than to writing word for word.

All resolutions have been numbered in a chronological order, the first digits indicating the year and the next ones the serial number of the resolution. Thus 52.19 indicates the 19th resolution passed in 1952 and 72.06 means the sixth resolution of year 1972. At the end of each resolution, have been given the date, place and name of the body which passed it, wherein C.W.C., A.I.G.C. and A.I.S. mean respectively the Central Working Committee, All India General Council and All India Session.

A gist of resolutions in each chapter has been given in the beginning.

It is hoped that this compilation will be of benefit to those for whom it is intended.

—Compiler

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CHAPTER 1  
PLANNING

Bharatiya Jana Sangh believes in a planning aiming at the development of a decentralised and self-reliant economy growing at a rate of 10 per cent per annum (Manifesto 1971). It makes a conceptual distinction between self-reliance and self-sufficiency, the former meaning dependence on our own resources and the latter being dependence on our own production. Thus the party does not preclude imports but holds that they should be paid for in normal commercial terms. For it, self-reliance is not merely a matter of ethics or idealism.

Apart from the dangers of foreign influence inherent in foreign aid (Manifesto 1957 and Reslns. 52.10 and 54.04) the party is convinced that growth-rate can be stepped up ONLY through a *Swadeshi* plan. Towards this end, it has proposed restructuring of export and import policy, revival of *Swadeshi* Spirit, curbs on conspicuous consumption, restriction on government's non-plan expenditure and curbs on foreign companies. It has been consistently urging a reordering of investment priorities in favour of minor (as against major) irrigation, small industry, a balanced network of defence industries and a massive rural works programme.

*Vikendrikaran* (decentralisation)—the underlying theme of Jana Sangh's economic thinking—is in keeping with the genius of India. So also is its concept of *Sarvangirh Vikas* in the Macro and Micro aspects of planning of rural and urban sections and of defence and civilian needs.

The objectives of planning, in Jana Sangh's view, should be :

- (1) Full Employment,
- (2) Price-stability,
- (3) Guaranteed minimum standard of living,
- (4) Reduction of disparities in income and distribution of wealth,
- (5) Balanced regional development, and
- (6) Adequate defence preparedness including nuclear weapons.

The party issued timely warnings (in 1952, 1954, 1956 & 1957) against the foreign exchange crisis of 1957, food crisis of 1966-67 and industrial recession of 1969-72 (Reslns. 65.21, 68.09 & 69.06). It pointed to the neglect of food production in Second Plan (Resln. 56.14), inadvisability of introducing American pattern into Indian agriculture (Resln. 52.23) and slow pace of land-reform (Resln. 56.14). It correctly foresaw the fate of claims regarding achievement in food self-sufficiency in Third Plan (Resln. 60.16).

In summary, the most striking features of the Jana Sangh's approach to planning are three-fold:

- (i) Complete clarity about objectives and their feasibility ;
- (ii) Deep understanding of the urgently required priorities ;
- (iii) Evolution of a well thought out development strategy based on *Swadeshi*, *Vikendrikaran* and *Sarvangirsh Vikas* keeping in view the needs of the hour and the native genius of the country.

## 52.19. SWADESHI MOVEMENT

It is a matter of regret that after the attainment of Independence the attention of the people has moved away from the *Swadeshi* Movement and use of foreign clothes, cosmetics, and other articles is on the increase. The Government has not taken any steps to check this harmful tendency. On the contrary, the import of unnecessary foreign articles is increasing without check. Hence this Session directs the All India General Council and Central Working Committee to again attract people's attention towards *Swadeshi* for the health of the economy and to give it a prominent place among constructive activities.

[Dec. 31, 1952 ; Kanpur, I A.I.S.]

## 52.23. PIT-FALLS IN THE FIRST PLAN

Regarding the First Five-Year Plan presented to Parliament by the Planning Commission, the Jana Sangh feels as follows :

(1) **Little Attention to Unemployment**—In spite of the professed ideals and principles of the Planners, not enough attention has been paid in this Plan to the elimination of unemployment and the raising of standard of life.

(2) **Increasing Foreign Dependence in Agriculture**—India is an agricultural country and its biggest problem is to increase production of foodgrains, cotton and jute, but by such means as do not require our dependence on foreign countries. The present Plan is based on the American system of agriculture, and for its means of production such imported things as tractors and petrol are inevitably necessary. As a result, even for such necessities as food and clothes the country would be influenced by American and British policies, which would not be in the interest of the country's economic independence.

Actually, for the production of basic materials we have always depended upon indigenous means and will continue to do so. In scoffing at this basic principle the Planners have made a serious mistake.

(3) **Little Supplementation of Agriculture**—Raising the standard of life of the rural population of this country would be possible only when agriculture is supplemented by cottage industries in the village. This would end the unemployment of rural labour and will also give some productive activity to the agriculturists during their inactive period. In an outlay of Rs. 2,000 crores in this Plan, it is ridiculous to earmark only Rs. 15 crores for this purpose. This figure proves that this Plan has not been made for the farmers, labourers and other poor people.

(4) **No Attention to Defence**—This Plan also does not give attention to the development of Defence and other capital industries.

(5) **Government Control**—One of the basic approaches of this Plan is that the Government should control all aspects of the country's economic life. Giving control into the hands of an administration that is corrupt, dishonest and incompetent, from top to bottom, would prove detrimental to the interest of the people, and without the co-operation of the people no such plan can succeed even to the least extent. In the prevailing conditions less the control there is, the more beneficial it would be for both the people and the Government.

(6) **Literacy Drive Forgotten**—Spread of literacy, without which democracy and adult franchise have no meaning, have been forgotten in this Plan.

(7) **Ayurvedic and Indigenous Systems Ignored**—Similarly, public health has also been ignored. Particularly, the task of scientific development of indigenous medicines and Ayurveda has been completely forgotten.

(8) **Little to Arouse Public Co-operation**—The organisation of Bharat Sewak Samaj is also working as a department of the Congress for the purpose of reviving the contact with the people that the Congress has lost. It has not been made an impartial national organisation. As a result, adequate public co-operation in its work would not be forthcoming.

[Dec. 31, 1952; Kanpur, I A.I.S.]

#### 54.04. SWADESHI PROGRAMME

This session of the Bharatiya Jana Sangh expresses concern at the increasing use of foreign goods in the country since the dawn of Independence, instead of there being strengthening of the love for *Swadeshi*. The *Swadeshi* movement began in the days of our struggle for independence. But as the basic urge behind it was anti-British and not a positive sentiment, the *Swadeshi* feeling did not remain a permanent feature of our national life and in consequence today there is evidence of a general attitude of indifference among the people towards *Swadeshi* articles.

**Love for Indigenous Goods**—The economic and commercial policies of the present Government are to blame for this deplorable state of affairs. The markets of our country, flooded as they are with foreign manufactured goods, indicate not only a condition of our economic dependence, but are a self-evident proof of the failure of the Government's economic policy. The Bharatiya Jana Sangh believes that our freedom is incomplete without economic independence, and that the love for our country's own goods is the first step towards the economic reconstruction and self-sufficiency.

The Bharatiya Jana Sangh, therefore, demands that :

- (1) (a) The Government of India should change its export and import policy and base it on the main consideration of the development of *Swadeshi*.
  - (b) Government should set up a body composed of representatives of the Government, the industry and the consumers to enquire into the quality of consumer goods produced in the country and restrict the import of such consumer goods, the production of which in the country is up to the standard.
  - (c) The Central and the State Governments, as a rule, should make the use of *Swadeshi* goods for their needs to the maximum extent.
- (2) The manufacturers and businessmen of the country should set such standards in their production as to compare favourably with foreign goods.

- (3) The people of the country should make use of only *Swadeshi* goods in their daily lives.

[Jan. 25, 1954; Bombay, II A.I.S.]

#### 56.14. SECOND PLAN : OVER-CENTRALISED AND TOTALITARIAN

The Working Committee has given its close consideration to the Second Five-Year Plan. It regrets to find that, as in the case of the First Plan, the co-operation of different political parties has not been sought either in the formulation or in the execution of the Plan. Apart from this partisan character of the Plan, it is open to serious criticism on the following counts :

(1) **Arbitrary Targets**—Like the first plan, targets in the Second Plan seem to have been fixed arbitrarily without taking into consideration the available resources. As a result the Plan appears to be more academic than realistic.

(2) **Inflatory and Foreign Dependent**—The resources position as given in the Plan is hardly satisfactory. Added to this, it is proposed to levy fresh taxation to the tune of Rs. 450 crores, have deficit finance to the extent of Rs. 1200 crores and foreign aid to the order of Rs. 800 crores. Over and above this there is an uncovered gap of Rs. 400 crores. The whole estimate is wide-off the mark. Increased taxation of an already hard pressed citizenry can only encounter public resistance as is already the case in U.P. Deficit financing of the order of Rs. 1200 crores, accompanied by more emphasis on heavy industry than on consumer goods, can only leave too much money chasing too few goods, resulting in a spiralling of prices and causing, among other things, higher cost of public works and so upset the whole Plan programme. Nor is dependence on foreign aid any the more dependable. In the context of our present day foreign policy no appreciable foreign-aid can be expected. The whole structure of our resources-estimates shows the fragile foundations of the Second Plan.

(3) **Too Much of Public Sector**—The proposed expansion of the public sector and the comparative emphasis put on it in the Second Five Year-Plan is ill-suited to our democratic Consti-

tution and capacity of our administrative services.

(4) **No Clear Demarcation of Spheres**—There has been made no clear and exhaustive demarcation of spheres between the small and big industries. The stress laid on cottage and small-scale industries is welcome. But nothing has been done to make them the basis of the industrial policies of the country, nor has any plan been made to make them stand on their own feet.

(5) **No Guarantee for Work for All**—There is no definite plan for the elimination of unemployment nor any guarantee has been provided to give work to all the able-bodied citizens of the country.

(6) **Slow Pace of Land-Reforms**—The plan for land-reforms is welcome in principle, but their pace has been pretty slow during the First Five-Year Plan. Nor has any attention been paid to the problem of rehabilitation of those affected by land-reforms. Land-reforms are intimately connected with the entire structure of our rural life. It is, therefore, necessary that their all-round effects are kept in mind while giving them a practical shape.

(7) **Agricultural Production Ignored**—Little attention has been paid to increase the food production. The sudden announcement made a few days back about raising of the target about agricultural produce from 18 per cent as originally envisaged in the draft Second Plan to 40 per cent (to meet the criticism of the Plan) without adding a rupee to the grant for Food and Agriculture Ministry to achieve this extra 22 per cent increase, gives an idea of the arbitrary way in which the Plan has been prepared.

(8) **Inadequate Provision for Transport**—Transport, which must bear the burden of increased industrial production, has been very inadequately provided for.

(9) **Totalitarian Trend**—Our greatest objection to the Plan, however, is its totalitarian trend. The nationalisation of Life Insurance and distribution and sale of cement, and the Commerce Minister's threat of increasing activity of the State Trading Corporation are added proofs of official intent to increasingly monopolise all important economic activity. Indeed the Government is out to take Sadhus and social workers no less than cement and steel under its partisan wings.



This trend is of the utmost danger to the healthy development of our country along democratic lines.

(10) **Self-Generating Cottage Industry**—Bharatiya Jana Sangh is of the definite view that any plan for India must avoid the dangers of over centralisation and totalitarianism which are inherent in the present Plan. Jana Sangh stands for democracy and de-centralisation of power, so as to make the maximum number of people a partner in economic and political development of the country. To that end it aims at making the cottage industries the basis of the industrial policy of the country. It stands for an integrated industrial plan in which the cottage industry is not left on the mercy of the doles from the Government for all times but is able to stand on its own legs without fear of destructive competition from the big industry.

(11) **Full Employment**—Such an approach alone can check the growing unemployment in the country. Jana Sangh considers the provision of employment to all able-bodied persons in the country as the acid test for any economic plan. Without providing employment the plan cannot achieve its objective of increased standard of living.

(12) **Price Stabilisation**—Rather, there is the danger of the standard of living further falling because of the rising prices. Unless effective steps are taken to arrest the rise in prices of the essential consumer goods, and reduce the burden of taxation on the already hard-pressed people, all hopes of improved standard of living after the Plan period might prove mirage.

(13) **Moral and Cultural Planning of the Man**—Above all the essential factor in success of any plan is the quality of the man who is to work it. But this most important aspect of planning for the moral and cultural well-being of the man is conspicuous by its absence in the Second Plan as in the First Plan.

[July 21, 1956; Delhi, C.W.C.]

## 56.26. FAULTY SECOND PLAN

The Bharatiya Jana Sangh expresses deep concern at the worsening economic picture of the country and feels that the

handling of chief problems on that front has been far from satisfactory.

**Greater Unemployment**—One example of this is the failure of the Government in tackling the problem of unemployment which has too serious potentialities to permit any complacency under hopes of everything turning out well in the long run. What is more, as things stand no such hopes even, can be held out. The Planning Commission's assessment of the figure of unemployment at the beginning of Second Plan as 10 millions appears to be much of an under estimation. Even if it is accepted, the annual increment of 2 millions will result in a total unemployment of 20 millions five years hence. The Second Plan on the other hand, even if it is able to achieve all its ambitiously set targets, will provide employment only to 8 million new persons. This drives us to the conclusion that we shall have greater unemployment at the end of Second Plan than at its beginning. This is hardly a tackling of the problem.

**Inflation**—Nor only that, the danger of inflation implicit in the Plan against which the Government has already been warned and for which assurances have been forthcoming in return seems to be already raising its head. The prices of basic necessities have started rising again when as a matter of fact there was urgent need to lower them to give relief to the already hard-hit poor and middle classes. Steps to check the threatening rise in prices are called for.

A spate of new taxation is coming in the name of collection of resources for the Plan. The need for new resources is unquestioned but the way funds are squandered by those in power in various ways are hardly competent with such contentions. And not only that, taxes need be planned with great consideration for those who are already pressed beyond their means.

**Nationalisation only when Must**—The Jana Sangh believes that nationalisation is not the magic WAND for curing ills the economy is suffering from. Much remains to be desired by way of increase of efficiency, more expeditious working, removal of corruption and encouragement of real honest work, before any nationalisation can inspire confidence or hope among the people. It is an unfortunate fact today that with nationalisation, efficiency has suffered and corruption has increased. That

is the experience with insurance. Nationalisation of Banking after that seems to be coming in sight. It is high time now that the public sector deserves expansion only when inevitable and unavoidable, not before that.

[Dec. 30, 1956; Delhi, V A.I.S.]

### 57.15. CHANGE SECOND PLAN

India faces a very difficult situation today. Though First Five-Year Plan has been completed and an year of the Second Plan has also passed, yet even the primary needs of the common man regarding food, housing, education and medical aid, instead of being met, are daily becoming dearer and scarcer. There has been a steep rise in the price-index of goods of daily use during the past few months. The price-index of the food-grains which stood at 313.2 in 1955-56 and 388.5 in 1956-57 shot up to 438.1 in June 1957.

**Critical Foreign Exchange Position**—At the same time a crisis has arisen in the foreign exchange position. There has been adverse balance in our export-import trade during the last few years. Foreign aid has fallen far short of expectations. There has been wasteful expenditure of foreign exchange by our foreign missions and other delegations roaming abroad. As a result, our sterling reserve is getting depleted fast. Today it stands below the minimum reserve needed to back our currency. This situation is bound to affect the position of Indian rupee. Dearth of steel, cement, machinery and trained personnel even for the development projects that have already been taken in hand is being acutely felt.

Transport facilities are also inadequate. Simultaneous and heavy imports from outside have created an unprecedented unloading and warehousing problem on our sea-ports.

There has been such needless increase in the expenditure on civil administration that in spite of the ever-increasing taxation, most of the states are having deficit budgets.

As a result the country has come into the grip of economic unrest and instability. Instead of making basic changes in its economic and planning policies to meet this situation the Government are taking recourse to temporary and make-shift

remedies which are neither well thought out nor properly co-ordinated.

**Dangerous Deficit Financing**—While the people are groaning under the burden of heaving taxation, deficit financing is making inroads on the purchasing power of the rupee. As a result the real wages of labour and government employees have decreased and their living standards are falling. Demand for higher wages and allowances by them is the natural corollary of this situation. Unsympathetic attitude towards this demand may create industrial unrest all over the country and set at naught all development schemes.

**Fundamental Postulates should be Reviewed**—This situation is not the result of any natural or unexpected calamities. Rather it is the direct result of these unpractical and unimaginative policies which form the basis of the Second Plan. Bharatiya Jana Sangh voiced its opposition to such policies long ago and warned the Government about their dangerous results. We once again reiterate our demand that the Government should review the fundamental postulates of the Second Plan and adjust it to our available resources so that we may not have to depend on foreign aid for its completion. To that end it is imperative that :

- (i) The Plan should be spread over a longer period.
- (ii) Such projects as can be left to the private enterprises such as those concerning production of cottage-goods, silk, sugar and soap which have been put in the public sector in the Second Plan but which have not been taken in hand so far, be dropped.
- (iii) Top priority be given to the production of foodgrains and other necessities of life. Our approach to this question shall be practical and not merely theoretical and bookish.
- (iv) Small and cottage industries with requisite capital, mechanical skill and labour should be made the basis of our industrial policy.

Besides making these fundamental changes in the Plan, Jana Sangh feels that following immediate steps should be taken to meet the present economic crisis :

- (1) Prices of daily necessities of life must be brought down by :

- (a) Procuring all the food-stocks lying with the hoarders on the prices prevailing at the time of last harvest. Essential Goods Act should be amended for the purpose, if necessary.
- (b) Exempting foodgrains and coarse cloth from sales tax.
- (2) A permanent National Wage Board be appointed which may review from time to time the wages of industrial and agricultural labour as also of the government employees in the light of the change in price-level.
- (3) Retrenchment being done in the name of nationalisation be stopped.

While it is necessary to mobilise the organised public opinion to put pressure on the Government to make above mentioned changes in its economic policy, it is also imperative that an atmosphere of popular co-operation for the success of development plans and stabilisation of financial position be created in the country. Such co-operation cannot be effective in the absence of purity in the administration. To that end Bharatiya Jana Sangh places the following programme before the country :

- (1) Strict measures to cut down the cost of administration and real cuts in other expenditures as well.
- (2) Effective steps to check evasion of taxes and corruption.
- (3) United opposition to unbearable taxes on the common man and demand for increase in the wages of people belonging to low income-groups.
- (4) Formation of anti-corruption committees.
- (5) Propagation of *Swadeshi*.
- (6) While encouraging 'simple living and high thinking', extension of co-operation to the small Savings Schemes.

[August 16, 1957; Bilaspur, A.I.G.C.]

#### 58.24. REFORMULATE THIRD PLAN

**Second Plan Failure**—It can now be definitely said that the Second Plan is not likely to achieve its objectives. It created

serious stresses and strains in the country's economy as early as the second year of its commencement. Serious bottlenecks, heavy taxation, mounting budgetary deficits, rising prices, falling production and employment, adverse balance of payments, reducing foreign reserves, even below the statutory minimum, excessive borrowings at home and abroad have characterised the country's economy during the course of the Second Plan. There have been persistent demands that the Plan should be remodelled and rephased and its period extended. It is unfortunate that the Government took no steps in this direction. Some trimmings here and there, rather than reshaping of the whole thing, keeping in view the needs and capacities of the community, have not been worthwhile.

Now when steps for the formulation of the Third Five-Year Plan are already being taken, it would be desirable that our whole outlook towards planning be re-examined. Jana Sangh has all along emphasised that the plan should not be conceived on a partisan basis. It is therefore necessary that co-operation of the major political parties and other economic interests be taken not only in the execution of the Plan but also in its formulation. We painfully note that, so far, the two plans have been put forward more as Congress election manifestos rather than as national plans. With regard to the Third Plan, there is still greater association of the Congress. The appointment of Shri Shriman Narayan, the former General Secretary of the All India Congress Committee, and Shri T. N. Singh, on the Planning Commission, and the participation by members of the Planning Commission, including its Deputy Chairman, in the meetings of the Congress Working Committee when it deliberated upon the objectives and outlines for the Third Plan, amply indicate that planning is increasingly becoming a party show.

**Socialistic Economy not Compatible with Democratic Ideals**—Bharatiya Jana Sangh has always felt that economic planning should always be viewed in the background of the country's social, cultural and political objectives. As such a Socialistic Economy which invariably leads to greater concentration of power in the State, is not compatible with democratic ideals. The aim of Planning should mainly be to create conditions wherein more and more people have the initiative and

facilities for engaging themselves in gainful economic activities which, however, should not lead to the concentration of power in a few hands.

It is not possible to meet the needs of a rising population and raise their living standard without increased production. It needs more of investible savings which should not all be mopped up by the Government nor invested in projects with a longer fruition lag. Care should also be taken that the production pattern should always conform to the existing available resources. De-capitalisation or disemployment should not be the consequences of new capital formation.

With this background, the Third Five-Year Plan, if it is to serve the ends of a National plan, should be formulated on the following basis :

- (1) It should aim at providing full employment.
- (2) Increased agricultural production should be given top-priority.
- (3) Fair returns to the agriculturist and labour be assured, not only to create an initiative for increased production but also to sustain a growing market for the existing and developing Industrial Sector. Price stability will have to be maintained.
- (4) Stress should be laid upon small-scale industries, especially those that are mechanised.
- (5) Principles apart, practical considerations demand that the public sector should pay greater attention to consolidation rather than expansion of its activities.
- (6) Emphasis should be shifted from big projects to small schemes. It should, however, be borne in mind that the new schemes should be interlinked with those likely to be completed during the Second Plan.
- (7) Greater attention should be paid towards education and towards training of personnel required for a growing economy.

[Dec. 28, 1958; Bangalore, VII A.I.S.]

#### 60.16. DRAFT OUTLINE OF THIRD PLAN

**Pragmatism Lacking**—The All India General Council has

considered the draft outline of the Third Five-Year Plan. As details of the sectoral and provincial programmes are yet to be worked out, the draft has made only general and vague statements in most respects. Even with regard to the plan outlay and allocations it cannot be said that they will not be further augmented under pressure from different groups and interests. However, the objectives, priorities and strategy suggested for the Third Plan betray a lack of realisation of the gravity of economic and political situation of the country. Like the preceding ones the Third Plan is also conceived more with a doctrinaire rather than a pragmatic approach.

**Reintroduction of Controls**—The objectives of the Third Plan ignore the immediate needs and problems of the people. To talk of a self-generating economy and an emphasis on basic and heavy industries, when people are in the grip of rising prices, unemployment and inflation is self-deceptive. The plan should aim at eradicating unemployment and improving the living standard of the people by stabilising prices and creating conditions for full employment. The Prime Minister has hinted at reintroducing controls to keep down prices. Controls to be effective, need highly efficient and honest administration, without which they only lead to black market and no real benefit to the consumer. Where integrity even at the highest levels is being questioned, controls would not serve any economic purpose. Instead, there would be further curtailment of the democratic rights of the people by vesting the executive with greater powers.

**Inadequate Programme for Agriculture**—Bharatiya Jana Sangh had been demanding a change in the priorities of the Plan. Though we recognize that an integrated and balanced development requires some amount of effort in all directions yet we feel that in the present circumstances greater stress should be laid on the speedy development of agriculture and small-scale wage-good industries. The draft proposes to achieve self-sufficiency in foodgrains at the end of the Third Plan period. But this hope is not likely to be realised as the programmes of agricultural development are inadequate and the policies proposed will only increase the state of uncertainty with regard to rights of the peasants. Small-scale industries have been given even less share than what they got in the



**Second Plan.**

**Socialism or Social Justice**—The First and the Second Plans both have shown that the private sector consisting of both big and small entrepreneurs can contribute much towards the economic development of the country. There is no reason why scope should not be given to utilise their capacities. If the Government gives up its obsession with "SOCIALISM" it is possible to have a plan of bigger dimensions than proposed and also to solve the economic problems of the country. Ends of social justice can be achieved through fiscal and other regulatory policies.

**Foreign Loans**—The estimates of the resources for the Third Plan being on the higher side are not likely to prove correct. Heavy reliance on foreign loans is neither politically wise nor economically sound. Besides mortgaging our future, it will mean transplanting foreign patterns of production in India. These patterns are not suited to the economic requirements of our country and they will further aggravate the problems of scarcities for a long time to come.

**Indifference towards Defence**—The Planning Commission has not taken into account the growing threat of aggression and the consequent need of raising our defence potential. Neither in its estimate of resources nor in its outlays has it thought of increased defence expenditure or of establishing defence industries.

Even conceding that the Third Plan to a large extent is conditioned by the programmes undertaken during the Second Plan period, Jana Sangh feels that there is need of a fundamental change in the objectives, priorities and technique of the plan if the economic imbalance created by the misguided policies and ill-conceived programmes is to be rectified and the developmental process generated. The Government should give up its megalomaniac attitude and doctrinaire approach and plan in a modest way for the real well being of the people.

Bharatiya Jana Sangh has felt that economic planning should always be viewed in the background of the country's social, cultural and political objectives. As such a socialistic economy which invariably leads to greater concentration of power in the hands of the State is not compatible with the democratic ideals. The aim of planning should mainly be to

create conditions wherein more and more people have the initiative and facilities for engaging themselves in gainful economic activities.

The Jana Sangh demands that the Third Plan should be formulated on the following basis :

- (1) It should aim at providing full employment.
- (2) To achieve self-sufficiency in food and for increased agricultural production attempts should be made to meet the requirements of the agriculturists. While steps should be taken to create economic holdings, doctrinaire programmes like co-operative farming be given up.
- (3) Fair returns to the agriculturist and labour be assured not only to create an initiative for increased production but also to sustain a developing industrial sector.
- (4) Price stability should be maintained. Rising prices or wide fluctuations not only create difficulties for the fixed income groups and the common people but also encourage speculative activity to the detriment of real investment. Increased production of wage goods and a change in the fiscal and monetary policies of the Government can alone check the price spiral.
- (5) Medium-sized and small-scale industries, particularly those that are mechanised, should form the basis of our industrial structure, and there should be a clear demarcation between the spheres of the small-scale and the heavy industries.
- (6) Principles apart, practical considerations demand that the public sector should pay greater attention to the consolidation rather than expansion of its activities.
- (7) Greater attention should be paid towards education and health and towards training of personnel required for the growing economy.

[Aug. 28, 1960 : Hyderabad, A.I.G.C.]

**61.05. RELATE THIRD PLAN TO REALITIES**

In the last year of the Second Plan, it can be clearly seen that the Plan has failed to achieve its predetermined targets and objectives. So far as the people are concerned, they bore unbearable taxation and pinched their stomach because of the



rising prices in order to enable the government to mop up the necessary resources. Even then there will be a 15 per cent short-fall in the Target National Income of the Plan, 25 per cent short-fall in per capita income and 10 per cent in appropriation.

In respect of food and other agricultural production we are far behind. From the employment point of view, instead of giving employment to 80 lakh people we shall be able to give such opportunities to at the most 65 lakhs. The consumer price index has risen from 96 to 122. Foreign indebtedness is increasing and foreign reserves have fallen to Rs 160 crores. The gains made in the industrial and other fields after heavy expenditure and labour are extremely expensive as compared to what was expected.

It is a matter of regret that while drafting the Third Five-Year Plan the Commission has not learnt anything from its past experience. It is true that there has been some change in agricultural priorities, but its programme is such that in practice this shift in priorities will have no effect.

**Unwieldy**—In spite of the short-falls in the targets of the Second Plan the Planning Commission has not only projected the promises of the Second Plan while drafting the Third Plan in respect of its size and outlay, but has also increased them. Hence we now have an unwieldy plan of Rs. 11,350 crores.

**Unrelated to Resources**—Even accepting that in view of the necessities of the country we should take big steps, we cannot close our eyes to reality. As in the case of the Second Plan, big estimates have been made about resources. If, having once taken in hand a certain programme, the government is not able to mobilise resources from other sources it takes recourse to inflation. This leads to rising prices and increasing Plan estimates. It would be better if we plan with our resources in view.

**Huge Foreign Aid**—A request for foreign aid to the tune of Rs. 3,200 crores for the Third Plan is not without danger. It is necessary for us to reconsider our policy regarding foreign loans and foreign capital and to think of them not only on the basis of availability but on that of utility. If we are not able to match foreign capital with internal resources we would suffer heavy losses. The estimate of new taxes of Rs 1,950 crores also does not seem to be right.

**Control-Oriented**—Even now the Plan lays emphasis on capital and machine making industries. Unless there is a change in industrial policy it would not be possible to solve the problems of rising prices and unemployment. The Commission is still indefinite on these two problems. Stabilisation of prices is necessary for well planned development. The thinking of the administration has been limited to physical controls. This would not solve the comprehensive and basic problems of the economy. Scarcity in any field and a plan of controls to check this scarcity are having the dangerous effect of a moral crisis in the society. We do not have a capable and honest administration that is required for successful controls. On the other hand inefficiency and corruption in the administration are increasing in direct proportion to the increasing controls. Instead of making controls the basis of successful planning it is necessary to chalk out a Plan for a situation in which there are no controls.

**Collective Farming**—Like the Second Plan the Third Plan is more ideological, than practical. In the name of socialism stress has been laid on the spread of programmes like collective farming and co-operative farming. If we have to conceive a National Plan we should give opportunity for development and expansion to all fields of the country according to capacity and worth. In the opinion of Jana Sangh private farming can make a greater contribution to the fulfilment of the Plan. It would also be more beneficial if instead of extending collective farming we try to consolidate it.

**Border Areas Ignored**—The most surprising thing is that while preparing the Plan the Commission has given no thought at all to the danger to the security of the country. In the present circumstances, we not only have to rapidly expand defence industry but have to give a special thought to the development of border areas.

**Relate the Plan to Indian Values of Life**—In the opinion of Jana Sangh there should be radical thinking about the conception, technique and size of the Third Plan. Even considering the programmes taken in hand during the period of the Second Plan, it would not be right to prepare the Third Plan on the basis of the policies of the Second Plan which have proved faulty.

As planning is not a part of life in India, it does not create a sense of enthusiasm and voluntary co-operation in the popular mind. As a result the administration is implementing plans like compulsory labour for rural development programmes. It is necessary to relate the Plan to Indian values of life so that people may feel enthused for it.

[Jan. 1, 1961; Lucknow, IX A.I.S.]

#### 61.17. OBJECTIVES AND FORMULATION OF THIRD PLAN

The All India General Council, having considered the Third Five-Year Plan, notes with regret that the Planning Commission has not been able to present an integrated Plan suited to Indian conditions and capable of generating an accelerating process of the development of the country's economy. Far from solving the economic problems created and accentuated during the course of the implementation of the Second Plan, the Third Plan will only add to their gravity by throwing additional burdens and hindering the natural tendency of economic forces to restore equilibrium.

In spite of a financial outlay of Rs 4,600 crores under the Second Plan, physical targets in many sectors of our economy have not been achieved. The overall achievement in physical terms cannot be placed at more than 60 per cent of the Plan targets. If this deficiency is to be made up and the rate of economic development is to exceed our rate of population growth, we need a big effort. But any big plan following the technique and strategy adopted by the Commission in preparing the Second and Third Plans and in presenting a view of perspective planning, is not possible in India. Such a plan does not take into account our needs and capacities as also the fruition lag that may be allowed in the present Indian conditions. The bigness of the Plan is to be judged not by financial outlays but by its capacity to add to the overall productivity of the people and to a substantial increase in their purchasing power. It should lead to a greater utilisation of the country's natural resources and less of dependence on foreign sources. The Jana Sangh has been of the view that neither the present

plans poorly imitating the Russian model, nor any plan based on the capitalist pattern as developed in The West can generate a self-developing economy in India. Moreover, political conditions that favoured the growth of these economies do not exist in Bharat. It is, therefore, necessary to have a Plan basically Bharatiya.

The objectives of the plan should be :

- (i) maximum production,
- (ii) equitable distribution,
- (iii) guarantee of a minimum living standard to all,
- (iv) maximisation of employment opportunities, and
- (v) balanced and co-ordinated development of all regions and all sections of the society.

**Suggested Plan Objectives**—The Third Plan, while creating conditions leading to the realisation of these objectives, should also seek to correct the imbalance created during the Two Plan periods. It should, therefore, be formulated on the following basis :

- (1) Stabilisation of prices and eradication of unemployment should be the immediate objectives of the Plan.
- (2) To achieve these objectives the priorities of the Plan should be changed. Agriculture and small-scale mechanised industries should be given the pride of place in the Plan. As agricultural production in India is possible only through intensive farming methods, latifundia in any form, cooperative, collective, corporate or individual, should not be encouraged. Institutional arrangements for providing the needs of the peasant should be speeded up.
- (3) Small-scale mechanised units should be made the basis of all industrialisation. Machines especially suited to these industries should be manufactured or imported. Credit, marketing, and training facilities should be made available to them.
- (4) In an integrated and balanced programme of developing basic, producer and consumer goods industries, the emphasis should be shifted to the latter.
- (5) The stress in the public sector in the Third Plan period should be on the development of power and transportation to remove the existing shortages. In other fields attention should be given towards consolidation rather than expansion.

The doctrinaire distinction between the public and private sectors should be abolished. Instead the concept of a national sector should be put forward and every individual, and authority, be expected to contribute their best towards the establishment, ownership, and management of industry.

(6) A big public works programme especially in the rural areas be taken up.

(7) As part of the general Plan a *Defence Plan* should be separately prepared.

[Nov. 12, 1961; Varanasi, A.I.G.C.]

### 62.20. THIRD PLAN—MAKE IT DEFENCE ORIENTED

The economic policies and Plans of India have been formulated primarily with the objective of peace-time development. Now, when we are faced with aggression, and pledged to end it, it has become imperative that our policies be revised accordingly. We have not only to find resources for meeting military requirements of the war but have also to be careful that the economy does not break under any stresses. Bharatiya Jana Sangh in the present circumstances makes the following suggestions :

(1) The Third Five-Year Plan should be revised. All schemes not directly related to the production of defence goods, and necessities of life or to important aspects of life, such as education and health, be scrapped.

(2) Top priority should be given to the establishment of defence industries. Measures should be taken so that other industrial concerns can be switched over to defence production.

(3) Production of necessities of life be stepped up. Cheap goods of standard quality be produced on a large scale.

(4) Steps should be taken to stabilise prices.

(5) Inflation be avoided at all costs.

(6) Tripartite agreements be strictly adhered to maintain industrial peace.

(7) Before tapping other sources for raising revenues, the government should effect economies in administration. Reduction in the number of ministers, retrenchment of superfluous staff, cut in the salaries and allowances of high-paid

officers, etc. are overdue. Ostentatious expenditure should not be allowed. Emoluments in excess of Rs. 1000 per month be paid in defence bonds.

(8) Administrative pressure should not be exercised in the collection of National Defence Fund.

(9) Effective steps be taken for checking tax evasions and realisation of tax dues.

(10) While levying new taxes care should be taken that they do not create unbearable tensions in the economy, and do not adversely affect production of essential commodities or raise prices.

(11) To relieve burden on the transport system, as also from a defence point of view, measures for decentralisation of industries be taken.

(12) Facilities given to subscribers of gold should be extended to those who desire to bring their foreign assets into India.

(13) Part of privy purses be paid in Defence Bonds.

[Dec. 30, 1962; Bhopal, X A.I.S.]

### 65.21. REVISE THE WHOLE CONCEPT OF PLANNING

At Vijayawada, Bharatiya Jana Sangh had decided to launch the "Change the Plan" campaign. This programme was to educate the people with regard to the faulty character of the present plans and to put forward constructive suggestions. Jana Sangh is glad to note that the necessary climate has been created where the thinkers and even the country feel that the basic defects of the plan be remedied and that the Fourth Plan should be formulated altogether on a different basis. The Prime Minister and the Union Finance Minister too have expressed their views in this regard. It is regrettable that the Planning Commission is still obsessed with its own ideas and is not prepared to alter the size, form and the strategy of the Plan. Evidently a vested interest in the Plans has developed and the Planning Commission is incapable of any reappraisal on a realistic basis. Jana Sangh reiterates its earlier demand that an independent Commission be appointed to assess the achievements and short-falls of the Plans and to enquire into the causes.

At the recent meeting of the Planning Commission the size of the Fourth Plan has been fixed at Rs. 21,500 crores. The estimates of resources given by the Finance Minister fall far short of this figure. In spite of the fact that these are over-estimated, there remains a wide gap which is sought to be filled by additional taxation. Thus it is proposed that additional taxes to yield Rs. 3,700 crores over the Fourth Plan period be imposed. The nation is already over taxed. The taxation policy has discouraged enterprise and added to the price spiral. This time new taxes are mainly to be levied on the agricultural sector. It goes against the proposal to give priority to agriculture. Agriculture cannot be developed without the necessary investment. The slogans of cooperative farming, inadequate and faulty implementation of the land reforms which have many loop-holes, imposition of levy and the price policy, have already discouraged investment in agriculture. Additional taxation will virtually cripple agriculture. Estimates of foreign aid are also unrealistic. By formulating a Plan bigger and unrelated to resources, all effort is directed towards raising resources. To achieve these revenue targets at times, measures that adversely affect the programmes and priorities of the Plan, are adopted.

It is necessary that the whole concept of planning be revised. Jana Sangh makes the following suggestions:

(1) Planning is a continuous process. It should not be divided into artificial and arbitrary periods. There should be perspective planning. Basic objectives and targets be fixed for considerable long period. The ideas of a 'Pause' or 'Plan Holiday' are also not correct. There should be consolidation in fields that require it, but the whole economy and development process cannot be halted.

(2) Plans should not be conceived mainly in financial terms. With rising prices and falling value of the currency, financial targets have no relevance with physical achievements. The whole programme be formulated in physical terms.

(3) There should be an integrated plan of defence and development. In fact, the plan should not only increase the defence potential of the country, but it should be such that can be implemented even in war times.

(4) There should be no doctrinaire approach in planning. It should be pragmatic. The private and the public sectors

should not be considered competitive but complementary. They should be considered limbs of a National sector and allowed to contribute according to their capacities to its growth and development.

(5) The basis of plans should be a positive concept of *Swadeshi*. The evil consequences of making the plans too much dependent on foreign capital and imports are now obvious.

(6) The basic objectives of the plan should be :

(i) Full employment.

(ii) Guarantee of a minimum standard of living to the people.

(iii) Balanced development of all regions and classes.

(iv) Fulfilment of the defence needs of the nation.

(7) Subject to the above basic consideration the Government should pay particular attention to the following for some years to come:

(i) Priority should be given to the production of food, arrangement for drinking water and other basic consumer goods.

(ii) No expansion be permitted in industries which have an unutilised capacity.

(iii) The public sector should pay attention to consolidation of programmes of expansion in steel, mineral oils, power, and defence industries.

(iv) There should be drastic economy in administrative expenditure. Deficit financing should be stopped.

(v) Small and quick yielding Schemes be adopted.

(vi) The idea of nationalisation and monopoly in the production of consumer goods industries be abandoned.

(vii) Special plans be prepared for the backward and poorer regions.

(viii) Separate Plan should be drawn for border areas.

(ix) Housing should be given high priority.

[August 17, 1965; Delhi, A.I.G.C.]

#### 68.09. APPROACH TO FOURTH PLAN

The Working Committee, having considered the Approach



to the Fourth Five-Year Plan, notes some indication of reformed thinking on the part of the Planning Commission on the subject of the pattern of the country's economic development. But the improvement is half-hearted, vacillating and reflects an incapacity to break from the basic notions hitherto followed which have made a virtual mess of our economy.

The Jana Sangh has repeatedly emphasised the need to plan in a realistic manner by fixing targets which should not only be realisable on the strength of means available to us but at the same time be tangible in the form of better living conditions for the common man. Our ambitious targets in the past resulted in the twin evils of widespread disappointment and excessive dependence on the goodwill of other countries, leading to the Fourth Five-Year Plan being virtually shelved for three years. Too much emphasis on heavy and capital-goods industries to the virtual neglect of agriculture and consumer-goods industries on the other hand led to sky rocketing prices and the whole process of planning falling into doldrums. That the reconstituted Planning Commission does not appear to have learnt the needed lesson fully, is clear from the fact that while the rate of growth was less than 2.5% (as against the planned rate of 5% in the Third Plan), in spite of the fact that the financial outlay (Rs. 8630 cr.) was Rs. 1130 crores (i.e. higher than the originally provided) the growth-rate is aimed at 5-6% per annum, exactly the same which was thought feasible in the much debated but stillborn Draft Outline of the Fourth Five-Year Plan. The said Draft had tried to minimise the failure of the Third Plan by measuring its performance year by year and keeping the last year 1965-66 "out of reckoning" because of drought and external aggression. While it might be somewhat justifiable to hope that nature would not be as unkind as it was that year, laying equal store by the good intentions of our two neighbouring countries—when all indications are to the contrary is, to say the least, wishful thinking.

