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# MORARJI'S BRUTAL BLOW

From Ziaul Haq

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**I**T is a brutal blow against the common man that the Government of India has delivered through Morarji Desai's budget for 1961-62. Adding insult to injury is the transparent hypocrisy with which this blow has been sought to be covered.

The Finance Minister had the audacity to claim that in framing the proposals it had been his endeavour to see that the tax burden did not fall too heavily on any one section of the community. With a revenue deficit of Rs. 60.6 crores to cover he himself summed up the net result of his proposals: "The changes in the customs duties will yield an additional revenue of Rs. 29.27 crores. Excluding the amount of Rs. 2.3 crores transferable to the States, Union excise duties will bring in Rs. 28.6 crores."

"The minor changes in Income Tax and Corporation Tax are expected to yield an income of Rs. three crores. As a result of these proposals, an additional revenue of Rs. 60.87 crores will accrue to the Centre. This will completely wipe out the revenue deficit and give a nominal revenue surplus of Rs. 27 lakhs."

### Huge Burden

It will thus be seen that out of the additional duties and taxes amounting to Rs. 63.17 crores it is the incidence only of Rs. three crores, i.e., roughly 4.75 per cent of the entire fresh burden, that directly falls on higher income groups and big business. This is called by Morarji an equitable distribution of the tax burden and every one making his due contribution towards the task of development.

Excise duties, that is taxes on the goods of daily consumption of the mass of the people, have all along constituted the single biggest source of revenue for the Central Government, besides being burdened with sales tax, etc., by the State Governments. The revised estimates of last year, 1960-61, show that out of a total Central revenue of Rs. 95,738 lakhs Union excise duties contributed Rs. 39,498 lakhs, that is considerably above one-third of the whole amount. Even at last year's rate of taxation the revenue receipt from Union excise duties in 1961-62 would have gone up to Rs. 40,624 lakhs. Not satisfied with this the Government has raised the rates of duty in respect of 14 commodities already subject to the levy and decided to impose the duty on 18 new commodities, thus taxing the people through excise duties alone to the tune of another Rs. 2,860 lakhs.

Tea and coffee, tobacco and cigarettes and betelnuts, matches and kerosene, cotton and woollen clothing and hostery, utensils, whether made of copper, of china or glass and vegetable products—all these will cost even more than before affecting the poorest of the poor homes, raising further the cost of living and depressing an already depressed living standard. Of all the additional indirect taxation of Rs. 60.17 crores 80 to 90 per cent will have to be

borne by the poorer and lower middle classes in town and countryside. The smaller industrialists in textile engineering and other industries will also be adversely affected. Big business and higher income groups will go scot-free with only three crores of additional direct taxation.

It is not simply a question of refusing to impose new taxes on sections which can pay and thus really equitably distributing the burden of development. New concessions have been given to them as the reduction of the tax on new bonus issues by the companies from 30 to a mere 12 1/2 per cent.

Doing everything to make the poor poorer and helping the rich to grow richer at the expense of the people and the nation is the actual policy reflected in this budget. It is a budget framed to consolidate and advance the narrow selfish class interests of the big capitalists.

When Morarji, says, "I have tried to ensure that through our tax system we further our economic objectives", he obviously means the economic objectives of Indian monopoly capitalists and not of the Indian nation as a whole.

Worse is the solicitude that has been shown in the budget to the foreign private investors. Speaking of the taxation of royalties received from Indian enterprises by foreign companies the Finance Minister said in his speech, "The present rate inclusive of income-tax and super-tax, comes to 63 per cent, which, it appears is higher than the rate in any other country".

### Monopolists Appeased

Arguing that this "high rate of tax" was borne in the last analysis by our own industry to secure "technical collaboration on more favourable terms", he announced that after March 31, 1961 this tax would be reduced to 50 per cent from the present rate of 63 per cent. One wonders if it was "in the last analysis" a burden on our own industry, why were the foreign investors all the time pressing for its reduction.

The Finance Minister further announced that his Government would no longer impose a higher tax on intercorporate investment from outside than on similar Indian investment.

Thus, the door is opened wider for foreign private capital to come into the country and capture more decisive positions in the economy.

