

1/B/E24

# THE STATE, THE SMUGGLER & THE SMALL MAN

## SUPPORT—BUT CERTAINLY NOT THIS!

### Editorial

The NEW AGE should have been out in the mail bags by now, but we were delayed and the budget came. What does it say to

to the country and the people?

It fully utilises, in fact over-utilises, the prevailing sentiment that the industrial and defence strength of the country has to be built. It is with that view that the toiling people of the country worked over-time, raised production and also contributed the major share of the Rs. 47 crores of the National Defence Fund, while the majority of the rich who exploit the toiler held on to their purses and enriched themselves more.

But just this patriotism of the poor man is being made a penalty for him in the new budget.

Every one knew that more taxes would come. Every one knew that each of us would have to bear some burden. That is the genesis of all wars, whether for a capitalist country or a socialist country. Just as the people in India will have to pay, the people in China also will have to pay. War spares no one's life or living ultimately.

But the question is not whether taxes are inevitable or not? The question is on whom they fall mainly, what things, what classes are being taxed. India is a capitalist country. The vast mass of our people live by labour and produce wealth. A small group, a class, makes money out of that labour. Which of these is made to pay?

The new budget, as announced, taxes the ordinary man most heavily. Kerosene, tea, coffee, tobacco, soap, coarse and medium yarn, woollens, bear the heaviest burden—all to be borne by the poor and middle-classes. There are taxes on iron and steel, machinery, cement, etc., which also ultimately affect the cost of living of the consumer.

Additional taxes in the Budget come to Rs. 275 crores. In this, customs duties take Rs. 87.39 crores and excise and sales tax take Rs. 108.11 crores. In all, it seems, Rs. 195.5 crores of additional taxes are indirect while direct taxes (excluding the compulsory saving scheme) come to about Rs. 70 crores.

Is this all inevitable and in this form? It is not. For example, kerosene is a source of draining the country's wealth by foreign monopolies and taxes every poor villager in the country. Why should not the refineries and oil distribution from the private sector be taken over during the Emergency and for the defence of the country? Thereby the country and the people can be saved. It is not the tax in the kerosene that hurts as much as the companies charge and eat away our wealth.

That is only one example.

There is lot of talk of super-profits. But we know that every year over rupees two hundred crores of taxes are evaded. Why not take over the banks in the Emergency and stop all the rot and the theft?

The poor working people have shown their patriotism. They paid NDF by working over-time or extra days. In return they got harassment in many places and the owners made extra profits.

And now there is the compulsory saving scheme. Its ramifications are not clear but it seems it will affect practically everyone who earns Rs. 125 or over per month, that is almost the major part of the working-class and middle class earners in the big towns and industries and revenue-paying peasants in the countryside. In view of these heavy taxes, Government must put an end to the demand for contributions to the NDF, which is now assuming the scale of tax and harassment everywhere.

In the name of the Emergency, more foreign private capital is trying to burrow more in the country and more private Indian capital is trying to bore into the State Sector.

Is it for this that we are defending the country and giving our blood, labour and life? Certainly not. The foreign invader cannot be fought unless the internal sucker and exploiter is also fought and curbed. But in the capitalist dispensation we have, with the big monopolists influencing the country's finance and economy, that is exactly what is not happening.

Taxes were inevitable but not these. Burdens were inevitable but not in this way on the poor. We support strengthening industry and defence, but not this way which only strengthens the big monopoly sharks. We will not prosper or be strong unless we clear them out.

Let those in the Government who see this and sometimes vaguely express it, let those who really stand by the "socialist pattern", democracy and defence as an integrated concept, and some of whom are to be found even in the ruling circles and the Congress, take courage to do what even small nations around us are doing and succeeding.

Let both, the country's interests and those of the masses prevail, and win.

(28 February)

On the night of January 9, 1963, the Government of India promulgated the Gold Control Rules. They were issued under the Defence of India Act and became effective as from January 10.