While the resolve to reduce dependence on foreign aid sounds good, in real terms half (net of interest and loan repayments) of what it presently is and that too by the last year of the Plan does not amount to any heroic decision, particularly when it is remembered that external debt servicing charges will average more than Rs. 460 crores a year (according to the Draft

outline). Unless there is a miracle in our export performance (like an average of Rs. 1607 crore as estimated in the Draft Outline) the present tone and tenor of the lending countries would lead one to think that it is sheer compulsion of circumstances which had landed the Planning Commission on this welcome conclusion.

**Self-Reliance—as the Approach**—Jana Sangh, however, believes that instead of "reduction of dependence," the positive approach of basing our planning mainly on our own resources needs to be made fundamental feature of our development effort. Manpower, the most bountiful of our resources, should be put to maximum use which incidentally would be the positive form of solving unemployment and we should evolve an indigenous technology of our own, conditioned by the factor which India has. One looks but looks in vain for any such sign in the new 'Approach' except the passing reference that "there is scope in India for the adoption of an intermediate type of technology" whatever that may mean. This, the Committee maintains, is the essence of self-reliance.

The small document is not very explicit on the question of resources but the possibilities mentioned include loans, small savings, better performance of and price adjustments in public sector enterprises as also additional taxation. With the classic failure of the Government to hold the price line, and the efficiency of public sector undertakings being what it is, there is every danger that the raising of the prices of the public sector products and adding to the already crushing burden of taxes will come handy to the Government as the easiest alternatives. The mention of these is as ominous as the conspicuous omission of any mention of what the Government could and should do to save resources through economy measures and better administrative efficiency.

The Working Committee would like to reiterate, therefore, that if past failures are to be avoided, maximum possible growth is to be achieved and the common man is to be made a participant in progress, the following steps are incumbent in the drawing up and implementation of the Fourth Five-Year Plan.

(1) The Plan be made a *Swadeshi* one, relying essentially on and utilising as thoroughly as possible the country's own resources, particularly its manpower and technical know-how.



(2) Realistic targets regarding the growth rate and unit-wise achievement be fixed, based not merely on what is needed, but more on what can be achieved through maximum mobilisation of resources.

(3) Full care be taken to check any further large-scale rise in the prices and the deficit financing of the measure currently being resorted to, be avoided as also any big additional tax burden or raising of prices of products and services of the public sector enterprises.

(4) An adequate reward be assured for the tiller through price stabilisation measures and creation of a buffer stock so that the present improvement on the agricultural front does not prove a short-lived one.

(5) All efforts be made to bring about economy in administration and review our tax structure with a view to make our products, particularly exports, competitive in world markets.

(6) Steps be planned to make public sector enterprises more efficient, cost conscious and economically profitable. No expansion of public sector is desirable on mere doctrinaire considerations before its present growth is consolidated and the idle capacity is fully utilised.

[June 4, 1968; Gauhati, C.W.C.]

#### 69.06. FOURTH PLAN—AN APPRAISAL

The Bharatiya Jana Sangh regrets to note that draft of the Fourth Five-Year Plan as presented to the Parliament on Monday fails to come up to the expectations raised when the process of Planning was suspended three years ago and the Planning Commission was reconstituted, that the new document would signify an approach realistic and indicative of a willingness to learn from past experience. It is disappointing to note that the Fourth Plan, despite some verbal assertions and platitudes, follows the pattern set by the preceding three Plans, unwilling or unable to shed off the old ruts of thinking and pet notions. In the view of Jana Sangh it would amount to self-deception if we adduced all our economic ills, as has been attempted even in the Fourth Plan Draft, to our fighting with China and Pakistan, or to two successive years of drought. We cannot afford

to close our eyes to the economic malaise as evidenced by large idle capacity in our industries, a dull capital market, a stagnant per capita income, rising prices of most necessities, big drain on account of interest and annuity payments resulting from our huge foreign indebtedness, increasing disparity of incomes with declining consumption of foodgrains, cloth and edible oils and an ever-growing unemployment. A realistic appraisal cannot but lead one to conclude that much of the above enigmatic economic situation can be traced to the policies followed during our 18 years of efforts at planning.

**Realistic Planning Needed**—First of all, the Jana Sangh has always held that our plans should be realistic in the sense of being based on the resources available to us. Though some verbal homage was paid to this consideration in this year's budget speech, the Plan Draft has not done much more than indulging in a little different presentation. Even the Fourth Plan is not resource-based and the basic mistake of earlier plans has been overlooked again. Instead of proceeding from the resources and aiming at their most effective utilisation, we have been first assessing our needs, deciding upon a rate of growth and then going on a search for resources at the end. This has inevitably led to gaps between capacity and aspirations. States too, vied with each other in drawing up ambitious plans and when paucity of means stood in the way, partly because they could not raise additional revenues, they harboured a grievance against the Centre. Such gaps resulted in deficit financing with all the concomitants of inflation as well as unhealthy dependence on foreign aid. The former has been responsible for the vicious circle of prices, costs and wages chasing each other, increase in the disparity of incomes, industrial unrest, actual cost of every project turning out to be much higher than the original estimate and in this way all calculations going awry. As for the latter, the country has recently realised to its humiliation the price of taking at their face value the assertions that aid was without political strings.

The Fourth Plan has estimated foreign aid at 3,730 crores during the five years in spite of the bitter experience of the past. When actuals fall below this estimate, there will be no recourse left but deficit financing which will go up well beyond the presently harmless looking figure of 850 crores restarting the endless spiral of rising prices and costs.

**Agriculture Needs More**—Although agriculture is claimed to be given top priority, in monetary terms the percentage of outlay on it is 15.6% while industry and minerals have been given 23.4%. This is hardly the way to give 'highest priority' to the industry which even today contributes more than half of our national income. Though it is a matter of some satisfaction to note the respite in the country's economic situation caused by the improved agricultural production labelled 'green revolution' particularly in view of the expectation that this crop also is likely to be as good as last year's despite indifferent monsoons, the Jana Sangh feels that there is no reason for complacency much less for jubilation since even today vast areas of the country are in the grip of famine where millions of people do not have an adequate supply even of drinking water and there are persistent reports of starvation deaths. These disturbing facts point to the urgency of continuous and really earnest efforts to improve agriculture and make the country self-sufficient in food as quickly as possible, and to the truth that the major part of the credit for the improvement goes to the weather and only a minor share to our development efforts. The cultivator should be assured of proper price, and adequate arrangements made for timely supply of irrigation water, good seed, fertilisers, etc.

**Manpower and Full Employment**—The Bharatiya Jana Sangh holds that for economic independence to be real our planning should not only be in tune with our traditions and political set up, it should rely essentially on the volume and type of our own resources. Our most abundant resource is our manpower.

The fact that we have neither developed the individual through proper education nor has this human strength been put to proper use, means that men have not got jobs—which incidentally is borne out by the rapidly increasing unemployment. While Article 41 of the Directive Principles (referred to on the very first page of Fourth Plan) calls upon the State to secure "the right to work" and while according to the Government of India Resolution of March 1950 (again quoted in the Plan) Planning is intended to "offer opportunities to all for employment" in actual fact precious little has been done so far in this regard. During the three plans the backlog of unemployment increased from 5.3 millions to above 12 millions. *According to expert*

*estimates it should be possible to create sufficient new jobs for additional labour if new investment as a percentage of national income is four times the rate of population increase. In our case it was even higher. But if unemployment kept on growing, this can be due to nothing except wrong priorities or defective strategy of planning.*

Though the approach made a passing reference to the scope for "the adoption of an intermediate type of technology" no effort has been made to spell out what is going to be done to evolve it or to say how it would be applied. Employment should be one of the major objectives of the Fourth Plan and the biggest disappointment from the new document is in this regard. The Jana Sangh believes that the right to work may even be accepted as a fundamental right. The right to work is as much a basic tenet of economic democracy as the right to vote is of political democracy. We believe, therefore, that a target should be set for achievement of full employment and that Plan should aim at reaching the first stage which might even be the aim of not permitting the backlog to grow.

**Public Sector Consolidation and Monopoly Restriction**—With the experience of the working of the Public Sector wherein an investment of 3500 crores has yielded to the tax payer a net loss of 35 crores during the year 1967-68, not much arguing is needed to show that the public sector needs consolidation and not further indiscriminate expansion. The approach gave indication of a healthy realisation of this need, when it talked of the need to bring the already heavy investment in this sector to profitable working before pouring fresh funds into it. But the Draft Plan has earmarked 14,398 crores for it compared to the 10,000 crores for the private sector despite the latter's earlier achievements. This only shows that either the Planning Commission is incapable of rectifying old trends or unwilling to do so. Conditions should not be allowed to grow wherein either the Government or a few individuals may enjoy monopoly.

**Government Austerity**—The Jana Sangh has always emphasised the need for austerity on the part of the Government.

The efforts at economic rejuvenation cannot succeed without the creation of psychology of earnestness among the people at large. For this no less than the direct consideration of avoiding waste, the Government should set an example by eschewing

all the expenditure on ostentatious display and luxury, needless fanfare and publicity.

The Planning Commission does not seem to have paid much attention to this urgent necessity.

In view of the above, therefore, the Jana Sangh urges the Government of India and the Planning Commission to recast the Fourth Plan to make it a really *Swadeshi* plan capable of fulfilling the aspirations of the people and of bringing the fruits of development within the reach of the common man.

[April 26, 1969: Bombay, XV A.I.S.]

#### 69.16. FOURTH PLAN—REVISE OBJECTIVES

At its Bombay session, the Bharatiya Jana Sangh expressed disagreement with the Fourth Five-Year Plan draft and had urged its reformulation so as to make it a truly *Swadeshi* Plan capable of fulfilling the needs of the people and disbursing the gains from development to the level of the common man.

Following the recent nationalisation of major banks, a second look at the Plan has become all the more imperative. Bank nationalisation, it is claimed, will yield additional resources. The Plan has, therefore, to provide for the suitable allocation of these resources. The private sector will now be completely dependent on Government for its credit requirements. Targets set for this sector should be reviewed in this light.

The Jana Sangh is of the view that the Fourth Plan should seek to achieve the following objectives.

(1) A programme to provide full employment to all able-bodied persons should be drawn up; under this programme not only all new unemployed should be provided for, but part of the backlog also should be covered.

To enable the educated unemployed, and particularly the technically qualified among them, to stand on their own legs, they must be provided capital, land, machinery, and such facilities to set up small industries or trades.

(2) Primary education and elementary health services must be made available to every person during these five years.

(3) Clean drinking water must be arranged for every village.

(4) To reduce growing economic disparities and also to tap additional resources for developmental work, a ratio of minimum and maximum expenditures must be fixed. The Jana Sangh is of the view that in the present circumstances this ratio should be of approximately 1 : 20.

(5) Prices should be stabilised so that the interests of both producer as well as consumer are protected. Fiscal, monetary, industrial and other economic policies should be suitably modified to achieve this aim.

(6) Legislation pertaining to agricultural land ceiling should be firmly implemented. Cultivable waste land must be brought under plough and distributed among the landless peasantry and peasants with uneconomic holdings. Service cooperatives must supply them with seed, bullocks, implements, etc. Evictions must be stopped.

(7) A definite scheme should be prepared for the advancement of backward classes, including Harijans and tribals, and for the development of backward regions so that economic disparities and regional imbalances can be appreciably reduced.

With a view to redraft the Fourth Five-Year Plan so as to achieve the above objectives, Government should convene a Round Table Conference of representatives of varied economic interests, and economists, and on the basis of the consensus that emerges from this Conference, the Fourth Plan should be drawn up afresh for all levels—national, state, district and village.

The Bharatiya Jana Sangh directs all its branches to organise a nationwide campaign from September 15 onwards to educate public opinion about the Jana Sangh's economic policies and programmes and to mobilise support therefor. In the course of this campaign, the following demands should be particularly stressed :

(1) Drivers of hand-carts, bullock-carts, cycle-rickshaws, scooters, taxis, etc. should be given loans on easy terms by government and nationalised banks to enable them buy their respective vehicles.

(2) Government and the nationalised banks should give small farmers loans for pumping sets, tractors, tube-wells, etc. on the same conditions on which these are given to industry. Nationalised Banks should also arrange for taccavi loans.

(3) Small artisans like washermen, barbers, weavers, cob-

blers, etc. should be given credit facilities to purchase their implements and also provide suitable space to carry on their employment.

(4) Houses constructed by government and semi-government institutions for their employees, for industrial labour and slum-dwellers must be offered to them on easy hire-purchase terms.

(5) A high-power Commission must be set up to investigate the irregularities, corruption and favouritism that prevails in the matter of export-import licences. The Jana Sangh has already suggested that all foreign trade with communist countries conducted on a rupee-payment basis should be entrusted to an autonomous Corporation. A decision about trade with other countries should be taken on the basis of the Commission's recommendations.

The Working Committee has also considered the suggestion that a ceiling be imposed on urban property, and has resolved to seek the opinion of Pradesh Working Committees in this regard. A decision in this regard will be taken at the All India Session to be held at Patna in December.

[August 30, 1969; Delhi, C.W.C.]

## 72.14. APPROACH TO FIFTH PLAN

The current economic situation is extremely grave. The causes of which are directly attributable to the erroneous economic policy of the Government, short-sighted planning and the lack of determination to implement programmes.

A serious consequence of the Governmental failure is the rapid decline of the growth rate of the economy. The Fourth Plan had targeted a rate of 5.5% per year. But during the 1969-70, the first year of the Plan, the growth rate was 5.3%. In 1970-71, it was 5.0% in 1971-72 it was 1.5%. In 1972-73 it is expected to further decline to 0.5%. Already, the Government has admitted shortfall in Fourth Plan production targets. Against 128 million metric tons (MMT) of foodgrains targeted for 1973-74, the terminal year of the Fourth Plan, the Government has announced that only 110 MMT would be reached, i.e., a shortfall of about 17%. Shortfall in cash crop outputs, such

as of jute, cotton, and sugar-cane are expected to be between 15 to 30%.

The shortfall in industrial production target is staggering. For fertiliser the shortfall is to be 25% for diesel engines over 60%. Steel output will be only three-quarters of the target. There is almost no important industry which will not have a substantial shortfall. The acute power crisis confronting the nation's attention is nothing but the result of shortfall and poor planning.

Unemployment has worsened further. Today more than 4.5 crore citizens are roaming the streets and the countryside looking for jobs. This is a terrible indictment of the Government's economic policies.

There is also a creeping paralysis in the decision making within the Government. The first indicator of this paralysis is the incredible procrastination in the implementation of the *Garibi Hatao* programmes. The Crash Rural Employment programme of Rs. 50 crores has suffered because of the number of schemes drawn-up total up to only Rs. 34 crores. Actual expenditure incurred is a mere Rs. 10 crores. The Educated Unemployed programme of Rs. 25 crores has fizzled because the expenditure committed to-date has been Rs. 9 crores. Similarly the Rs. 115 crore programme for small and marginal farmers has collapsed because according to the Finance Minister the Government is having difficulty in 'identifying small and marginal farmers'. The much trumpeted rural water supply scheme has yet to be finalised.

It is against this background that the Working Committee views the revised *Approach to the Fifth Plan*. The Fifth Plan is predicated on a targeted growth rate of 5.5% per year, as was the First, Second, Third, and the Fourth Plans. The Government is so bankrupt of ideas that after twenty years of planning it still stagnates on a 5.5% growth rate.

The Approach paper, although it talks much about 'removal of mass poverty', offers no hope of full-employment. It merely reiterates the earlier Plans by promising 'more jobs.' As for the minimum level of living for the bottom 40% of the population currently living in pestilence, the Approach paper abandons these 25 crore citizens with the glib statement that the Plan will offer "more satisfactory living standards". The Fifth



Plan therefore seems to have been drawn up on the Government's assumption that the masses of India are going to be satisfied with such crumbs. It appears that the Government has learnt nothing from the experience of the last 25 years. It can be quantitatively established that a 5.5% growth cannot provide minimum standard of living to the bottom 40% of the population even by 1980, nor maintain even the *status-quo* in the unemployment situation.

All promises of self-reliance by the Government have been betrayed by the revised Approach paper. The Government now expects Rs. 600 crores of foreign aid from 'friendly countries' against the current inflow of Rs. 550 crores. The Government is now talking of importing foodgrains once again, presumably from the USA, since the socialist countries such as USSR are themselves food-importing countries.

**Replace Fifth Plan by Swadeshi Plan**—The danger of reliance on any country for our essential needs is now underlined by the nation's experience with the USSR. Under USSR's pressure, the Government had based its fertiliser technology on urea (which was to be imported from COMECON countries) instead of naphtha (of which we have abundant supply). Now that the USSR is itself short of grain, it is cornering the East European urea supplies for its own fertiliser production causing a serious set-back to our fertilizer output. Self-reliance does not mean that by ending dependence on US aid, we increase our reliance on the USSR. The recent talk of dove-tailing our economic plans with the USSR is thus viewed with the greatest concern. Self-reliance means the independence of the economy as much from the USSR's clutches as that of the USA. The Working Committee therefore demands that the revised Approach to the *Fifth Plan* be thrown out, and replaced with a *Swadeshi Plan* which incorporates the following elements.

- (1) The targeted growth rate of the economy should be 10% per year, with guarantee of full-employment and minimum standards of living within the end of this decade.
- (2) A re-ordering of priorities in favour of low capital output and high labour-output industries; and a re-distribution of investment to minimise regional disparities.
- (3) Immediate self-reliance and independent planning.
- (4) Setting up of a Governmental agency to provide small

and cottage industries with know-how from R & D, feasibility studies, and marketing facilities.

(5) Demarcation of the spheres of production to enable small industries to produce exclusively the consumer goods, such as saris, soap, radio, etc. and to stop any further expansion of big industries already producing these articles.

(6) Streamlining of Governmental decision-making, and freeing the licensing system from bureaucratic discretion.

[November 20, 1972; Jaipur, C.W.C.]



CHAPTER 2

FOOD AND AGRICULTURE  
IRRIGATION AND POWER

The optimal agricultural strategy has received the place of pride in Jana Sangh's policy pronouncements. The Party has identified the basic agricultural problem as the low yield per hectare. For a nation with nearly 140 million hectares under agriculture, and a working agricultural force of 145 million, the low yields are, in the party's view, a matter of shame as well as an index of the scope for expansion. With an yield of 0.60 metric tons per hectare, the nation currently produces 110 million metric tons of foodgrains. Our yield per hectare is one of the lowest in the world. China, for example, records an average yield figure about twice that of ours. If India can double the productivity of land, then the nation can produce 220 million metric tons without expanding the acreage under food cultivation, and solve the food problem.

The Jana Sangh's agricultural strategy thus is derived from the basic goal of raising the yield per hectare. Its advocacy of ceiling on land has been as much due to this consideration as due to its belief in it as an instrument for a more equitable distribution of land. The focus of the argument for land-reform, as put forward in the early Fifties, was to increase production (Resn. 55.11). Its promise of "revolutionary changes in land-tenure" is for raising the productivity of land as well as for rejuvenation of village life (Manifesto, 1957). It has fervently believed in the peasants' ownership-rights and has warned against the danger of collectivisation (Resn. 57.16).

Besides land-reforms, the Party has put forward many other constructive steps to raise the yield per hectare.

Some of these are :

(1) *Increase in multiple cropping.* India is one of the lowest in the terms of percentage acreage sown to more than one crop per year (Manifesto, 1954).

(2) *A massive water-resources management programme,* based on minor irrigation, tube-wells and low horsepower pumps, with an associated rural-works programme to repair bunds, tanks, etc. (Resn. 58.20).

(3) *A farmer-service-cooperatives scheme,* for efficient and cheap distribution of inputs (Manifesto, 1962; Resoln. 58.32).

(4) *A fair price policy,* that bears in mind the correct relationship between agriculture and industry and proper terms of trade between the two sectors (Manifesto, 1957).

(5) *A balanced insurance policy,* that allows for crop and cattle insurance, as well as floor prices for crops (Manifesto, 1954), minimum wages for agricultural labour (Manifesto, 1967), minimisation of risk facing the peasant, by swift and once-for-long land-reforms (Resn. 58.32),

opposition to collectivisation (Resn. 59.01), large-scale mechanisation (Resn. 57.16), and resisting take-over by Government of the wholesale trade in agricultural commodities (Resn. 58.25).

(6) *A supporting Government optimal inventory in foodgrains to ensure exploitation-free marketing of foodgrains by peasants* (Resn. 58.25).

(7) *A massive infra-structural construction programme, to build approach-roads, warehouses, flood-control, and agricultural self-reliance.* (Principles and Policies).

(8) *A Government supported programme of ancillary activities, such as growing vegetables, dairy, animal husbandry, cow-protection, etc. to raise the income of the peasant and provide employment to his dependents* (Manifesto, 1954; Principles and Policies).

In short, Jana Sangh gives top-priority to agriculture as means for transforming Indian economy and placing it on the path of rapid economic growth, but its agricultural strategy does not permit of the peasant being dispossessed of his land and robbed of his liberty.

## 52.08. ACUTE FOOD PROBLEM : SOME SUGGESTIONS

The Working Committee having considered the deteriorating food situation in the country, both in respect of production and distribution, expresses its deep concern at the rise of prices in various parts of India, especially after the withdrawal of food subsidy. It also received reports of acute scarcity and even famine conditions from various places, a fact which has been admitted in the recent broadcast by the Prime Minister. The suffering of the people has increased due to drop in their purchasing power. Since Government has repeatedly declared that there was no overall shortage of supplies in the country, there was no reason for prevalence of acute distress anywhere unless it was due to maladministration. The Working Committee makes the following constructive suggestions for tackling the problem.

(1) Top-most priority is to be given to reduce the suffering of the people in the famine-stricken areas and to ensure that such suffering does not extend to other places. This can be done by—

- (i) grants of gratuitous relief to deserving people,
- (ii) test-relief works and payment of adequate wages, and
- (iii) sale of foodgrains at cheap prices.

(2) Immediate check of rise in prices by quick and adequate distribution of foodgrains in areas where prices have gone up recently. The aim should be to bring down prices at least to the controlled rates.

(3) Progressive decontrol after ensuring that sufficient reserve stocks are in the hands of Government and prompt and effective steps are taken against hoarders, profiteers and black-marketeers. For this purpose special people's courts should be set up so that the general public may feel that Government is not shielding any anti-social elements.

(4) Withdrawal of restriction of movement of foodgrains after ensuring that big industrial areas continue to remain cordoned at the first stage and, if necessary, are served by special

supplies from the Centre.

(5) System of procurement to be radically altered so that small producers are not affected.

(6) Adequate and timely supply of seeds so that the next crop may not be hampered.

**Formation of All-Party Food Committees**—The Committee noted with regret that, although about Rs. 75 crores have been spent during the last few years on grow-more-food, the net results have been extremely disappointing. The country cannot obviously continue to depend on foreign imports and the ultimate solution of the food problem lies in increasing home production. This can be done by carrying extensive land-reform and giving necessary incentives to the producers for the purpose.

The Committee emphasises that honest and efficient administration is vital in carrying out any food policy of the Government, coupled with an abundant measure of public support. Food must not be a matter of party politics, and Jana Sangh offers its cooperation to Government both in matter of securing increased production and better distribution. It further urges that Food Committees representing all parties should be immediately established at the Centre and also at Provincial and district levels.

[June 14, 1952; Delhi, C.W.C.]

#### 52.10. MINIMUM HOLDINGS; INCOME RATIO 1 : 20

In regard to the abolition of Zamindari, the Working Committee makes it clear that compensation should be only in the nature of rehabilitation-grant and on a graded basis. Further that the minimum holding shall be the equivalent of five acres of good irrigated land.

To narrow down disparities of income it resolves that the ratio between the lowest and the highest income should be brought down to not more than 1:20. The Committee holds that the major malady from which the country is suffering is mal-administration and corruption and asks for quick trials and deterrent punishment for offenders. Either a special law should be passed for this purpose or the existing laws should be suitably amended.

[June 14, 1952; Delhi, C.W.C.]

#### 52.15. FULL SUPPORT TO R.S.S. DEMAND FOR BAN ON COW-SLAUGHTER

From pre-historic times there has been a ban on cow-slaughter in India, and the cow has been an accepted symbol of Indian culture. Before the attainment of Independence national leaders had also accepted a ban on cow-slaughter to be as important a National Goal as Independence, and had assured the people on this point. In spite of all this, even five years after the attainment of Independence the present Government has not been making any progress in this direction; so the R.S.S. collected record signatures in favour of such a ban and rendered great service to the Nation by organising powerful public opinion. The Jana Sangh congratulates the leaders as well as workers of the R.S.S. on this great undertaking.

At the same time the Jana Sangh is grieved to see Prime Minister Nehru insisting in his public speeches that he would not permit a Central law for a ban on cow-slaughter, though he has now given up his objection, during the last few years to state-laws in this respect. Such a statement after this All-India demonstration of public opinion, is not only improper for the Prime Minister of a democratic Government but is also a regrettable symbol of his growing fascist tendencies. It is but proper to fulfil this national demand on a national level by a Central law, instead of passing 20-25 different laws in the states. Hence the Jana Sangh requests the Prime Minister to give up his improper personal insistence and respect public opinion, as befits a democratic system.

The Jana Sangh also requests the President to compel the Government to respect the people's feelings (as regards this ancient and firmly rooted concept of sacredness) and do his duty by the country by utilising his high office for the sake of National Honour. If the Government does not give up its mistaken policy in spite of this powerful demonstration of public will, the Jana Sangh will be compelled to take forward the agitation against cow-slaughter. The Jana Sangh assures the R.S.S. that it will give the R.S.S. full cooperation in whatever steps it takes in this direction.

[Dec. 31, 1952; Kanpur, I.A.S.]

**53.13. PERMANENT CONTROL OF KOSI FLOODS**

This conference of the Akhil Bharatiya Pratinidhi Sabha views with great concern the sufferings of the people of eastern Uttar Pradesh and the people of North Bihar due to the yearly floods. The Kosi floods are a permanent feature in North Bihar and they not only cause damage and destruction to crops worth crores of rupees annually but also bring terrible epidemic diseases like malaria, cholera and Kalzar which take toll of many lives.

Although enquiries and investigations have been carried on since 1937 by high Government officers and experts on paper but no permanent solution of the problem has been found as yet. It was expected that with the advent of freedom some effective steps would be taken to allenate the sufferings of the people in Kosi area by taming and training the river but, neither the Central nor the State Government has paid due attention towards this pressing problem.

This conference, therefore, urges upon the Government of India and the Government of Bihar to take immediate steps to allenate the sufferings of the people in the Kosi area and to arrange continuous help till the Kosi is controlled.

[Aug. 15, 1953; Allahabad, A.I.G.C.]

**53.19. UNRESPONSIVE GOVERNMENT ATTITUDE**

The Committee is pained to note the unresponsive attitude of the government to the almost universal demand of the people of Bharat for banning the slaughter of cows by legislation. This is a denial of democracy and good government and constitutes a stigma on the ruling party. The Jana Sangh appeals to the government not to overtax the patience of the people, give up its policy of intransigence and pass without delay the necessary legislation.

[Dec. 20, 1953; Delhi, C.W.C.]

**54.15. MINIMUM WAGES ACT (1948) FOR AGRICULTURAL LABOUR**

The Jana Sangh views with grave concern the rapidly

deteriorating conditions of the agricultural labour numbering more than 50 millions and expresses its dissatisfaction over the sluggishness of the various Provincial Governments in implementing the Minimum Wages Act (1948), for the benefit of the agricultural labourers.

The Jana Sangh, therefore, demands that the relevant provisions of the Minimum Wages Act (1948) be immediately applied to the agricultural labourer in the states, that District Wage Councils consisting of equal number of representatives of both the agricultural labourer and the landed peasants be set up in all districts to determine the wages of the agricultural labourers in their respective districts from time to time.

Immediate steps be taken by the State Governments to start and promote cottage industries in the rural areas so as to ensure supplementary employment to the agricultural labourers, specially during a period of the year in which there are no agricultural operations and consequently no employment for the agricultural labourers.

[Jan. 25, 1954; Bombay, II A.I.S.]

**54.21. FLOOD RELIEF IN NORTH EAST INDIA**

This Committee feels deeply distressed at the disastrous floods that have overtaken vast areas in Assam, Bengal, Bihar and some other areas in North East India resulting in huge losses in men and material, and expresses its profound sympathy with the people affected.

The Committee calls upon the Government of India as well as the State Governments concerned, to institute relief measures immediately on adequate scales and also to devise long term measures, so that the ravages due to flood, may not recur year after year.

This Committee records its appreciation of the efforts that the local Committees of B.J.S. have already made and still making for the relief of sufferers and resolves further that a Committee be formed to systematize the relief work which appears inevitable consequent upon these national calamities.

[Aug. 19, 1954; Indore, A.I.G.C.]



**54.22. END PUNJAB CANAL WATERS NEGOTIATIONS**

That the Committee feels that the concessions made and the proposals agreed to by the Government of India in Punjab Canal Waters dispute before the World Bank were detrimental to the interest of India as they involved a huge drain on the revenues of India for the sole benefit of Pakistan, and now that Pakistan has rejected even these proposals and the negotiations have been discontinued, this Committee urges upon Government of India the desirability of not continuing those negotiations on any account.

[Aug. 19, 1954; Indore, A.I.G.C.]

**54.25. GOSAMVARDHAN MEANINGLESS WITHOUT BAN ON COW-SLAUGHTER**

This Committee strongly condemns the obstinate policy being pursued by the Government in relation to the country-wide demand for a statutory ban on cow-slaughter. Cow being the Nation's point of Honour as well as basis of Bharatiya economy, protection and improvement of our cattle-wealth is indispensable for the all-round prosperity of the country.

The Committee is of the considered opinion that the widely advertised schemes of Gosamvardhan which are confined to paper-files only, are worse than meaningless until and unless cow-slaughter is completely banned through legislation.

The repeated and arrogant rejection, at the hands of the Government, of the truly National demand for such a ban has left no alternative to the people but to take to the last resort of Satyagraha.

The Committee also deprecates the repressive policy being followed by the authorities aimed at crushing the anti-cow-slaughter agitation and warns the Government that repression will, in place of ending the movement, create further bitterness in the public mind and the people of the land will not rest content till the blot of cow-slaughter is removed from the fair name of Bharat.

[Nov. 7, 1954; Delhi, C.W.C.]

**55.11. RADICAL CHANGES IN AGRICULTURAL SYSTEM**

The main object of land reform should be to provide work to the landless and increase production. The two principles necessary for the fulfilment of this purpose are that the tiller should get full benefit of his labour and should be considered the owner of the land. For this there should be a radical change in the agricultural system and a reorganisation of the rural society.

Hence the Jana Sangh makes the following demands of the Government:

(1) Because of many such systems as Jagirdari and Zamindari, land has not been properly distributed and it has become concentrated in a few hands. This has not only affected productions but has also made it difficult for landless agriculturists to earn a livelihood. Hence land concentrated in a few hands should be distributed without delay among landless agriculturists. The maximum and minimum basis of land distribution should be 5 and 30 acres of irrigated land respectively or of its equivalent produce.

(2) To date the agriculturists of this country have been exploited by greedy middle-men, as a result of which not only has the economic condition of the agricultural community been adversely affected but a rise in production has also been hindered. In order to establish a direct relationship between the state and the tiller (*Kshetrapal*) it is necessary that the present tiller should be considered the owner of the land, greedy middle-men should be eliminated, dispossession of the tiller of his land prevented and all his other rights protected. Those *bhoo-swamis* who are dispossessed by this arrangement should be rehabilitated by the government.

(3) Drought, floods, locusts and other agricultural pests and diseases have always kept alive a sense of indefiniteness regarding production in the mind of the farmer. To remove this insecurity the government should make prompt arrangements for insuring crops and cattle.

(4) In order to maintain a balance in the economy of the country it is necessary that the prices of agricultural produce should be stable. A sudden rise or fall not only disturbs economic balance but creates a sense of insecurity in the mind of the farmer which in turn adversely affects production. In order to

end this sort of indefiniteness the government should fix minimum prices of agricultural produce so that the agriculturist gets adequate benefit of his labour.

[Jan. 1, 1955; Jodhpur, III A.I.S.]

#### 55.18. PRESERVATION OF CATTLE BILL IN PARLIAMENT

The Committee deplors the attitude adopted by the Prime Minister and Congress Parliamentary Party over the Preservation of Cattle Bill. The means adopted to delay the consideration of the bill and the way whip was issued to the Congress members to oppose the bill just before the final voting took place, betrays a tendency to play hide and seek with the normal constitutional procedure to hoodwink the people and amounts to deliberate flouting of public opinion on the question of cow-protection.

The ban on cow-slaughter, the committee feels, is bound to become a reality because the people are determined not to submit to anybody's dictates about this National demand. The committee calls upon the Jana Sangh units to continue their work of mobilising public opinion and putting pressure on the State Governments concerned to bring forth legislations for stopping cow-slaughter. It confirms the call of the General Secretary to observe 24th of April as cow-protection day all over the country.

[April 15, 1955; Gokak, C.W.C.]

#### 55.24. COW-PROTECTION AGITATIONS IN VARIOUS STATES

Cow is a point of Honour for Bharat whose economic structure is based on it. It is a matter of deep regret that even 8 years after the achievement of independence the cow-slaughter instead of being banned by law is actually on the increase. It is natural for the Bharatiya people to feel mortified by this spectacle. The Satyagraha movements going on in different parts of the country for seeking ban on cow-slaughter are an indication of this universal feeling in the country.

This Conference expresses its satisfaction over the success of the Satyagraha launched by Go-Hatya Nirodh Samiti for ban on cow-slaughter in Uttar Pradesh, as a result of which the U.P. Government has brought a Bill for the purpose before the State Vidhan Sabha. The Conference hopes that the Bill will be passed in the current session of the Vidhan Sabha, improved and amended in the light of suggestions made by the Go-Hatya Nirodh Samiti.

A Bill to ban cow-slaughter has been pending in the Bihar Vidhan Sabha as well. But instead of respecting the popular sentiments by passing it quickly, the Bihar Government has been playing hide and seek with it for the last three years. Perturbed by it the people of Bihar have decided to launch a peaceful Satyagraha before the Vidhan Sabha House from the 12th September 1955 under the auspices of Bihar Go-Hatya Nirodh Samiti.

This Conference of Bharatiya Jana Sangh appeals to the Bihar Government to pass the said Bill in its next session into law after incorporating in it the suggestion about ban on slaughter of bulls also so that there may not remain any necessity for the proposed Satyagraha at all.

[August 28, 1955; Calcutta, A.I.G.C.]

#### 55.28. RELIEF MEASURES FOR FLOOD VICTIMS

The General Council views with deep concern the situation arising out of disastrous floods in Uttar Pradesh, Bihar, North Bengal, Assam, Orissa and expresses deep sympathy for the victims.

The Jana Sangh appeals to the State Governments concerned to extend adequate relief to the flood sufferers. It also urges upon the Government of India to devise long-term measures to prevent such recurring losses of men and materials.

[Aug. 28, 1955; Calcutta, A.I.G.C.]

#### 55.30. FLOOD HAVOC IN PUNJAB AND ADJOINING AREAS

The Central Working Committee of the Bharatiya Jana Sangh is grieved to note the havoc caused by floods in Punjab,

PEPSU, Delhi and Western U.P. and expresses its heart-felt sympathies for those who have suffered as a result of these floods.

The Working Committee is of the considered opinion that to face the horrible situation created by floods, it is not only necessary that the whole administrative machinery be switched on to the war-time level but it is also essential that a broad based front be established with the cooperation of all parties and organisations. Taking proper care against red-tapism and corruption the Government should immediately proceed with the flood-relief plans so that victims may be re-settled and equipped with necessary means of earning before winter season sets in.

The Committee expresses its satisfaction at the relief work done by Jana Sangh workers at different places and appeals to the people to assist the flood affected sisters and brothers by donating funds and warm clothings.

[Oct. 23, 1955; Delhi, C.W.C.]

#### 57.11. RELIEF MEASURES FOR DROUGHT HIT AREAS

The Central Working Committee expresses its deep concern over the serious food-situation. Prices are steadily rising and famine-conditions prevail in many parts of the country like Bihar, Eastern U.P. and Bengal.

Shortage of agricultural products and famine conditions in some parts of the country in spite of tall talks of self-sufficiency and expensive Plans are a simple proof of the utter failure of Government's food policy. This is the natural outcome that the country has come to face due to the policy of giving secondary place to agricultural development as compared to heavy industries in the Second Five-Year Plan. Jana Sangh welcomes the decision of the Central Government to create a fund of Rs. 25 crores for checking soaring prices in scarcity areas and powers assumed in order to stop hoarding of food-stuffs. These are steps in the right direction. But the relief, so necessary, cannot be brought to the people unless the present defective system of distribution is amended.

The Committee feels that the Government should immediately take proper steps to improve the food situation on war-footing. Following steps need be taken to overcome the for-

midable situation in scarcity areas :

- (1) Relief-shops of coarse grains be opened at every Nyaya Panchayat centre;
- (2) Realisation of Taccavi, land-revenue and Panchayat tax etc. be suspended;
- (3) Arrangements be made for seed-distribution for Kharif crops;
- (4) Test-works be started; and
- (5) Steps to check floods be taken before rains.

[June 1, 1957; Delhi, C.W.C.]

#### 57.14. REDUCTION IN LAND-TAX

For sometime past there is a lot of resentment among the agricultural community in the rural areas, because although the Zamindari system has been ended and there are no more middlemen the actual tillers have not benefited in any way, because there has been no reduction in land-tax. From this point of view the elimination of Zamindari has only resulted in a change of masters. The place formally occupied by Zamindars and *Sahukars* has now been taken by the State. It was naturally expected that after the elimination of Zamindars and other middlemen land-tax would be reduced at least to that extent to which it used to be appropriated by the former owners. But nothing of the sort has happened. It is therefore not surprising that wide-spread Kisan agitations have been launched for the fulfilment of various demands including reduction in land tax.

The Jana Sangh has full sympathy with such agitations. The Jana Sangh demands that in the changed circumstances of today, when there are no Zamindars or Taluqdars, the land-tax levied on the farmers should be substantially reduced. Workers of the Jana Sangh are hereby directed to co-operate with such movements as are being conducted for the reduction of land tax.

[August 16, 1957; Bilaspur, A.I.G.C.]

#### 57.16. CO-OPERATIVE FARMING DETRIMENTAL FOR ECONOMIC AND SOCIAL DEVELOPMENT

'Peasant proprietorship' is a generally accepted principle of land-tenure. Fixity of tenure has been the main objective of

all land-reforms. This has actuated the demand for abolition of intermediary land-tenure and it is upon this principle that the agrarian policy of Jana Sangh is grounded.

**Service Co-operatives Desirable**—In accordance with the Congress manifesto and under directions of the Planning Commission an attempt is being made in various states to deprive the peasant, under the pretext of co-operative farming, of his fundamental right. Though co-operation is desirable and capable of being utilised profitably in different spheres of activity, the Jana Sangh is of the view that co-operative farming through pooling of lands is contrary to Bharatiya traditions, unsuited to prevailing conditions and detrimental to our economic and social development.

The ostensible reason put forward for the pursuit of this policy is that 'Co-operative farming' will increase the yield of crops. But this is not true. Even in communist countries, like Poland, Hungary and China most ruthless and oppressive methods employed towards the collective farming have not increased the yield, but have rather resulted in lesser yields. In Russia herself, where collectivisation was forced on a large scale resulting in the massacre of peasant-proprietors known as 'Kulaks', the results have been no better.

Again, advocates of this idea take it for granted that highest production can be ensured through machinery only. Large farms are the pre-requisites of mechanised cultivation, and imply pooling of numerous small farms. Even if such pooling be on a voluntary basis, in a campaign sponsored by the Government and executed by bureaucracy, coercion is inevitable.

In India, land being the limiting factor, our aim should be maximum production per acre. This is not possible through large-scale farming, which by its very nature cannot be intensive.

Mechanisation would considerably augment cost of production per acre, diminish production and result in increasing unemployment to an alarming extent.

The All India General Council is of the view that co-operative societies are useful for procurement and distribution of seed and manure, organisation of sales-provision of credit facilities and such other purposes, but it considers co-operative farming as neither necessary nor beneficial. It is, the Council feels, an encroachment upon the fundamental right of the peasant.

The Jana Sangh accordingly deems it its duty to warn the Kisan population of our country of this terrible menace that threatens its very existence.

[August 16, 1957; Bilaspur, A.I.G.C.]