Coming forward with such a budget which seeks to intensify the exploitation of the people at the hands of indigenous and foreign capitalists, it was honest of Morarji Desai not to claim at any stage that his budget was a step towards the creation of a socialist pattern of society. He does not

# NEW AGE

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# INDIA INSULTED

# BY W. GERMAN RACIST

From Our Special Correspondent

The lavishly printed Germany, which labels itself as "the magazine of the Federal Republic" is a more or less official journal of the West German regime. A recent issue of the magazine (Vol. V, No. 18) had the notice of a book among "New Books from Germany": "Indien mit und ohne Wunder" (India with and without Miracles) by Peter Schmid. Illustrating the notice was the picture of an Indian girl dancing.

**THAT** is what first drew our attention to the book, printed and published in West Germany, by Cotta-Verlag, Stuttgart. From cover to cover the book oozes out racial arrogance which reaches its abominable limit when it is said: "It would be more intelligent, if instead of blast furnaces we would build gas chambers for 400 million Indians". Shades of Hitler and the gas chambers he built for the Jews. There seem to be quite some people in West Germany who still think like Hitler did.

But this is only one sentence from the book, the whole volume is packed with insults flung at India and the Indian people. It is a veritable new edition of Miss Mayo's Mother India.

Read on page 17: "If the small towns remind one of jewel boxes, the big ones are like rubbish bins, grey, solid and tinny. Bombay-Calcutta: I see enormous blocks of flats along overcrowded streets, facades consisting of rusty bars behind which muffy blackness oozes out of the rooms. Cardboard boxes, trunks, cheap utensils, torn washing hung upon the verandahs for drying, human bodies... deposits of chance, washed here without roots from the breeding grounds of the villages in inorganic crowded communities of men without women. The 'far too many', one cannot avoid thinking of this word of Nietzsche's..."

"Far too many"—and if you ask the author, he will be

ready with his solution: Gas Chambers. How cheap he holds Indian life: "My spools during a journey of several months through India were two dogs, one goat, one chicken and a cyclist."

### Contempt For Indians

"The cyclist I bagged was alone, thank god. He pedaled happily towards me in the middle of the road and kept his eyes immersed in his mystic soul for he swerved straight in front of my car. Idiot, I curse and turn sharply to the right. At this moment, it dawns on the other one that he has made a mistake and he also pulls his cycle around. The vehicle looked like a handorgan. Besides it, the young man lay on the-road, handsome like Adonis killed by a boar."

And thus with utter contempt for human life, Herr Schmid adds to his spoils of two dogs, one goat and one chicken, a cyclist too.

The natives are ignorant, they are lazy, they cannot learn a thing—that is Schmid's theme-song. Hear him:

"Work in India requires from a foreigner, especially one quality: patience and again patience. And that is a quality of mind which Germans have long since exchanged for the profitable haste of the 'economic miracle'. If you have shown Indians five times how to do a thing and then turn your back, they'll again do it the wrong way for the sixth time—this sigh has in Rourkela become a kind of leitmotiv. And when they have learnt it at last and you begin some new work with them, they completely forget the old skill in a jiffy. In a nutshell: They'll need generations before they can keep a steel plant going."

"This despising judgment you hear so undisguised, so loud, that naturally it does not remain hidden to Indians. And Indians are proud, sensi-

tive people. They do not easily show when they feel hurt. In this way a strange hardening of the minds has taken place in Rourkela. The answer to German bitterness and impatience is provocative spitefulness on the Indian side. One does not love the other and there is no pretence of love. It would be more intelligent if instead of blast furnaces we would build gas chambers for 400 million Indians. I heard a specially tactful German foreman curse."

So, according to Mr. Schmid, the bitterness in Rourkela is because the Indians cannot learn and the Germans are impatient. Not because the West German imperialists rooked us by palming off second-hand parts for the Rourkela steel plant and will not fulfil their obligations, not because the West Germans behaved like Nazi thugs there and called our workers "bloody Indians" and "bastards" and set up their exclusive clubs and swimming pools, not because they molested and dishonoured our tribal girls in that area, not because they behave as if they are bestowing charity on us though we are paying more for the Rourkela steel plant than we should.