#### 57.17. FOODGRAINS ENQUIRY COMMITTEE REPORT

The Working Committee expresses its deep concern over the deteriorating food situation in the country. The continued failure of crops due to droughts and floods has created acute shortage of foodgrains in the scarcity areas of the country specially Eastern U.P., Bihar, parts of West Bengal and parts of Madhya Pradesh and Rajasthan. Fiscal and other regulatory measures adopted by the Reserve Bank of India and the Government have somewhat checked the general upward trend of foodgrain prices in the country for the time-being but the Committee notes with regret that the Government has failed to take adequate measures to tackle the recurring problems of floods and draught in these areas. Various irrigation and flood protection schemes undertaken so far have been either found to be unimaginative and unsuited to the actual conditions or they have proved mere paper-plans due to corruption. Overemphasis on industrialisation in the Second Five-Year Plan is also partly responsible for comparative neglect of irrigation and flood protection schemes. The Foodgrains Enquiry Committee has also not studied the specific problems of the affected areas. Recommendations of a general nature will hardly improve the situation in these epicenters of shortage. The Committee urges upon the Government to take immediate and effective measures to alleviate the sufferings in such areas and also to make an integrated plan for their development.

**Improvement of Cattle-Wealth**—The Committee has considered the report of the Foodgrains Enquiry Committee. It is surprised to find that the F.E.C., although it has recognised that neither the policy of complete free trade nor of total controls has been successful and has't herefore, recommended, for the present, measures of fiscal and monetary controls and other trade regulations, has yet thought it fit to advise complete socialisation of the wholesale trade in foodgrains as the ultimate



aim of the Government policy. The Working Committee is opposed to this suggestion and feels that any enunciation of such a policy, even though it might not be implemented, will adversely affect the present food situation. Further it cannot agree with the assumption of the Foodgrains Enquiry Committee that self-sufficiency in food is not possible in India. The Working Committee is of the view that the country can be made self-sufficient in food, provided a realistic and practical attitude is adopted towards the problem of food-production and it is given due importance in the Second Five-Year Plan which must be suitably revised for the purpose. The Working Committee also notes with regret that the F.E.C. should have recommended steps for decreasing the cattle population of the country. In fact, milk and allied products not only serve as subsidiary food but are also the main source of nutrition in India. No food-policy, the Committee holds, can be complete without a comprehensive and co-ordinated programme of preservation and improvement of the cattle-wealth of the country.

The Committee, however, is happy to note that the general analysis of the food problem and some of the suggestions and recommendations made by the Jana Sangh in its memoranda to the F.E.C. regarding the stabilisation of prices etc., have been accepted by the F.E.C. It feels that they deserve serious consideration by the Government and people of India.

[Nov. 24, 1957, Hyderabad, C.W.C.]

#### 58.08. ENFORCE BAN ON COW-SLAUGHTER STRICTLY

The cow is a symbol of national honour and the basis of our economic structure. The protection and welfare of the bovine species, therefore, is for us a national duty. Even before the advent of freedom, cow-slaughter was prohibited by law in several provinces such as Kashmir, Himachal Pradesh, Rajasthan, Saurashtra and Madhya Bharat. It was hoped that with the achievement of independence, the ban would be extended throughout the country. This hope, however, was belied. Consequently, there were popular movements in different parts of the country pressing for legislation against

cow-slaughter. Under influence of these agitations, the Governments of Uttar Pradesh, Punjab, Bihar, Madhya Pradesh and Mysore have enacted laws forbidding cow-slaughter in their respective states. In Orissa and Andhra, Bills providing the same are presently under consideration. The Agriculture Minister of Bombay State has given an assurance that in that state too a law would be shortly enacted for the purpose.

This Conference urges upon all such states where cow-slaughter has not been banned as yet, to take early steps in that direction. It also calls upon those State Governments under whose jurisdiction the law already exists, to ensure that it is strictly enforced.

[April 5, 1958; Ambala, VI A. I.S.]

#### 58.11. SUPREME COURT ON BANNING COW-SLAUGHTER

Working Committee considered the situation arising in different states out of Supreme Court's judgement regarding laws banning cow-slaughter. The Committee is of the view that by making the slaughter of old and disabled cows and bulls lawful, the said judgement has made the values and objectives which prompted the States to ban cow-slaughter ineffective in practice.

It has, therefore, become necessary that in the light of Supreme Court judgement necessary amendment be made in Article 46 of the Directive Principles of the State Policy in the Constitution. Till such an amendment is made the State Governments should issue ordinances or make necessary amendments in their laws so as to make slaughter of old cows and bulls too, illegal in practice.

Working Committee demands from the States of Bombay, Madras, Mysore, Andhra, Kerala, Orissa, Bengal and Assam which have not banned cow-slaughter by law so far, to do so at the earliest. The Committee also calls upon all its branches to take up programmes in hand to mobilise public opinion in support of these objectives.

[July 19, 1958; Bombay, C.W.C.]



**58.20. FOOD AGITATIONS IN VARIOUS STATES**

The Working Committee notes with regret that the Government of India has not handled the food problem with far-sightedness and practical wisdom. The Government should have realised at the very start that the way the Second Five-Year Plan had been framed, difficulties were bound to crop up on the food front. And it had been forewarned too, in this respect.

The mass agitations occurring in the various parts of the country have drawn the serious attention of the Government towards the present food-crisis. But the policy hitherto pursued by the Government is only an attempt to solve the immediate questions. The Jana Sangh considers it essential that a long-term policy should be adopted and a permanent machinery be set up for its implementation.

Food problem has got four main aspects:

- (1) Increase in food production,
- (2) Making available sufficient marketable supplies of grains,
- (3) Proper distributive arrangements, and
- (4) Stabilisation of prices.

**Integrated Programme of Land-Reforms**—The Government should consider its fiscal and monetary policies and all schemes relating to land-reforms, irrigation, fertilisers, better seeds, etc. in an integrated way after giving due weight to all these aspects.

From this point of view the Jana Sangh feels it essential that :

- (1) An integrated programme of land-reforms be drawn up and implemented immediately;
- (2) Emphasis be placed on minor irrigation schemes;
- (3) Irrigation-rates be fixed in such a way that the cultivator is encouraged to utilise the irrigational facilities;
- (4) The Government should purchase grains at a proper price at the time of harvest;
- (5) With other grain-shops running along side there be a permanent system of fair-price shops so that fixed-income-group people remain assured of food supply;
- (6) Food-zones be demarcated after taking into account normal trade routes and they be not arbitrarily altered time and again.

The Bharatiya Jana Sangh has always advocated that food problem should be solved with all-party co-operation. The Government has formed some such committees at different levels, in realisation of this need. The Jana Sangh feels that they should be made more embracing and effective.

[Oct. 12, 1958; Delhi, C.W.C.]

**58.25. SOCIALISATION OF FOODGRAIN TRADE**

Jana Sangh regrets the Government's failure in determining a stable and fruitful policy in regard to the supply of foodgrains at reasonable prices to the people.

It is surprised at the sudden decision of the National Development Council to socialise trade in foodgrains without taking into due consideration the manifold aspects of this important question involving a number of complicated issues regarding finances, administrative machinery and the interests of the primary producers of food as also of traders. The Jana Sangh feels that this decision has been taken more to conceal the Government's failure to tackle the vital question of maintaining a stable price-level than to provide a rational and well-thought out solution for the same. Implementation of this scheme will require not less than 350 crores of rupees and displacement of 30,000 wholesale and about 30 lakh retail dealers in foodgrains. Further more, this scheme will invariably lead to compulsory procurement and rationing, of which the country has had a very bitter experience during the war and post-war years.

Apart from these practical considerations, the danger inherent to democracy in this bureaucratisation on a wide scale of a very important sector should not be lost sight of.

Bharatiya Jana Sangh feels that the problem can be tackled by taking active concrete steps on the basis suggested below:

(1) The Government should build up a sufficient buffer-stock of foodgrains, to last at least one year in different parts of the country. The State Governments should be responsible for their supply and administration.

(2) The Government should have a permanent system of fair price shops in deficit areas capable to serve all areas in case of scarcity. Fixed quantities per head for each family

should be sold on the basis of cards so that misuse of fair price grains might be prevented. The fair price shop system should supplement and not supplant private trade.

(3) A long-term agreement should be entered into with neighbouring rice surplus countries like Burma, Indo-China and Thailand for the supply of basic minimum quantity, broken-up into short period quantities to be revised at fixed intervals.

(4) The zonal system for all foodgrains should be revised on a rational basis taking into account surplus and deficit zones following natural channels of trade.

(5) The Government should release stocks at basic prices to the trade and the public by market sales and fair price retail distribution, if prices go above a certain previously fixed level and should purchase at harvest time at a floor price, if prices go very low.

(6) Meanwhile the administrative organisation of affording aid to the grower—such as supply of fertilisers, improved seeds, credit through co-operative societies or otherwise—should be systematically improved so that the production of food may increase in all areas. The State Governments should be stimulated to perform this act more successfully than at present.

(7) When traders are known to hoard stocks against rising prices, anti-hoarding measures, such as restriction of bank credit to speculators and seizure of stocks at harvest purchase price plus storage charges should be put into force for short periods.

[Dec. 28, 1958; Bangalore, VII A.I.S.]

### 58.32. CEILING FIXATION ON LAND-HOLDINGS

Whereas the need for land-reforms has been universally recognised, the Governments in different provinces have been following a vacillating and delaying policy in this regard. Some legislative measures that have been enacted or are being enacted, have, instead of bringing about any real reforms, only created conditions of uncertainty about the cultivators' interests in the land. The Jana Sangh recognises the principle of redistribution of land. It feels however that fixation of an upper limit of the family holdings yielding an income of Rs. 3600

per annum does not take into account either the availability of land under cultivation and cultivable wastes, the requirements and capacity of the rural population, the differences in the facilities and potentiality for land development or principles of equity. The proposals are looked upon as invidious and have caused widespread resentment. The ultimate objective of these legislative measures is not to create a social order in the countryside based on peasant proprietorship but to give land to the tiller only as a temporary measure to be liquidated in the next stage in favour of co-operative or collective farms. It is clear from the recommendations made by the A.I.C.C. Sub-Committee on land-reforms that land surrendered after imposition of ceilings should not be transferred to the tenants at all, but should be used to form co-operative farms. This is also clear from the insistence of the Planning Commission and the Prime Minister on a quicker implementation of the programme of co-operativisation of land.

Bharatiya Jana Sangh feels that the question of land reforms is a practical question which does not permit a doctrinaire approach. It demands a comprehensive and integrated programme of reforms, aiming at abolition of intermediaries, fixity of tenure, fixation of fair rent, consolidation of holdings, prevention of fragmentation, creation of economic holdings, improvement in methods of cultivation, reclamation of cultivable waste and equitable redistribution of land under which maximum holding should consist of 30 acres of well irrigated land or equivalent thereof, capable of yielding from Rs. 6000 to Rs. 10,000 annually.

Jana Sangh looks with abhorrence at the power being given to the State Governments to exempt certain lands from application of ceiling because this power would be exploited for political ends.

**Opposition to Co-operative Farming**—Jana Sangh is also opposed to co-operative farming, because it is convinced that:

(1) It will ultimately lead to collectivisation, reducing the peasant proprietor to the position of a landless labourer, which will destroy his individual liberty and initiative and thereby strengthen totalitarian trends at the cost of democracy.

(2) Secondly, co-operativisation will go against the pressing economic need of maximising production from land. The experience of land co-operatives all over the world is not very encouraging in this respect.

Jana Sangh, however, would like to give greater encouragement and emphasis on service co-operatives for providing auxiliary services required for increasing production at no profit and no loss basis to the actual cultivator.

[Dec. 28, 1958; Bangalore, VII A.I.S.]

#### 58.34. CONSTITUTION AMENDMENT FOR COW PROTECTION

Cow being the symbol of national culture, a legal ban on its slaughter has always gone with national freedom. Omission of such a provision in the Constitution of India has not been in keeping with our tradition. It has become all the more necessary in view of the the recent judgment by the Supreme Court declaring a ban on unserviceable bulls and bullocks as void.

Jana Sangh, therefore, demands that the Constitution should be amended by incorporating in the Fundamental Rights an article imposing a ban on the slaughter of all cattle of bovine species.

[Dec. 28, 1958; Bangalore, VII A.I.S.]

#### 59.01. AGRICULTURAL ORGANISATION PATTERN

The resolution on the agricultural organisation pattern (as it was called) passed by the Congress party in their Nagpur Session in January this year (1959), has substantiated the suspicion and anticipation that Jana Sangh expressed in its resolution passed in its Bangalore Session in December last namely that it intended to bypass the claims of the peasantry for ownership of their lands altogether and to herd them into co-operative farms. The Congress party has thus betrayed the promise and hope that they had fostered in the peasants by the slogan of "land to the tiller". The Congress Resolution says

now that the ownership of the surplus lands after the imposition of ceilings will not be distributed to tenants and landless peasants, but will vest in the Panchayat. The Panchayat is to form co-operative farms of which the landless peasants are to become members and work on common lands.

**Criticism of the Congress (Nagpur) Resolution**—The Congress (Nagpur) Resolution makes a futile and misleading reference to the retention of property rights in land in the name of members of the co-operative farms. But, such entry of property rights in the books of the farm is farce, since the owners are prevented from operating on their lands as masters with the full rights of disposal and management on their own responsibility and in accordance with their own plan of life.

In actual effect, co-operative farms are not radically different from the next state of collectives after the Russian and Chinese patterns (before the Communes).

Jana Sangh has, therefore, to reiterate its opposition on principle to the whole agricultural organisation pattern embodied in the Nagpur Congress Resolution and being so stridently and strenuously advocated by the Prime Minister. In particular, Jana Sangh wants to explain the far-reaching and subversive implications of the Congress proposals for co-operative farming, and village Panchayat ownership and management of lands through co-operatives. The Kisans everywhere should be apprised of the fate that is awaiting them so that any irretrievable social catastrophe might be avoided.

While depreciating a doctrinaire attitude in matters of radical changes like land-reforms, Jana Sangh reiterates that its primary objective in its integrated programme of reform is the formation of *economic holdings* raising the present *floors*, for the purpose. This process will weave the measures of consolidation of holdings and prevention of their fragmentation into a single scheme of administrative amelioration.

Jana Sangh endorses the procedures of fixing fair land measures of State-aid to agriculture, such as assistance for the improvement of cultivation by way of good seeds, loans, fertilisers, extension services and so on.

**Imposition of Ceiling**—The urgent objective of increase in production, particularly in foodgrains, entails the immediate taking up of programmes of the reclamation of waste lands and

the equitable redistribution of land-holdings for the enhancement of small holdings to economic levels. For this purpose the imposition of ceilings is indispensable. Jana Sangh, however, disapproves of the ceiling levels contemplated in the Congress scheme calculated to yield income of Rs. 3600 only.

Jana Sangh holds that holdings should be permitted with ceilings operating around 30 well-irrigated acres of paddy land or their equivalents in higher acreages, if necessary, in view of the nature of land in different areas to yield income ranging from minimum of Rs. 6,000 to Rs. 10,000 per year.

Doctrinaire ideas apart, Jana Sangh suggests the following practical procedure for immediate adoption by Government :

(1) Ceilings on future acquisition should be immediately declared in all states.

(2) Tenants should be given fixity of tenure and fair rents should be fixed in all States where they are not yet decided upon.

(3) Tenants and landless peasants should be assisted through a special scheme to be immediately put into operation whereby they are assisted by the State to purchase the additional lands required for economic holdings or to acquire full rights over the lands held by them or both according to need.

(4) Fair wages should be fixed for agricultural labourers.

(5) Land owners with lands above ceiling levels should be allowed a period of three years to sell their surplus lands to peasants in need. Peasants desiring to purchase them should be given the facility of paying the price in instalments, for which funds may be advanced to them by co-operative societies or land mortgage banks or government themselves.

(6) A comprehensive scheme for the development of economic holdings with consolidation and prevention of fragmentation should be drawn up and put into effect without delay.

(7) Service co-operatives for marketing, purchases, credits and other services like the loan of implements etc. should be set up for the convenience of proprietor-peasants, each operating on his own land. They should not be dominated by officials or party cadres. While officers may help, it should not add to the overhead burden of the working of the co-operative societies.

[March 15, 1959 ; Delhi, C.W.C.]

### 59.07. INDIA-PAKISTAN CANAL WATERS AGREEMENT

Partition gave over 80% of the irrigated area of Indus basin and most of the canals to Pakistan leaving only three canals for India to serve the needs of East Punjab, and Rajasthan. When India tried to make good this loss by making fuller utilisation of the waters of the rivers Sutlaj, Beas and Ravi falling in East Punjab for irrigation, Pakistan raised a hue and cry which had little justification in the circumstances created by partition. But the Government of India, in keeping with its appeasement policy towards Pakistan, allowed her to make it an issue of dispute between India and Pakistan and accepted the good offices of the World Bank to solve it.

The World Bank decided that India must have the right of exclusive use of the waters of Sutlaj, Beas and Ravi which carry only 20% of the water of Indus basin and that Pakistan must construct replacement works and like canals to meet her own needs from the three western rivers and that India must pay for a part of the cost of such works. It was then established that India will have to pay from 60 to 80 crores for this purpose.

To make India responsible for the cost of link canals in Pakistan was thoroughly unjustifiable. But it was Pakistan who refused to accept World Bank Award. In the meanwhile India continued to supply water to Pakistan canals to the detriment of her own interests and Pakistan went on raising the estimate of the cost of link canals and replacement works.

There have been some hush-hush negotiations in the matter in recent months and some decisions appear to have been arrived at. According to the information available so far the proposed agreement stipulates much higher burden—roughly to the tune of nearly three hundred crores—on India for building replacement works and link canals in Pakistan. It also stipulates that India will continue to supply water from her rivers to Pakistan up to 1965 and even after pending the completion of alternative works in Pakistan.

The Working Committee considers these provisions of the proposed agreement to be unjust and prejudicial against Indian interests. The suggestion that this money will be supplied in the first instance by some Western countries in the form of loans

is no satisfaction to us since it will only add to the burden of debt on India which she will have to repay sooner or later. Since the question affects India as a whole very vitally, it is necessary that the people and Parliament be taken into confidence about the agreement before it is finally arrived at, and the country must not be presented with a *fait accompli*.

What is worse Pakistan has flatly refused to adjust this unjustified charge accepted by India against 300 crores of Pakistan's share of undivided India's National debt which she had undertaken to pay to India according to the Partition agreement.

The Working Committee therefore feels it its duty to warn the Government and the people of India about these flaws in the proposed agreement. It demands that any agreement on canal waters :

(1) Must provide for immediate diversion of waters of the Indian rivers still being given to Pakistan for use at home.

(2) Must not entail any financial responsibility for building canals in Pakistan which are and must remain Pakistan's own responsibility. If India is made responsible for a part of its cost at all, it must be set off against the debt Pakistan owes to India.

[July 8, 1959; Poona, A.I.G.C.]

#### 59.08. MASS MOBILISATION AGAINST CO-OPERATIVE FARMING

Bharatiya Jana Sangh has already warned the people and the Government about the potential dangers of co-operative joint farming. It is its considered opinion that instead of increasing food production it will affect it adversely because it is bound to create uncertainty and instability, conflicts and unemployment in rural life. Furthermore, it will destroy the independence and self-reliance of the Kisan by reducing him to serfdom which will cut at the roots of democracy and pave the way for totalitarianism. Unfortunately, its warnings have fallen flat on the Government which is not only insisting upon it but is also taking steps to impose it upon unwilling Kisans by force.

Bharatiya Pratinidhi Sabha of the Jana Sangh, therefore, while reiterating its stand on co-operative farming, calls upon all the branches of the Jana Sangh to make concerted and plan-

ned efforts to educate and mobilise public opinion against co-operative farming. In this connection it resolves that a 21 days' period from 1st October to 21st October (Jana Sangh's foundation day) be particularly utilised for this purpose. It calls upon all the branches in the country to organise Kisan conferences, study circles and take other steps to carry the Jana Sangh's message to the villages and mobilise public opinion regarding the Jana Sangh's stand about co-operative farming.

[March 15, 1959; Delhi, C.W.C.]

July 8, 1959, Poona, A.I.G.C.

#### 61.08. CONSTITUTION AMENDMENT FOR BANNING SLAUGHTER OF COW AND ITS PROGENY

The cow is a point of honour in our national life. A complete ban on the cow and its progeny has been an inevitable part of our freedom. It is a matter of regret that the Constitution of India does not provide for this.

During some last years popular pressure has resulted in anti-cow-slaughter laws being passed in some States. But they are all incomplete and some clauses in them have made them practically ineffective because of the recent verdict of the Supreme Court.

The Jana Sangh demands that the Constitution be amended for a complete ban on the slaughter of the cow and its progeny.

[Jan. 1, 1961; Lucknow, IX A.I.S.]

#### 63.20. TILLER'S RIGHTS AND CONSTITUTION AMENDMENT

India is an essentially agricultural country. Therefore, increased agricultural production and a fair return to the primary producer are necessary not only to increase the national income and raise the living standard of the vast majority of people, but also promote and sustain a growing industrial sector. It is also generally admitted that in the present Indian situation maximisation of agricultural production is possible only through an extensive programme of intensive cultivation. Intensive



cultivation requires availability of adequate resources to the cultivator and also an assurance that the peasant will reap the fruits of his labour. In the past, a number of intermediaries had grown so that the actual tiller had to part with a large part of his produce, and did not have either the capacity or the incentive to develop capital resources for increasing production. The State Governments, after independence, have enacted various legislative measures to abolish intermediaries and to grant the tiller permanent tenancy rights. Ceilings on land-holdings have also been fixed in a number of States.

The Government has, however, now come forward with a Constitutional Amendment Bill to amend Article 31-A Clause (2). The Jana Sangh has always advocated land-reforms that secure the rights of the tiller of the soil; but it feels that the Government by its proposed amendment in sub-clause 2(a)(iii) is seeking powers to seize land from the tiller of the soil under any kind of tenure for any purpose. The Jana Sangh, therefore, considers this amendment most objectionable.

Besides, in view of the Government's objective of collectivisation of agriculture under the guise of co-operative farming, this step cannot be looked at with equanimity. It creates apprehension that this power is being sought by amending the Constitution to put an end to peasant proprietorship and family farming. Bharatiya Jana Sangh, therefore, is totally opposed to the proposed part (iii) of Clause (2) sub-clause (a) of Article 31-A, and directs all its units to organise a mass movement in support of the rights of the tiller to his land and labours.

[Dec. 30, 1963; Ahmedabad, XI A.I.S.]

#### 65.06. CYCLONE TRAGEDY AT DHANUSHKODI

The Working Committee joins the nation in expressing its deep grief over the ghastly tragedy which swept our southern shores at Rameshwaram and Dhanushkodi last month in the form of a cyclone, and tidal waves. The victims of this terrible ravage deserve full sympathy and active assistance from all agencies and institutions, official and non-official. The Committee hopes that the Government will spare no efforts to see that those uprooted by the tragedy are rehabilitated soon.

[Jan. 24, 1965; Vijayawada, XII A.I.S.]

#### 65.07. AGITATION AGAINST FOOD ZONES

The Working Committee hails the determination of the Gujarat Jana Sangh to agitate against the present Food Zones and takes note of the fact that 95 prominent workers of the State unit have already courted arrest for this cause. That the prevailing zonal scheme is a major contributory to the acute food crisis of today is acknowledged even by the Gujarat State Government which is known to be in favour of scrapping the scheme. The State Government's repressive attitude to this agitation is therefore particularly deplorable. The Working Committee again urges the Central Government to appreciate the mounting popular unrest against this pernicious zonal system and abolish it without delay.

[Jan. 24, 1965; Vijayawada, XII A.I.S.]

#### 65.08. PANNA FIRING

The Working Committee feels shocked to learn that at Panna in Madhya Pradesh, Police should have opened fire on a peaceful demonstration of Jana Sangh workers. The demonstration was intended to spot-light the grave food scarcity in that region and to urge the Government to take effective measures, to ensure that food is made available to the common man at fair prices. But the Congress Government gave the demonstrators not food, but bullets. The Committee strongly condemns the firing and demands that the State Government should immediately order a judicial probe into the incident, and see that the guilty police officials are punished.

[Jan. 24, 1965; Vijayawada, XII A.I.S.]

#### 65.18. FOOD SITUATION; IMMEDIATE STEPS

The food situation has been continuously deteriorating during the past one and a half year and lately it has become extremely grave. Prices have risen so high as to be even beyond the means of upper middle class people. On the other hand, the Government's distribution arrangements are so poor that

even after wasting hours in queues for their requirements, consumers have often to return empty handed. The stuff obtained is generally sub-standard and unfit for human consumption. The situation in regard to wheat and barley is particularly acute. These products have become scarce even in the areas where they are grown. If effective steps are not taken early, there will be famine conditions in many areas.

The entire responsibility for the present state of affairs lies on Government. The Central and the State Governments have as yet failed to evolve any definite and coherent food policy. They seem undecided even as to whose primary responsibility food is—the States' or the Centre's. The result is that the Centre and the States have many a time pursued conflicting policies and are also publicly accusing each other. Of course, the Centre has announced that it would use its emergency powers to scrap restraints which may be imposed by States on the movement of foodgrains without its prior sanction. But that too has proved to be formal.

The Food Grains Trading Corporation has failed to devise any machinery of its own. Government endeavours to procure foodgrain by means of levy, has stopped the flow of foodgrains into the market as well. Coercive methods also have failed. In fact this has made peasants apprehensive about their future. Arbitrary powers have been vested in bureaucracy. The result is that many farmers are switching over to cash crops.

Immediate steps must be taken to remedy the situation. The Jana Sangh suggests:

(1) A small but high powered Food Committee should be formed at the Centre and this Committee should draw up the food policy for the entire country. States should not have any separate food policy.

(2) Food zones should be abolished and curbs imposed on foodgrain trade lifted. There should be no compulsory levy and monopoly rights. The restraints put on trade today have promoted only black-marketing, profiteering and artificial scarcity conditions.

(3) Let the Food Grains Trading Corporation enter the market as a trader, and make its own arrangements for purchase and sales. It must enter into forward trading contracts with the farmers.

(4) Fair price shops should be opened for Government employees and for workers in trade and industry.

[July 10, 1965; Jabalpur, C.W.C.]

## 65.22. DETERIORATING FOOD SITUATION; SUGGESTIONS

Food problem has been getting from bad to worse during the last one and a half year. There were some signs of improvement in it just before the harvesting of new crop. But the policy of levy and procurement and the different kinds of controls on the distribution of foodgrains imposed by the state Governments resulted in steep rise of food prices once again so much so that near famine conditions have been created in some parts of the country. The Government do not seem to have a definite and co-ordinated national food policy. The decisions taken in the Chief Ministers' Conference are unrealistic and haphazard and impracticable. The State Governments have failed to discharge their responsibility. They do not have the necessary machinery. The policy has put obstacles in the national flow of trade and has scared both the traders and the cultivators. It has, therefore, become imperative that a practical and practicable food policy be evolved after giving fresh thought on the whole question. Bharatiya Jana Sangh has following suggestions to make in this connection:

(1) Food zones should be abolished and all restrictions on the movement of food in the country be removed.

(2) The total responsibility for the distribution of food should be borne by the Centre. The State Governments should concern themselves mainly with production of foodgrains.

(3) The system of levy should be ended. Neither the state nor any co-operative organisation or corporation should be given the monopoly in respect of purchase and sale of foodgrains. The Food Corporation should enter the market as a trader in competition with other traders and not as a monopolist.

(4) The Food Corporation may fix the minimum support price but it should not prevent the primary producer to sell his produce in the open market on the current prices.

(5) The Food Corporation should adopt recognised trade methods to check rise in food prices. It would be wrong to apply physical controls. The Government can regulate prices by fiscal and monetary measures.

(6) Rationing may be introduced in big cities. But provision should be made for some free shops as well. Arrangements must be made for cheap grain shops in the deficit areas as also for the fixed income sections of the country. Dearness allowance should be linked with price index or else arrangements should be made to supply food and other necessities of life to such people at cheap rates.

(7) Sales-tax or any type of other taxes imposed on foodgrains in any part of the country be immediately abolished.

[August 17, 1965; Delhi, A.I.G.C.]

#### 65.27. POST-WAR FOOD-FRONT; SOME MEASURES

India was faced with an uneasy food situation when hostilities with Pakistan began. Due to drought, crops have failed in some areas. Difficulties have also cropped up in regard to imports of foodgrains particularly from USA. During the period of hostilities prices of foodgrains had fallen due to bearish conditions. But since the cease-fire the upward trend has begun. The war has not yet ended. Trends are ominous. We have to prepare ourselves for a long drawn-out war. For the successful execution of war as also for the stability of the economy, vigilance on the food front is imperative. To this end all sections of the society, the producer, the consumer, the distributor and the government have to discharge their responsibilities. While on the one hand all out efforts have to be made to maximise production, on the other we have to observe strict austerity so as to free ourselves from dependence on foreign food. Arrangements for a proper distribution of the available quantities should also be made. In the present emergency Bharatiya Jana Sangh suggests the following measures in this regard:

(1) The farmers should be induced to shift to food crops and to maximise production. A national programme of

'*Dhanya Pradan*' be launched under which the farmers' contribution to the war effort be measured in terms of their marketable surplus in foodgrains. Fallow lands should be brought under the plough.

(2) Rationing should be introduced in cities with a population of more than one lakh and in scarcity areas. Restrictions in the movement and prices of foodgrains in the rest of the country be removed. The quantum of ration per unit should not be less than 12 ozs. While introducing rationing care should be taken that it does not breed black-marketing, smuggling, corruption, etc.

(3) Consumption in foodgrains be reduced to the minimum. Every citizen should observe one day's fast in a week as '*Vijay Vrata*.'

[Sept. 27, 1965; Delhi, C.W.C.]

#### 66.05. FOOD SCARCITY SITUATION; SUGGESTIONS

The Bharatiya Karya Samiti expresses deep concern over the deteriorating food situation in various parts of the country. In large areas last year the Kharif crop was almost entirely destroyed by draught. And Rabi prospects are not at all bright. An acute scarcity of food and fodder, therefore, prevails in the country. In some parts people are actually passing through famine conditions.

Government has not only failed to meet this situation of scarcity arising out of natural causes, but pursuit of conflicting policies by State Governments which were often indefinite, autocratic, short-sighted and selfish has only added to the troubles of people. At the Bangalore Session of the Congress, Food Ministers of various States had resolved to formulate a national policy for food. It is a matter of regret that no concrete step has been taken towards the implementation of this decision. The result is that a virtual anarchy prevails on vital issues like that of State-trading, rationing, levy, procurement, maximum and minimum prices, movement of foodgrains, etc. There are today restrictions on the movement of foodgrains not only from one State to another but at places from one Panchayat area into another.

One result of all this is that food trade is in utter disarray. The farmer feels no incentive for increased production. The consumer is facing greater hardship. Prices have shot up and foodgrains have been getting scarcer.

Bharatiya Jana Sangh reiterates following suggestions:

(1) A National Food Policy be formulated, and implemented firmly and effectively. The sale and purchase of foodgrains must be handled by the Centre. State Governments should be charged with the task of increasing food production. There should be no relaxation in our efforts to increase food production and to achieve self-sufficiency because of the massive food imports contemplated.

(2) Food Zones must be immediately abolished and all restrictions on the movement of foodgrains must be removed.

(3) The Food Corporation must set up branches in all the States. The Corporation must not monopolise food trade but should enter the market as a competitive trader and evolve an extensive machinery for purchase and sale of foodgrains.

(4) All laws pertaining to levy, forcible procurement and monopoly purchase rights must be abrogated.

(5) Fair price shops must continue but a portion of PL-480 grains should be brought into the open market for sale. This will help bring out hoarded grains and stabilise prices.

(6) The Bharatiya Jana Sangh warns Government not to let partisan considerations effect its handling of the food problem and to realise the seriousness of the situation. Efforts must be made to solve the problem effectively. If the Government fails to respond sympathetically to the misery the people are going through because of this situation, it becomes our democratic duty to organise public opinion and bring pressure on government by peaceful means to compel it to change its policies. This, we feel, is imperative to save the country from starvation and the danger of lawlessness.

[Jan. 15, 1966; Kanpur, C.W.C.]

#### 66.09. FOOD MINISTRY'S NEW PROGRAMME

Bharatiya Jana Sangh feels concerned at the deteriorating food situation. In spite of Rabi crop being better than ex-

pected and in spite of the import of food from foreign countries in huge quantities, there continues to be scarcity of food in many parts of the country. There have been reports of starvation deaths also from various places. Distribution policy of the Government is mainly responsible for this situation. In spite of repeated declarations, the Government has failed to evolve any National Food Policy. The State Governments continue to follow arbitrary policies. Because of the obstinacy of some State Governments, the Food Zones continue to exist in spite of the popular feeling and strong arguments against them. Procurement, levy and monopoly purchase of foodgrains have completely upset the food trade. Rationing too has not been introduced in all the big cities and in areas of acute food scarcity. Wherever it has been introduced, the quantum of ration is inadequate and arrangements are defective. In many states cheap grain shops started under the policy of informal rationing have been closed down.

**Import of Fertilizers**—The success of the new programme announced by the Food Ministry is doubtful. This programme consists of sowing of improved seeds in particular areas of intensive cultivation. It is proposed to provide adequate quantity of chemical fertilisers and other agricultural aids to such areas. To meet this need of chemical fertilisers, its import from abroad has been stepped up and foreign companies are being given freedom to open fertiliser factories on their own conditions. The only possible result of this policy will be that we will become dependent for chemical fertilisers on foreign countries, just as we are dependent for rice and wheat today.

It is the considered view of the Jana Sangh that greater stress should be put on locally available means, such as green manures, compost, etc. Irrigation is an essential requisite for chemical fertilisers. The facilities for irrigation are not uniformly available everywhere. As a result chemical fertilisers cannot be used to the same extent everywhere. This would lead to further disparity between different areas and because of the supply of chemical fertilisers only to selected areas, there will be fall in the average produce as a whole. Jana Sangh, therefore, demands that :

(1) Food Zones must be abolished. Recent decision to make Punjab, Delhi and Uttar Pradesh as one Food Zone is



a step in the right direction, but so long as the whole country is not treated as one unit, such make-shift arrangements will not lead to a proper solution of the problem.

(2) The Food Corporation should open its branches in all the States. It must go to the market for purchase and sale of food only as a competitor. It must not be given monopoly in any field. The responsibility for purchase and distribution of food must be put on the Food Corporation. The State Governments should not be allowed to take part in this work. The cultivator should be guaranteed incentive prices. These minimum prices should be announced before the fields are sown and purchase should be organised through the Corporation on these prices.

(3) The system of levy and compulsory procurement must be ended.

(4) Wherever rationing has been introduced, the quantum of ration should be at least 2,400 grams per head per week.

[May 1, 1966; Jollundur, XIII A.I.S.]

#### 66.20. ALL-PARTY COW-PROTECTION COMMITTEE'S AGITATION

The cow is a point of honour for India. In Indian history, there has been a ban on cow-slaughter not only during ancient days but also during the Moghul period in the reign of Akbar. A demand for a ban on cow-slaughter had also been prominent during the freedom struggle against the British and leaders had told the people that an end to British Rule was necessary for cow-protection. It is a matter of regret that after attaining Independence the Congress Government did not keep this promise. On the other hand it has always avoided this subject on some pretext or the other. Immediately on attaining Independence an assurance was given that there would be a constitutional ban on cow-slaughter. But the Constitution merely mentions it in Article 48 in the Directive Principles of State Policy. The hope was held out that a law would soon be made in accordance with this directive. When such a law was demanded after nation-wide collection of record signatures in 1952, the matter was passed on into the laps of the State

Governments. Some of these States made laws after a lot of agitation, but many clauses of these laws were declared ultra vires by the Supreme Court, as a result of which these laws have become lame and ineffective. Also so long as cow-slaughter continues in other parts of the country a cow-protection law in one state or two cannot help in the protection of the cow and its progeny. Even the Committee set up by the Government of India in 1948 accepted this fact. So it is necessary to amend the Constitution for a complete ban on cow-slaughter.

On the basis of this demand an all-Party Cow-Protection Committee is conducting an agitation throughout the country. During the last many months the feelings of the people are being manifested in Delhi by way of *satyagraha*, *dharana* and hunger-strikes. Pandit Ram Chandra Sharma Vir has been fasting for more than 70 days. His son Shri Dharmendra is also on hunger-strike. *Sadhus* and *Sanyasis* are courting arrest by the thousands. Jagatguru Shankaracharya of Govardhan Pith, Shri Prabhu Dutt Brahmachari and Muni Sushil Kumar have also expressed their determination to go on an indefinite hunger-strike from the coming Gopashtami day. All over the country lakhs of Satyagrahis are coming forward to strengthen this agitation. Bharatiya Jana Sangh salutes all devotees of the cow and assures the all-Party Cow-Protection Committee of complete co-operation.

It is a matter of deep regret that even now the Central Government has not left its dilly-dallying. It is also shifting its responsibility by leaning on the States. But the States cannot amend the Constitution; this will have to be done by the Parliament. So long as the Constitution has not been amended, laws passed by the State Governments cannot fulfil the demand for a ban on cow-slaughter. The apathy of the Government is increasing public resentment on this problem. The people have very deep feelings on the matter of the cow. If on any occasion this widespread public resentment goes out of control, the consequences would be serious and their responsibility will be completely on the Government. Hence the General Council strongly urges the Government to think seriously of the matter and ban cow-slaughter by amending the Constitution in the present session of Parliament.

[Nov. 2, 1966; Nagpur, C.W.C.]



**66.22. DROUGHT CONDITIONS—SOME MEASURES**

Drought conditions in different parts of the country, particularly Bihar, Eastern U.P., M.P. and Rajasthan have resulted in almost total destruction of Kharif crops, and because of an excess of dampness in the soil the possibility of rabi crop has also diminished. As a result the possibility of famine in a very large area has arisen. At the same time a shortage of drinking water is occurring in many places and there is also acute shortage of fodder for the cattle.

The cause of the present situation lies not only in the absence of rain but also to large extent in Government policies. Last year at the time of the conflict with Pakistan the uncertainty regarding food imports from abroad had created an atmosphere favourable for war-effort as regards self-dependence and increase in food production. It was declared that the farmers would be given all sorts of assistance, but later this policy was changed. The work of giving pumps to farmers for irrigation also slowed down. In the name of a new agricultural policy all resources were invested in certain areas of irrigation. The Taichung native seed of rice was produced in large scale, but the farmers were not given proper information about the pesticides and other precautions necessary for the use of this seed. As a result large crops of this seed were destroyed. Continuously for two years this crop was damaged. Whatever was produced was also taken away by the Government in the name of levy collection and other projects. As a result, even in the villages there are few farmers left who may have sufficient to eat. Because of damaged crops, landless agricultural labour does not get any work and it possesses no purchase-power. It is, therefore, necessary to take extensive steps to fight this calamity.

It is a matter of deep regret that the relief work started in different states in India is being exploited for party and group interests. This complaint has been made not only by workers of Opposition parties but also by some Congress Ministers. Bharatiya Jana Sangh condemns this tendency of the ruling party and officials. The Jana Sangh feels that this calamity is so serious as to require the co-operation of every body. Discrimination on party basis is not only improper it is even inhuman. The Jana Sangh makes the following suggestions:

- (1) All-party committees should be formed at different levels;
- (2) Famine should be immediately declared in those areas where crops have been extensively damaged, and all due facilities should be made available;
- (3) Relief work should be started on large scale;
- (4) Free meals should be arranged for the handicapped or disabled;
- (5) Land-tax should be excused where crops have been damaged. Collection of Taqavi, loans and students fees should also be stopped;
- (6) Small-scale and temporary means of irrigation should be immediately set up; and
- (7) Present Famine Legislations in different states should be amended and made consonant with needs of today.

The Bharatiya Jana Sangh directs all its branches to give their co-operation in all the relief projects of the Government and also plan relief programmes of their own.

[Nov. 2, 1966; Nagpur, C.W.C.]

**67.05. RELIEF FOR SCARCITY VICTIMS IN BIHAR**

The Central Working Committee of the Jana Sangh expresses concern over the situation created by famine in Bihar as well as other parts of the country.

Today almost the entire area of Bihar is in the grip of famine. Drought has destroyed the last Rabi and Kharif crops. People have started to die of starvation. There is no fodder for the cattle. Wells are drying up. This situation will continue aggravating during the next six months. In the opinion of the Working Committee this is a natural calamity and it appeals to the people of the country as well as to all branches of the party to fight it. All branches should launch collections of food, money, etc. and start sending them to Bihar without delay.

[March 14, 1967; Delhi, C.W.C.]

**67.08. FAMINE-LIKE CONDITIONS**

The All India General Council of the Jana Sangh expresses concern over the continuously deteriorating food situation in the country. While it is true that it has resulted from drought for the last two years it is also a sad fact that the shortsighted policies of the Government made the problem all the more acute, instead of alleviating the distress caused by natural forces. At present a very large part of the country is in the grip of famine and tragic reports of starvation deaths are coming from many places. It is to be deeply regretted that in spite of this a National Food Policy has not been decided upon to fight this calamity. The conference of Chief Ministers and Food Ministers recently convened for this purpose has also not succeeded from this point of view. The Bharatiya Jana Sangh firmly believes that unless a clear-cut policy is determined on the basis of a far-sighted and national point of view and it is effectively put through, the food problem may appear to have been averted for some time but it would not be solved. Its solution requires prompt action on the following suggestions:

(1) The food problem is an All India problem, not a problem of some zones or States. With this basic understanding the responsibility of production should be given to the State Governments and of proper distribution to the Government of India.

(2) The zonal system of food distribution should be ended and the whole country considered one zone. There should be no restriction on food movements at district or other small levels.

(3) Big cities like Bombay, Calcutta, Madras and Delhi draw food supplies to themselves from surrounding areas because of greater purchasing power. Therefore there should be special arrangements for such cities, as also for famine areas, both of which should be clearly delimited. In the rest of the country the movement and sale and purchase of food should be free and its prices should be controlled on the market level through purchase and sale by the Food Corporation. Levy, compulsory food procurement and purchase monopoly should be ended. If at all a levy is necessary it should be collected from grain merchants so that the farmer's incentive for food

production is not adversely affected. The sales tax on food-grains should be removed.

(4) There should be fair-price ration shops for selling imported foodgrains, as well as those purchased by the Food Corporation to labourers and other poor classes. The distribution of imported foodgrains should be done through a non-official machinery which would not exploit their poverty for brain-washing. Dearness allowance to Government employees and to fixed-income groups should be given in the form of grains. The losses resulting from this should be made up by the Government or the employer. This will help prevent price rise to some extent and would also be helpful in breaking the vicious circle of inflation.

The Jana Sangh believes that such a policy would provide an incentive to the farmer for greater production, find a lasting solution to the problem by way of increased production and also provide short-term relief to under-privileged sections of the society through a distribution system that is based on a national point of view and can checkmate corruption as well as smuggling which prosper on controls.

[April 21, 1967; Delhi, A.I.G.C.]

**67.19. KOYNA EARTHQUAKE VICTIMS**

Jana Sangh expresses its deep sorrow at the death of persons, who fell victim to earthquake in Koyana and assures the bereaved families that in this hour of natural calamity the entire country is with them.

[Dec. 26, 1967; Calicut, XIV A.I.S.]

**67.24. GOVT. COMMITTEE'S SLUGGISH PACE**

After Independence, the people had hoped that immediate steps would be taken to protect the cow, symbol of India's self-respect, greatness and prosperity, and that in fulfilment of the nation's aspirations a legal ban would be imposed on cow-slaughter.

But the Government's policy has been to evade the issue,

with the result that over the years there have been repeated public agitations, fasts, satyagrahas, etc. on this count.

On November 7, 1966, the national movement for a ban on cow-slaughter found powerful expression in the shape of a mammoth demonstration in front of Parliament. But instead of honouring the people's will, the Government had the peaceful processionists, who numbered over seven lakhs and who included *Sadhus* and *Sanyasis*, women and aged people, brutally lathi charged and fired upon by the police. Repression was unleashed and the instrument of propaganda was also taken recourse to malign the movement. When, however, lathis and bullets failed to stifle public opinion, the Government of India appointed a committee to look into this issue of protection and promotion of the cow progeny.

But the sluggish pace at which the committee's work has been going on has aroused misgivings in the people that the Government's intentions on this issue of national importance are not quite clean.

It is the definite view of the Jana Sangh that if cow-slaughter is not immediately and completely banned, the country's economic, social and cultural deterioration will continue. In a country once proverbially known for its 'rivers of milk and ghee,' milk has become a rarity even for children. The situation is indeed unbearable.

This Conference urges Government to ensure that the Committee finalises its report expeditiously, and to make an early announcement that slaughter of the cow and its progeny would be totally forbidden in this country.

[Dec. 26, 1967; Calicut, XIV A.I.S.]

#### 68.10. FARRAKA BARRAGE

The need to build a barrage on Ganga River at Farraka to ensure adequate supply of water and maintain proper depth in the Hoogly to keep Calcutta Port functioning has been felt for a long time. The proposal to build this barrage was first put forth, long before the partition, by some British experts. It does not in any way affect Pak interest whose need for Ganga

water for irrigation and other purposes is very limited. When the project was first taken in hand by the Government of India in the mid-fifties, Pakistan wanted to be assured of only about 3800 cusecs of water to which India had no objection.

But of late Pakistan has begun to raise new objections. It has also raised its demand for water from Farraka Barrage from 3800 to about 49000 cusecs. It is clear that Pakistan is doing so purely for political reasons. It wants to prevent India from linking North Bengal with South Bengal through this barrage and also wants to ruin the port of Calcutta. Her attitude is just like that of a dog in the manger.

While she is raising such baseless objections to the construction of Farraka Barrage, she is going ahead with a number of projects in East Pakistan which are going to submerge a lot of Indian territory and otherwise affect Indian interests adversely.

The Government of India has not only failed to make effective protest to Pakistan regarding these projects but what is worse it is succumbing to Pak pressure in regard to Farraka Barrage. The inordinate delay in completing it, permission to Pakistan to send her experts to survey the project and the area in which it is being constructed has created the impression in Pakistan that Government of India can be pressurised to give up this project or make valuable concessions to Pakistan elsewhere.

The maintenance of Calcutta Port as also general interest of India in the strategic Eastern region demand that the barrage should be completed without any further delay. The Working Committee, therefore, urges upon the Government of India to shed its pusillanimity and adopt a firm line towards Pakistan in regard to Farraka Barrage.

[June 4, 1968; Gauhati, C.W.C.]

#### 68.15. WIDESPREAD FLOODS AND DROUGHT

Hardly had the country begun to experience the comforts of a bumper crop after two successive years of severe famine conditions when it is having to face a difficult situation caused by widespread famine and resultant heavy loss of crops side

by side with drought over vast areas. Andhra, a major part of Mysore, Haryana and Southern Maharashtra are in the grip of drought. Four districts of Gujarat and seven of Orissa too have been so far affected. Border areas of Rajasthan have been experiencing chronic drought for years in succession. Uttar Pradesh and Madhya Pradesh too are threatened with the same danger. This situation has once again highlighted the grim conclusion that whatever success had been achieved in our agricultural production so far was more a result of nature's bounty and less of our own plans. As a matter of fact, it is a sad irony that after having spent hundreds of crores of rupees on multi-purpose projects aimed at irrigation, flood control and other objectives, the country has simultaneously become a victim of floods as well as drought. The deforestation going on during the past years and the construction of railway lines, canals and roads and defective land consolidation without proper attention being given to the natural flow and drainage of water have aggravated the flood-problem. At the same time the neglect shown towards small irrigation schemes, sinking of tube-wells, cleaning and desilting of tanks and other natural stores of water because of our weakness for gigantic and spectacular dams and river valley schemes, has kept the solution of our irrigation problems beyond the range of the foreseeable future.

The Jana Sangh has always been emphasising the importance of tube-wells and other means of small irrigation. Had proper attention been given to them the present difficult situation would have been avoided. The approach to the Fourth Five-Year Plan promises a change in this direction but it remains to be seen to what extent it will be implemented. Recent experiences make one sceptical in this regard. It appears that the Government has failed either to adopt the proper attitude for the solution of our basic problem of food and agriculture or to acquire sufficient competence for it. Thousands of tons of foodgrains have been lost in transit. There is absence of proper storage arrangements. That such should be the state of affairs in a country which depends very heavily on foreign countries for its food requirements, is a matter of shame. Not only this, there are examples of decisions being taken which cannot be beneficial from the point of view of agricultural pro-

duction. For example, while the annual plan of 1968-69 talks of 'greater attention' being given to small irrigation linked with electrification of rural areas, the fact that President's rule in Uttar Pradesh and Bihar has raised the electricity rates, makes one doubt the sincerity of such assurances and feel that the Government is as yet totally out of touch with the real nature of the problem. In Andhra also the condition of compulsory investment in government bonds for giving electric connections also indicates similar mentality that would discourage electrification. About Rs. 22 crores have been provided for Community Development in the current annual plan. The experience hitherto has been that the expenditure under this head had been a politically motivated waste of public funds. There is no justification for this expenditure in the present situation which is accepted on all hands to be of stringent resources.

**Flood Wing in C.W.P.C.**—In the dual calamity of floods and drought, it is the considered opinion of the All India General Council that it is not enough just to undertake relief measures for the sufferers year after year. The Central Water and Power Commission should have a separate Flood Wing to pay attention to the problem and tackle it. This will naturally have to be attempted, in the background of the twin needs of proper utilisation of the country's water resources and the removal of the dependence of our agriculture on rainfall. Similarly, special flood fighting squads will have to be trained and kept ready so that they can be rushed promptly to the affected areas.

**Drought Commission be Set up**—On the other hand, the General Council demands that the Government should set up a Drought Commission to study the problems of chronically drought affected areas of the country, to carry out a comprehensive survey, to plan ways and means of solving the problem and to set up a permanent machinery for the purpose. The Famine-code framed long ago is inadequate and unrealistic from the point of view of present day needs. It calls for re-thinking, right from the conditions for declaration of an area to be famine affected, to the wages paid in the relief work centres and the food given to the old and disabled. The need for providing grass and fodder for saving cattle wealth also is essential. The General Council is of the view that this important issue can brook no further delay and the Government should take



clear and definite steps in the matter promptly.

For immediate relief, the following measures should be undertaken in the flood-stricken areas:

(1) Arrangements should be made to draw out the standing water by means of pipes so as to enable sowing of the Rabi crop.

(2) Where the machinery of factories in flood-affected areas has been spoilt because of the water, relief should be provided in the matter of machines and material.

(3) Fodder should be arranged for the cattle in the flood and drought affected areas. Exemption should be granted in the matter of land revenue and irrigation taxes and recovery of all types of government loans should be stopped. Also to provide employment to the people, public works, such as construction of canals and roads, cleaning of tanks and ponds, digging, etc. should be undertaken.

(4) Where loss is believed to have resulted because of the failure of local officials to take timely action in spite of the fact that they had been forewarned, such negligence should be enquired into and punished.

[Sept. 7, 1968; Indore, A.I.G.C.]

#### 69.10. DROUGHT CONDITIONS AND FAMINE; SOME SUGGESTIONS

The Bharatiya Jana Sangh expresses its grave concern over the serious situation created in several parts of the country because of the continued drought. Both the human population as well as cattle are passing through agonising crisis because of scarcity of food and water. Reports of widespread famine resulting in loss of human and cattle life have been received from some States. In the Hissar, Mahendragarh, Rohtak and Gurgaon districts of Haryana, drought conditions have resulted in an acute scarcity of fodder and drinking water. Similarly 50% of the population of 12 out of 19 districts of Mysore state have been affected by drought. Andhra Pradesh also is passing through a similar crisis. There too, the entire crops in Srikakulam and Rayalaseema districts and in two talukas of Anantpur district have been completely destroyed. The

Orissa situation is still more grave. In some districts of this state, famine conditions have been continuing since the last three years. If all this is not remedied immediately, the situation is likely to become extremely serious.

For Bihar Pradesh, drought is an annually recurring feature. There being no permanent arrangement to confront drought, this State has to pass through an acute crisis every year. Two years ago the situation was particularly severe. It is a matter of satisfaction that the then SVD Government undertook immediate and extensive expansion of small-scale irrigation schemes and thus laid the base for an enduring solution of the problem. We feel sorry to say that with the change of Government these works have been neglected with the result that there has been a failure to deal with the current crisis. The cattle population of Palamau district is faced with starvation and death. The human population also is struggling against death by trying to live on inedible materials.

The situation in Uttar Pradesh is not less serious. Famine has caused a widespread havoc in the districts of Allahabad, Mirzapur, Ghazipur, Jaunpur and Varanasi. Acute scarcity of drinking water and non-availability of foodgrains at cheaper prices have driven men in search of food and water. The plight of cattle is pitiable indeed.

In Tamilnadu in the absence of monsoon in the entire area, especially in Chialpet, North Arcot, Coimbatore and Ramnad districts, the crops are destroyed and a grave situation has been created. As it has been found extremely difficult to keep alive cattle, there has been a large-scale distress sale of cattle at throw away prices.

In Rajasthan, especially in the desert areas, the drought has been a permanent feature. In one or the other part of the State famine conditions prevail every year. But this year's famine has established a new record. Twenty-three districts out of 26 and 26,000 villages out of 32,000 in the State are in the grip of famine. In larger parts of the state no new crops could be sown and wherever the crops were sown, they have been destroyed in the absence of monsoon. In the desert areas of the state, the only sustaining factor of the people is their cattle-wealth. But this year because of drought and scarcity of drinking water and fodder, there has been large-scale destruction



of cattle resulting in the death of lakhs of animals. The sinister grip of death has now taken its hold over the human lives. Because of unhygienic food, salty water and the absence of drinking water, scorching heat, less wages, more labour and delay in payment of wages, the will of the people to exist is diminishing. Another concomitant of famine—the widespread epidemics have taken a toll of thousands of lives in Barmer, Bikaner and Jaisalmer districts, and hundreds continue to die every day. The villages situated on the border of Pakistan are being deserted.

It is evident from the above gruesome picture of famine and drought that the State Governments have wasted crores of rupees in the name of planned development. But no permanent solutions have been evolved to tackle these problems. Even in the field of development, these areas have remained backward in comparison to other areas of the State. Under this underdeveloped situation impact of drought has posed a permanent threat to the people of these areas. Solution to these problems cannot be found through temporary measures but they are to be sought in the form of long-term permanent measures. In the present famine conditions, the plight of farmers and the backward classes in the villages is very pitiable. Not only the production and the yield will suffer but also scarcity of water, fodder, scorching heat and unhygienic food will cause widespread epidemics resulting in the death of thousands of persons.

Bharatiya Jana Sangh forewarns the State and Central Governments that if necessary remedial measures are not taken immediately, the condition in the famine-hit areas will worsen and it will be very difficult to maintain peace, law and order. The Working Committee, therefore, suggests that:

- (1) In the Fourth Five-Year Plan, special arrangement be made and adequate funds be allocated to find permanent solutions for the areas in which the famine conditions persist.
- (2) Rajasthan canal be treated as a national project and the completion of the project be expedited. This will help not only in giving relief to the drought-affected areas of Rajasthan but will also contribute to our defence needs. Similarly, the Narmada water dispute should be resolved without delay and the States concerned should be made available the water

of Narmada.

(3) Small-scale irrigation schemes and especially those of tube-wells should be undertaken on a large scale.

(4) Digging of a large number of wells should be undertaken so as to provide drinking water and electricity be made available to the villages where water is to be pumped from deep wells.

(5) 'Cattle insurance' scheme be introduced and 'fodder banks' be opened.

(6) Water be supplied through trucks and railway wagon load to water scarcity villages.

(7) Famine affected areas be provided adequate quantity of foodgrains at cheaper rates.

(8) Immediate steps be taken to stem the spread of epidemics.

[April 25, 1969; Bombay, XV A.I.S.]

## 72.08. CEILINGS AND AN INTEGRATED ECONOMIC PROGRAMME

**Mid-term Appraisal of Fourth Plan**—The Mid-term Appraisal of the 4th Plan is a story of dismal failures with little to commend itself except perhaps the frankness with which the confessions have been made. Despite the massive investments made over the years since planning commenced, the economy has been landed in a state of virtual mess. Our rate of growth is almost the lowest among the developing countries of the world.

The saving rate slumped in 1971-72 by almost 33% compared to 1960-61 while the investment rate was only marginally above the corresponding rate. Unemployment has grown to threatening proportions while the Government is tinkering with the problem and its experts are still trying to decipher its shades and varieties. Prices continue in their merry-swing upward and holding the price line appears to be as evasive a dream as ever. Per capita availability of articles of elementary consumption like cereals, pulses, edible oils, cotton-cloth, coffee, etc. is lesser than it was when the Third Plan ended.

The Government's claim that it is moving towards self-reliance, when the total foreign 'aid' this year is larger by

Rs. 75 crores than last year, is illustrative of its attitude of self-deception. The mid-term appraisal, by defining self-reliance as "dispensing with net aid after 1980-81" exposes the Government's intention to continue seeking and accepting so called aid to the tune of Rs. 650 crores even in 1980-81, and underlines the fact that it has never learnt the bitter lesson that no aid is without strings nor has it any faith in the country's own growth potentiality.

It is the considered view of the Jana Sangh that the above picture is not the result of this imbalance or that strain but is a proof evident of the failure of the basic strategy followed by our planning. It is a vindication of the Jana Sangh view that planning in India has to be *Swadeshi* in spirit and has to evolve a pattern of its own as indicated by our resource-mix. It has to be employment-oriented and based on an intermediate technology giving priority to cottage and small-scale industries and small irrigation schemes.

It is a matter of regret that failures caused by defective planning have so far not occasioned any corrective action but only added impetus to the same priorities in the name of 'bolder' planning. The appraisal is no exception to this. It abounds in axiomatic statements and platitudes but there is no sign of any resolve to recast the Plan without which the whole effort is foredoomed to failure.

**One Ceiling Line not Sacrosanct for all Times**—Currently a controversy is raging in respect of ceilings on agricultural land. Since its very inception the Jana Sangh has been in favour of ceiling as an instrument of land-reform. It has also considered it to be a means of optimising the use of agricultural land and its fairer distribution in view of utter lack of employment opportunities for the agricultural class. In our 1957 election manifesto we advocated 30 acres of well irrigated land or equivalent thereof in terms of produce as a reasonable ceiling.

It is a matter of regret that Congress governments in spite of loud mouthed slogans of radical land-reform have done, in practice, precious little in this regard. In certain States under pressure of the rich farmer lobby in the ruling party—holdings of more than a hundred acres have been permitted by linking the ceiling to the individual in place of the family. Moreover,

exemptions in the name of mechanised farms and progressive farmers—whatever that might mean—have, in many cases, reduced the law to a farce. Besides, there has been no honest implementation of whatever legislation was enacted. As a result of all this, the landless have by and large remained without land. It is as an attempt to conceal this utter failure that the Congress party's present move to reduce existing ceilings has been initiated. The Jana Sangh does not believe in any one ceiling line to be sacrosanct for all times. Nor should it be made a play-thing in the hands of politicians. The only rational basis can be an objective assessment of net income from cultivation.

As things stand at present, the ceiling law suffers from anomalies and lack of uniformity. While in some States the family is taken as a unit, in others it is the individual. Some States fixed ceilings much above 30 acres which the Jana Sangh suggested nearly 15 years ago. There is evident case for reducing ceiling in those States to bring it to a uniform level.

The Jana Sangh believes that after taking into account increased productivity in various areas, the changed cost pattern and the decline in the purchasing power of money, the ceiling should be fixed in each state at a level which yields an income of Rs. 1500 per month per family of 5, including 3 minor children.

**Constitution (29th) Amendment**—In this context the Jana Sangh holds that the impending 29th amendment of the Constitution is economically bad, politically unjust and morally obnoxious. It is obviously intended to pave the way for robbing the small farmer of a part of his holding which is below ceiling limit yet but will become excess under the new dispensation. It has to be remembered that the axe is no longer going to fall on the 'big landlord'. The present measure is a blow to the small farmer who is entitled under Article 31 of the Constitution to receive compensation at market rate for any land below the existing ceiling that he is deprived of.

**Prices, Employment and Distribution**—While the Government is thus busy sharpening its axe for the small peasant and for denying him his fundamental right to approach the court of law for justice, it does not seem to be in any hurry about distribution of the cultivable surplus land already available.

Any further delay in this regard will exhaust the patience of these hapless toilers. Their pent-up dissatisfaction may well erupt in a countrywide agitation. That the Government has neither a conception nor the necessary will to evolve a clear policy in respect of prices, employment and distribution of income is evident from this year's budget proposals.

By taxing fertilisers, power driven pumps and lubricants on top of a mysterious increase in tractor prices, it has cast an additional burden in the use of modern agricultural inputs. Over and above this there was the attempt to lower the procurement price of wheat when there is a case for its upward revision in view of the increasing cost of production.

The new levy on Kerosene—tax on the poor men's light and kitchen fire—has not been withdrawn despite stiff opposition. The reduction in food subsidy with no effort to check increasing burden of F.C.I.'s handling charges of foodgrains is bound to mean a higher price for the consumer without any benefit to the grower. The steep increase in excise duty on steel added to higher freight rates will cause a cumulative rise in costs and prices and discourage construction and other industries, obstruct employment-generating activity and upset all project estimates. On the other hand, precious little has been done to cut unproductive spending, beyond verbal homage to the need for economy. Nor is there any effective step to put the working of public sector projects—some of which have already eaten up their entire capital—on efficient lines.

**Sugar Policy**—The sugar policy is yet another example of official bungling and has led to the exploitation of the lay consumer as well as the cane-grower by the unscrupulous elements in the industry who are in league with the ruling party.

The Bharatiya Jana Sangh feels that there is urgent need today to take the following steps :

(1) The Plan be radically overhauled in respect of objectives, strategy and investment-priorities in such a way as to guarantee employment, compulsory primary education, free medical aid, drinking water and shelter to every citizen and to maximise production and employment-potential by allocating greater resources for minor irrigation, small industries and a balanced nuclear technological system.

(2) Steps be taken to increase the rate of growth to 10%

with complete self-reliance, and to reduce the disparity between incomes of different classes to 1 : 20.

(3) Taking measures to check concentration of industry in one or in some areas and thus reduce regional imbalance in economic development.

(4) A limit of Rs. 2000 per mensem per family be fixed on expendable income.

(5) Exemption enjoyed by mechanised farms, orchards and co-operative societies in respect of land ceiling be withdrawn.

(6) Steps be taken to distribute all surplus government land among the landless and owners of uneconomic holdings by the 15th of August this year.

(7) Steps be taken to impose a ceiling of 1000 sq. yards on area and Rs. 2 lakhs on construction cost, for urban property.

(8) Right to work be included among the fundamental rights and unemployment allowance be given to those who cannot be provided with work.

(9) Priority be given to the educated unemployed in the allotment of industrial plots, raw material quotas, permits and licences so as to enable them to set up industrial units. Also, construction of dispensaries and residential houses be undertaken on large scale.

(10) Tax system be reformed so as to eliminate harassment, raise the exemption-limit of income-tax, do away with confiscatory rates of taxation on high incomes which only promote evasion, and take other measures recommended by Wanchoo Committee to tackle the evil of black money.

(11) A massive rural work programme be undertaken with an investment of Rs. 1,500 crores, as a first step towards achievement of full employment within 10 years.

(12) Price stability be ensured by minimising the bureaucratic shackles on productive activity and ending delay in decision making, as well as by restraining deficit financing and state-overdrafts and through proper distribution of various products and effective check on profiteering and hoarding.

(13) A needs-based minimum wage be guaranteed for all workers and wages be linked with higher productivity above that level.

(14) Scheme to give cheap loans on personal security and

grants to Harijans, Tribal landless farmers and artisans be undertaken. In view of the rising prices, the amount of scholarships given to Harijans and tribals students be increased.

(15) Production of certain consumers goods be reserved for village, cottage and small industries and large-scale units be not allowed to enter therein.

[May 7, 1972; Bhagalpur, A.I.G.C.]

#### 72.15. FAMINE SITUATION; SOME RELIEF MEASURES

Having heard the reports on famine from representatives from different states the Working Committee suggests the following and demands that they be immediately implemented :

- (1) The dangerous famine situation be met on war footing.
- (2) It is a national calamity. All-party committees be constituted at all levels right from Centre to Development Blocks to meet the situation.
- (3) Relief measures of permanent utility be undertaken.
- (4) A new Famine-code be formulated.
- (5) Minimum wages of Rs. 4 per head per day should be fixed for relief works. Equal wages for equal work be fixed both for men and women. Arrangements be made for providing necessary articles near the venue of the relief works.
- (6) The crippled and destitutes with their dependents should be provided for by Government.
- (7) Camps be established to save livestock.
- (8) Relief aid received from foreign countries should be distributed through the government machinery. Strict watch should be kept that the situation is not exploited for religious conversions.

[November 20, 1972; Jaipur, C.W.C.]

#### CHAPTER 3

### INDUSTRIAL DEVELOPMENT LABOUR AND EMPLOYMENT

Jana Sangh is a votary of Industrialisation because it would like India to be a strong and self-reliant country. Its disagreement with the Government policy has been over the form and content of industrialisation (Principles and Policies). In this regard, Jana Sangh has felt for the last 22 years that the choice of technology for India has not been correct and hence the current ills of the economy.

The Jana Sangh believes that the choice of technology should have been based on the factor-endowments of the country. As a poor country we can ill-afford to use our resources wastefully. Which technology is appropriate should have been decided after considering the fact that India is surplus in labour and short in capital (Principles and Policies). Instead the Government has chosen technology under the influence of foreign aid and collaboration considerations. This has resulted in an industrialisation pattern based on labour-saving and capital intensive technology. Hence the mounting unemployment and heavy foreign indebtedness.

The Party's industrial policy has been therefore formulated on three pillars :

- (i) All consumer-goods industries will be in the small industry sector in private Indian hands.
- (ii) All producer goods industries will be in the large industry sector, and generally in the public sector.
- (iii) The necessary R & D to modernise and help import-substitution in the private sector will be provided free of cost by the Government's scientific laboratories and institutes (Manifesto, 1967).

The Jana Sangh has made it clear through its pronouncements that small industry does not mean producing on a small scale, but in fact *Mass production by the Masses* (Manifesto, 1957). It has also emphasised that small industry does not mean out-dated technology, but advanced labour-using capital-saving technology (Manifesto, 1972). The party would further like the small industry (needing no foreign exchange) to be freed from the shackles of licensing (Manifesto, 1971).

In nutshell, the industrial policy of the Jana Sangh has been summarised as follows :

"Decentralisation, *Swadeshi*, and Labour-intensity should be the criteria for our industrial development. It will reduce unemployment, inequalities and foreign exchange shortage, and in physical terms our achievements will be greater" (Manifesto, 1967).

The Jana Sangh believes in a pragmatic approach to nationalisation (Manifesto, 1957). Basic and defence industries should be nationalised (Manifesto, 1962). Foreign banks, insurance of foreign trade, and trade



with communist countries should be nationalised in view of the changed circumstances (Manifesto, 1967; Resln. 69.18).

The Jana Sangh from its inception has stoutly opposed monopoly, whether individual or bureaucratic (Manifesto, 1951). It has also demanded accountability of the public sector (Manifesto, 1971). It has stood for individual, private initiative and enterprise for Bharatiyas and in this regard, the party is of the view that foreign companies should be totally "Indianised" (Reslns. 69.18 and 70.06) and that all barriers in the way of free inter-state trade should be reduced to a minimum (Manifesto, 1954).

The Jana Sangh regards the country's vast Manpower as an asset and not a liability. That is why it has been consistently opposed to foreign-induced technology which is labour-saving because it was evolved in countries which are short of labour. It has regarded the Right to Work as a Fundamental Right, and has demanded compensation to be paid to the unemployed (Manifesto, 1957). The Party outlined the ways and means to eradicate unemployment (Manifesto, 1971).

The Jana Sangh has recognised from the very beginning the labour's right to unionise (Manifesto, 1957) and to strike (Principles and Policies). But it has deplored the *Abharatiya* (Un-Indian) approach of class antagonism (Manifesto, 1954), and has advocated long before others the view that labour and management have to be represented on the Boards of Directors of factories (Manifesto, 1962). It has argued for minimum wage laws even in agricultural field and for higher bonus of 8.33 per cent (Resln. 71.07). A complete statement is contained in the Ghaziabad Resolution 71.09.

### 53.08. UNEMPLOYMENT MENACE; SOME SUGGESTIONS

During the last ten years unemployment has been fast growing in the country in all strata of society and particularly among the middle classes. It was expected that after the dawn of Independence something effective would be done to check this menace. But unfortunately the policies pursued by the Congress Governments at the centre and the provinces have instead of solving this problem further aggravated it.

Even the Five-Year Plan has little to offer in this respect. The eleven-point programme set out by the Planning Commission is inadequate inasmuch as it does not present any bold remedy. A permanent remedy for growing unemployment can be found only through radical reorientation of our educational system and of our social and economic set-up. In the meanwhile the following measures should be immediately adopted to meet this menace:

- (i) To remove the educated unemployment and utilise the energies of the large army of educated unemployed, the Government must immediately make plans for compulsory primary education on a mass-scale throughout the country. Besides giving employment to large numbers of the educated unemployed, this will help in the general reconstruction of the country. Immediate steps should be taken to give vocational basis to the secondary education. Easily available facilities for technical education should be extended. Some sort of manual work should be made compulsory part of secondary and college education to create the dignity of labour in the educated youth. A course of compulsory normal work after matriculation and graduation should be made a pre-requisite for conferment of degrees.
- (ii) The policy of retrenchment of low-paid employees

in the Government as well as private concerns—while the number of higher paid employees is daily growing—needs to be discouraged. The scope for employment must be extended by proportionate reduction in the salary of the highly paid employees. The scheme of unemployment insurance must be taken in hand so that a sense of security may be created in the people's mind.

- (iii) To check unemployment in rural areas Government must start capital projects on the lines of famine-works, so that the energy of the unemployed may be usefully harnessed for rebuilding of the country. The money spent for this purpose is sure to bring rich dividends in the form of general improvement in the living conditions in the country.
- (iv) A planned effort to improve the life in villages and establishment of new and retention of old cottage industries like the handloom should be made to check the rush of rural people to big industrial cities which is creating grave and new problems of social and economic nature in regard to the unemployed labour in such cities.
- (v) Facilities for technical training to unskilled labour must be provided in big industrial cities. This will go a long way towards removing industrial unemployment.
- (vi) More important than these measures is the need for creating a psychology for work in the country. At present a feeling of frustration is growing in the people due to the economic and social policies of the Government. That is dampening the enthusiasm of the people. Unless enthusiasm is revived in the masses, they will not put in their best to meet the problem facing the country of which they themselves too are the victims.

[Aug. 15, 1953; Allahabad, A.I.G.C.]

### 53.12. RELIEF MEASURES FOR WEAVERS

The Central and the State Governments should take

immediate steps to provide adequate relief to the starving weavers of the country whose number is not less than one crore, by adopting following measures:

- (1) Reserving entire production of *Dhottis* and *Saris* for the handloom;
- (2) Providing loans to the individual weavers in the form of Taccavi;
- (3) Providing greater financial aid to the Weavers Co-operative Societies.
- (4) Imposing adequate restrictions on the import of foreign cotton-cloth.
- (5) Opening marketing centres for handloom products under the government supervision; and
- (6) Exempting handloom products from the operation of the Sales-tax.

[Aug. 15, 1953; Allahabad, A.I.G.C.]

### 54.12. HANDLOOM INDUSTRY

The Jana Sangh regrets to note the reluctance on the part of the Government to provide adequate economic relief to weavers numbering a little more than one crore. Reservation of 40% production of *dhotis* and of the entire production of coloured sarees is welcome but inadequate.

The Jana Sangh demands that the handloom product be completely exempted from the operation of the sales-tax inasmuch as the handloom is indisputably the major cottage industry of our country.

The Jana Sangh also recommends that the handloom products be used for the necessities in Government offices and for the uniform of Government employees, both in the Centre and in the States.

The Jana Sangh further calls upon the people to use handloom cloth as much as possible.

The Jana Sangh further urges upon the Central Government to direct our Embassies to make planned and systematic efforts to popularise our handloom-products in their respective countries, so as to secure for it a wider market abroad.

[Jan. 25, 1954; Bombay, II A.I.S.]

### 55.01. UNEMPLOYMENT SITUATION

The third plenary session of the Bharatiya Jana Sangh expresses great concern at the grave problem of rapidly increasing unemployment in the country. That unemployment should increase during a Five-Year Plan, indicates that there is some basic defect in our economic planning.

**Right to Livelihood is Fundamental**—The Jana Sangh is of the firm opinion that the objective of present economic planning should be to provide employment to the maximum number of people. The right to livelihood is a Fundamental Right of man and our objective should be to develop an economy in which this right of all citizens would be accepted and a guarantee for a minimum standard of life would be given.

If the statistics collected by the Planning Commission are to be believed, there are one crore unemployed people in our cities and the number is increasing by 5 lakhs every year. Of the 28 crore men and women living in the countryside, 3/4th are employed for three or four months and 1/4th for six to eight months, for the rest of the year they have no work.

These figures prove that land-reforms or agricultural development by themselves do not provide solution for unemployment. Agriculture can sustain a maximum of labour force of five and a half crores. So the problem before the Government is to provide immediate work for two and a half crore labourers.

**Rural Industrialisation**—Jana Sangh is firmly of the view that it is necessary to spread a net-work of small and village industries for the eradication of rural unemployment. The Government is responsible for the present plight of cottage industries. Although it is striving for higher production, it is not putting adequate emphasis on proper distribution of the production (and thus increasing one's purchasing power) which is necessary to provide employment to every individual. For the eradication of unemployment it is necessary to base the economy of the country on Village Industries and thus decentralise economic power. From this point of view, it is necessary to demarcate the spheres of small and big industries, give priority to the small industries and also conduct and control the big industries on the basis of this priority, so that small industries

may not only prove competitive but also fulfil the increasing necessities of the people.

The Jana Sangh directs all its branches to organise the unemployed and to prepare them for a struggle for the fundamental right to livelihood.

- (i) For this purpose a census of the unemployed may be taken in areas selected by the provincial executive, and the real form of unemployment analysed and put before the people;
- (ii) Organise demonstrations of the unemployed to acquaint the Government with the gravity of the unemployment problem and urge it to provide immediate employment by presenting charters of demands; and
- (iii) Set up an employment section in the Jana Sangh office, which would register the unemployed and help them in finding employment.

[Jan. 1, 1955; Jodhpur, III A.I.S.]

### 55.02. NATIONAL LABOUR ORGANISATION

Indian culture has given the greatest importance to the dignity of labour. Our social structure stands on different vocational grades. For the advancement of the Nation it is necessary for these grades to have a dynamic and strong organisation.

The labour organisations of today are generally not in the interest of labourer and the nation. They are conducted somewhat for the fulfilment of individual ambitions or partisan interests. Hence the Jana Sangh feels that a national labour organisation should be set up which:

- (1) Would rise above the argument of class-struggle, think from the point of view of national integrity and keep aloof from the un-Indian tendencies of Capitalism and Communism;
- (2) Would provide constructive guidance to Trade Unions and their workers so that they may strive for the following:
  - (i) Attention to and protection of the interests of workers relating to their employment;
  - (ii) The attainment and protection of the right of workers to engage in Trade Union activities, the right to deter-

mine the hours of work, in which special attention would be given to workers engaged in hard and dangerous work, the right to a minimum wage and regular increase in it, leave with pay, security of employment, social security (guarantee against illness, accident, old age, pregnancy and unemployment), free medical aid, facility of cheap housing, guarantee of work and unemployment allowance, the right to equal participation in the management and profit of industries and the right to strike as a last resort, after all constitutional trade union ways have failed;

- (iii) For women workers the right to 'equal pay for equal work', maternity facilities, cheap milk and child care arrangements for the children;
  - (iv) A complete and effective ban on child labour;
  - (v) Emphasis on implementation of present labour laws and promulgation of useful new ones; and
  - (vi) Arrangement for the training of Trade Union workers;
- (3) Would create among the workers a sense of service, unity and sacrifice so that they may successfully fulfil their responsibility to the Nation and to the industry;
- (4) Would invite all labour organisations in the country to join such a national labour organisation, which would include unions according to industries and which would be conducted on sound trade union lines.

[Jan. 1, 1955; Jodhpur, III A.J.S.]

#### 57.05. DECIMAL COINAGE AND METRIC SYSTEM

(1) The Working Committee of the Bharatiya Jana Sangh regrets that the Government of India should have thought fit to attempt to throw the whole system of coinage, weights and measurements in utter confusion by the introduction of decimal coinage and the metric system in the name of science and progressiveness. In the first place, this attempted change is quite unnecessary, for no inconvenience had been felt by the public in respect of the existing coins, weights and measures and there has been no public demand for any changes therein. In the second place, there is nothing particularly scientific or

progressive in the substitution of 12 or 16; both are equally scientific; and in fact, the existing system mainly based upon 12 and 16 is practically much more convenient for in the affairs of daily life divisibility by many factors is very necessary, and 10 is divisible only by 2 and 5, whereas  $12 \times 16$  or 192 is divisible by 2, 3, 4, 6, 8, 12, 16, 24, 32, 48 and 64. Besides, an intermediate unit like the anna (with its multiples in *Dooami*, *Pawali*, *Adheli*) is indispensable, and the absence of any such intermediate units between the Rupee and the Naya paisa is very inconvenient. That is why in the measurement of lengths, between the mile and the inch, intermediate units like the furlong, the yard and the foot have been found necessary. There is another matter to be taken into consideration. The existing units of weight based upon the *Seer-Powa-Chhantak-Tola* bear to one another the same ratios as the *Rupee-Pawali-Anna Pie*. This makes for easy and swift calculation of prices. For all these reasons, it is clear that the existing time-honoured systems are more convenient and should not have been changed.

In this connection appeal has been made to Hindu sentiments, pointing out that the decimal or 'Deenary' system of notation and numeration had been invented by the Hindus. But the merit of this invention lay not so much in the choice of 10 as the radix (because any other radix number would have served equally well), but in the invention of the system of 'Local Values' and of a symbol for zero. And the fact remains that, despite the adoption of the 'Deenary' (or 'Decimal') system of notation of numbers, the decimal system has never been adopted for coins, weights and measures in India because of its obvious defects (as pointed out above). Besides, the Congress Government has never been known for its reverence for Hindu traditions, and today this attempted introduction of the new system of decimal coinage and metric system is really actuated not by Hindu sentiments but by sheer imitation mania and novelty-craze, utterly regardless of the convenience of the public.

The Working Committee, therefore, feels that the decimal system should be confined to the laboratories (as at present), but should not be adopted for ordinary use.

The Working Committee of the Jana Sangh demands accordingly that this decimal coinage be withdrawn, and the Rupee-Anna-Pie system of coinage continue as before.



(2) In actual practice, since the introduction of the Naya-paisa from the 1st April 1957 it has been found that the Conversion Tables are immensely complicated, requiring 'rounding off' at almost every stage, and this 'rounding off' has been mostly to the disadvantage of the public. To make matters worse, even the Government Departments (like Posts and Telegraphs, for instance) are not sticking to the Government's own conversion tables, but are surreptitiously raising prices. It has been a case of 'Heads I win, tails you lose'. Naturally there has arisen public resentment at this unfairness on the part of the Government itself, which has caused 'inflation' (under the guise of the new coinage), as traders and businessmen are also following suit.

The Working Committee, therefore, feels that these mal-practices should stop immediately; and that so long as this Naya-paisa continues in use, the public must not be fleeced in this manner.

[April 20, 1957; Jaunpur, C.W.C.]

#### 57.10. APPOINT SECOND PAY COMMISSION

The rising cost of living resulting from the ever-increasing prices of the necessities of life—which tendency has been further accentuated by the new taxation policy—has made the life of the people with fixed incomes miserable. The lower ranks of the Government employees are particularly affected by this situation. Their pay scales need to be re-adjusted with the price level in the country for their bare existence. Failure to do so is creating discontent in them leading to inefficiency. It has, therefore, become imperative necessity that a Second Pay Commission be appointed without delay to review the pay scales of all the Government servants getting a basic salary of up to Rs. 250.

In the meantime the D.A. should be increased to keep pace with the rising cost of living. At the same time, steps should be taken to incorporate the D.A. in the substantive pay because there is no possibility in foreseeable future of the prices coming down which might require any cutting down of the D.A.

[June 1, 1957; Delhi, C.W.C.]

#### 58.33. INDUSTRIAL RELATIONS POLICY

The Working Committee views with grave concern the growing industrial unrest during a period when maximum production is the prime necessity of the nation. After the 16th Session of the Indian Labour Conference at Nainital, it was expected that the parties to the industrial relations would follow faithfully the unanimously accepted Code of Discipline and Conduct. But subsequent events have belied this optimism. The industrialists unaware of their enlightened self-interest, the workers ignorant of their national responsibility, the Government reluctant to be just and fair in its duty of regulating industrial relations, the general public indifferent towards this subject of national importance, and the antinational labour leaders seeking to exploit the misery of the masses for the furtherance of their own political ends—all these have been contributing, consciously or unconsciously, to the present unfortunate and deplorable state of affairs in the industrial sphere.