### "Backward Apes"

There is still more about our backwardness: "Can one expect from a people who psychologically still live in the age of the bullock cart that their brains understand at once the complicated mechanism of a modern automobile? Yes! They may ape-like learn a few manipulations, but to live with the motor, to feel its pulse? Of all the Asiatics only the Japanese are that far. Principally such a shining object made of chrome and steel like a motor car does not

\* SEE PAGE 4

### NOTICE

Full text of the Resolution on the Present Political Situation adopted by the National Council, CPI, on pp 7, 8, 9, 10, 13, 14, 15, 16. Also available in pamphlet form in English, Hindi and Urdu.

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# RESOLUTION

wretched. In these conditions, the dangerous anti-democratic trends which have already manifested themselves will further accentuate.

Our Party cannot, therefore, relent its opposition to these policies or weaken the struggle against these attacks on the people. We seek and shall strive to secure the support and cooperation of all democrats for these struggles, which are an essential and integral part of the mass movement to build the national democratic front. They have been important in the past in rousing the people, in defending their interests and in building their organisations. They will acquire even greater importance in the coming period.

Mass action in defence of the interests of the people and for progressive policies are themselves powerful factors helping to bring people together. They do not disrupt national unity as Congress leaders allege. On the contrary, they facilitate the cementing of unity on a genuine democratic and popular basis.

We must broaden the basis of the struggles and win general democratic support for them so that they acquire greater sweep and momentum. Also, in view of the attitude displayed by the Government during many recent struggles, when draconian measures were adopted, the masses, their organisations and the Party have to prepare themselves organisationally, politically and ideologically for stubborn resistance.

Our Party will, at the same time, mobilise the people for carrying out the tasks of national reconstruction. We shall cooperate with all patriotic forces in order to ensure speedy fulfilment of the Plan targets. We shall make every endeavour to build popular unity so that the resources allocated for nation-building activities are utilised in a proper way and in the interest of the common people.

## FIGHT DISRUPTIVE TENDENCIES

The Communist Party and the democratic forces cannot but note with grave concern the growth of disruptive and fissiparous tendencies in our country—tendencies of casteism, communalism, regionalism, provincialism and so on, tendencies which threaten one of the most precious heritages of our anti-imperialist movement, the unity of the nation. Lacking any common ideal or common programme of action, sharply divided into cliques based on personalities in many States the ruling party is unable to maintain that unity. Many of its leaders are themselves fostering the growth of casteism, regionalism and provincialism as a weapon of factional struggle against their rivals. In such a situation, it becomes the task of our Party and the democratic movement to come forward as defenders of national unity. Striving to ensure balanced economic development of the country so that all regions may advance, fighting for greater power for the States, defending the just interest of minorities, we must at the same time, give no quarter to disruptive tendencies; refuse to use them for narrow partisan ends and wage a resolute battle against them.

\* FROM FRONT PAGE

believe in socialism even to the extent of paying lip service to it and he cannot be charged with having even once used that word in his whole 90-minute speech.

He, however, claimed: "We have set ourselves the onerous task of raising the standard of living of our people and of speedily building up a self-sustaining economy. We are

doing this with the willing consent of the people through democratic processes". And on that strength he told them that they would have "no respite from sweat and sacrifice".

To these claims and demands the people will give an appropriate and fitting reply. However, tongue-tied and platitudinous in their public reactions the major

## ANTI-COMMUNISM—A BANKRUPT BANNER

Democratic unity requires, together with the conducting of struggles for immediate demands, together with fraternal approach towards the mass of Congressmen, members of other parties and masses who are under no party's influence, together with campaigns on policy issues, sustained ideological battle. The Government says that what it is building is Socialism but the reality is that there is not a grain of Socialism in it. Not merely that. The Second Five-Year Plan had declared the following four objectives:

- (a) a sizable increase in national income so as to raise the level of living in the country;
- (b) rapid industrialisation with particular emphasis on the development of heavy and basic industries;
- (c) a large expansion of employment opportunities; and
- (d) reduction of inequalities in income and wealth and a more even distribution of economic power."