Bharatiya Jana Sangh has already presented a comprehensive economic programme for the benefit of the nation in general and the workers in particular. It suggested, among other things, the fixation of a national ratio between the minimum and maximum expendible monthly income, the inclusion of the Right to Work in the Fundamental Rights in the Constitution, a permanent National Wage Council, the regulation of the price structure and the linking of the remunerations of workers with the price level as to fully neutralise the increased cost of living, the evolution of the integrated schemes of social security and workers' welfare and the introduction of the principle of co-partnership of workers, enabling them to participate in the management and share the profits of their industrial units. It has also condemned, from time to time, the labour saving devices under the pretext of the so-called 'rationalisation', and recommended the adoption of the principle of 'no retrenchment without alternate employment'.

**Bonus is 'Deferred Wage'**—The Jana Sangh workers in different industrial areas have been further supporting the workers' demands for the proper regulation of working hours and work-load, the granting of appropriate leave facilities, the evolution of bonus formula, treating bonus as the 'deferred wage'



so long as there is a gap between the living wage and the actual wage, the fixation of the minimum wages for workers in the small-scale and cottage industries, the average 25 percent interim increase in basic wages in the organised industries, the revision of the law governing the procedure of the recognition of a trade union and the re-orientation of the procedure and machinery of conciliation and adjudication so as to expedite and economise these proceedings. In cases of closure they have demanded that the Government should facilitate the running of the closed industrial units by the workers themselves through their co-operatives, with the aid from the Government.

Thus while the cause of the labour was being championed by all the patriots, the Working Committee regrets to note that during recent months the workers have been losing the sympathies of the general public, on account of their growing susceptibility to the unhealthy influence of the irresponsible and disruptionist leadership. While the attitude of the Government and the tactics of many industrialists are not above reproach, the workers would be doing disservice to their own cause if they allow themselves to become tools in the hands of politicians whose extra-territorial allegiance is a matter of common knowledge. Our workers will do well to remember that their interests are perfectly identified with those of the entire nation, and that any effort on their part to overemphasise their sectional interests at the cost of the nation will only result in their isolation from the rest of the people. The interests of the workers as well as of the nation can be best served only if the former are freed completely from the evil influence of the anti-national elements and organised properly into a national federation of all the patriotic trade unions. The Working Committee exhorts all patriotic workers to unite accordingly and thus to fulfil their part in the nation-building as disciplined and dutiful sons of the soil. The Working Committee also appeals to all industrialists to realise the fact that contented labour is an asset to any industry, to recognise the principle that workers are equal partners, to replace profit-motive by service-motive and to stand shoulder to shoulder with the workers for accomplishing the supreme task of national reconstruction. The Committee feels that it is the duty of the Government to set an example of an ideal employer by maintaining proper industrial relations in

the industries under public sector.

As an immediate measure, the Committee urges upon the Government of India to implement without further delay the decisions of the Nainital Conference, particularly those relating to the increase in the present rate of contribution to the provident fund, the extension of the medical benefits under the E.S.I. Act to the members of the families of workers covered by the Act, the enforcement of the Code of Discipline and Conduct, the introduction of programmes pertaining to workers' participation in management, the adoption of a constructive approach to avoid closures in future, and the constitution of the Industrial Relief Fund to provide working capital to workers' co-operatives to run their industrial units in contingencies of closure.

[Dec. 28, 1958; Bangalore, VII A.I.S.]

#### 66.13. MAXIMUM PRODUCTION AND INDUSTRIAL PEACE

The Jana Sangh considers it unfortunate that the Government of India should be persistently pursuing policies that have resulted in ever-growing industrial unrest. The Government has failed so far to function as a model employer in relation to its own employees. It has consequently failed to bring appropriate pressure to bear upon employers in the private sector, in the interest of industrial peace. This has enabled the anti-national elements to exploit the situation and hamper industrial production. In the interest of national security it is imperative to maintain industrial peace and increase to maximum industrial production. With a view to achieving this objective, the Jana Sangh proposes the following measures:

(1) The Jana Sangh has been consistently demanding immediate constitution of a permanent National Wage Council. The National Wage Policy during the Fourth Plan period must be worked out in consultation with the representatives of the workers and the employers. For this purpose, the working-class-family budget inquiry should be conducted in all industrial centres, and the needs-based minimum wage for the unskilled

workers be determined in the light of its findings. Wage-levels for different jobs be fixed on the basis of this minimum, in keeping with the results of job-evaluation. The pay-packets be linked automatically with the scientifically recompiled cost of living index number.

Meanwhile, the increased cost of living be fully neutralised in both the sectors and the rate of Dearness Allowance to the State Government employees be brought at par with that of the Central Government employees.

(2) The Bonus Act be amended on the basis of the principle that Bonus is a deferred wage so long as there is a gap between the living wage and the actual wage, and it assumes the character of profit-sharing only after the actual wage attains the level of the living wage.

The right to Bonus be extended to all wage-earners in the country—without discrimination.

(3) Automation, whenever it results in large-scale retrenchment and reduction in employment potential, should not be resorted to. There should be no rationalisation without prior consent of the workers' representatives, and, when introduced, it should be based on the principle of "*No retrenchment without alternate employment.*"

Rules regarding de-casualisation and confirmation of employees be strictly adhered to.

The Government servants should in no case be deprived of the rights and safeguards available to them under the Constitution, if their services are transferred by the Government's decision to any other organisation.

With a view to avoid the possibility of thousands of textile workers being thrown out of employment, the Government should evolve a policy that would ensure unintermittant running of the textile mills, without suspending the normal labour laws.

(4) An integrated social security scheme be evolved, and the Unemployment Insurance Scheme organised immediately.

(5) The Central Government should take initiative in the implementation of the programmes of industrial housing, instead of leaving the same in the unwilling hands of the employers and the State Governments.

(6) The Whitley Council machinery be introduced in

all the government departments, services and industries without further delay.

The rules governing recognition of a Trade Union must be revised. In keeping with the spirit of democracy, a secret ballot should be held after a period of every two years.

(7) The principle of co-partnership of labour be given a fair trial in industries specially selected for the purpose.

(8) The cultivable waste lands be distributed among the landless agricultural labourers; the Minimum Wages Act be amended in the light of the prevalent price-structure and the provisions of the thus amended Act be extended to all rural areas; and subsidiary industries be started in those areas, with a view to eradicate the rural unemployment and under-employment.

(9) Organisation of Market Co-operatives be encouraged officially for the benefit of the traditional self-employed artisans.

[May 1, 1966; Jullunder, XIII A.I.S.]

#### 69.09. LABOUR UNREST AND GOVERNMENT'S BLACK ACTS

The Bharatiya Jana Sangh views with grave concern the growing discontent in the industrial field of the country, when highest production is the supreme economic need of the nation. While Jana Sangh has consistently pleaded for the recognition of the right to work as a fundamental right and the launching of labour intensive projects under the employment-oriented planning, it has also urged for the re-orientation of the labour-policy with a view to ensure smooth and healthy industrial relations and a fair deal to the toiling masses. The Bharatiya Jana Sangh demands extension of the protection of the Minimum Wages Act to agricultural workers of the country, assistance to traditional artisans for improving upon their implements, and organising their market co-operatives; evolution of a common labour code so as to simplify the complex legal procedures, unify the various machineries under the Labour Law and cater cheap and expeditious justice to industrial workers; strict adherence to the principle of 'no retrenchment without

alternate employment' before conceiving of any schemes for rationalisation, mechanisation or automation and guarantee of job security, needs-based-minimum wage, real wage, proper regulation of work-load and working hours, integrated schemes of social security, labour welfare, and industrial housing, implementation of labour laws and awards, and last but not the least, their natural right to co-partnership of their industries.

We are happy to note that the National Labour Commission has almost completed its work. We hope that the Commission must have gone through all the various aspects of the Indian Labour problems. We urge upon the Government of India to implement the recommendations to be submitted by the Commission, after due consultations with the different parties to industrial relations.

**Withdraw anti-labour Acts**—The Committee believes that genuine trade unionism is the pre-requisite of democracy and any encroachment upon the legitimate trade union rights is simultaneously an onslaught on Democracy. It, therefore, condemns the recent attacks by the Government of India on the workers' democratic rights through recent legislations, such as Section 36 AD of the Banking Law Amendment Act, the Essential Services Maintenance Act, etc. We demand immediate withdrawal of these Acts. While maintaining that the right to strike should be rendered a superfluity through the constitution of an efficient and effective joint consultation and arbitration machinery, we assert that the workers must not be deprived of their democratic right to strike. We plead for immediate and proper implementation of the declared policy of the Home Ministry regarding withdrawal of all victimisation consequent to the 19th September 1968 token strike of the Central Government employees.

Now that the country is on the threshold of the Fourth Five-Year Plan, we demand formulation of national policies on employment, incomes, prices and production during the Fourth Plan period, in consultation with all economic interests.

It is our conviction that there can be no right without corresponding duty and that the interests of workers are identical with those of the nation. We exhort the workers to realise the importance of their role in building up national prosperity and to make maximum possible contribution to national

wealth by fulfilling their obligations with discipline, dutifulness and dedication.

[April 25, 1969; Bombay, XV A.I.S.]

## 72.16. DELAY IN THIRD PAY COMMISSION'S AWARDS

The Working Committee expresses its profound unhappiness in the delay in the announcement of the Third Pay Commission's awards. The Working Committee has enough reasons to feel that this delay is deliberate. It demands that the Government make clear to the Pay Commission that it should present its report by December 1972.

**Bonus for all Govt. Employees**—The Working Committee condemns the Government's efforts, to deny the workers in Railways, Post & Telegraph, Ordnance Factories, and other Government Departments their legitimate 8½% bonus payments. The Working Committee is of the opinion that this attempt to divide workers has given birth to basic discontent which now can any time take the form of extremist agitation. It congratulates the workers for their initial success in the bonus issue, and assures them that it fully supports whatever campaign they may further launch to ensure that the remaining workers and employees also receive the bonus reward.

[November 20, 1972; Jaipur, C.W.C.]

CHAPTER 4  
FINANCE

BJS has advocated the evolution of a new and independent economic system that achieves a blend of material progress with individual development in accordance with the permanent values of Bharatiya way of life. The philosophical basis of the proposed economic system is formulated in Pandit Deen Dayal Upadhyaya's essay on *Integral Humanism*.

The party has rejected *laissez faire* as impractical. It has rejected Capitalism and Socialism on the ground that both these ideologies lead to centralisation, monopolisation, and alienation of the individual (Principles and Policies). It has argued for a decentralised economy, an egalitarian society based on the principles of nationalism, social transformation and economic justice (Resn. 71.09). In such an economy, the right to work would be a Fundamental Right (Resn. 52.02; also Manifesto, 1971); every citizen would be guaranteed at least a minimum consumption level (Resn. 52.02; also Manifesto, 1971); the ratio of minimum-maximum expendable incomes would be brought to a level of 1 : 20, and progressively reduced to 1 : 10 (Manifesto, 1954); labour will enjoy minimum wage laws in all activities, and will be co-sharers in management (Resn. 71.09); concentration of wealth in terms of land and capital will be eliminated (Resn. 61.04); and the right to property will not be regarded as absolute but would be subject to social sanction (Principles and Policies).

The Jana Sangh has considered fiscal and monetary policies as effective instruments for the attainment of planning targets. It has deplored the Government's medieval approach to regard these instruments exclusively as tools to raise State revenue. The party is of the view that monetary and fiscal policies should be so formulated (Resn. 71.09) as to : (i) maximise domestic saving, (ii) achieve self-reliance, (iii) redistribute income to attain economic justice, and (iv) ensure price stability. In this regard, the Party has felt that steps (Resn. 71.09) ought to be taken to (1) eliminate subjectivism and corruption in the distribution of import licences, (2) restore equity in income-taxation, (3) discourage conspicuous consumption, and (4) practise austerity in governmental expenditure.

The Jana Sangh does not have an unlimited faith in the market price-system. But it has advocated the use of price-system wherever it is efficient. In some unorthodox cases also, for example, in the sale of import licences, it has urged its adoption to do away with the evils of control.

The Jana Sangh has actively agitated against the price-rise which has hurt the consumer and yet not benefited the producer. It has organised some highly successful anti-price-rise mass demonstrations. Naturally thus, the number of resolutions on price-rise has been large. Each resolution contains an analysis of why prices rose during that period. For



example, the 1971 resolution advances the reasons for the current price-rise (Resn. 71.09). The recommendations for price-stability are contained in several resolutions : some of these are : (1) Opening of a net-work of fair-price shops (Resn. 63.21), (2) Curtailment of deficit financing and state overdrafts (Resn. 70.06), (3) Cut in government's non-plan expenditure (Resn. 63.21), (4) Taxation reform (Manifesto, 1957), and (5) Development of consumer-resistance movements and consumer co-operatives (Resn. 71.09).

The Jana Sangh has held that the 'Right to property is subject to social sanction,' 'and that there is no such thing as an absolute and immutable right of property' (Principles and Policies). Hence, the Party has passed some radical resolutions on property ownership. One of these is the noted Gaziabad Resolution of 1971, advocating a ceiling at 1000 square yards of area for urban residential land and at an expenditure of Rs. 2 lakhs on residential construction (Resn. 71.09).

## 52.02. SUB-COMMITTEE FOR AN ECONOMIC PLAN

The deteriorating economic conditions have created a situation in the country which needs immediate and effective remedy, if India is to make orderly progress on constitutional lines. The Jana Sangh has been conscious of this worsening economic situation since its inception and it strove to give a lead to the country in this matter through an economic programme suited to the Indian conditions and outline of which has been given in its manifesto. That outline, the Committee feels, needs to be further developed so that the people may have a clear grasp of the economic and social order which the Jana Sangh has in view. It is, therefore, resolved to set up a sub-committee to prepare a comprehensive economic plan in keeping with the Bharatiya ideals and suited to the special needs of Bharat aiming particularly at :

- (1) Speedy increase of production and national wealth through the fullest utilisation of the man-power and exploitation of national resources.
- (2) Equitable distribution of wealth so as to remove the wide disparity of incomes of the different sections of the society.
- (3) Provision of work to all able bodied persons and guarantee of minimum standard of living to all.
- (4) Public ownership of such means of production as are concentrated or tend to concentrate in a few hands.
- (5) Redistribution of land following abolition of Zamindari.

[Feb. 10, 1952; Delhi, C.W.C.]

## 52.20. AGITATIONS AGAINST SALES-TAX

This session of the Bharatiya Jana Sangh considers that the taxation policy of different State Governments is against the

interest of the people today. When the economic condition of the country is deteriorating, industry is coming to a stand-still, and unemployment is increasing, plans to increase taxation would not only lower the already low standard of life of the people but would also adversely affect future production. Among the new taxes, the sales-tax that has been imposed in many states on necessities of life and at multiple points is extremely reactionary. As a result, agitations against it have been launched at many places. The Jana Sangh supports these agitations and condemns the way in which they have been suppressed. In particular the Jana Sangh commends the agitation in Saurashtra, condemns the suppression indulged in by the Saurashtra Government, and demands that it should accept the legitimate demands of the people and establish peace.

[Dec. 31, 1952; Kanpur, I A.I.S.]

#### 54.09. TERMINAL TAX AT KUMBH-MELA

The Jana Sangh expresses its strong indignation at the wholly unwarranted imposition of a Terminal Tax this year on the pilgrims to the *Kumbha* Fair. This Conference is of the considered opinion that with a Pilgrimage Tax levied uniformly even ordinarily at all places of pilgrimage, the introduction of a fresh tax and that too in case of the glorious *Kumbha*—a congregation which, without doubt, holds a place of unique importance in the national life-pattern of our land, and so where even the normal Pilgrimage Tax ought to have been relaxed—is absolutely uncalled for and unjustified. That the Government has for the imposition of this levy taken recourse to a President's Ordinance even though the Parliament was in session barely a fortnight before this imposition, thoroughly exposes the undemocratic nature of this act. This discriminatory order violates, seriously the religious sentiments of the people of our country. The Jana Sangh takes strong exception to it and demands its immediate withdrawal.

[Jan. 25, 1954; Bombay, II A.I.S.]

#### 55.12. SHORTCOMINGS OF SALES-TAX

A sales-tax is generally reactionary and difficult for the

common people to bear. Hence the Jana Sangh is not in favour of such taxes.

If the present circumstances do require such a tax the following improvements should be carried out to remove its practical shortcomings:

- (1) Necessities of life should be free of taxation.
- (2) There should be no sales tax on products of cottage and village industries.
- (3) The rates of taxation should be equal in all states.
- (4) A sales tax should be single-point, not multi-point.
- (5) There should be no inter-State sales-tax.

The Central Government should make the necessary amendments in the Constitution to carry out these improvements.

[Jan. 2, 1955; Jodhpur, III A.I.S.]

#### 55.15. SALES-TAX AGITATION IN RAJASTHAN

The Working Committee deplors the repressive measures that are being adopted by the Rajasthan Government to crush the anti-sales-tax agitation in that State. The Committee congratulates the people for the courageous stand they have taken for their just demands. The Committee expresses its deep sympathies for those who are undergoing sufferings and sacrifices in this agitation.

It further urges upon the Rajasthan Government to concede without delay the popular and just demands for (i) postponement of the operation of the sales-tax till the decision of the experts' committee appointed by the State Government is known, (ii) uniformity of the rates of sales-tax in Rajasthan with those in the other adjacent states, (iii) exemption of the necessities of life and of the products of cottage industries and handicrafts from the operation of the sales-tax and (iv) abolition of the multi-point sales-tax.

[April 15, 1955; Gokak, C.W.C.]

#### 56.09. SALES-TAX IS REGRESSIVE

Sales-tax was first imposed in India as a temporary

measure. But, now it is being given a permanent shape all over the country. The experiment of past few years has made it clear that it is a regressive tax whose burden falls primarily on the consumers belonging to the middle and lower-middle classes. The system of its collection is very troublesome for the business community and tends to encourage dishonest dealings and provides opportunity for corruption to Government servants.

Therefore, it is the considered view of the Jana Sangh that sales-tax should be completely abolished.

[April 21, 1956; Jaipur, IV A.I.S.]

#### 57.09. HEAVY TAXATION FOR PLAN IS DAMAGE TO PLAN

The increased taxation proposed this year have literally taken the people's breath away. Popular resentment against them has been wide-spread throughout the country. This increased taxation has been sought to be justified in the name of the Second Five-Year Plan. Apart from the fact that the Jana Sangh does not regard the Five-Year Plan as sacrosanct capable of no modification or alteration, the fact is that the effect of the new taxes will be to remove from the people in general any enthusiasm for the Plan that might have been in them, because of the intense hardship for the common man that these taxes are bound to create.

Most of the new taxes, even after the few concessions given in respect of tea, coffee and postcard, directly affect the common man for they have been levied on articles of daily use. Rise in their prices coupled with the already soaring prices of food, cloth and other necessities of life would put unbearable burden on their meagre resources. Lowering the income tax level from Rs. 4,200 to Rs. 3,000 (even with the small mercy shown on married men with children) is also going to hit the common householder. Rs. 250 a month is not an income that can be considered sufficient even for bare existence for an ordinary family of five in these hard days. Tax on railway fares, increased excise duty on cement and steel are also bound to effect the common man directly or indirectly by increasing the cost of construction and travelling.

The Jana Sangh feels that while these taxes are sure to create discontent among the people, they are not likely to bring about any real increase in the resources for the prosecution of the Plan for the following reasons.

(1) Increase in the cost of living and building materials is bound to upset the estimates of various projects under the Second Five-Year Plan. They will cost much more in labour and material than the original estimates. Thus a good portion of the money secured through the taxes will be required to off-set this consequent increase in the cost of the Plan.

(2) The rise in the cost of living resulting from these taxes is bound to create discontent among the low-paid Government employees and industrial workers whose demand for increase in their wages would become irresistible in the event of any further rise in prices of necessities of life. Thus another portion of the increased income through these taxes will be absorbed by the increased payment to Government employees.

(3) The machinery required to collect these new taxes will eat up another substantial part of the income coming from them. Further more, there will be increased corruption and evasion of taxes.

(4) The common man on whose contentment and capacity to work depends the progress of any country is bound to resist this added burden on his already meagre resources. This general discontent will more than off-set any monetary gains from these new taxes.

(5) The experience of the First Five-Year Plan in which 80% expenditure of the Plan money has resulted in only 30% achievement has made it clear that a good amount of the money has been going waste through official inefficiency and corruption. There is no reason to believe that the money extracted from the poor man's pocket through these taxes will be better spent.

Even if it is asumed that the money will be well spent there is no justification for starving the present generation for an unpredictable future. After all, the Plan is for the people and not the people for the Plan.

**An Integrated System of Taxation**—Apart from the taxes imposed by the Central Government the common man is being fleeced by the State Governments and local bodies by a variety

of taxes. As a result incidence of taxation has become unbearably high. Unless an integrated System of Taxation in which the sphere of the Centre, the State and Local Bodies is clearly defined is evolved this multiplicity of taxes is bound to create a terrible situation leading to large-scale corruption and evasion of taxes even in the lower strata of society.

Furthermore, the Government has failed to collect and husband well its already available resources before rushing to put fresh burden on the small man. For instance, it has done precious little to realise the sum of Rs. 300 crores due from Pakistan and Rs. 90 crores due from Burma which would have gone a long way in meeting the financial needs of the Plan.

It is apparent from the defence put by the Government of India for its taxation proposals that lack of resources for the Plan has made them desperate. The real difficulty is that they have made fetish of the Plan which bears no relation to the available resources of the country. The situation demands that the Plan be cut down or spread over a longer period so that it may keep pace with the nation's capacity. It is no use building castles on the uncertain sands of financial bankruptcy. As it is, the Plan has set a vicious circle of increasing prices on the one hand and increasing taxation on the other to meet the situation caused by soaring prices. The realism demands that we must cut our coat according to our cloth.

**Reduction in Cost of Plan**—Much reduction in the cost of the Plan can be affected by transferring some of the industrial projects such as textile, silk and sugar mills now included in the public sector to the private sector. Similarly a good deal of foreign exchange which is proving the real bottle-neck for the Plan can be saved by imposing restrictions on imports of luxuries and such other goods which can wait and by creating a *Swadeshi* consciousness in the country. As it is, while the common man is bleeding, the country is being glutted with luxuries of foreign import.

**Government Austerity**—Above all, the Government must set an example of economy and austerity before calling upon the people to tighten their belts and sacrifice for the Plan whatever little comforts they possess. So far, it has given little indication of it's own earnestness in the matter.

The country expects the Governors and Ministers of the

Central and Provincial Governments to come forward and make voluntary cuts in their emoluments and approximate their living standard with that of the common people in the country. Such a move will create a healthy psychological atmosphere for austere living for the economic development of the country.

The Committee calls upon its workers all over the country to educate, mobilise and organise public opinion about the taxation policy to put pressure on the Government to change it. At the same time it hails all its workers and well wishers of the country to do their best to improve the situation through:

- (1) Carrying on a campaign for use of *Swadeshi* in all walks of life, so that country's dependence on foreign imports be reduced to the minimum and foreign exchange could be saved to the maximum.
- (2) Launching a drive for austere living and saving as much as possible for the investment in the development projects.

Let Jana Sangh workers set the example of austere living to the rest of their countrymen.

[June 1, 1957; Delhi, C.W.C.]

### 58.03. ECONOMIC SITUATION : SOME REMEDIAL MEASURES

The country is faced with a difficult economic situation which is a cause of concern both to the Government and the people. Shortage of foodgrains, fall in industrial production, increased prices, reduced purchasing power of the common man, unemployment, enhanced taxation, inflation and foreign exchange crisis are some of the symptoms of this uneasy situation.

The situation cannot be overlooked by calling it a natural effect of a developing economy. It is true that in an effort to change the economic structure of an underdeveloped economy, there are stresses and strains on some sectors, but an all-round deterioration of the economic situation is to a great extent due to basic mistakes in our planning, and the lack of vigilance, foresight and co-ordination between the different policies and ministries of the Government.



The Jana Sangh has been from the beginning laying emphasis on the fact that agricultural production should be given first priority in our planning. Though the Government has today realised its mistake in not assigning priority to programmes of agricultural development, yet no concrete and constructive steps are being taken by it to implement such programmes. So long as programmes of agricultural development and targets of production are not determined taking into consideration the needs and capacities of each farmer-family, village and region, they will continue to be unrealistic and being ignorant of the specific contribution that each unit has to make towards the attainment of those targets, they can hardly be realised.

The Government has so far neglected programmes of minor irrigation, the provision of improved seeds, fertilisers and manures, fixation of fair rent and ceiling of land-holdings, programmes which are essential for intensive farming in order to get maximum production per acre. On the contrary they have taken up programmes of major irrigation projects, the irrigation facilities from which are not utilised due to high rates unprofitable to farmers, betterment levies, collectivisation in the name of co-operative farming, ever changing land reform legislations, mechanisation, and use of fertilisers without taking into consideration soil and irrigation conditions, which are unsuited to and harmful for agriculture and agriculturists in India.

There has been some progress in the industrial field during the last five years but recently a mild depression has set-in in some industries. At a time when public expenditure is rising, a depression is paradoxical according to principles of Western economics which the Government has adopted as the basis of planning but which are unsuited to Indian conditions.

The credit and currency policies, the industrial and taxation programmes of the Government are inconsistent with each other. Small-scale industries which can become the basis of industrialisation have not been properly cared for. The price rise of the last eighteen months has not yet been brought back to a normal level. Whereas increased prices create difficulties for the fixed income groups, variation in prices of commodities at different periods and regions and between the manufactured goods and agricultural produce help none but the speculators

and the hoarders. The Government has so far failed to establish a stable price level in the country. There is a vicious circle of increased prices, demand for increments in wages and salaries, rise in cost of production and therefore, still greater increase in prices. Similarly ambitious plans lead to increased taxation and deficit financing which result in inflation of prices raising all estimates of the Government and then they require greater resort to taxation and deficit finance. The economy of Bharat is in the grip of these vicious circles. By assigning a pivotal place to the establishment of stable prices at a normal level, we can overcome this crisis.

The taxation policy of the Government is also inconsistent with their declared objective of raising the standard of living of the common man and of reducing economic irregularities. The indirect taxes, which mainly affect the common people have increased much more than the direct taxes. Even essential commodities of life are not free from the levy of such taxes as excise duties, sales tax, purchase tax, etc.

The Government expenditure has been increasing so fast that in spite of additional taxation to the tune of Rs. 225 crores during the last two years, there has been deficit financing of Rs. 600 crores which is not free from dangers. Foreign loans have become indispensable for the successful implementation of the plan. But there does not seem to be any definite plan for repaying these loans. No consideration seems to have been given to their possible effects on our future plans.

The Jana Sangh under the present situation suggests the following remedial measures:

- (1) Government expenditure should be drastically reduced.
- (2) The public should be allowed to purchase shares of State concerns; the government keeping controlling shares with them.
- (3) The period of the Plan should be extended.
- (4) Those projects which can be fruitful at an early date should be completed as soon as possible.
- (5) The import content should be reduced and the plan completed by using indigenous materials.
- (6) Persons drawing a salary of more than Rs. 2000 p.m.



should be given National Plan Bonds for amounts above the two-thousand-rupees limit.

[April 5, 1958; Ambala, VI A.L.S.]

#### 59.04. BUDGET PROPOSALS FOR 1959-60

The working committee, having considered the Central Budget 1959-60, regretfully feels that the Finance Minister while framing the budget has neither taken into consideration the economic situation of the country nor learnt anything from past experience. Instead of reducing the already heavy tax-burdens on the people, new commodity taxes estimated to yield Rs. 20.70 crores have been proposed. Sinister part of the whole thing is that these taxes, e.g., on Khandasari, diesel oil, motor-tyres, and art silk have been levied not so much on revenue considerations, but to benefit the large-scale sector. It does not accord with the declared policy of the Government to help small-scale and cottage industries. The committee urges upon the Government to reconsider the whole case and drop these proposals.

**Defence Expenditure Reduced**—While no attempts at cutting wasteful expenditure and effecting economies are made in most of the departments, *it is intriguing that defence expenditure be reduced especially at a time when India cannot claim to be free from the dangers of a foreign aggression.*

**Bonds for Salary above Rs. 2000 p.m.**—The Government has also not taken into account the case of low-paid employees for interim relief in view of the enhanced cost of living. The Committee reiterates its earlier suggestion that officials drawing more than Rs. 2000 should be given National Plan Bonds for amounts in excess of that amount. It is necessary that earnest efforts be made to bridge budgetary gaps by fuller collection of existing taxes and by economies in expenditure. Excessive resort to deficit financing has already resulted in inflationary trends which must be arrested at all costs.

[March 15, 1959; Delhi, C.W.C.]

#### 60.02. ECONOMIC SITUATION—SOME SUGGESTIONS

At a time when India is faced with the threat of external invasion her economic situation is far from satisfactory. During the last twelve years the Government has been laying all-out emphasis on the economic development even to the exclusion of defence and other needs of the country. But because of the basically wrong policies pursued by the Government the country's economy has suffered so many stresses and strains during the last few years, that far from withstanding a defensive war, it can hardly sustain the peace time impact of a growing population. To talk of a self-generating economy at present is indulging in self-delusion.

It is true that during the last one year production, both industrial and agricultural, has risen in general terms. In the background of recessionary conditions a year ago, this growth may look like an achievement. But a little probe will show that the increase is mostly fortuitous and of an unplanned and unco-ordinated nature. While some industries have developed excess capacities, there are others with acute shortages. The small-scale industries have not been integrated with the whole industrial pattern of the country and any increase in modernised large-scale industries invariably competes with them. Thus industrialisation goes hand in hand with disindustrialisation. There is more of dis-employment than employment. Decapitalisation is greater than new capital formation. In spite of a great deal of talk of common production programmes, needs of the Gur, Khandasari and sugar industries have not been harmonised. Sporadic attempts by the Government to support one or the other have resulted only in creating imbalance and heartburning.

Textile industry is still not in its even keel. While last year due to reduced off-take, production units were being closed and workers retrenched, this year, in spite of increased production in cloth, prices have registered a rise and the country is threatened with acute scarcity of cloth in months to come. The fate of the handloom weaver is no better.

Compared to last year, agricultural production this year has been better. But still it is far inadequate to meet the needs of the country. Moreover, the increase can be attributed

more to a good monsoon instead to increased production potential as a result of the schemes under the plan.

Notwithstanding improvement in exports, imports continue to be in excess. The trade-balance has, therefore, not improved. Due to financial assistance from friendly foreign countries the balance of payments position has somewhat eased this year and our foreign reserves also stand higher by about Rs. 21 crores. But viewed in the background of mounting loans, this method of tiding over our present problems makes us apprehensive about our future.

Prices have been the weakest spot of the Government's economic policies. The Government has failed to stabilise them. This year there has been a rise of about 9 points in the index number of wholesale prices. The peak 119.3 (base 1952-53:100) was reached in October 1959. An idea of the difficulties caused to the common man can be had from the fact that the consumer price-index was 176 in October 1959 as against 100 in 1943. Under the circumstances, it is but natural that those with low fixed incomes should raise a demand for increased emoluments. But the Government instead of taking the initiative and setting up permanent machinery to fix up national wage standards, has only followed a policy of yielding if pressed and ignoring otherwise.

If we go at the root of the cause, the price rise is due to inflation caused by successive and increasing doses of deficit financing and inadequate production. The Government policies which are always announced in haste, never fully implemented, being impractical, and withdrawn at leisure, create a scare in the market. The recent rise in the food prices is due to the Government's ill-conceived policy of state trading in foodgrains and food-zones. The Government's monetary and fiscal policies have also contributed towards this rise.

Unemployment, as usual, continues to be a serious problem. The Employment Exchanges have hardly served their purpose. The Government instead of reorganising them so as to make them useful has only passed legislation making it compulsory for the private employers to intimate existing vacancies to the Employment Exchanges. All this will only employ some more persons in the Employment Exchanges rather than provide jobs to the applicants.

**Reorganisation of Public Services**—The reorganisation of the public services to enable them to discharge efficiently and honestly the new responsibilities that have devolved on them after Independence and adoption of socialism by the Government is overdue. But care should be taken that in this attempt no sense of insecurity in the services is created and that party cadres are not put in charge of Government jobs. Vigilance should be exercised not to let communal considerations determine appointments and promotions in the services.

Bharatiya Jana Sangh feels that for restoring the country's economy to a sound footing and for generating developmental processes the Government must make radical changes in its economic policy. Doctrinaire approach leading to the ever growing domination of the economy by the State should be given up and opportunities created for individuals and voluntary associations to contribute their best for the development of national economy.

The Government should confine itself mainly to the establishment of defence and basic industries and leave the rest for private initiative. The need at present is not for the expansion but for the consolidation of the public sector, improving its efficiency and its capacity for yield.

Small-scale mechanised industries should be taken as the basis for the country's industrial pattern. A clear demarcation of spheres between large-scale and small-scale industries should be made so as to eliminate unfair competition between the two.

**Farmers' Agricultural Councils**—Agriculture should be given priority and every effort made to achieve self-sufficiency in foodgrains in the Third Five-Year Plan. An unequivocal declaration of giving up the policy and programme of co-operative farming should be made to restore confidence in the peasantry. Other land-reforms relating to ceiling on land-holdings and promised redistribution of surplus land should be expedited. Agricultural councils of farmers should be established to formulate their own plans for increased production and welfare.

**Defence Expenditure**—An increase in defence expenditure for the acquisition of urgent military equipment is necessary. Other less important schemes should be put off till better times. Strict economy in expenditure should be aimed at.

Taxation policy should be so framed that while it reduces inequality it does not impinge upon the productive capacity of the people. Excise duties on necessities of life should be adequately reduced.

State trading in foodgrains should not be resorted to as Government monopoly. The Government should, however, enter the market for purchasing at the time of falling prices and for setting up fair price shops in times and areas of scarcity.

[Jan. 25, 1960; Nagpur, VIII A.I.S.]

#### 61.04. STATEMENT ON ECONOMIC POLICY

(A) The Jana Sangh desires to build the political, social and economic life of the nation according to the culture and civilisation of Bharat. The culture of this country desires the physical as well as spiritual development of both the individual and the society. Consideration of one-sided development is incomplete and against our cultural tradition. The culture of Bharat indicates the joint path of the physical, mental, intellectual and spiritual development of the individual. It is on this basis, that the four Purusharthas have been conceived. For us, only that economic system can be beneficial which can help an all-round development of life.

**Prosperity through Four Purusharthas**—The happiness of man is the main objective of the production of wealth and the labour of man is its main instrument. The economic activities of man have always aimed at the fulfilment of his needs with the use of natural resources. Only that system is useful which along with the fulfilment of this objective can help the all-round development of man. But a system in which the economic capacity may increase but other aspects of humanity may stop developing cannot be beneficial. The human being must be the centre of our system.

In the course of the process of his growth man created many institutions for his help, accepted many laws and discovered many scientific truths. The justification of all these is that they are instruments of increasing human happiness. This purpose defines their limits and relations between individuals and those between the individual and the society also have

to pass this test.

From the point of view of the development and freedom of man both the systems of Capitalism and Socialism are unfruitful. In both the cases the independent existence of the individual ceases due to excess of centralisation. We want a system of economy in which the individual can maintain his identity and can help the development of humanity in co-operation with other individuals. Only a decentralised economic system can achieve this purpose.

**Right to Livelihood**—Human life is full of activity. The main objective of an economic system and social system is to ensure that this activity is productive of wealth and beneficial to society. The right to earn is the right to a life of respect for the individual.

**Guarantee of Minimum Standard of Living**—The right to work is also joined with the right to utilise and enjoy the goods produced. The right to property is based on this right. Inadequate return of labour or concentration of wealth—both reduce incentive for human labour and result in distortions in human life. Hence steps have to be taken against both—an absence and an excess of wealth. This objective can be helped by loyalty to the society, piety, generosity as also a decentralised economic system.

Hence the Jana Sangh:

- (1) Accepts the goal of its economic system Humanity working towards prosperity through the four *Purusharthas*;
- (2) Accepts the right to livelihood for every able-bodied and healthy citizen as a fundamental right;
- (3) Considers that a guarantee for a minimum standard of living and a limit on maximum wealth are necessary;
- (4) Considers that a decentralised system of production is the main instrument of achieving these ends; but
- (5) Accepts the exception of centralised production for basic, manufacturing and defence produce.

(B) The present economic system of India is disjointed. It can neither fulfil the needs of the individual nor can it guarantee capacity of defence for the society. It will have to be reorganised.

Economic planning is necessary to utilise national resources for the maximum benefit in the minimum period. But

Planning is a means, not an end. It will have to remain within the limits of the basic loyalties of the State. In order to create in the popular mind the ambition to make planning a success it will have to be idealistic as well as in realistic according to the capacities of the society. A plan that invokes national self-sufficiency on the basis of the *Dharma* of Bharat will certainly produce early results.

**Basis of an Economic Policy**—An economic policy can function systematically only on the basis of maximum production, equitable distribution and restrained consumption. If distribution is considered the main point between production and consumption, the economic system will never become imbalanced. The maximum productive utilisation of available resources of production depends upon the time and circumstances in every country. In this respect India cannot imitate western countries. We have a much bigger man-power. It should be considered an asset, not a burden, and such production processes should be developed as would permit its maximum use. Without doubt such a process would be labour-intensive.

**Limited Foreign Aid with Caution**—A shortage of national resources can to a certain extent be made up by foreign capital. But foreign capital is basically related to foreign production processes. Hence the import of foreign technology would directly or indirectly have impact on the politics of the country and increase the economic burden on it. At the same time the production process of the country would be patterned on the foreign model. Because of a different situation in respect of resources of production such a pattern would not be proper for us. We can use foreign aid only to that limit to which foreign production processes are inevitable.

**Dynamic Economy**—A balanced development of agriculture, industry, commerce and services is necessary for a dynamic economy. All these are complementary to one another. We cannot think of them in compartments. They depend upon one another. Without development of agriculture, development of industry is not possible. Agriculture can provide most raw materials for industry as well as the biggest market for finished goods. Without industries agriculture alone cannot bear the burden of the population.

**Intensive Agriculture**—In India an increase in agricultural

production is possible only through intensive agriculture. For this purpose the entire capacity of the agriculturists, labour and resources would have to be used in agriculture. This is not possible unless the tiller becomes the owner of the land. At the same time holdings should neither be so small that cultivation may prove uneconomic nor so big that they become unwieldy, otherwise intensive agriculture would not be possible in them. Hence it is necessary to fix the maximum limit of holding at one end and economic limit at the other.

There should be an irrigation arrangement to make agriculture viable. Small dams instead of big ones, wells and tubewells are in accord with conditions in India. Mechanised agriculture is not much suited to the general population and land of India. Hence good ploughs and bullocks should be available. There should be a ban on cow-slaughter and effort to improve the breed of the cow. Fertiliser would not be more useful in place of cow-dung.

Very large farms whether individually owned and managed or in the co-operative sector or Government farms cannot produce the maximum amount per acre. Hence within a certain limit a family holding and family farming are the most useful. Co-operative societies would be useful for the procurement of agricultural implements and sale of agricultural produce.

**Rural Industrialisation**—In order to have a synthesis of agriculture and industries, small machine-operated industries should be started in the villages. In the urban areas they prove uneconomic because of concentration of industries and heavy overheads. At the same time they do not have a beneficial effect on agriculture.

**Partnership between Capital and Labour**—Small machine-operated industries should be the basis of industrialisation of the country. Big industries should be set up for basic and producer goods. Basic industries should be conducted either as public enterprises or as partnerships between capital and labour.

The dignity of labour is the essence of human values. Labour has the right to organise and to determine its wages on a collective basis. The Jana Sangh accepts its right to strike, but this should be used only as a last resort. The administration should set up such machinery as would obviate the neces-



sity to use this right.

**Prices and Wages**—A systematic pricing policy is essential for a systematic development of the economy. But so far as possible physical controls should not be used for this purpose. The Government should go in for partial trade and should appoint a national wage commission in order to maintain a balance between the prices of industrial goods and raw materials, as also between prices and wages.

**Monetary and Fiscal Policies**—Stabilization of prices, full employment, maximum planning and equitable distribution can alone be the basis for monetary and fiscal policies. Individuals who earn the minimum fixed income, should be free from direct taxation and the articles they use should also be generally tax-free.

[Jan. 1, 1961; Lucknow, IX A.I.S.]

### 61.13. PRICE SPIRAL

The Working Committee expresses its concern at the growing unemployment and rising price level which have made the living of the common man difficult. The Jana Sangh is of the opinion that this price rise is the direct result of the policies followed under the Second Five-Year Plan. It is regrettable that in the formulation of the Third Plan also no consideration has been given to effectively solve these problems. On the contrary the size, priorities, and allocations of the Plan and the assessment of the methods suggested with regard to the resources will impose additional burdens on the people and result in a further rise in prices. The increase in prices after and due to taxation measures of the Centre and the States this year justifies the above conclusion. It will become unbearable if the commodity taxes continue to increase in this manner. Unstability in prices not only creates hardships for the people but also upsets the Plan estimates and causes stresses and strains in the economy. While wages and prices chase each other the living standards of the fixed income group falls fast. It also affects adversely the social and administrative standards of the country. Such a situation can produce grave results if immediate steps are not taken to remedy it. Some people have suggested the

imposition of physical controls to hold the price line. The Bharatiya Jana Sangh, however, feels that controls only create black market and thus fail to achieve their objective. In real terms while there is no benefit to the consumer the producer is deprived of fair proportionate returns. Moreover, the services being what they are today, it is difficult to administer controls efficiently and impartially. They invariably lead to greater corruption and thus ultimately to a rise in the actual prices. The Jana Sangh, therefore, feels that in order to stabilise prices and to provide greater employment, the government should basically revise the priorities of the Third Plan and its monetary and fiscal policies.

The Working Committee directs Jana Sangh branches all over the country to take up a programme of educating the people about the implications of the government's economic policies and to effectively agitate against rising prices and increased commodity taxes so as to force the government to readjust the Plans in order that it may not lead to further inflation and unemployment.

[April 22, 1961; Patna, C.W.C.]

### 62.02. 1962-63 UNION AND STATE BUDGETS

New taxes on a heavy scale have been proposed in the Union and State Budgets presented after the elections. The Union Budget has imposed a tax burden of Rs. 71 crores and an equal amount is sought to be raised through taxes in the State Budgets. Passenger fares and freight rates also have been augmented this year and the annual revenue estimated under this head is Rs. 30 crores. In pursuance of a policy to raise maximum profits from public sector industries, the prices of products of these industries are being steadily enhanced. These prices are fixed arbitrarily by Government and are not subject to competitive market economy. An element of taxation has been increasingly entering the determination of these prices.

The Bharatiya Jana Sangh is of the view that this taxation policy is wrong both on considerations of public interest as well as for the healthy growth of our economy. The



primary objective of the Government's monetary and fiscal policies ought to be price-stabilisation, which is extremely essential for the success of the plans and to prevent the falling of the common man's living standards. In its eagerness to raise finances somehow or other, the Government has become totally indifferent to the demands of balanced economic development and even to the objectives of the Plan. The new taxes neither promote higher investment nor do they help to reduce economic disparities. Excise duties and Sales-tax which are being increasingly levied even on necessities of life are proving inflationary. Moreover there is no co-ordination between the taxation policies of the Centre, the States and the local bodies on the one hand and the requirements of the Plan on the other. With a view to putting an end to this chaotic state of affairs and to evolving a rational taxation policy an enquiry commission should be appointed.

The Bharatiya Pratinidhi Sabha urges upon the Government to reconsider their new tax proposals and provide relief to the already burdened tax-payer. It also calls upon the various units of the Bharatiya Jana Sangh to give organised expression to the people's dissatisfaction about these imposts specially about the increase in rail fares and enhancement of land rents.

[May 24, 1962; Kota, A.I.G.C.]

#### 62.09. AGITATIONS AGAINST NEW TAXES

The Working Committee, having heard the reports of the movements launched by the Provincial units, against the fresh and regressive taxation measures of various State Governments, records its approval and directs the further intensification of efforts so that the people's resistance against these inequitous burdens is channelised to the extent that the State Governments are forced to withdraw these burdens.

The Jana Sangh is of the view that in the present circumstances, the enhancement of taxes on land or on necessities cannot be justified. In the case of persons whose income is already below the National level, *i.e.*, less than one-rupee-a-day and whose economy is below subsistence level, the enhanced taxes

will affect even their daily bread. These taxes will take away a good bulk of the insufficient and inadequate resources available to the agriculturists, and thus hamper agricultural development. (The Central Government has already taxed the poor peasants with fresh taxes of Rs. 71 crores).

The Jana Sangh, therefore, suggests that :

- (i) The colossal waste of public funds that has been going on for the last fifteen years in administrative and developmental areas be brought to an end by devising and implementing thorough-going economy measures;
- (ii) Corruption which is ubiquitous and is assuming high proportions, be eradicated; and
- (iii) Steps be taken to collect tax-arrears and to prevent their evasion.

[Sept. 29, 1962; Rajahmundry, C.W.C.]

#### 63.03. INFLATIONARY BUDGET PROPOSALS FOR 1963-64

Bharatiya Jana Sangh recognises the need of mobilising adequate resources for defence and development of the country. The Working Committee, however, feels that the Central Budget, while it has justifiably provided for increased outlay for defence, has not given the consideration to the likely effects of the proposed taxes on the economic development of the country. The Finance Minister in his anxiety to raise as much money as possible seems to have fallen upon all sorts of measures irrespective of the burden that they throw on the people and the economy. In fact, before asking the people to bear greater burdens, the Government should have given ample evidence of its desire to put an end to ever increasing wasteful expenditure, and leakage in revenue as also for enforcing effective measures to realise long piled up arrears. This was the minimum requirement before the Government should have thought of launching upon anything like the present taxation proposals and without it they have no moral justification for urging upon hard-pressed common man to tighten his belt still more.

The choice of additional taxes also is far from satisfactory. New and heavier excise duties on such poor man's necessities as kerosene (on which existing duty is being raised by more than 160 per cent), soap and tea and increase in the price of post-card are instances in point.

The Committee considers the Super Profit Tax as particularly indiscreet. For one thing it will have a dampening effect on equities and hamper capital formation as also foreign collaboration in our industrial effort at a time when their need is great. Finance Minister has proposed, in his wisdom, to link it to incomes of companies in excess of 6 per cent of capital and reserves. Since profits are not a function of capital alone this basis of assessment is unscientific and wrong in principle. It is also discriminatory against the joint stock form of enterprise. It will amount to placing a premium upon inefficiency and will virtually jeopardise the practice of ploughing back profits which is an important source of investment. The level of 6 per cent which is presumed to be normal rate of profits, is arbitrary as well as unrealistic when the rate of preference shares is 7 to 9 per cent and the bank interest is over 7 per cent.

The Working Committee feels that the Government would do well to leave the question of saving to the voluntary instinct of the people. For one thing, compulsion is not likely to lead to mobilisation of extra resources but only a diversion of savings which may retard the growth of insurance, effect small saving schemes and starve the small enterprise of capital. It will be a heavy burden on the cultivator, the labourer, the lower middle and middle classes, and with the already high cost of living it will create a lot of resentment among people of all fixed-income groups which is likely to be exploited by anti-social elements. It is also likely to create an understandable demand for higher wages leading to the vicious circle of costs and prices which already threatens to upset our planning.

The total effect of these and other remaining taxation measures is bound to be inflationary. At a time when some relief for the hard pressed man in the street was long overdue, the present budget proposals offer just the opposite. The Working Committee, therefore, urges the Finance Minister to reconsider all this and first to ensure utmost economy and plugging of revenue leakages, and secondly to recast the tax-

tion proposals to make them more equitable as well as less criminal to the country's development needs.

[April 6, 1963 ; Delhi, C.W.C.]

### 63.16. RECONSIDERATION OF ECONOMIC POLICIES AFTER CHINESE AGGRESSION

Despite the fact that ever since the dawn of Independence the Government has devoted all its mind and energy to the economic development of the country, and has pursued the policy and programmes laid down in the Five-Year Plans to that end, neither has the foundations of a self-generating economy been laid in the country so far, nor—not to speak of raising the standard of living of the common people—has it been possible to maintain it and so provide them the minimum necessities of existence. The planners having never thought of the defence needs of the country there is little surprise that the economy of the India of today is not capable of meeting the requirements of the present emergency. Per capita income of many groups has declined; inequalities have increased. There is a serious shortage of basic necessities of life as well as the basic industrial raw-materials. Increasing unemployment on the one hand and shortage of technicians on the other is affecting production unfavourably. While prices are soaring sky high, the tax burden is greatly depressing the common citizen's living standards. Foreign loans are piling up and dependence on foreign help is growing—almost endlessly. Financial deficits and inflation are increasing in a vicious circle. The official machinery has become so much all pervasive that the industrialists, traders, cultivators and labourers find themselves caught up in a jungle of laws and regulations and the country's spirit of enterprise and industry is languishing under their suffocating pressures. The burden that has been placed on this top heavy and intricate economy for meeting the defence needs after Communist China's aggression last year, has aggravated the stresses and strains that already existed in our economy. The apprehension is growing that the new burden might prove the last straw and the whole structure might come crashing down under its own weight.

The need of the hour is that the economic policies as well as the basis and strategy of planning be reconsidered in the light of the twin objectives of the country's defence and development. From this point of view the Bharatiya Jana Sangh suggests that:

- (1) The doctrinaire and bookish dichotomy of the public and the private sectors be given up. The country's enterprise should not be circumscribed in the four walls of the 'Industrial Policy Resolution'. The efforts on the Governmental and non-Governmental levels should be considered complementary and should be given full opportunity for serving the country's development needs according to their relative capacities.
- (2) While foreign aid for meeting the immediate defence needs be secured without any inhibitions, for a permanent defence build-up the whole industrial complex be accordingly reorganised.
- (3) Fiscal and monetary policies of the Government be formulated with a view to curb inflation and help maximisation of production. Drastic reduction in Government expenditure so that the budgets are balanced, is needed. It may also have a salutary effect on people's morale.
- (4) All-out efforts for self-sufficiency in food and for increase in agricultural production be made.
- (5) A decentralised small-scale industrial pattern especially for consumer goods should be so established so that in times of war needs of civil consumption are adequately met.
- (6) Steps should be taken to stabilise prices. Physical controls as far as possible be avoided. Fair price shops and Government support through purchases at floor prices can go a long way to minimise hardships both to the consumers and producers.
- (7) With a view to achieve unitary finances and co-ordinate taxation measures of the Centre, States and local bodies, a Taxation Enquiry Commission be appointed.
- (8) The wages be related to the cost of living index so that there is no industrial unrest on this account. A permanent National Wage Board be appointed for this purpose.
- (9) Effective measures to realise tax and other arrears be made. Loop-holes in the collection of taxes be plugged so that avoidance and evasion is stopped.

- (10) Compulsory Deposit Scheme is regressive, burdensome and complicated. It should be withdrawn.
- (11) The Gold Control Order has failed to achieve its objectives. It has thrown lakhs of goldsmiths out of employment. It should, therefore, be cancelled.

[August 12, 1963; Delhi, A.I.G.C.]

### 63.21. ECONOMIC SITUATION AFTER CHINESE AGGRESSION

Bharatiya Jana Sangh expresses its deep concern at the state of our economy. After the massive attack by Communist China last year, it was realised that added efforts were called for to build up the defences of the country along with the implementation of the development plans. In spite of the fact that great burdens have been thrown on the people to meet these twin needs, achievements so far in both directions have been disappointing. There have been serious short-falls in the targets fixed both for agricultural and industrial production. Far from arresting the continued increase in prices *manifest* since the last nine years, recent Government policy has pushed the curve upwards to unprecedented heights. It is all the more regrettable that the various governments instead of taking measures to control this increase have been merely helpless spectators and the few steps that have been taken in the nature of imposing restrictions on the movement of certain essential commodities from one province to another, have only added to the artificial scarcity of those commodities in a number of provinces and deprived the primary producer of a fair return.

Cost of living moving so fast, it is natural that wage earners put forward the demands for higher wages. Prices chasing wages and wages leading to higher cost of production and thus to increased prices has been the chronic malady of the country during the last decade. It has neither helped development nor provided a higher standard of living to the people. Bharatiya Jana Sangh had all along been insisting on efforts to stabilise

prices without which development is not possible. In the background of the defence needs of the country this stability has become all the more imperative.

As regards employment there is also no significant improvement in the situation. Additional employment generated during the Third Plan period has been much below expectations. The situation is particularly disquieting in respect of educated classes.

Capital market has also been shy. Declaration of emergency along with the Government's fiscal and monetary policies have been responsible for this bishal trend. While recent announcements by the Finance Minister in respect of the lifting controls on certain commodities and relaxing restrictions on the establishment of new industries is a move in the right direction, persistent threats of nationalisation of banks and trade in foodgrains and other essential commodities can only create a dampening effect on the economy. Except for those who would like to carry out a doctrinaire programme of dogmatic socialism nobody with any sense of pragmatism can support these demands. Nationalisation would not create additional capital in the country where banking is not much developed and savings either do not accrue or are not invested. Nationalisation will mean a further setback. There are already in existence a number of Government institutions for credit and banking. Nationalisation will mean monopoly by the Government. The Jana Sangh is opposed to it.

Short-falls in production, higher commodity taxes, larger doses of money supply and increasing Government expenses are at the root of the present degenerating state of our economy.

**Mid-term Appraisal of Third Plan**—Bharatiya Jana Sangh reiterates its demand for a thorough reappraisal of the Government policies and reorientation of the Third Plan. It is surprising that the Planning Commission in its mid-term appraisal of the Third Plan has suggested instead of pruning and lowering down the financial targets of Rs. 7,500 crores, an upward revision to the tune of additional Rs. 500 crores. We sound a note of warning that all this will only add to the stresses and strains in the economy that have already assumed serious proportions.

Bharatiya Jana Sangh suggests:

- (i) that a doctrinaire distinction between public and private sectors be given up and in fields where public sector has not been able to discharge its share, the private sector should be allocated additional responsibilities;
- (ii) that special efforts on a war footing should be made to increase agricultural production. Irrigational potential generated should be fully utilised and more resources should be made available for developing small-scale and medium projects;
- (iii) that the priorities of the plan be changed so that the lag in the production and availability of essential consumer goods is made up;
- (iv) that monetary, fiscal, import and industrial policies should be so orientated that a maximum development of small-scale mechanised units is possible. Formation of co-operatives should not be a precondition of any new development in the economic field;
- (v) that with a view to providing essential commodities at fair prices to the low and fixed income groups, the Government should start fair price shops but avoid monopolistic physical controls;
- (vi) that effective steps should be taken to cut down Government expenses. If various economy measures suggested by the different committees appointed for the purpose are implemented, it would be possible to save at least about Rs. 400 crores annually. Under the circumstances, the physical targets of the Plan should not be raised;
- (vii) that a Commission should be appointed to examine the present tax structure and the effect of various taxes both on production and prices, and to suggest an integrated system to provide resources for development and relief to the common man; and
- (viii) A permanent Wage Board be appointed, that may redraw the Cost of Living Index and also accordingly formulate basis for increment in salary and wages of the working class.

[Dec. 30, 1963; Ahmedabad, XI A.I.S.]



**63.28. GAS PRICES IN GUJARAT**

The problem of providing gas and oil at economic prices to the consumers and industries is a national concern and the Oil and Natural Gas Commission has been entrusted with the task. Rich oil and gas fields have been found in Gujarat, Assam and Himachal Pradesh. While the Oil and Natural Gas Commission has fixed Rs. 8.83 for Naharkotia Gas in Assam for 1,000 cu.m. of gas, it has imposed a price of Rs. 80, 90 and 100 in Gujarat for the same quantity for Dhuvaran, a state electric concern, state fertiliser factory and private industries respectively. Gujarat being devoid of cheap hydro-electricity and coal fields, the consumers and industries have to pay not only uneconomic prices but often have to suffer great difficulties due to severe bottleneck in transport.

The Jana Sangh Working Committee feels that the phenomenal difference in prices in the two States of the same Union is not only inequitable and unjust, but it shows that public sector is making inexorbitant profits in fixing these prices. The Jana Sangh also believes that there should be no discrimination between State and State but also between public and private sectors. The prices should be fixed bearing relation either with the production price or the price of coal at the coal site. Moreover, high prices would deter industrial expansion and production which is quite necessary in these days.

The Jana Sangh supports the people of Gujarat in their demand for a just and equitable price of gas and assures them their unstinted support for the right cause. It also condemns the Oil and Natural Gas Commission which has adopted an inequitable and unjust price policy.

[Dec. 30, 1963 ; Ahmedabad, XI A.I.S.]

**64.07. SHARP SPURT IN PRICE-RISE**

The Bharatiya Pratinidhi Sabha expresses grave concern over the sudden and sharp spurt in the price line and the resultant crisis caused to the common man. In fact the situation that has arisen is not unexpected. It is the natural outcome of the Plans formulated and the economic policies pursued by

Government. Not that the Government had not been warned in this regard. But these warnings continued to be ignored. Then no efforts were made to evolve a suitable machinery to meet the crisis and provide relief to the people. Even today when the entire country has been caught in the grips of this crisis, no well-thought out and integrated national policy in the matter of foodgrains is forthcoming. The mutually contradictory statements issued by the Central and the State Governments and the frequent shifts in policy made under the pressures of variegated interests have only aggravated the critical situation.

The main reasons for the general rise in prices are two fold: firstly, the large-scale deficit financing indulged in to meet the excessive unproductive spending by Government, and secondly, fall in the production of consumer goods because of wrong priorities in the Plan. Scarcity of foodgrains because of failure of crops for two successive years on the one hand and threats of nationalising trade in foodgrains, along with ill-conceived zonal schemes, on the other, have contributed to a complete dislocation of normal trade patterns. This feeling of want has been accentuated by irresponsible statements made by some provincial leaders and also by some Ministers, which have sowed an incitement to loot, and by the inadequacy of food-stuff or the corruption prevalent, at Government fair price shops. This situation has brought misery to the consumer. Neither the producer nor the petty trader has gained thereby. It is only the big wholesaler or the unscrupulous merchant engaged in smuggling activity who has exploited the situation to his advantage. It is surprising that a Government which keeps on cursing traders day in and day out is unable to take any action against these wayward elements of the trading community.

The conditions have so deteriorated that unless effective remedial steps are taken immediately the economic and political situation of the country would become extremely perilous. The Jana Sangh suggests the following steps:

- (i) threats to nationalise and thus monopolise trade in foodgrains should stop; instead the government should come forward as a partial trader and evolve a suitable machinery to purchase and sell foodgrains in the open market;



- (ii) one fair price shop for every Gram Sabha unit or per every unit with one thousand population should be opened; these shops should be given to petty retailers;
- (iii) the Government should guarantee that families with a monthly income up to Rs. 300, peasants with un-economic holdings, and landless labour secure a definite and adequate quota from these fair price shops;
- (iv) for government employees, and for employees in organised industries, instead of increasing D.A., arrangement should be made to provide them with consumer goods at rates subsidised so as to neutralise the rise in prices;
- (v) alongwith the steps outlined above, the Zonal Scheme should be scrapped forthwith, so that the artificial impediments created in the flow of normal trade are removed, and the producer gets an encouraging price for his crops;
- (vi) sales-tax and octroi duty on food-stuffs should be abolished;
- (vii) all types of assistance should be given to the peasant to increase production and the quantum of this assistance should be linked with production; from this point of view, it would be profitable that the Government have forward trading with the Kisan; and
- (viii) immediate arrangements should be made to provide seed for the next crops.

Various provincial units of the Bharatiya Jana Sangh have undertaken agitations to compel Government attention to this problem and to secure relief for the people. The Pratinidhi Sabha hails these successful efforts of theirs and decides that the agitation be extended and intensified so that the Government is forced to relinquish its wrong policies and take steps to hold the price-line.

In the present explosive situation the Jana Sangh deprecates of the looting incidents which have occurred at some places. Such incidents cannot help in improving matters; the situation can only worsen on that account.

[August 10, 1964; Gwalior, A.I.G.C.]

#### 64.12. INFLATION—CAUSES AND REMEDY

There has been during recent months an abnormal spurt in prices, which has been rising over the course of the last several years. Prices of foodgrains particularly have risen sharply. This has caused great distress to the common man. Instead of stabilising prices and neutralising the effect of this price rise on low and fixed income groups, Government pursued policies that have resulted in a deterioration of economic conditions and have besides led to an explosive law and order situation. Scarcity and discontent have been growing. There have been untoward happenings at numerous places. It would be dangerous to allow the present state of affairs to continue. Immediate and effective steps must be taken to remedy matters.

It is clear that this present situation owes to the Government's wrong plans and its imprudent monetary and fiscal policies. The Government has failed to give priority to the production of essential commodities, specially foodgrains. Greater attention has been paid to huge capital intensive projects in which the fruition lag is large. There has been a steep rise in the unproductive expenditure of Government. The result of this has been on the one hand low production and consequential scarcity, on the other inflation and consequential fall in the value of the rupee. Doctrinaire slogans of nationalisation and the various kinds of controls, which the Government is incapable of implementing, ill-fit with the psychology of the trader, the producer and the consumer alike. These have worsened the situation. It is a matter of regret that in spite of the seriousness of the situation the Government is not able to formulate and implement a firm policy based on a realistic, comprehensive, national and responsible appraisal of the problem. Its approach continues to be myopic, lopsided and doctrinaire. To gamble with the well-being of the people, the unity of the nation and political stability is extremely deplorable.

Considerations of economic development and public welfare require that the country's price-policy should be production-oriented. It is not possible to bring about stabilisation of prices simply by administrative and physical controls without increasing production. The prices fixed by Government for

the next crops are not remunerative for the farmer and so production will be adversely affected.

The Jana Sangh suggests:

(1) All Food Zones should be abolished. This zonal division militates against national unity. The obstructions caused in the normal trade channels because of these zones have resulted in an increase in prices instead of bringing them down.

(2) The idea of nationalising or monopolising trade in foodgrains should be abandoned. The State Food Corporation should come forth as competitor in trade.

(3) The Government must arrange to supply essential commodities of life to low and fixed income groups at fair prices so long as their income does not increase in proportion to the price rise.

(4) Government expenditure should be reduced, planning, taxation and monetary policies should be reoriented with a view to augment production.

The country is passing through a grave economic crisis. The people and the Government must make a concerted effort to avert it. The producer, the distributor, the consumer, all need to behave in an ideal manner—the producer striving to maximise production, the distributor fulfilling his obligations to the consumer without seeking maximum profit for himself and the consumer exercising the restraint in consumption. The Government and the people ought to be aware of elements who are eager to create anarchy in the country and to exploit the present situation for the furtherance of their evil designs and for the fulfilment of conspiracies by foreign powers.

[Dec. 4, 1964; Patna, C.W.C.]

### 65.03. ECONOMIC POLICY—SOME SUGGESTIONS

The course and pace of Indian economy for the last twelve years has been determined mainly by the Plans. The results can in no way be considered satisfactory. Let alone the question of fulfilling the needs and expectations of the people, the objectives and targets fixed by the planners themselves have not been realised. The problems created have

aggravated the misery of the people. The strains caused to the economy are so serious that unless early remedial measures be taken, the consequences can be disastrous.

There has been an abnormal rise in prices, unemployment and tax-burdens. The basic necessities of life have been getting more and more scarce and dependence on foreign help has been growing. Disparities in incomes and wealth have not lessened. The growth in national income and production has been much below expectation. Obviously there is need for a reappraisal and reorientation of planning, and economic policies. The present crisis cannot be explained away as the result simply of faulty implementation of policies. The policies themselves have been wrongly formulated. It is a matter of surprise and regret that the Government and the Planning Commission have failed to realise the unsoundness of these policies and insist on pursuing them with greater vehemence. Bharatiya Jana Sangh reiterates its earlier warning which has been vindicated by the present developments that unless the Plan is radically changed, we will not be able to escape the impending disaster.

**Fixation of Basic Policies and Objectives**—The outline of the Fourth Five-Year Plan as presented in the memorandum of the Planning Commission does not reveal any intention to profit from past mistakes. The financial targets for the Fourth Plan have been fixed at Rs. 21,500 to Rs. 22,500 crores which sum is more than the total outlay for all the three earlier Plans. An uncalled for and undesirable expansion of the public sector is contemplated and an outlay of Rs. 15,000 crores has been proposed under this head. Though a clear picture of how resources will be mobilised is not available, yet the memorandum proposes to raise Rs. 3,000 crores through additional taxation and an equal amount as foreign help. Public enterprises are expected to yield a profit of 12 per cent on the capital invested which is to be secured by increasing the price of the products of these enterprises. Although it has been promised that there would be no deficit financing, there appears little likelihood of this promise being kept, because the planners have omitted to take into consideration the increasing demands under defence, rehabilitation, and other non-plan Governmental heads. Consequently, there is bound to be an inflationary rise in prices. The planners propose to keep inflation under check through physi-

cal controls and through Government's taking up production and distribution of basic consumer goods. This will only lead to greater corruption and black-marketing. Like the earlier Plans, this Plan too is capital-intensive. Even programmes of agricultural development envisage capital-consuming methods. There is no idea of developing local and indigenous resources.

If the nature of the Plan continues to be as it is, it would spell danger not only for the country's economy, but also for democracy and our other national values of life. The Planning Commission seems to have forgotten the limitations within which any plan of economic development has to be formulated. For them the Plan has become an end in itself.

Surely the nation cannot sacrifice its freedom, democracy, and its economic well-being at the altar of the whims of a few. This experiment in planning has proved very costly. A reasonably long period of fifteen years has been allowed for it. The experiment deserves no further lease.

**Appointment of High Powered Economic Commission**—The Planning Commission is so obsessed with its own notions that it has become blind to obvious failings and has lost the capacity for any bold re-thinking. The Jana Sangh urges that a high-powered Economic Commission be appointed to enquire into the causes of the continuing economic malaise.

**Self-Reliant and Self-Generating Economy**—The Jana Sangh is not opposed to Planning. Also it cannot be gainsaid that the country demands ambitious efforts in the economic field. But these Plans have failed to enthuse the people and allow no scope for their enterprise and endeavour. They are not based on realism. The investment-policy and strategy of the Plan will have to be totally revised so that it can remove imbalances and lay the foundations of a self-reliant and a self-generating economy.

To this end, Bharatiya Jana Sangh suggests that:

(i) The practice of formulating plans for a fixed period of five years should be stopped. This is an artificial and arbitrary division of time and has little to do with economic developments. A plan formulated on this basis, with all its pious wishes, turns out to be a sheer jugglery with figures, which are themselves inadequate and in most cases based on unreliable

assumptions. It is desirable that basic policies and objectives be fixed and a pragmatic approach adopted with regard to details of the programmes.

(ii) Priorities should be fixed not only for the various sectors but also in regard to objectives.

Subject to defence requirements, our primary objective should be full employment and provision of all basic needs of life.

(iii) The investment-strategy of the Plan should be labour-intensive and *Swadeshi*-oriented. Increase in productivity is necessary but it should not depend on foreign imports.

(iv) Agriculture and decentralised industry should be given top priority. The Government should look to the establishment of basic industries conducive to their development.

(v) The policy of expanding the public sector in the name of socialism should be abandoned. This policy is wrong in principle and harmful in practice. For the present, efforts should be made to consolidate and to increase the efficiency of the public sector.

(vi) Local resources should be mobilised for the development of agriculture. Small industries should be co-ordinated with agriculture. We should aim at the establishment of a village-oriented agro-industrial economy.

(vii) The idea of imposing additional taxes should be given up. Actually the people need some relief. The present taxation policy is unplanned and unco-ordinated. Tax resources of different authorities are not commensurate with their obligations. The system needs to be re-organised.

(viii) From time to time problems of food, prices and foreign exchange have assumed acute form. The Government has been trying only expedient measures. But so long as the basic causes remain, symptomatic remedies can hardly be effective. For the last eight months the country has been suffering from food shortage and rising prices. The Government has taken recourse to different kinds of controls and some sort of nationalisation of trade in foodgrains. But all these steps have not alleviated the gravity of this situation. On the contrary the situation has been worsening. The Jana Sangh in this regard reiterates its earlier stand, namely, that:

(i) Food zones should be immediately abolished.

- (ii) In big cities where rationing has been introduced, free trade on a limited scale should be allowed. Ration shops should be licensed mainly to petty retail grocers. They should not be deprived of their means of livelihood.
- (iii) The Food Corporation should enter the market as a competing trader. It should not be granted monopoly for purchase or sale of any commodity. Similarly the private traders or co-operative societies should not be allowed to become monopolies.
- (iv) Rise in prices should be fully neutralised in the case of government employees and employees in the organised industries. Grain shop facilities should be provided to them.
- (v) The various levies imposed by the State governments should be removed. Similarly restriction on small rice mills and haulers ought to be removed.
- (vi) Farmers should be given incentive prices.

Most of these are temporary measures. But so long as the Government's present monetary, fiscal and industrial policies are not changed, the situation will not improve. This demands a change in the Government's Plan. If Plan is implemented in its present form these problems will be further accentuated. Therefore the Plan should be changed. Public opinion has been in favour of this change. But the Government and the Planning Commission are adamant. People must exert pressure on the Government to change its misguided policies and the ill-conceived Plan. This session therefore resolves to launch a 'Change The Plan' movement and appeals to the people to lend their co-operation in this task.

[Jan. 24, 1965; Vijayawada, XII A.I.S.]

#### 66.08. ECONOMIC SITUATION AFTER WAR WITH PAKISTAN

The economic situation in the country continues to be bleak. Far from achieving the objective of laying the basis of a self-generating and self-reliant economy, the rate of growth has slowed down in many sectors and in others there has been

a state of stagnation, and even recession. In spite of the fact that the financial outlays under the Plan are estimated to have exceeded at least by ten per cent, there have been serious shortfalls in physical achievements. As against the target of 30 per cent increase in national income, the actual increase has been only 18 per cent. Target of production of foodgrains was put at 100 million tons. Production in 1965-66 is estimated to be only 75.9 million tons. Even allowing for failure of crops due to drought, the total production potential calculated on estimated supply of inputs cannot exceed 92 million tons.

**Recession**—The annual rate of industrial growth too has been only 7 per cent as against the proposed 11 per cent. There has also been an increase in the backlog of unemployment by at least 4 million. During this period prices have risen by more than 30 per cent. Although there has been a greater mobilisation of financial resources, people having borne unbearable burdens in the name of defence and development, funds have been disbursed in unproductive channels or for highly capital-intensive schemes. The tax revenues of the Centre and the State Governments increased two-fold from Rs. 1,355 crores in 1960-61 to Rs. 2,723 crores in 1965-66. The country's indebtedness to foreign sources has increased from Rs. 760.96 crores in 1960-61 to Rs. 2,629.18 crores in 1965-66. Internal debts have also mounted by about Rs. 900 crores. Yet there had been a deficit financing of about Rs. 1,255 crores on Government account as against the promised figure of Rs. 550 crores under the Third Plan. Despite heavy foreign assistance and drawings from the IMF our foreign exchange reserves have touched an all time low level of hardly Rs. 88 crores. Due to large import content of our industrial complex, progress has been halted after the stoppage of foreign aid in the wake of hostilities with Pakistan.

Bharatiya Jana Sangh had been from time to time pointing the defects of the Third Plan and warning the Government of these consequences to our economy. The 'Change the Plan' campaign too had emphasised these facts. The late Prime Minister had realised the need of reorientation of the whole basis and strategy of planning. War with Pakistan and the attitude of foreign powers had reinforced this realisation.

It is unfortunate that the Planning Commission has again fallen into old grooves. Instead of building a self-reliant eco-



nomy it has propounded the new theory of 'more aid to get rid of aid'. The Fourth Plan with greater dependence on foreign capital is being enlarged. Consequently, direct and indirect pressures are being exerted to influence our policy decisions. Invisible strings are being attached. Bharatiya Jana Sangh feels concerned at this encroachment on our sovereignty. From an economic point of view also Bharatiya Jana Sangh does not consider foreign capital in such large measure as conducive to development. It is true that the present recession can be halted if substantial foreign aid is secured. But it will also halt the programme of import substitution so patriotically started under the impact of conflict with Pakistan.

The World Bank has suggested joint Indo-Pak projects. Let us not sow seeds of contention. It will be providing permanent opportunities for third power intervention in the affairs of the region. It will not bring India and Pakistan nearer.

Of all countries our dependence on U.S.A. has been the greatest. It is perhaps for this reason that she has begun to be most exacting. Besides, she has maintained a parity between India and Pakistan in all aid talks. Evidently, this has political overtones which people of India should not shut their eyes to.

Indo-Pak peace is a *sine qua non* of all aid from these countries. It is a condition which in the present belligerent mood of Pakistan and her collusion with China, India is not in a position to guarantee. Pakistan will use this situation to blackmail India and the Western powers. Assistance tied to such political conditions will make India's economy always precarious.

**Political Overtones of Foreign Aid**—These sources are also suggesting that the economic programme of India should give priority to mechanisation of agriculture, population control, removal of import controls, freer hand to private enterprise both Indian and foreign, and a devaluation of the rupee. These may however be given due consideration on basis of their merits or demerits. But it should be made clear that we will not alter our policies or the plans under foreign pressure of any kind.

**Opposition to Indo-U.S. Education Foundation**—In this context, the Jana Sangh would like to voice the people's misgivings in regard to the proposed Indo-U.S. Education Founda-

tion. Education is a vital sector of national life. The arrangement envisaged is likely to expose our educational institutions to a dangerously heavy dose of foreign influence. The Jana Sangh urges, therefore, that the Government reconsider its decision in regard to the project.

**Evaluation of Plan Achievements**—Lopsided plans have led the country to a critical stage. Crucial decisions have to be taken. The present Planning Commission has become a prisoner of its own concepts and cannot take the radical decisions which the present situation warrants. The Jana Sangh feels that the composition, approach and functioning of the Planning Commission must be thoroughly overhauled. An independent agency must be set up to evaluate plan achievements from time to time.

Jana Sangh further reiterates that the idea of periodical plans be given up. Instead a long-term perspective plan should be prepared and priorities fixed. Public sector projects should be worked out in detail. As the whole economy is one, there is no sense in dividing it into plan and non-plan, public and private, or Central and State sectors. All this gives an incomplete view of things. Let there be one integrated national sector, and all agencies, Government, Corporate, Co-operative and the Self-employed be enthused to work for its development.

The immediate objectives of the Government's economic policy should be to increase all-round production and stabilise prices. This requires drastic curtailment of Government expenditure and removal of many a control. So far as foreign exchange is concerned, there should be strict budgeting. An all-out effort should be made for import substitution. *Swadeshi* should be once again our watchword.

[May 1, 1966 ; Jullundur, XIII A.I.S.]

#### 66.14. DEVALUATION, SOME SUGGESTIONS

Bharatiya Jana Sangh denounces the decision of the Government of India to devalue the foreign exchange rate of the rupee. The decision is economically unjustified and politically disgraceful. It is against popular sentiment and the country's interests. The decision is in complete disregard of Parliament,



and is a submission to international pressures. The Government has called it a drastic step to reform and revitalise the sadly drooping state of the economy. While we do not regard devaluation as any cure for the country's economic ills, the Government's precipitate recourse to this measure is a dramatic confession of the failure of our much-flaunted plans and policies. If followed by suitable policy changes, it may provide marginal advantage to a section of the economy, but its overall impact will definitely be harmful.

The main argument advanced to justify the economics of devaluation is that it will reduce the adverse balance of payments by increasing exports, and decreasing imports. This argument has a theoretical validity only under certain assumed conditions. It is valid if exports are price-elastic, and internally produced and procured at constant prices. The demand for imports also should be elastic. For more than eighty per cent of our international trade, these conditions do not exist. Moreover, the Government has imposed export duties on a number of items put in abeyance all export promotion schemes, reduced import duties, liberalised imports and subsidised some of them. This has made even this argument untenable. In the short term, devaluation will only increase our adverse balance of payments which will necessitate liberal borrowing from foreign countries and international agencies.

There is a possibility of more exports in non-traditional commodities if they can be produced cheaply. Recently, we had developed markets in the East European countries. As trade with them was mostly barter or in rupees, it has been badly disorganised after devaluation. Moreover, greater exports even in this direction are not possible without sufficient subsidies, for price-differential is not in favour of exports.

Devaluation has added to the servicing cost of our foreign loans. It has increased the liability of those who had imported machinery and other goods on deferred payment. In collaboration agreements it has benefited the foreign investor and thrown a greater burden on the Indian partner who has to find more rupees to match his part of the capital.

No proper assessment has been made of the needs of different industries and of the possibilities of meeting them internally. Haphazard liberalisation of imports has impeded

the process of import substitution.

Despite Government affirmations to the contrary price increase after devaluation is a fact. Government promises have ceased to console anybody. Its scheme of co-operatives and super markets might satisfy doctrinaire socialist ambition but will be of little help to the consumer. Unless production and productivity increase at a very fast rate, prices are bound to rise after devaluation. Increased cost of capital base and production, less of physical goods and commodities left for home consumption due to greater quantity needed for export are very potential causes resulting in price rise. Added to this, if the inflationary monetary policy of the Government continues—and there are no indications, that it is going to change—the sky is the limit for the soaring prices. This surely is the way to ruin.

It is evident that the decision to devalue the rupee has been taken under political pressure as "all aid negotiations were hinged on it". This is aid with strings which we should refuse to take. Economically too, past experience has shown that foreign aid has been put to profitable use only in a very small measure. The lopsided growth of our economy has been because of foreign aid. Instead of an organic growth, there has been an attempt at superimposing projects and plants here and there. There is no coherence, no planning. Even if there was any justification for foreign capital and technical know-how fifteen years ago, there is very little now. The Jana Sangh holds that we can dispense with aid. Whatever we need, we must and can earn. There is need to revive the spirit of *Swadeshi* which Bharatiya Jana Sangh has been emphasising since its inception.

Under the circumstances, the Jana Sangh suggests;

- (i) Drastic curtailment of Government expenditure;
- (ii) Scrupulous avoidance of deficit financing;
- (iii) Radical overhaul of our Plans to obviate dependence on foreign aid;
- (iv) Removal of all curbs on indigenous industrial effort;
- (v) Arrangements to ensure supply of essential commodities to the people at reasonable rates; and to employees in Government, and in organised sectors at subsidised rates;

- (vi) Top priority to agriculture and consumer goods industries.

[July 12, 1966; Lucknow, C.W.C.]

#### 67.14. PERMANENT FINANCE COMMISSION

The Working Committee views with deep concern the fast deteriorating economic situation in the country. The problems of food shortage, rising prices, slackness in the industrial field, falling exports despite devaluation, fridity of the capital market, and growing unemployment have been characteristics of our economy for quite a long time past. Of course, the Government has recognised them and realised the imperative need of their early solution. But there has been no attempt to diagnose thoughtfully and to pursue the prescription in a planned manner. On the contrary the Government in its bewilderment has been taking recourse to self-deluding slogans and doctrinaire measures. The resolutions of the All India Congress Committee demanding nationalisation of Banks and General Insurance, the budgets of the Railways and the Central Government, and the uncertainty in respect of the Fourth Plan and the Planning Commission only show that they have lost all sense of purpose and direction.

**1967-68 Budget**—This year's budget was expected to pronounce changes in the government's old policies and to propose measures that would stabilise prices, reduce tax burdens and increase production. But it has totally belied expectations. Though the Finance Minister has reiterated the Government's resolve to eschew deficit financing, yet the fiscal measures and the outlays proposed are themselves inflationary. Increase in railway fares and freights and additional indirect taxes estimated at Rs. 115 crores in a full year have added to the burden of the people. New taxes on tea, coffee, cigarettes, shoes, cotton yarn and fabric, plastic, diesel, rubber and aluminium will all ultimately impinge on the common man. By proposing a heavy excise duty on aluminium the Finance Minister has not only given a blow to a growing industry but has also upset the programme of import substitution. There is also no justification for increasing postal, telegraph and telephone rates. Increased

rates for newspapers are highly regressive. By abolishing the subsidy on fertilisers the Finance Minister has deprived the farmers of a sum of Rs. 51 crores. It must adversely affect agricultural production.

A reduction of Rs. 5 crores has been proposed in direct taxes. But by prescribing the deduction at source from payments in respect of interest, commission and professional and other service fees, the Finance Minister has opened the doors for corruption and harassment. Further it would unnecessarily add to the work of the refund section of the income tax department.

Besides the Central budget, the States' budgets have also a direct bearing on the national economy. It appears that there is no co-ordination between the fiscal measures of the Centre and the States. Otherwise also there have been so many changes in the fiscal system of the various authorities over the last fifteen years that today there is complete chaos and no balance. It is necessary that the whole system is comprehensively reviewed. The Working Committee proposes a permanent Finance Commission to review the present financial arrangements keeping in view national objectives and from time to time apportion resources between the Centre and the States.