As we have already seen, a certain amount of industrial development has taken place and there has been some increase in national income. But the main benefits have gone to the rich, the level of living of the vast majority remains miserably low, unemployment figures continue to mount and inequalities in income and wealth have grown continuously. The pledges given by the Government have remained unfulfilled and will remain unfulfilled unless the masses unite and struggle. The ruling party, with a view to prevent such unity and such struggle, raises the slogan of anti-Communism, for it is in the Communist Party that they see the most resolute defender of the people. Anti-Communism has always been the bankrupt banner of those who want to keep the masses away from struggle and divert mass attention from their own failures. In the ultimate analysis, it helps imperialists and Right reaction.

While seeking to develop common actions with Congressmen who stand by the progressive declarations of the Congress, our Party will, at the same time, carry on a campaign of patient explanation among these Congressmen in order to point out to them how the basic policies of the Congress are totally inadequate in the present-day conditions of India and the world. The process of intense heart-searching that has started among them is bound to gather momentum as the difficulties of foreign exchange, internal resources, price policy, administrative inefficiency, etc. become more and more evident. All efforts should be made to raise the level of consciousness and understanding of democratic elements inside the Congress. In other words, united action on common issues against reactionaries inside and outside the Congress, combined with planned and systematic campaign of explanation by the Party among Congressmen with a view to bringing them nearer to the acceptance of the basic slogans of national rebirth—such should be the approach of building unity with the democrats inside the Congress and of fighting the anti-people policies of the Congress Government.

## OUR ATTITUDE TOWARDS LEFT PARTIES

Our Party has always advocated close cooperation and unity among the Left Parties. Despite the policy of blind anti-Communism followed by the leaders of the PSP and the Socialist Party, it will be wrong to forget that the following of these parties consists largely of people who want a genuine democratic change in the policies of the Congress Government. Many of the workers of these parties are Left-minded people who broke with the Congress. They wield considerable influence in certain States. In view of all this, exposure of ideology and policies of these parties should be combined with united front approach towards them.

## PATH OF NATIONAL ADVANCE

The general objectives to realise which the national democratic front has to strive have been narrated earlier. Their main contents are: strengthening national freedom; rapid building up of national industries; extension of the Public Sector and democratic control over it; genuine agrarian reforms; extension of democracy in political, economic and social life. Formulating concrete slogans on each of these issues, our Party will develop countrywide mass campaigns for their realisation, seek cooperation of patriotic elements in every party. It will wage struggles in defence of the interest of the people in the context and as an integral part of such a campaign.

Such a campaign, if sufficiently sustained and broad-based, sufficiently militant and powerful can help the people win their immediate demands, bring about changes in the Government's policies, foil the attempts of Right reaction, expose and isolate it. It can alter the correlation of forces in our country in favour of democratic forces and lead to a situation when it becomes a practical possibility to raise the slogan of the establishment of a Government of the national democratic front—a Government representing the fighting alliance of all democratic forces in the country and pledged to carry out a genuine national-democratic programme. Such a Government, if formed, will be an organ of struggle against reactionary forces, a Government which will pursue a consistently peace-loving and anti-imperialist foreign policy, eliminate the hold of foreign capital on vital sectors of our economy, carry out agrarian reforms which really benefit the peasantry, severely curb monopoly capital, rapidly expand the State Sector so as to make it the decisive factor in national economy, extend democracy and bring about such changes in the State structure as enable the mass of people to influence and shape governmental policies. The formation of such a Government will enormously strengthen the position of the toiling people in all spheres and facilitate the transition to Socialism.

Advance along these lines would correspond to the best interest of our country and our people. Conditions for such advance are more favourable today than ever before. Our Party fervently appeals to all national and patriotic forces to come together so that the vast possibilities that are opening up are fully utilised and our people speedily realise their cherished ideals.

## BUDGET

party—has showered encomiums on Morarji and actually regretted that Morarji did not take enough courage in both hands to launch a bigger attack on the people—and impose more taxes on them. The big business representatives in Parliament like Somani and others have expressed unabashed glee. It is their victory, although they and

their Swatantraite cohorts will have it both ways—eat the cake and have it too, reap all the advantages and try at the same time to make capital out of the resultant anger. In any case a challenge has been flung at the people—in utter disregard of their hopes and aspirations, and of the ruling party's promises and proclamations.