[June 30, 1967; Simla, C.W.C.]

#### 67.16. ECONOMIC SITUATION AFTER THREE PLANS; SOME SUGGESTIONS

The Working Committee expresses serious concern at the present economic deterioration in the country. It is of the firm opinion that the basic reason of this deterioration is the economic policies pursued by the Government to date, and particularly the lack of realism in planning.

The Bharatiya Jana Sangh has repeatedly stressed that the economic development of the country should be in consonance with our national genius and should take into account our basic necessities. But the Government erected the structure of planning not only on foreign aid but also on foreign ideas. Taking a lesson from the failure of the Third Plan we have to change our present structure in such a way as would increase

our production through optimum utilisation of our resources and would decrease our dependence on foreign aid. But this was not done while preparing the Fourth Plan. Planning Minister has himself agreed that about half of the outlay this year depends upon foreign aid and has stressed the need of improving this situation. It is unfortunate that in spite of realising all this, the Government has not corrected the basic mistake in its policies. As a result for the last two years our entire Plan has been made uncertain by the uncertainty in foreign aid, and large-scale cuts in the Plan have become unavoidable. This is the main reason of the present economic deterioration. At the same time the extensive drought in the country in the past two years has led to a decrease in the purchasing power of agriculturists and other classes depending upon agriculture, which has also proved a contributory factor.

**Post-Devaluation Analysis**—But an uncommon aspect of this deterioration is that this recession is accompanied by a price spiral. The economic steps taken by the Government in order to check the price spiral, over and above direct controls—such as increase in taxation, *annual collection* and such other means—are working for a general decrease in the purchasing power of the society. This has resulted in further deterioration in the condition of the fixed income middle class. The new Ordinances have made conditions all the more difficult for them while the tax dodging class was already immune from the effects of such steps and will continue to remain protected. Otherwise in an under-developed country the price checking policy should not aim only at curtailing demand but also at fulfilling it more adequately. With this purpose in view more attention should be given to projects with a shorter gestation period and efforts made for an early increase in production.

After devaluation the steps necessary for increase in export were not taken, as a result of which devaluation had an adverse and not beneficial effect. Further it also provided one more reason for increase in prices through greater prices of imported raw material, machines, equipment and foodgrains as well as increased interest on foreign capital. As a result the wage earner has been making the legitimate demand for increasing dearness allowance and wages. On the other hand the credit cut policy of the Reserve Bank has increased

the difficulties for industries. Excessive taxation, decreased off-take and labour movements (like strikes, bandh and gherao) have either decreased the production of many industrial units or closed them down altogether.

The Government's recent efforts to tackle the situation by directions to purchase produce is a temporary step. It can assist some industries but it cannot bring about a systematic development in the economic condition of the country. The need is for a basic change in planning and the Government's economic policies.

In the situation now obtaining, the Working Committee feels the following steps should be taken promptly:

(1) The structure of the Fourth Plan should be basically changed and it should be made consonant with the situation in the country.

(2) In order to decrease expenditure on agriculture the prices of implements, the rates of power, the interest on loan given to farmers should be brought down and arrangements made for irrigation and cheap seeds and fertilisers.

At the same time an arrangement should be made by which the agriculturists would get an adequate price for their produce.

(3) All difficulties in the way of increasing industry should be removed. Taxes on them should be brought down as these taxes lead to increased prices of produced articles. Arrangement should also be made for indigenous production of articles imported so far. And encouragement should be given to small industries as well as industries with a short gestation period.

(4) All difficulties in the way of capital formation should be removed, and for this purpose the restrictive policy should be changed.

(5) Government and other employees should be compensated fully for increased prices. Taxation on the middle class should be decreased.

(6) All steps should be taken to maintain industrial peace.

[Sept. 26, 1967; Baroda, C.W.C.]

## 67.21. STAGNANT ECONOMY; HOW TO PULL OUT

Bharatiya Jana Sangh expresses concern at the country's

deteriorating economic situation. Increasing scarcity of food and other necessities of life, industrial recession, aggravating unemployment, skyrocketing prices, stagnating National Income and consequent decline in per capita income, heavy foreign indebtedness, increasingly adverse balance of foreign payments, and shortage in capital formation despite added disparity of incomes are all eloquent symptoms of our economic ill-health. The present situation has not descended upon us all of a sudden but is the natural culmination of the policies adopted in the three Plans. It is surprising that the Government of India and the Planning Commission, instead of acknowledging these basic causes, have sought to hold the Indo-Pak conflict of 1965 and the cessation of foreign aid that came with it, and the crop failures of the last two years resulting from successive drought, responsible for our economic mess and are by the same token looking hopefully to good crops and foreign aid alone for relief. Their policy today is confined to some *ad hoc* measures. The draft of the Fourth Plan which has been rejected by the country is being implemented by parts under the pretext of annual plans. It has also been announced that the new Plan will commence from April 1969, presumably because we hope to have definite assurance of external aid by then. It appears evident that foreign powers are exercising a decisive influence in the framing of our country's economic policies. It was under their pressure that the rupee was devalued in June 1966 and it was at their instance that a policy of liberal imports and decontrol was adopted. Even all this does not seem to have satisfied them. As a result, they have withheld their support coming in the form of foreign capital throwing our Plan in the doldrums.

**Planning in India**—Bharatiya Jana Sangh does not agree with those who advocate bidding planning adieu. The shortcomings of today are not a consequence of planning as such but of wrong plans or partial and unrealistic planning. Bharatiya Jana Sangh forcefully reiterates the need for a fundamental change in the pattern, strategy and techniques of our planning. Our plans should be based on India's needs and resources as well as present state of economic growth, political set up and values of life. The twin factors of *Swadeshi* and self-dependence must be the basis and aim of our development plans. India is pre-

dominantly an agricultural and rural country and manpower is our biggest asset. Our economic structure should be decentralised and have an agro-industrial complex. Modern methods should be utilised in agriculture and industry in such a way as to provide every man with a job as well as an increasing productive capacity. So long as full employment is not achieved any resort to automation will be a negation of economic sense and hence undesirable. At the same time we should aim at balanced growth, both on regional and functional basis.

Stability of prices, full utilisation of productive capacity and capital formation for further development are our greatest needs. There is a recession in machine building, engineering, and producer goods industries because of cessation of growth both in the private as well as public sector. Rising prices and absence of corresponding rise in incomes have eroded the purchasing power of the peasantry, labour and fixed-income consumer groups and are as a result affecting consumer goods industries. Shortfall in production is causing decline in revenues also because of which deficit financing is becoming inevitable.

With a view to breaking this vicious circle and pulling the economy out of stagnation the Jana Sangh suggests that:

- (1) Such expansion programme be undertaken both in the public and private sectors as would help in the full utilisation of existing productive capacity and would not be dependent on foreign aid. Capital should be given encouragement in the private sector also and credit regulations should be liberalised.
- (2) Import policy should be made scientific and strict with emphasis on import substitution. The import policy based on loans should give place to an import policy balanced against exports.
- (3) Peasants should get a fair price for their produce. Procurement and monopoly purchase system should go. Facilities in the form of land revenue exemption, manure, cement, etc., for sinking wells, purchasing engines, improved seeds, small machines and the like should be provided to the peasant so that he can use his increased income for capital formation and agricultural development. Banking and electrification facilities should be speedily extended in rural areas.
- (4) Dearness allowance should fully neutralise increase in cost of living. Increase in productivity above a guaranteed



minimum wage should be linked with additional wage to labour.

(5) Public works like housing, road construction and irrigation, etc., should be undertaken on a large scale. Programmes taken up as relief measures, should be strengthened from the point of view of long-term development.

(6) Food zones should be abolished. Big cities and areas of chronic food shortage should be cordoned off and completely rationed.

(7) Unproductive administrative expenditure should be reduced. For this purpose it is essential to take steps towards avoidance of wastage and rationalisation of procedures.

[Dec. 26, 1967 ; Calicut, XIV A.I.S.]

#### 68.05. TIME FOR RE-EXAMINATION AND RESHAPING OF ECONOMIC POLICIES

While some of the steps proposed by the Finance Minister to revive the capital market in an effort to pull the economy out of the mess in which the Government's past economic policies had landed it, show some improvement in its approach, the new taxes proposed by him particularly the duty on tobacco and exorbitant revision of postal rates cannot be justified. Similarly the new excise duties and the increase in the existing rates of excise duty and customs cannot but have an ultimate inflationary effect. The way in which the Finance Minister has claimed to be 'impartial' as between different products of tobacco, is to say the least naive, apart from being regressive in effect. The argument that the Postal Department is incurring losses to justify the revision of rates shows that this public utility concern is being treated on purely commercial considerations. Instead of aiming at an improvement of efficiency (which certainly is anything but satisfactory) and reducing working costs, the Finance Minister has sought to make even the poorest sections of society who use the post-card pay for the department's inefficiency.

In the background of the heavy increase in the railway freight and travel rates already announced, the little concessions

given by him in the withdrawal of the Annuity Deposit or Surcharge on earned and unearned incomes pale into insignificance. There is also the danger that the Finance Minister will fill the uncovered gap of his budget through fresh measures of taxation in a Supplementary Budget. The Working Committee urges upon him to spare the common man these burdens since the saturation point in this respect has already been reached. It further feels that the minimum exemption limit of income for the purpose of income tax should be raised at least to Rs. 6000, if not to the level recommended by the Bhoothlingam Committee.

**New Agricultural Strategy**—The Working Committee wishes to caution the country that the present success in the agricultural production is—as was the case during the period of First Five-Year Plan—mainly a gift of natural factors and is only in a small measure due to the result of the Government's efforts. As such there is absolutely no reason for complacency or for thinking that we may shift emphasis from agriculture. The Jana Sangh has always felt and stated that the increase in agricultural output, particularly in food, is a very basic requirement of all economic development in India and that problem of agricultural production can be solved through such less ostentatious and more near to earth efforts as small irrigation schemes, timely provision of better seeds, manure and credit to the peasant as well as removal of other handicaps which bar his way or deny him a fair price for his produce. Some of those are mentioned in what the Finance Minister's budget speech has termed 'the new agricultural strategy'. It is to be expected that it will not remain merely on paper and will be translated into practice. The Working Committee reiterates its belief that the economy can lift itself out of stagnation only through an increase in the purchasing power of the masses which would provide a market for the industries. The present hopeful development flowing from improvement on the Agricultural front is evidence of this.

The Working Committee feels that a new and healthy approach is called for changing the present atmosphere of depression and distrust in the country. The Government could and should take two steps towards this end :

(i) Initiate well thought-out and effective means to bring



about economy in non-development expenditure particularly by doing away with the conspicuous ostentation indulged in by Members of the Cabinet.

- (ii) Try to rouse the patriotic sentiments and social consciousness of the people and create new climate by exhibiting more faith and trust in them.

Unfortunately while the budget speech gives not the slightest indication of the former, a purely negative approach is spelled out in the 'stringent penalties' provided for concealment of wealth and income. The far reaching powers sought to be conferred on the official hierarchy of the taxation department will, if used with a little indiscretion, result in virtual expropriation and worse of the income or wealth 'concealed.' The terror such powers are bound to create in the minds of even genuine law-abiding and tax-paying citizens, may be justified only in an authoritarian regime, but hardly fits in with a democratic set-up like ours. Much less does it draw out the willing co-operation and active participation of the people in a programme of rapid economic growth.

The Working Committee is convinced that the present respite in the country's economic difficulties needs to be utilised for a proper re-examination of the economic policies hitherto pursued by the Government and their reshaping to imbibe the lessons of past failures. In particular, it wishes to emphasise that :

- (i) The Fourth Plan be recast right from the roots so as to increase its employment potential and reduce its dependence on foreign aid. This is, we believe, the only way to secure the substance of economic freedom for the country.
- (ii) Agriculture be given top priority and all steps taken to increase the productivity of land (without causing displacement of labour) through cheaper supplies of better tools and seeds as well as cheaper and timely credit, encouragement of small irrigation schemes, better storage and marketing facilities for the grower, etc.
- (iii) All zonal restrictions on movement of foodgrains be immediately scrapped, the half-hearted relaxation decided upon in a year of bumper crops is disappointing.

- (iv) The consumer goods industries be freed from the stiff tentacles of official controls and red tape which are obstructing enterprise and standing in the way of growth of industries. Special incentives be given for the establishment and growth of industries—producing import substitutes.
- (v) All facilities be provided to encourage savings and capital formation.
- (vi) The spirit of *Swadeshi* be revived at all levels and in all spheres.

[March 22, 1968 ; Bhopal, C.W.C.]

#### 68.06. BANKING LAW (AMENDMENT) BILL, 1968

The Working Committee endorses the view that the policies and practices of the banking industry must serve the basic social and economic objectives, namely, the optimum growth rate for the economy and prevention of any monopolistic trend, concentration of economic power and mis-direction of resources. Agriculture and small-scale industries must receive their due share of bank credit, which would substantially help national income generation, employment opportunity and decentralisation of economic power. It is also necessary to neutralise the influence of major share-holding in the constitution of the Board of Directors and the actual credit decisions.

But it is the considered opinion of this meeting that proposed Banking Law (Amendment) Bill, instead of fulfilling its professed objective, will give rise, in practice, to a greater evil of the virtual Governmentalisation of Banks.

In the first place, the National Credit Council formed recently with the Finance Minister as its Chairman and the Governor of the Reserve Bank as Deputy Chairman, is to prescribe the guidelines of credit policy to the Reserve Bank. Thus, the Government and not the Reserve Bank, will influence the decision on credit policy which is detrimental to the growth of economic democracy in the country.

The Bill gives wide powers to the Reserve Bank in the matter of re-constitution of Boards of Directors. Even now the Reserve Bank of India has powers to regulate the affairs of commercial banks. But in view of the fact that the Reserve

Bank of India today is subservient to Government of India and does not function as an autonomous monetary authority, there is every reason to apprehend that through the provision relating the reconstitution of Boards of Directors the Government and the ruling party will only increase their stranglehold on the banking industry.

**Political Control of Banks**—It is envisaged by the Bill that the majority of persons on the Boards of Directors shall have special knowledge or practical experience in agriculture, rural economy, small-scale industries, co-operation, banking, finance and other matters which are useful to a banking company. Though commendable in principle, this will offer the Government an opportunity to post its own favourites in every bank, through the medium of the Reserve Bank of India. The term 'Practical experience' is conveniently vague. No independent economic agency is envisaged by the Bill to determine the suitability of persons for this job. This confers upon Government wide discretionary powers to be exercised through the Reserve Bank.

The Committee is of the view that an independent agency should be set up for this purpose. It should create a common pool of economic talents from which selections should be made to the Boards.

Again, it has been laid down that every appointment, removal or reconstitution made under this bill, shall be final and shall not be called into question in any court. A chairman against whom an order of removal is made can prefer an appeal to the Central Government whose decision shall be final and shall not be called into question in any court. Thus, in this most important matter the Central Government acquires arbitrary and dictatorial powers and the judiciary is denied its legitimate jurisdiction.

If there is persistent default by any bank in complying with the provisions of law or directives issued thereunder or if it is considered necessary for better provision of banking facilities to a particular sector or a particular area, the power to deal with such bank should vest in the Reserve Bank and not in the Government. The power of the Government to take over banks will shake confidence of depositors in the concerned banks and increase the sphere of Government control on economy.

The present practice of the Reserve Bank to grant moratorium and merge or amalgamate one bank with other banks has served the purpose well so far. Even if the take-over is contemplated, the power to do it should vest in the Reserve Bank.

The Bill does not specify how the main difficulty in the way of financing agriculture and small-scale industry is to be overcome. Farmer or small-scale industrialist cannot give any acceptable security, or guarantee for loans and advances. True if the present mode of equating 'repaying capacity' with 'saleable security' is replaced by the calculus which measures 'repaying capacity' in terms of the productive competence of the borrower, the matter would become easier. But the efficiency of the latter process in Indian conditions is yet to be tried, and the Government has not yet come forward to shoulder major portion of this financing. Thus, the Bill will fail to achieve the end for which it is being introduced.

The Committee condemns the encroachment upon the trade union rights of bank employees through clause 36A(d). The clause is unwarranted and provocative.

While the Committee is convinced that the private bankers should not be allowed unrestricted powers to the detriment of national interest, it is convinced that present Bill introduces political and Governmental control of banks which is more disastrous to the growth of economic democracy in the country. To steer clear of both the evils, the Committee is of the view that the Reserve Bank of India should be raised to the status of real Monetary Authority and its composition altered suitably for this purpose. Independent economists, as distinct from bureaucrats, should head the Reserve Bank and control effectively its Board of Directors. Such a reconstituted Reserve Bank of India should be the final authority on all monetary problems, such as currency or credit. While the Government remains the supreme authority regarding fiscal policy, it should respect the authority of such a reconstituted Reserve Bank of India regarding monetary policies.

Under the present circumstances, while agreeing with the objective of the Bill, the Committee feels constrained to oppose its provisions which seek in practice to initiate the process of political control over banks.

[March 22, 1968 ; Bhopal, C.W.C.]

## 69.15. BANK NATIONALISATION

Bharatiya Jana Sangh envisages a socio-economic order which guarantees equal opportunity and freedom to every individual so that he may fulfil his material needs and be able to achieve moral and spiritual progress.

The Jana Sangh rejects both Capitalism as well as State-ism. Though the two differ in their view as and where ownership of capital should lie, both lead to concentration of economic power and monopoly. The evils flowing from private monopoly can be checked through State regulation. But concentration of political as well as economic authority in the hands of the State would result in totalitarianism which is incompatible with democracy.

The recent decision of the Government to nationalise the 14 major banks of the country was not calculated to break any private monopolies in the Banking sector or to eradicate any malpractices of the banking companies, but to create a monopoly of the State in the sphere of Banking. The decision to take over commercial banks was guided by political consideration and was not based on any objective assessment of the economic situation and its requirements.

It could certainly be argued that since the credit needs of agriculture and small-scale sector were not being sufficiently met, there was need for taking steps to give a new direction to the banking industry and ensure a larger flow of capital into these fields. It was with this view that Social Control was introduced by the Government some months back and the same should have been given a fair trial. But as it is, the new step has been taken without assessing the experience of the experiment of Social Control. Before deciding to nationalise these banks, it needed to be proved that through this step the desired change would be achieved. For this the investment policies of governmental finance agencies (like LIC, State Bank of India, State Finance Corporation) hitherto followed should offer us ground to hope for the desired results to be achieved through this measure. But no effort was made to prove how this measure was necessary and sufficient or even either.

That the Government took the decision without due thought and without preparing any blue-print is further evidenced by the

fact that till date there is no clarity regarding many important aspects of the issue like:

- (i) Rationaliation of branch expansion;
- (ii) Structure of interest rates;
- (iii) New role of co-operative sector particularly *vis-a-vis* nationalised banks and the co-ordinating links between the two;
- (iv) Inconsistency involved in leaving the foreign banks out of the nationalisation measure and the risk of flight of deposits to those banks;
- (v) The procedure for ensuring public accountability on the part of banks taken over by the government; and
- (vi) The problem of providing properly trained and competent managerial personnel for them.

Now, however, that the step has become a *fait accompli* the Working Committee would like to make the following suggestions in order to minimise the danger of the bureaucratisation of the institutions taken over:

- (a) They be kept separate autonomous and mutually competitive units instead of being reduced to the status of mere limbs of a big monolithic organisation;
- (b) Their management boards include representatives of depositors and employees besides agriculture and small industries;
- (c) Investment policy be revised in favour of small enterprise and agriculture and to this end the concept of creditworthiness be given a new content; and
- (d) A Financial Consultation Service be set up to give detailed advice on how credit can help in the increase of productivity and promotion of employment.

**R.B.I. as an Autonomous Monetary Authority**—The Working Committee would like to reiterate its considered view that to do away with the possibility of such ad hoc and haphazard steps being taken by politicians on considerations which are by no means economic, a really Autonomous Monetary Authority to control the issue of currency and credit be constituted by changing the status, character and composition of R.B.I. and giving independent economists—as distinct from bureaucracy and politicians—an effective voice in its Board of

Directors'. Such an authority should in status and powers be equal to the existing three arms of our polity, Legislature, Executive and Judiciary. An Authority thus reconstituted alone can pursue the long-term ideals of full employment and price stability, unaffected by political pressures and other extraneous considerations.

[August 30, 1969; Delhi, C.W.C.]

#### 69.18. STATE OF ECONOMY—A REAL NEW DEAL

Bharatiya Jana Sangh stands for the establishment of an economy which guarantees the minimum wants of every individual as well as his right to live and work freely. It considers the concentration of economic power—whether in the hands of some private individuals or groups or the State—as the negation of economic democracy. It visualises an order in which enterprise will be vastly diffused because it is only thus that jobs will be maximised as a step toward full employment which has to be our aim if economic growth has to acquire any meaning for our vast masses.

**Dual Economy**—It is a matter of great regret that economic development, as it has proceeded hitherto, has only created a set up what is termed as a dual economy with two parallel sectors—one characterised by richness of resources, advanced techniques and economic progress, the other by poverty, backwardness and stagnation—and the two diverging and working at cross purposes, instead of merging and progressing together, causing in the process, damage and decay to the weaker section comprising of traditional industries.

**Persistent Paradoxes**—If our planning had been really *Swadeshi*, unenamoured of spectacular capital intensive projects and grandiose schemes, it would have sought in the main to base itself on and employ fully our own resources. That would have spared us both the choking burden of a foreign debt and a gross under-utilisation of our means. In that case we would have been spared the persistent paradoxes of shortage of capital with idle industrial capacity, widespread disease with unemployed doctors, immense construction tasks with tens of thousands of jobless engineers and wasteful ostentatious display

with grinding poverty. It is a result of this unnatural growth that its benefits have gone to the privileged few and have deluded the vast masses. The system of controls over import-export trade and licensing has been worked in a way which has added to this distortion and disparity in the distribution of incomes. The result could have been nothing different from today's picture of widespread tension and labour unrest, falling per capita consumption of food, cloth and edible oils with rapid expansion in production of luxury goods, a stagnant per capita income, a middle class crushed under the weight of rising prices, massive tax-evasion with vast amounts of black money floating about, while the genuine tax payer is harassed beyond measure. And for all that we get is a dispensation of socialist slogans.

The Jana Sangh believes that the present state of the economy calls for a real new deal which can put it on the road to healthy and integrated economic growth. Towards this end it urges the following steps.

- (1) **Agriculture**—
  - (i) Attainment of self-sufficiency in food production at the earliest possible time and taking all steps towards that end, in particular carrying the green revolution to all corners of the country and guaranteeing remunerative prices to the grower.
  - (ii) Provision of adequate credit facilities to peasants—especially small tillers—by the banks and altering the concept of 'creditworthiness' in this context.
  - (iii) Strict implementation of land-ceiling laws, enactment of such legislation where none exists and distribution of surplus and unoccupied cultivable waste land among the landless, particularly members of scheduled castes and scheduled tribes, other backward classes and ex-servicemen.
  - (iv) Effective implementation of reform measures to provide security of tenure and a fair share to the *bataidars*.
  - (v) Introduction of crop and cattle insurance.
  - (vi) Increase in the minimum wages for agricultural workers provided in the Minimum Wages Act, and to implement the Act effectively.
  - (vii) Lower irrigation and electricity charges for the full utilisation of irrigation capacity.



(2) **Employment**—Drawing up a programme to provide full employment to all able bodied persons under which not only the new unemployed should be provided for, but part of the backlog also should be covered.

To enable the educated unemployed, and particularly the technically qualified among them, to stand on their own legs, providing them with capital, land, machinery, and other facilities to set up small industries or trades.

(3) **Industry and Labour**—

- (i) An all-out effort for increase in production, freeing industrial growth from the shackles of inefficient and cumbersome administrative delays and withdrawal of all restrictions in the case of industries except when foreign exchange is involved or monopolistic tendencies threaten.
- (ii) Appointment of a high power commission to investigate the basis and working of foreign collaboration agreements with a view to finding out their effect on the country's economy.
- (iii) Encouraging Indians settled abroad desirous of investing their resources in India.
- (iv) Taking steps to make public sector undertakings efficient and profitable.
- (v) Full utilisation of industrial capacity presently lying idle.
- (vi) Establishment of a network of agro-based and small industries in the rural areas to provide employment to rural youth.
- (vii) Indianisation of foreign owned tea, drugs, soap, matches, vegetable-products, jute and cigarette industries and nationalisation of foreign banks.
- (viii) Co-partnership for labour in management and profits and protection of real wages through full neutralisation of price rise.
- (ix) Consultations with the Government employees regarding the terms of reference of the Third Pay Commission and providing them interim relief as recommended by the National Labour Commission; constitution of a separate Wage Board for Railway employees.

(4) **Taxation**—Simplifying taxation laws with a view to plugging loop-holes, checking evasion, ending tax-arrears and rationalising the system and streamlining the tax collecting machinery with a view to protect the genuine tax-payer, eliminate corruption and reduce disparities.

(5) **Import and Export**—

- (i) Take-over of all foreign trade with Communist countries conducted on rupee payment basis.
- (ii) Appointment of a high power commission to investigate the charges of irregularities, corruption and favouritism prevalent in the matter of import-export licences.

(6) **Housing**—

- (i) Initiating a crash programme for mass housing by promoting construction of houses through provision of developed plots and easy loans from L.I.C. and other financial institutions to people of low and middle income groups with the objective of enabling every family to own a house.
- (ii) Promoting co-operative housing societies and setting up a Housing Corporation in every State which may raise funds through issue of housing bonds, build houses and transfer them through hire-purchase on 'no profit no loss' basis.
- (iii) Making it incumbent upon public authorities and industrial concerns to build residential quarters for their employees.
- (iv) Undertaking measures to reduce concentration of urban property and diffuse house ownership.

**Spirit of Swadeshi**—For the successful implementation of the aforesaid programmes Bharatiya Jana Sangh calls upon the entire nation to revive the spirit of *Swadeshi* and to pledge itself to encourage the use of Indian goods, Indian resources and Indian technical potential.

[Dec, 28, 1969 ; Patna, XVI A.I.S.]

**70.02. ANTI-PEOPLE AND ANTI-GROWTH BUDGET PROPOSALS FOR 1970-71**

Having considered the general budget for the ensuing year,



the Working Committee of the Bharatiya Jana Sangh has come to the conclusion that it is neither progressive nor development oriented, nor even imaginative, but a regressive, anti-common man budget. It exposes Indira Gandhi Government for what it is—hard on the weaker sections and subservient to the vested interests from which it gets its life saving funds. For the first time since Independence has a Finance Minister proposed such a heavy burden of taxes whose incidence falls on the common man and that too without any compelling circumstances. The budget of 1963-64 did propose a burden of above 300 crores (including compulsory savings) but it had the obvious explanation in the sudden and sharp spurt in Defence spending (which increased by over 365 crores as against, that budgeted for 1962-63) necessitated by Chinese aggression. Even then the Finance Minister admitted that the proposals involved "an unprecedented burden" and called for a "privation on the part of the people" though he felt that it was unavoidable if the Chinese challenge had to be met without forsaking the aspirations for development and unleashing the forces of inflation. But the present proposals are prefaced by a smug homage to the 'welfare of the weaker sections of the community' and close with an invocation of the ideal of greater equality of income, consumption and wealth, which only adds insult to injury. And if to this are added the higher railway fares and freight rates—especially for third class and suburban travellers (now unceremoniously withdrawn)—one gets a pretty horrifying picture of the Socialism being allegedly ushered in.

The price rise resulting from higher duty and heavier freight will range from 5 per cent in the case of salt to above 15 per cent in sugar, and 6 per cent in electrical equipment to 14 per cent in metal products and 30 per cent in non-ferrous metals. Petroleum products have gone up by 11 per cent and plastics by 14 per cent. Steel prices have already been increased by an average of Rs. 75 per ton recently. A similar rise has been allowed in vegetable products. All these and others cannot but have a multiplier effect on the prices of end products like tea, soap, utensils, cigarettes, syrup drugs, plastic goods, passenger transport, telephone, telegraph, postal charges, etc. leading to much higher rise for the ultimate consumer. It is extremely naive on the part of Government apologists to claim that there will be

only a 'marginal' price rise or none at all in the case of consumer goods.

The budget carries a huge uncovered deficit of Rs. 225 crores which, in all likelihood, is going to be greatly exceeded because it has overestimated the yield from existing levies. It does not visualise any financial discipline for the States which have a reluctance to mobilise resources and take resort to deficit budgeting, as evidenced in the various State Budgets presented recently. All told this is bound to generate further inflation and burden on the man in the street.

But this budget is being paraded as providing relief to the weaker sections of the society. The approbation being showered on it by a section of the press as well as the Communist lobby is significant. That the corporate sector has been left totally untouched when the poor citizen is being bled white only shows that Mrs. Gandhi knows the value of fondling the goose laying golden eggs. The pittance of relief given by raising income-tax exemption limit by Rs. 200 is of little consequence. The dependence on foreign aid still continues. There is no effort to rationalise import policy.

The line drawn at Rs. 40,000 of income significantly spares ministers—forgetful or otherwise—and high officials from the higher assessment. But the higher rate on top slabs is likely to lead to greater evasion rather than larger revenue.

The proposals for increasing minimum pension and family pension, supplementing the provident fund of industrial workers and a provision of Rs. 4 crores for school feeding of children are steps in the right direction, but are so meagre in their coverage that they appear to be aimed more at political dividends than social welfare. The budget thus tries to play on political gimmicks to make up for lack of economic sense. Worst of all it does not even refer to the basic malady of the economy—our vast and expanding unemployment over which the Government has been sleeping all these years. A Government which swears by social welfare and growth but closes its eyes to 34 million unemployed persons including 70,000 qualified engineers, educated at enormous social cost, exposes all its claims to ridicule.

The budget is a disappointment also because it makes no attempt to assure scheduled castes and tribes and other weaker sections of the society, a satisfaction of their minimum needs of

life by 1975.

Thus, in the view of the Working Committee, the present budget is anti-people, anti-growth and totally fails to give a direction to the economy or a sense of purpose to the nation.

Towards this end, the Working Committee demands that:

- (i) Orchards and mechanised farms—private as well as co-operatives—exempted from the ceilings law be subjected to a tax in respect of their income beyond Rs. 25,000 per year.
- (ii) All proposed enhancements of excise duties and increase in Railway freight affecting the budget of common man be withdrawn.
- (iii) The duty on fertilisers imposed last year, be withdrawn to increase its off-take and to encourage its use by small farmers.
- (iv) An autonomous board be set up to rationalise import licensing and to rid it of the current mal-practices, and a heavy import duty be levied on commodities with a large margin of profits.
- (v) Income-tax exemption be raised to Rs. 7500 as recommended by the Boothalingam Committee, and the staff spared thereby be utilised for a more thorough check on higher business incomes to do away with the enormous evasion prevalent at the time.
- (vi) A ceiling be placed on expendable income in order to check ostentatious and luxury consumption, by imposing a consumption tax.
- (vii) An earnest effort be made to bring about a 7 per cent economy in Government administrative expenditure, and to put an end to all wasteful expenses.
- (viii) A crash programme of rural works development be undertaken to generate employment and to create an infra-structure for the development of agro-industries.
- (ix) Immediate relief be given to the salaried class, to neutralise the rise in prices, which has been as high as 7 per cent in the course of the last 12 months and is already showing signs of gaining momentum under the impact of the Budget.

[March 7, 1970; Ahmedabad, C.W.C.]

#### 70.06. FOURTH PLAN

Bharatiya Jana Sangh stands for the establishment of an egalitarian society based upon the ancient Bharatiya idea of *समृद्धि समाहार महत्समृद्धि वीथिः (सर्वत्र वेद)*, i.e., "with a hundred hands, produce; with a thousand hands, distribute." It considers concentration of economic power as thoroughly incompatible with the concept of economic democracy. Consequently, it is opposed to both types of capitalism—the private or the State. It stands for decentralisation of economic authority.

**Maximum Production; Equitable Distribution**—In keeping with this national objective of maximum production with equitable distribution the Jana Sangh demands in the rural sector, a strict time bound implementation of land ceiling laws, and distribution of surplus and cultivable waste land among the landless agriculturists, particularly those belonging to the scheduled castes and the scheduled tribes, other backward classes and ex-servicemen, and safeguarding their proprietary rights on that land; with the proviso that they would not have the right to sell it away; security of tenure and a fair share to the *'bataidars'*; appropriate minimum wages and co-sharership in agricultural produce to agricultural workers; adequate and cheap credit facilities to small peasants; lower irrigation and electricity charges and earmarking of a certain percentage of power produced in every State for the cottage and the small-scale industries; cheaper fertilisers, extension of minor and medium irrigation schemes; crop and cattle insurance; as also special help for promoting cattle farming, prohibition of cow slaughter and concrete steps for its improvement; establishment of agro-based and other subsidiary industries; and guarantee of remunerative prices for all major crops.

**Diffusion of House-Ownership**—In the urban sector, the Jana Sangh urges for measures to reduce concentration of urban property and to diffuse house-ownership; nationalisation of foreign banks and import-export trade with Communist countries, Indianisation of all foreign owned industries, scrutiny of all foreign collaboration agreements; proper balance between autonomy and answerability of public undertakings; consolidation of nationalised sector; full utilisation of all industrial capacity presently lying idle; progressive labourisation of

industries and guarantee of the needs-based minimum wage and the real wage to all wage-earners; formulation of credit policies in the interest of the educated unemployed engineers, technicians, and the new and smaller entrepreneurs; simplification of taxation laws, effective steps to put an end to smuggling, a crash programme for mass housing by various authorities and financial institutions; and the evolution of an indigenous technology suited to the decentralisation of productive processes.

The Jana Sangh reiterates its demand for the imposition of consumption tax and the fixation of 1:20 as the ratio between the minimum and maximum expendable incomes.

**National Commission on Patterns of Industrial Ownership**—The Jana Sangh is further of the view that a 'National Commission on the Patterns of Industrial Ownership' should be immediately set up to determine the scientific criteria for various forms of ownership, i.e. nationalisation, co-operativisation, municipalisation, joint-industry, and de-governmentalisation of industries, services and departments to be entrusted to and managed by autonomous public agencies.

**Autonomous Licensing Board**—The Jana Sangh views with grave concern the various devices, under the pretext of nationalisation or otherwise, that are being used by the ruling party to establish its economic authoritarianism. The constitution of a committee for Industrial Licensing under the chairmanship of the Prime Minister is yet another step in this direction. It is calculated to concentrate vast economic powers in the hands of a single individual. That this position will be fully exploited for political gains is quite obvious. The Jana Sangh demands that the said Committee be abolished forthwith and an autonomous board, under direct control of Parliament, be constituted immediately for the purpose as also for issuing import licences. In fact, administration of all permits and licences should be entrusted to such an autonomous board.

The craze of the ruling party for indiscriminate nationalisation is rooted in its political ambition for totalitarianism. The experiment of bank nationalisation should serve as a lesson and a warning. It is common knowledge that no appropriate follow-up measures have been taken after bank nationalisation; their credit policies have not been clearly defined nor have they extended any appreciable benefits to the common man and there

has been a fall in the rate of growth of deposits. The nationalised banking has virtually degenerated into bureaucratisation with all its attending evils.

**Thorough Revision of Fourth Plan**—The Jana Sangh regrets to know that its apprehensions about price rise arising from the faulty provisions of the budget have proved to be correct. On top of 7 per cent increase in wholesale prices during the last year as admitted in the pre-budget Economic Survey, the new Finance Minister has conceded a rise of 15 to 20 per cent in prices. In this context the provision of Rs. 850 crores by way of deficit financing, after the big dose of additional taxation in the current year's budget, is bound to generate further inflationary pressures. The apprehensions become particularly strong when we recall that in the Third Plan as well as the three annual Plans following it, the actual amount of deficit financing is far more than double of what had been originally provided for. Symbolic as it were of the planners' acceptance of defeat on the price front is the conspicuous absence of the chapter of price policy in the Fourth Plan document.

The Fourth Five-Year Plan is thoroughly disappointing. It indicates that the Planning Commission has neither learnt nor unlearnt anything from the experience of the previous Five-Year Plans. There is nothing to ensure the estimated increase of 3 per cent per annum in per capita income during this period. The estimated increase of 9 per cent in industrial production during this period is, apart from being unsatisfactory, impossible of attainment due to the present policies of the Government of India. The overall growth rate during the Plan period is assumed at about 5.5 per cent per annum, but no adequate measures have been prescribed to assure that this would be actually achieved. The Jana Sangh is of the view that, with the maximum utilisation of resources and manpower it can and should be possible to achieve the growth rate of 10 per cent per annum.

While the resolve of 'dispensing with foreign aid' is repeated, the Fourth Plan makes a bigger provision of foreign aid although its present prospects can hardly be considered bright. The presumption seems to be that there will be or can be a sudden transformation from increasing use to no use of foreign aid. It is regrettable that no efforts have been made or

even considered to assess the cost of this aid, as also the distortion of our economy resulting from the loss of motivation, foreign control over our decision-making in internal matters, restriction of India's trade options, and the dependence it has created even for our maintenance imports. It is convinced that all the foreign technical know-how as well as equipment that we need can be purchased on much more favourable terms, through open global tenders which should be preferred to the so-called aid.

The most unfortunate fact about the Fourth Five-Year Plan is that it fails miserably to deal with the main challenge to the nation in economic sphere. The 'Directive Principles of State Policy' in our Constitution lay down, among other things, that "the State shall, in particular, direct its policy towards securing—(a) that the citizens, men and women, equally, have the right to an adequate means of livelihood"; (Article 39); and that "the State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want," (Article 41). The Jana Sangh has been consistently warning the Government against disastrous consequences of the unrealistic approach of the Government and the Planning Commission to the problem of unemployment and under-employment. Those who dismissed this Jana Sangh plea as mere exaggeration, distortion or gross misrepresentation of facts would be shocked to go through the main conclusions and recommendations of the Committee of Experts set up by the Planning Commission in August 1968 to enquire into the estimates of unemployment. The Planning Commission has used the Committee's recommendations only as an excuse to shirk its responsibility of presenting estimates of the backlog of unemployment at the beginning of the Plan, of the estimated increase in the labour force during the Plan-period and of additional employment likely to be created through implementation of the Plan as formulated. Obviously, in the absence of all these relevant statistics, the Fourth Plan has become completely plan-less—particularly regarding the objective of full employment. Right from its inception the Jana Sangh has laid great stress upon the supreme importance and urgency of this problem. It has also suggested, from time to time, the ways and means of

meeting this economic challenge.

**Recommendations of ILO**—The Jana Sangh notes with satisfaction that the guidelines in the Report on the World Employment Programme of the International Labour Organisation are broadly in conformity with the policies enunciated by Jana Sangh in this respect. The ILO Committee has pleaded for the integration of employment creation to economic development through the maximum possible productive use of available labour to accelerate economic growth and more particularly, to substitute labour for scarce capital where this is economically feasible. It recommends a strategy of development involving comprehensive programmes of rural development, labour intensive public works programmes and fuller utilisation of industrial capacity, promotion of labour intensive industrial products for domestic and foreign markets and application of economically sound labour intensive techniques in industrial production. While it is an indisputable fact that the three previous Plans have failed to adopt this line of action, the Fourth Plan also persists in the same error. The Jana Sangh has already exposed the hollowness of various excuses given by the Government for its failure on this front. We have elaborated, for example, how there is no inherent incompatibility between defence and development, the private and the public sector, capital formation and decentralisation of economic authority, or expansion of employment opportunities and workers' wage-goals. The real cause for this tragic failure has been the absence of a realistic approach based upon proper understanding of the peculiar characteristics of our national economy.

It is the considered opinion of the Jana Sangh that while the magnitude of this problem is admittedly unique, it is possible, through determined, concerted and sustained efforts along the lines suggested by the Jana Sangh, to eradicate completely the evils of unemployment and under-employment. The Jana Sangh, therefore, demands revision of the Fourth Plan with this end in view.

[July 18, 1970 ; Chandigarh, A.I.G.C.]

#### 70.08. ECONOMIC SITUATION; STRESSES AND STRAINS

The Working Committee regrets to note that so far there



are no indications of any lessening of the stresses and strains which have beset our economy over the recent years. The fears expressed by the Jana Sangh at the time of the presentation of the current year's budget are being vindicated and the assurances held out by the then Finance Minister are proving wrong. The rising trend in prices continues despite bumper agricultural production. Even the Government is conceding rise after rise in the prices under its direct control. The menace of unemployment continues to grow with the Government unable or unwilling to take any effective steps in this regard. No efforts are being made to utilise the idle capacity in the country's industrial plants in order to increase the national product. The welcome spurt noticed on the export front is disappearing.

The worst of it is that instead of squarely facing these serious economic challenges, the Government is trying to feed the people on cheap slogans, or, worse still, is feverishly engaged in the job of maintaining itself in power totally unmindful of the economic chaos around us. The Prime Minister has centralised all the strings of power in her own hands. Temptations of industrial and other licences, escape from tax-assessment, threat of enquiry into charges of tax-evasion and fear of penalty when caught—all these are being used by the group in power for its naked party ends—especially for piling up a huge election fund—and sometimes even for narrow personal interests. While quite a number of public sector projects are neck deep in losses and inefficiency with a few almost on the verge of insolvency, the Government, unconcerned about the need of working them properly, is using them for political purposes only.

The way Government handled the Drug Price issue on the plea of making them cheaper has neither made them cheaper nor easily available. On the contrary drug manufacturers seem to have got the opportunity of a life time; they are trading in disease and minting money. Various allegations have been levelled against the Government in this sordid affair. The Working Committee demands a high level enquiry into the whole scandal so that responsibility can be fixed and the guilty brought to book.

**After Bank Nationalisation**—Even the banks have been made an arena of party politics after their take-over by the Government. Directors are being appointed on unworthy considerations like the patronage of those in power, manoeuvring

with forthcoming elections and other party objectives. Political influence has begun to play a part in the grant of loans and appointments and transfers of officials. The study made by the Rajasthan Jana Sangh into the question of availability of credit to the farmers after bank nationalisation has shown that credit has not become easy for the small farmer. Not only has he to grease the palm of corrupt officials, he is also harassed by the bureaucratic red-tapism. To cap all, interference has started in the day-to-day working of the banks, because of the Government's recently attained position of being the biggest banker in the economy. As a result, the sovereignty of the Reserve Bank of India has been eroded and it has been reduced to the level of a small Government department which can be ordered about by any subordinate official. The Bharatiya Jana Sangh has always stood for an autonomous monetary authority as the fourth corner-stone of a democracy. Its devaluation in this way bodes ill for the country's economic situation.

The Working Committee expresses its disappointment at the Interim Relief given by the Pay Commission. The pay rise given to the bank employees has further strengthened the case for a full neutralisation of price rise for other Government employees particularly those of Class IV. The Working Committee supports this demand with all the force at its command.

In the view of the Working Committee the cultivator is suffering because of the fall in prices of food, since the Food Corporation does not have its purchase centres in all towns. This is likely to give a set-back to production of foodgrains. As such, the Government should see to it that under no circumstances is the grower deprived of a fair-price for his produce.

Recently there has been a talk by the Ruling Congress about the creation of 5 lakhs of jobs during the year-end and provision of an income of Rs. 100 p.m. per family. Nobody knows how this income and employment are going to be generated without an appropriate change in the Fourth Plan. But the Prime Minister's party does not seem to feel any need for clarifying it because its objective is not the solution of any problem but playing on cheap stunts by posing to solve them. The Working Committee feels that the problem of increasing unemployment has not as yet been given the serious thought and bold action which it calls for. So much so that even where



there is a shortage of workmen, instead of giving employment to those presently without jobs, the easier recourse to putting additional burden on the existing employees is taken.

In the view of the Working Committee it is the need of the time that the Government should for once rise above party considerations and attempt to meet the difficult economic situation instead of aiming at its narrow exploitation.

[Nov. 6, 1970; Delhi, C.W.C.]

#### 71.04. THE 'GARIBI BADHAO' BUDGET PROPOSALS FOR 1971-72

This year's Central budget has confirmed the worst apprehensions expressed by the Bharatiya Jana Sangh at the time of the mid-term poll. We had expressed the view at the time that the most important cause of Lok Sabha's dissolution was the fact that not only had the economic policies of Mrs. Indira Gandhi's Government made the cost of living unbearable for the common man but a heavy dose of new taxation was inevitable and that the Prime Minister had decided to seek a mandate for 5 years of power before the people saw the bitter fruits of the new budget. That the ruling party was successful in making the people believe that the root cause of their muddled policies was the lack of a clear majority in the Lok Sabha, has to be accepted as an achievement of their propaganda machine. When they were able to get thumping majority in the mid-term poll, we stated that they had got a golden opportunity for presenting and implementing their 'Garibi Hatao' programme of economic emancipation. The present budget has exposed the absence of any such programme.

Mrs. Gandhi has sought to make the Planning Commission a scape-goat for the failure of policies followed hitherto, although she was the Chairman of the Commission and the major credit or rather discredit due to it has to be placed at her door. But the curt manner in which she cashiered the Commission has raised the question of the future status and role of the Planning Commission. Will it be an autonomous body of experts expected and entitled to offer free and frank advice or just a gang of yes-men expected to sign on the dotted

line under instructions of the Planning Ministry? The Bharatiya Pratinidhi Sabha is of the view that any erosion of the status of the Planning Commission will not be in the best interests of the country.

New taxes of the order of Rs. 220 crores have been levied for the remaining period of the year 1971-72. It works out to Rs. 290 crores for a whole year. Leaving the 1963 budget following Chinese aggression, this is the most burdensome budget of Indian history. Not only that, after giving the assurance of "concentrating on direct taxes, particularly on the affluent groups," and "limiting the burden of indirect levies," Shri Chavan has placed 88 per cent of the new burden in indirect taxes. This is not all. The articles on which taxes have been imposed or increased include all types of cloth, soaps, oils, readymade clothes, petrol, china-ware, tinned vegetables, etc. But the rich man's refrigerators, television sets and costly liquors have been excluded. Railway freights have already gone up. With the rise in the cost of all transport, and increased taxation on numerous raw materials and intermediate products, there would be hardly anything which does not become more costly. The uncovered deficit of Rs. 220 crores (which in reality is bound to be, as usual, much larger) will do the rest. The price spiral will continue, the fixed income groups will be squeezed harder, economic disparities will become more acute, savings will be discouraged, investment will be attracted towards speculation rather than production, all calculations of development schemes will go haywire.

Mrs. Indira Gandhi got the people's support during last elections on the promise of 'abolishing poverty'. The budget has shown that her Government has no intention of doing any such thing. Neither in this budget nor in other economic policies is there evidence of a resolve to remove poverty. The task calls for full utilisation of all the material and moral resources of our country. A climate of more production, more saving and more investment has to be created in which every individual is encouraged to become an entrepreneur and a partner in the country's economic reconstruction. Without full employment and guarantee of minimum standard of living for the lowest income groups, all talk of economic progress is meaningless for the vast masses of India. And though the fulfil-

ment of such a guarantee is beyond the power of the Government or its bureaucracy, the generation of an appropriate climate is certainly its responsibility.

Unfortunately, this year's budget is disappointing from this point of view also. The list of priority industries has been cut and those like motor-trucks, buses, cement, refractories and soda ash have been excluded while their shortage is still persisting. The tax exemption enjoyed by the remaining priority industries has also been reduced. The exemption from wealth-tax for shares of initial capital issues has been withdrawn and notice has been served that no development rebate would be allowed after May 1974. All these steps cannot but give a setback to development efforts.

There are number of tax proposals in the budget which will hit small industries. The excise duty on nut-bolt industry, the *ad valorem* duty on superior as well as inferior wool and the tax on cycle tyres are examples. Similarly the 175 per cent increase in the duty on solvents has created a crisis for small industries which use them.

With the continuing fall in the purchasing power of the rupee the case for raising the exemption limit to Rs. 7,500 is becoming stronger than ever. But while that has not been done, the surcharge on personal incomes above Rs. 15,000 has been increased by 50 per cent. Capital Gains Tax too has been increased and Wealth Tax also has been subjected to a heavy increase. Although it is natural for big incomes and large properties to be taxed, it should be remembered that the taxation system should not be such as to directly lead to evasion. The pity is that income, once concealed, multiplies in the dark; the fresh income generated by it also escapes all Income-tax. Ultimately this money shows itself in vulgar ostentation and subverts social morality. The answer to this is not a further stiffening of the penal clauses, because the more stiff they are, the greater is the danger of public being corrupted.

While, on the one side heavy new indirect taxation will raise prices and hit the poor and the middle income groups, increase in direct taxes will aggravate corruption, the flow of black money and tax-evasion which, according to Prof. Kaldor, is of the order of Rs. 300 crores for Income-tax alone. However attractive Mrs. Gandhi's slogans might have been, the

budget has shown that her Government does not have the courage to resort to such sources of revenue as are unpalatable to the vested interests supporting her. Perhaps she believes that consistency between the pre-election promises and post-election deeds is a virtue of the fools only and the wise should rely more on the shortness of public memory. That is why she has had little hesitation in launching upon her 'Garibi Badhao' programme so soon after having got her massive 'mandate' for 'Garibi Hatao'.

The Bharatiya Pratinidhi Sabha is of the considered view that this year's budget would totally fail in giving any healthy direction to the country's economy. Its inflationary effect has already become evident. It contains little evidence of the Government's resolve to curtail the non-development expenditure. The country's present economic condition demands that the Government should set an example of austerity and economy. The beginning has to be made from the top—the Governors and the Ministers. The luxurious palaces spread over hundreds of acres and other ostentatious forms of spending may fit in with Moghal style of living or the extravagance of an imperialist Government, but hardly conforms to our tradition or our poverty. The Pratinidhi Sabha urges that this conspicuous spending be put an end to and the amount thus saved be utilised for the country's development.

The budget holds little promise of checking the growth of unemployment. Even if the targeted 5.5 per cent rate of growth is achieved, full employment and the guarantee of a minimum consumption standard will remain a dream. The achievement of a minimum 10 per cent rate of growth is necessary for this purpose. For the realisation of this objective, resources will have to be raised in such a way that the burden on the common man does not increase, tax-evasion and circulation of black money are not aggravated and enterprise in general is encouraged. With these ends in view, the Bharatiya Pratinidhi Sabha suggests that all the new levies falling on the common man be withdrawn.

**Suggestions for Augmenting Resources**—For augmenting resources, the Pratinidhi Sabha suggests :

- (i) Import licences should be generally auctioned to mop up the super-profits on these imports.

- (ii) Casual incomes obtained from speculation, lottery, races, etc., be subjected to tax.
- (iii) A heavy consumption tax be imposed on consumption above a ceiling.
- (iv) Minority value of the shares of Public Sector Undertakings be released for subscription by individuals. The proceeds of the shares of the face value of about 1300 crores thus obtained be utilised for meeting Shri Chavan's capital budget deficit of Rs. 372 crores and for undertaking new projects. These would be joint ventures advocated by Shri Chavan, though they would take birth from the public sector side. Preferably these shares should not be sold in big blocks and preference should be given to the workers of the concerned projects so that they have a greater sense of identification with the unit and labour-management relations are also improved.
- (v) In view of the need to tax high agricultural incomes as a first step, a special tax be imposed on the incomes—above Rs. 25,000 of orchards and mechanised farms (private as well as co-operatives) exempted from the ceilings law.

[July 2, 1971; Udaipur, XVII A.I.S.]

#### 71.07. ECONOMIC SITUATION AFTER THE FRESH MANDATE

In February's mid-term poll, the Ruling Congress had sought a mandate to initiate a new economic policy, implicitly confessing the failure of its earlier policies. The months that have since elapsed have shown that the new Congress is not less prone to empty sloganeering. The current economic policy is no different from the earlier tried-and-failed gimmickry. In the meantime the economy of India appears to have come to a grinding halt.

**Steep Decline in Growth Rate**—As evidence of this are: the steep decline in the growth rate of industrial output from 7.5 per cent to 1.5 per cent, the marked shortfall in physical targets of the Plan by 10 to 15 per cent, a significant cut-back in

Central financial plan in spending of more than Rs. 400 crores, heavy overdraft on the Reserve Bank of India of Rs. 950 crores and utter crash of the 'crash' unemployment eradication programme both in rural and urban areas.

**Steep Price Rise**—Although prices have been continually rising for the last six years, the massive taxation and deficit burdens of Rs. 500 crores in the last budget have caused prices to gallop. The wholesale price index shows a sharp rise for most commodities. According to Finance Ministry's report for the period 29-5-71 to 17-7-71 the wholesale price of foodgrains rose by 3.9 per cent; of pulses by 8.8 per cent; of sugar by 6.6 per cent; of tobacco by 5.9 per cent; fuel, power and light by 5.3 per cent; of oilseeds by 5.2 per cent; and of cotton by 9.1 per cent. During the twelve months preceding this period also wholesale prices had risen sharply, e.g., pulses by 6.7 per cent, sugar by 30.4 per cent; and cotton cloth by 14 per cent.

It is well-known that the wholesale price index usually understates rise in the retail prices. Though wholesale price for fruits and vegetables has shown a decline, there has been a significant rise in retail price of these commodities. It is estimated that the properly weighed retail price index would show a monthly rise in prices since the 1970-71 budget at 3 per cent or *equivalently an annual compound rate of 40 per cent.*

**Rupee Reduced to 50 Paise**—In the year ending September 3, 1971, money supply including changes in time deposits of banks grew at an alarming rate of 15.5 per cent, principally because of the irresponsibly large deficit in 1970-71 budget. Current year deficit is expected to be even larger implying a further spurt in prices. This coupled with a huge additional tax burden is bound to lead the Indian economy to a catastrophic crisis by April 1972. Already within ten years the rupee has been reduced by more than 50 paise causing great hardship to the common man. Fresh spurts in prices would be intolerable. The Jana Sangh had warned the people in June 1971 that because of the Budget, prices would shoot up. The Government spokesmen had however maintained that price rise would be 'marginal'. The facts now available bear out the Jana Sangh's warning. Even the Reserve Bank in its latest report has admitted that the price situation is likely "to get out of hand".

To blame this alarming situation on the Bangladesh

crisis, as Government is doing, would be the height of irresponsibility and evasion. The series of failures referred to earlier such as decline in the growth rate of industrial output, shortfall in physical targets of the Plan, cut-back in Central financial plan expending, overdrafts from the Reserve Bank, non-utilisation of the provisions made for unemployment eradication programme, etc. have nothing whatever to do with the refugee influx.

**Causes of Inflation**—The Jana Sangh after an in-depth study of economic situation is of the view that the massive tax-burden and the irresponsible deficit contained in the budget are mainly responsible for the present inflation.

What the country needs is a fresh, dynamic approach to economic problems. The solution of these accumulated problems will necessarily have to be radical and relevant to the needs of the hour.

The Bharatiya Jana Sangh identifies for urgent attention five major problems of the current economic situation:

- (1) Acute inflation;
- (2) Low rate of economic growth;
- (3) Serious unemployment of skilled and unskilled men, machines and industrial capacity;
- (4) Widening income disparity, with a sizable section of population whose consumption is below the poverty line, along with a section whose consumption is at an intolerably conspicuous level; and
- (5) A crushing foreign debt of Rs. 10,000 crores and a low rate of domestic savings.

To solve these major problems, and thus bring about an egalitarian society, the Bharatiya Jana Sangh demands:

- (1) The re-ordering of investment priorities in favour of minor irrigation networks, small industries in urban and rural areas, and a balanced nuclear technological system;
- (2) The mobilisation of resources and efficiency in decision making; and
- (3) Reformulation of monetary and fiscal policies:
  - (i) To eliminate subjectivism and corruption in the distribution of import licences,
  - (ii) To restore equity in income taxation,
  - (iii) To discourage conspicuous consumption, and

(iv) To practise governmental austerity.

**Ten Per Cent Rate of Growth**—The Bharatiya Jana Sangh is firmly of the view that if such a policy change is implemented the economy can grow at a fast rate of 10 per cent per year with total self-reliance, with full employment and guaranteed acceptable minimum consumption for all citizens.

The current international monetary crisis underlines the urgent need for immediate self-reliance. The USA's 10 per cent import surcharge, and the UK's 15 per cent surcharge coupled with its attempt to join the Common Market emphasise the importance of reducing the dependence of Indian trade and the rupee on Anglo-American markets.

**Consumer Co-operatives**—The Government should evolve a price policy which blends the twin objectives of fairness to the consumer and incentives to the producer. To arrest the present inflation the Jana Sangh demands that the Government open a network of fair-price shops, and assist in the formation of consumer co-operatives.

The Jana Sangh warns the Government that measures being bandied about, such as imposition of physical controls, wage-freeze, etc. will damage the economy further, lead to scarcity, corruption and black-marketing.

**8·33 Per Cent Bonus**—The Jana Sangh demands raising bonus rates to at least 8·33 per cent to give relief to the workers.

[Oct. 9, 1971; Madras, C.W.C.]

#### 71.09. CEILINGS AND ECONOMIC POLICY STATEMENT

The nation is being confronted with an inflationary price spiral of extremely serious proportions. The wholesale price index which stood at 180 in March 1971, rose sharply to 190 by the week ending November 13, 1971. The Working Class Consumer Price Index rose from 224 in March 1971 to 238 in September 1971. This rise represents the sharpest increase since 1967, and, excepting the years following the Chinese aggression and the drought, the sharpest since Independence. (It is noteworthy that the present index is based upon the wholesale prices which are generally far below the retail prices.) This rise in prices has caused considerable hardship to the common man, and calls for, at the very minimum, an increase in the Dear-



ness Allowance of workers and employees.

**Causes of Price Rise**—The causes of shooting prices are as follows.

(1) The falling production levels in the economy that have created a shortage in supplies. The industrial growth rate of the economy has slumped from 7·5 per cent annually to 1·5 per cent this year, resulting, among other things, in drastic reduction in the employment potential. It would be futile for the Government to ascribe the entire decline in industrial production to shortage of raw materials, such as, steel. Growth rate in televisions (35 per cent), air-conditioners (45 per cent), refrigerators (48 per cent), and lifts (56 per cent) which has led to an average growth of 15 per cent in luxury goods industries during this period has not been affected by raw material shortages. Obviously, Government priorities in investment and allocation of scarce resources are at fault for the decline in production of essential industries.

(2) The massive indirect tax levies of Rs. 290 crores or an annual equivalent of Rs. 400 crores (against Rs. 170 crores last year). Indirect taxes thus imposed have inflicted a heavy burden on the common man.

(3) The huge increase in deficit financing and Centre's as well as States, overdrafts to the tune of Rs. 950 crores (against Rs. 300 crores last year), and the corrosive foreign aid contained in the 1971 budget. The Government have chosen to mobilise the resources through indirect taxation and printing more currency notes, thereby avoiding the imposition and implementation of direct taxes for obvious political expediency.

(4) The Government's lack of decisiveness and seriousness in implementing the much trumpeted 'Garibi Hatao' slogan. Even the miniscule plans for rural and educated unemployed are going to flop for lack of determination. The Government has drawn up schemes to invest only Rs. 9 crores out of the allocated Rs. 25 crores for the educated unemployed. Out of Rs. 50 crores allocated for rural unemployed, actual expenditure so far has been less than Rs. 1·5 crores. Besides this, there will be a steep financial shortfall of about 15 per cent in the Plan targets. In terms of physical targets, this would mean a considerably greater shortfall. Consequently, Plan-targets of social objectives, such as slum-improvement, low-cost housing, medical

aid, education, etc. and employment generating programmes have been adversely affected.

With every passing week it becomes clearer that the Government are serious not in solving problems but in postponing them and looking for scapegoats. The Jana Sangh deploras the tendency of the Government to use the refugees from Bangladesh as a cover for their failure to deliver the goods on economic front. The slump in industrial growth rate, the 'crash landing' of the so-called crash unemployment eradication programme and the marked shortfall in plan physical targets have nothing whatever to do with the Bangladesh crisis. To claim otherwise would be the height of irresponsibility and evasion. Unless there is a serious commitment to the economic upliftment of the masses, to a War on Poverty, our economic problems cannot be solved.

**Ceilings on Urban Property and Land**—The Jana Sangh is pledged to bring about an egalitarian society on the principles of nationalism, social transformation and economic justice. To achieve this it will:

(1) Re-order investment priorities to maximise production and employment potential and allocate greater resources for minor irrigation, massive rural works programme, small industries and a balanced nuclear technological system.

(2) Reformulate Monetary and Fiscal policies to maximise domestic savings, achieve self-reliance and redistribute income for economic justice, by taxing high agricultural incomes, conspicuous consumption, and pricing import licences at market value, and in addition simplify the tax-system to streamline the tax-collection.

(3) Guarantee price stability by blending the twin objectives of fairness to the consumers and incentive to the producers, particularly the farmers. Build a network of roads and warehouses for efficient marketing of production.

(4) Institute radical economic reforms, such as, ceiling on urban property to the tune of rupees 2 lakhs of construction value and 1000 sq. yards for a family unit consisting of man, wife and three children; speedy and honest implementation of all land-reforms, plugging of loop-holes, and adoption of a dynamic concept of ceiling based on income; immediate nationalisation of foreign banks; and total Indianisation of all foreign companies.

(5) Evolve a National Social Policy to guarantee work to



all by making right to work a Fundamental Right and to uplift the under-privileged, the retarded, the disabled, the mentally, physically and socially handicapped, the Scheduled Castes and Tribes, ex-servicemen and pensioners, etc., and to propose legislation to protect part-time workers, working house-wives, etc.

(6) Implement the principle of needs-based minimum wage in all industries and services, and establish a formula to effect an automatic rise in general wages with a rise in the cost of living index.

(7) Introduce and revise minimum wage laws for landless labourers and distribute the surplus and the cultivable waste lands to this group, particularly to those belonging to the Scheduled Castes and the Scheduled Tribes.

(8) Eradicate anti-social systems among Vanavasis, such as, 'Gothi', 'Palemodi', 'Sagadi', the slave system, etc.; protect their traditional rights in forests; extend them protection of Minimum Wages Act; give them priority in forest services, such as, forest guards, watchmen, etc.; and introduce forest-based industries.

(9) Ensure reservation in services for Scheduled Castes and Scheduled Tribes according to their population and institution of Parliament and Assembly-level vigilance committees to ensure the faithful fulfilment of these reservations.

(10) Generate psycho-cultural environment in which social evaluation of an individual will be based upon the extent of cultural elevation and 'aparigraha', and not upon that of his material wealth.

(11) Strive for the progressive realisation of the ratio of 1:20 between the minimum and maximum incomes in the country.

(12) **Financial Consultation Service**—With a view to utilise nationalised banks for social good, set up a Financial Consultation Service which will:

(i) invite from small uncreditworthy peasants, village-artisans and self-employed persons in urban areas their individual and collective developmental plans, scrutinise and modify such micro-plans in the light of technical and managerial experience and recommend the proper financing for such plans;

(ii) take economic surveys of villages and suggest and initiate appropriate subsidiary industries in them

and ensure full employment of all faculties of every individual throughout the year; and

(iii) help the Bharatiya rural commonwealth to obtain debt-relief low-interest loans and other facilities to uplift themselves.

(13) Integrate the work of various agencies in rural and urban areas, with a view to ensuring steady supply of pure, unadulterated commodities, such as, food-stuff, drugs, petrol, diesel, kerosene, lubricants, greases, fertilisers, insecticides, pesticides, seeds, etc., according to the standardised specifications.

(14) Organise work of Consumer Co-operatives manned by dedicated citizens to safeguard the interests of consumer and producers and form consumer-forums for consumer resistance and even consumers' strike.

(15) Re-organise the entire public sector by (i) raising a new class of public administrators (with statutory recognition) devoted to the public sector; (ii) introducing devices to ensure greater accountability to Parliament or State Assemblies; and (iii) facilitating workers' participation in all decision-making processes.

(16) Set up a new Statistical Commission to suggest and recognise economic statistics and indices, such as, those for consumer (retail) prices, productivity, industrial growth rate, etc. with a view to provide useful and reliable data for national decision-making.

(17) Set up Joint Consultation Machinery in different industrial establishments, so as to ensure industrial peace and rise in productivity.

**Ten Per Cent Growth Rate**—With this economic policy, the Jana Sangh is confident of generating a 10 per cent rate of growth with complete self-reliance.

[Nov. 27, 1971; Ghaziabad, A.I.G.C.]

## 72.06. THE ANTI-KISAN BUDGET PROPOSALS FOR 1972-73

The 1972-73 Budget is an Anti-Kisan Budget. It also exposes the hollowness of all the promises made to the people of

India regarding removal of unemployment, holding of price line and attainment of self-reliance.

The tax on fertilisers, power-driven pumps and lubricants on top of the recently permitted mysterious increase in tractor prices will mean heavy additional burden in the use of modern agricultural inputs and hence obstruct the small and marginal farmers from availing the benefits of the green revolution.

At the same time, the food-subsidy is being reduced. The total effect of these will mean a higher price for the consumer without any benefit to the grower.

The increased levy on kerosene is a black measure. It is a tax on the poor man's light and kitchen fire. Indian steel is already the costliest in the world. The steep excise duty on steel will mean a rise in price of everything from a needle to the locomotive. It will particularly hurt basic industries and further retard the export of engineering goods. Construction costs of houses, bridges, factories, etc. will shoot up.

The extra excise on aluminium will not only raise the cost of the poor man's kitchenware but also affect basic industries particularly aeronautics and cable.

The tax on aerated waters is a levy on the common man's only luxury-item.

The actual burden of additional taxes in this budget is not Rs. 183 crores as Shri Chavan claims but Rs. 565 crores inclusive of the levies imposed in late last year and which become fully effective only in this Budget and the uncovered deficit of Rs. 242 crores. There is no justification for the continuation of the surcharges levied in the name of East Bengal refugees since it is no more relevant. The cumulative effect of the Budget proposals alongwith the rise in freight rates in the Railway Budget would be to raise prices in the country by more than 8 per cent. This rise, coupled with last year's steep rise, will set-off a price-wage spiral, worsening the lot of the common man.

The priorities in the Plan expenditure proposed in this Budget are the same as in the past. It is apparent that these priorities have led to massive unemployment and inflation over the last twenty years. Continuation of these priorities demonstrates the utter disregard of the Government for the growing unemployment in the country. There are no new bold and radical programmes for reducing unemployment in this Budget,

contrary to the promises of the Ruling Congress during the elections.

The lump-sum provision of Rs. 125 crores to cover all kinds of projects is hopelessly inadequate, and will not touch the fringe of the real rural problems. There are no specific programmes for the upliftment of Harijans, Vanavasis and backward classes. The Budget is utterly devoid of national social objectives for the betterment of the masses.

The heroic promise of self-reliance made by the Ruling Congress to the people during the Indo-Pakistan War of 1971 has been conveniently forgotten. The foreign aid expectation this year is even higher than that of last year by Rs. 75 crores. The Jana Sangh reiterates its demand for self-reliant economy.

The Budget exhibits no awareness on the part of the Government to exercise economy in non-developmental expenditure. On the contrary, Government expenditure has grown by 10 per cent against the estimated rise of 2 per cent. If the Government cannot set an example in curbing wasteful expenditure and ostentatious spending in high offices, then it cannot create a climate amongst the people for saving.

**Rationalise Direct Tax-system**—The Jana Sangh hence demands the following:

- (i) Abolition of all Refugee-surcharges imposed during the course of the last year.
- (ii) Withdrawal of the additional excise on kerosene, fertiliser, pumps and lubricants.
- (iii) Drastic reduction in excise on steel and aluminium.
- (iv) Rationalisation of Direct Tax-System to provide relief to the lower income groups by raising the exemption limit of income-tax and lowering of confiscatory income-tax rates which encourage evasion.
- (v) A massive public works programme for unemployment eradication, house-building, drinking water, slum improvement, education and backward classes upliftment.

[March 20, 1972; Delhi, C.W.C.]

## 72.17. INTOLERABLE INCREASE IN PRICES

Prices have risen, are rising and threaten to rise, week after

week, month after month, year after year. By a frequent change of the base year, Government has repeatedly tried to make figure of the price index look much lower than it actually is. But even with 1961-62 as the base year, it is already 238 points today. And it is as high as 960 points if we take 1939 as the base year.

We are sorry to note that ever since the present Prime Minister took over, prices have been just galloping away. She inaugurated her reign with a disastrous 57 per cent devaluation of the rupee. Even after the shock of China War of 1962 and the Pakistani War of 1965, the price index stood at 137.5 when she came to power. But now it is already 238 points. It has been a staggering 11 per cent average annual rise in prices. The 'Garibi Hatao' years have been the worst 'Garibi Badhao' years in living memory.

Thanks to the adventurist economics of the Congress(I), threatening Government take-over of this, that and the other, confidence is badly shaken. Taxes and prices have wiped away savings. A gnawing uncertainty overhangs the land.

A developing economy needs to grow at the rate of 10 per cent and more a year with price stability, if it hopes ever to catch up with the developed countries. Our average has been a miserable 3.5 per cent. And now we are fast approaching Zero growth rate.

This steep decline in production has been made very much worse by an irresponsible increase in money supply. During the six years of the present Prime Minister, money supply has almost doubled from Rs. 4236 crores in 1966 to Rs. 8342 crores today. It has been a 13 per cent increase in money supply against a 3.5 per cent increase in goods and services. This widening gap between money and goods has caused prices to rise even faster.

In a bid to cover up the losses of the public sector, from steel-making to hoteliering, even 'controlled' prices have been repeatedly raised. Sugar, vanaspati and other prices have been raised from time to time to recompense businessmen who have been lining the pockets of Congress and Congressmen with crores of unaccounted money.

A massive expansion of unproductive expenditure at the rate of 14 per cent a year, as against the Fourth Plan provision of only 2 per cent, has also contributed materially to price rise.

**Four Reasons of Price Rise**—The decline in growth rate,

increase in money supply, waste in expenditure and political corruption of the economy have combined to explode into an unprecedented increase in prices. These reasons have nothing to do with the Bangladesh episode, which is being trotted out as an explanation for the price rise. Fact is that the Government has itself admitted that the revenue from the various refugee levies has already more than made up for all expenditure on refugees.

Today the position is that food prices are rising by 14 per cent a year. In a poor country where the average family has to spend 70 per cent of its income on food, such a rise in food prices is a direct attack on the health and happiness of the people.

A particularly tragic part of this situation is that the peasant has been getting the same low procurement price for the last five years, while the prices of industrial manufactures like cloth, implements, fertilisers, etc. that he needs, have been rising even faster than those of agricultural commodities.

'Controlled' steel prices at Rs. 1100 a ton are the highest in the world, actually, however, steel is not available even at that price. Even the Government has to buy it at Rs. 1800 a ton in the open black market. Indeed the country is already threatened with yet another devaluation ending up in a still faster increase in prices.

Between high prices and high taxes the citizen is being crushed. The intolerable increase in prices has triggered general discontent into widespread violence. The failure of the leadership is complete. Indeed its failure on the price-front is only a symptom of its overall failure.

**Relief Measures**—The Bharatiya Jana Sangh registers its strongest protest against this Government's war on the people and in general demands:

- (1) Establishment of fair price shops in general and co-operative stores in factories, offices and other establishments in particular, to make the necessities of life available at reasonable prices to all low income groups.
- (2) Removal of all impediments to the maximisation of production.
- (3) Raising the procurement price to help the farmer and reducing the issue price of grain to help the consumer and, to this end, reducing the current high handling charges.

- (4) Immediate termination of all deficit financing until prices are stabilised and production picked up.  
 (5) Demonetisation of high denomination currency notes to mop up black money.

[Nov. 20, 1972; Jaipur, C.W.C.]

APPENDIX A  
 CHRONOLOGICAL LIST OF BHARATIYA JANA SANGH ALL INDIA SESSIONS

S.No.	PLACE	PRESIDENT	TIME
Inaugural	Delhi	Dr. S. P. Mookerjee	October 1951
I	Kanpur	Dr. S. P. Mookerjee	December 1952
II	Bombay	Pt. Mauli Chandra Sharma	January 1954
III	Jodhpur	Pt. Prem Nath Dongra	January 1955
IV	Jaipur	Acharya D. P. Ghosh	April 1956
V	Delhi	Acharya D. P. Ghosh	December 1956
VI	Ambala	Acharya D. P. Ghosh	April 1958
VII	Bangalore	Acharya D. P. Ghosh	December 1958
VIII	Nagpur	Shri Pitamber Das	January 1960
IX	Lucknow	Shri A. Rama Rao	January 1961
X	Bhopal	Acharya Raghuvir	December 1962
XI	Ahmedabad	Acharya D. P. Ghosh	December 1963
XII	Vijayawada	Shri Bachiraj Vyas	January 1965
XIII	Jullundhur	Shri Balraj Madhok	May 1966
XIV	Calicut	Pt. Deen Dayal Upadhyaya	December 1967
XV	Bombay	Shri A. B. Vajpayee	April 1969
XVI	Patna	Shri A. B. Vajpayee	December 1969
XVII	Udaipur	Shri A. B. Vajpayee	July 1971
XVIII	Kanpur	Shri L. K. Advani	February 1973

**APPENDIX B**  
**LIST OF RESOLUTIONS ON ECONOMIC AFFAIRS IN CHRONOLOGICAL ORDER**

YEAR	RESLN. No.	DATE	PLACE	BODY WHICH PASSED THE RESOLUTION	CHAPTER	PAGE
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1952	52.02	Feb. 10	Delhi	CWC	4	121
	52.08	June 14	Delhi	CWC	2	45
	52.10	June 14	Delhi	CWC	2	46
	52.15	Dec. 31	Kanpur	I. AIS	2	47
	52.19	Dec. 31	Kanpur	I. AIS	1	5
	52.20	Dec. 31	Kanpur	I. AIS	4	121
1953	52.23	Dec. 31	Kanpur	I. AIS	1	5
	53.08	Aug. 15	Allahabad	AIGC	3	101
	53.12	Aug. 15	Allahabad	AIGC	3	102
	53.13	Aug. 15	Allahabad	AIGC	2	48
	53.19	Dec. 20	Delhi	CWC	2	48
	54.04	Jan. 25	Bombay	II. AIS	1	7

1955	54.09	Jan. 25	Bombay	II. AIS	4	122	
	54.12	Jan. 25	Bombay	II. AIS	3	103	
	54.15	Jan. 25	Bombay	II. AIS	2	48	
	54.21	Aug. 19	Indore	AIGC	2	49	
	54.22	Aug. 19	Indore	AIGC	2	50	
	54.25	Nov. 7	Delhi	CWC	2	50	
	55.01	Jan. 1	Jodhpur	III. AIS	3	104	
	55.02	Jan. 1	Jodhpur	III. AIS	3	105	
	55.11	Jan. 1	Jodhpur	III. AIS	2	51	
	55.12	Jan. 2	Jodhpur	III. AIS	4	122	
1956	55.15	Apr. 15	Gokak	CWC	4	123	
	55.18	Apr. 15	Gokak	CWC	2	52	
	55.24	Aug. 28	Calcutta	AIGC	2	52	
	55.28	Aug. 28	Calcutta	AIGC	2	53	
	55.30	Oct. 23	Delhi	CWC	2	53	
	56.09	Apr. 21	Jaipur	IV. AIS	4	123	
	56.14	July 21	Delhi	CWC	1	8	
	56.26	Dec. 30	Delhi	V. AIS	1	10	
	1957	57.05	Apr. 20	Jaunpur	CWC	3	106
		57.09	June 1	Delhi	CWC	4	124



(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1957 (Contd.)	57.10	June 1	Delhi	CWC	3	108	
	57.11	June 1	Delhi	CWC	2	54	
	57.14	Aug. 16	Bilaspur	AIGC	2	55	
	57.15	Aug. 16	Bilaspur	AIGC	1	12	
	57.16	Aug. 16	Bilaspur	AIGC	2	55	
	57.17	Nov. 24	Hyderabad	CWC	2	57	
	1958	58.03	Apr. 5	Ambala	VI. AIS	4	127
		58.08	Apr. 5	Ambala	VI. AIS	2	58
		58.11	July 19	Bombay	CWC	2	59
		58.20	Oct. 12	Delhi	CWC	2	60
58.24		Dec. 28	Bangalore	VII. AIS	1	14	
58.25		Dec. 28	Bangalore	VII. AIS	2	61	
58.32		Dec. 28	Bangalore	VII. AIS	2	62	
58.33		Dec. 28	Bangalore	VII. AIS	3	109	
58.34		Dec. 28	Bangalore	VII. AIS	2	64	
1959		59.01	Mar. 15	Delhi	CWC	2	64
	59.04	Mar. 15	Delhi	CWC	4	130	
	59.07	July 8	Poona	AIGC	2	67	
	59.08	July 8	Poona	AIGC	2	68	
			Poona	AIGC	2	68	

1960	60.02	Jan. 25	Nagpur	VIII. AIS	4	131
	60.16	Aug. 28	Hyderabad	AIGC	1	16
1961	61.04	Jan. 1	Lucknow	IX. AIS	4	134
	61.05	Jan. 1	Lucknow	IX. AIS	1	19
	61.08	Jan. 1	Lucknow	IX. AIS	2	69
	61.13	Apr. 22	Patna	CWC	4	138
	61.17	Nov. 12	Varanasi	AIGC	1	22
1962	62.02	May 24	Kota	AIGC	4	139
	62.09	Sept. 29	Rajahmundry	CWC	4	140
	62.20	Dec. 30	Bhopal	X. AIS	1	24
			Delhi	CWC	4	141
1963	63.03	Apr. 6	Delhi	AIGC	4	143
	63.16	Aug. 12	Delhi	AIGC	4	143
	63.20	Dec. 30	Ahmedabad	XI. AIS	2	69
	63.21	Dec. 30	Ahmedabad	XI. AIS	4	145
	63.28	Dec. 30	Ahmedabad	XI. AIS	4	148
1964	64.07	Aug. 10	Gwalior	AIGC	4	148
	64.12	Dec. 4	Patna	CWC	4	151
1965	65.03	Jan. 24	Vijaywada	XII. AIS	4	152

(1)	(2)	(3)	(4)	(5)	(6)	(7)
1965 (Contd.)	65.06	Jan. 24	Vijayawada	XII. AIS	2	70
	65.07	Jan. 24	Vijayawada	XII. AIS	2	71
	65.08	Jan. 24	Vijayawada	XII. AIS	2	71
	65.18	July 10	Jabalpur	CWC	2	71
	65.21	Aug. 17	Delhi	AIGC	1	25
	65.22	Aug. 17	Delhi	AIGC	2	73
	65.27	Sept. 27	Delhi	CWC	2	74
1966	66.05	Jan. 15	Kanpur	CWC	2	75
	66.08	May 1	Jullundur	XIII. AIS	4	156
	66.09	May 1	Jullundur	XIII. AIS	2	76
	66.13	May 1	Jullundur	XIII. AIS	3	111
	66.14	July 12	Lucknow	CWC	4	159
	66.20	Nov. 2	Nagpur	CWC	2	78
	66.22	Nov. 2	Nagpur	CWC	2	80
1967	67.05	Mar. 14	Delhi	CWC	2	81
	67.08	Apr. 21	Delhi	AIGC	2	82
	67.14	July 30	Simla	CWC	4	162
	67.16	Sept. 26	Baroda	CWC	4	163
	67.19	Dec. 26	Calcutt	XIV. AIS	2	83

1968	67.21	Dec. 26	Calicut	XIV. AIS	4	165
	67.24	Dec. 26	Calicut	XIV. AIS	2	83
	68.05	Mar. 22	Bhopal	CWC	4	168
	68.06	Mar. 22	Bhopal	CWC	4	171
	68.09	June 4	Gauhati	CWC	1	27
	68.10	June 4	Gauhati	CWC	2	84
	68.15	Sept. 7	Indore	AIGC	2	85
1969	69.06	Apr. 26	Bombay	XV. AIS	1	30
	69.09	Apr. 25	Bombay	XV. AIS	3	113
	69.10	Apr. 25	Bombay	XV. AIS	2	88
	69.15	Aug. 30	Delhi	CWC	4	174
	69.16	Aug. 30	Delhi	CWC	1	34
	69.18	Dec. 28	Patna	XVI. AIS	4	176
1970	70.02	Mar. 7	Ahmedabad	CWC	4	179
	70.06	July 18	Chandigarh	AIGC	4	183
	70.08	Nov. 6	Delhi	CWC	4	187
1971	71.04	July 2	Udaipur	XVII. AIS	4	190
	71.07	Oct. 9	Madras	CWC	4	194
	71.09	Nov. 27	Ghaziabad	AIGC	4	197

(1)	(2)	(3)	(4)	(5)	(6)	(7)
1972	72.06	Mar. 20	Delhi	CWC	4	201
	72.08	May 7	Bhagalpur	AIGC	2	91
	72.14	Nov. 20	Jaipur	CWC	1	36
	72.15	Nov. 20	Jaipur	CWC	2	96
	72.16	Nov. 20	Jaipur	CWC	3	115
	72.17	Nov. 20	Jaipur	CWC	4	203

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