THESE Gold Control Rules affect almost every household in India—not only the well-to-do peasant, middle-class or worker family, but even the backward tribal in the jungles or an "established" beggar in the cities. They have affected the five or six lakhs of artisans in the ornament-making industry, as new manufacture of pure gold ornaments in the old style is stopped.

Among the political parties, social workers and leaders of public opinion, there have been varying reactions to Government's action. Some leaders of the Swatantra and Jana Sangh parties have totally denounced the Government. The Communist Party supports the Government on the essence of the matter but is critical of the measures. It is, therefore, necessary to deal with certain questions that have arisen.

There are two main aspects of the question. The first is the aspect of national economy. The second is the aspect of the economic and social life of the individual.

It may be that the basic policies of the national economy may gain to some extent by the Control Rules, while the average individual citizen may suffer some inconvenience or loss. In that case, we will have to weigh the two and stand in support of the national policies, if they really tend to help the national economy as such, provided that, firstly, the inconvenience or loss to the individual is temporary and is not widespread to all the masses; and secondly, that the capitalist-landlord classes do not make gains out of them.

What role does gold play in the present stage of our national economy? What is that role, which has made Government issue the Control Rules? What is Government's main aim?

Government do not take away gold from anyone by means of these Rules, whether that gold be hoarded in pure form or it be in ornament form. Only from now onwards, you cannot make new ornaments of pure gold. You can only buy upto 14 carat gold for ornaments. If you have pure gold, you must declare it—but you need not declare if it is in the proportion of 20 grammes per minor and 50 grammes per adult in your family. So a husband, wife and two children and dependent old mother and father can have together 240 grammes of undeclared pure gold in their possession, that is, say about Rs. 2,500 worth of pure gold in non-ornament form.

Some Hindu leaders and particularly a group of pious-minded goldsmiths have complained in their statements that Government by their order are interfering in some religious customs where the gods demand pure gold in their worship.

In the first place, let us leave religion out of this question. The bankers of England and America who have the largest gold hoards in the world hardly know any god or religion, except the worship of the God of Capital.

Secondly, Hindu religion or any religion at that, in its philosophy speaks more against the greed for gold than for its virtues.

Thirdly, the ancient Vedic religion makes no such demand for gold. They talked more of bulls and horses and hard-hitting iron than glittering gold. Gold had no socio-economic function then.

Fourthly, if some later Brahmin traditions are invoked, the permission to retain 50 grammes per head in pure bar form is enough to satisfy any god, particularly one served by the poor.

In fact, the Government order is so afraid, not only of the rich god but also of the rich man that they have not asked the rich temple endowments or the rich millionaires even to put their hoards of gold in Government gold bonds and thus serve the cause of the national economy.

Not only Government do not take away anybody's gold but they allow all to keep and enjoy all the ornaments of pure gold

by S. A. Dange

they have, without any limit on quantity or value. They may be worth hundreds of lakhs.

And who except the rich millionaire, the tax evader and the big temples have ornaments worth lakhs without limits? Not the worker, the peasant or the clerk.

So, by these rules, the Government do not requisition, borrow or confiscate anybody's gold in any form. If you have just gold bars, then tell Government how much you have above the exemption limit of 50 grammes per head. If you have all of it in ornaments then you need not tell anything. But new ornaments you cannot make except from 14 carat gold.

Government were so considerate to the rich hoarder that they allowed a whole month to him to make his declarations of bar-gold. And during this month, most of that bar gold became transformed, into pure ornament gold, so that he need declare nothing and fear

nobody, except his conscience, if he had any. One would like to learn how much pure gold declarations Government have received.

If that is so, what do Government get, what does the national economy gain by these measures, by all these curses of the artisans and a few women?

Government have issued a policy statement on the question. From that it appears that Government now have become conscious of the fact that gold is being smuggled in the country and sold in the market at high prices. The purchase price of this smuggled gold goes out of the country and thereby "causes" an annual foreign exchange loss equivalent to many crores of rupees. This loss naturally affects the national economy.

The Government's main aim is to stop gold being smuggled into the country from outside and, secondly, to stop people from buying it. They want to stop smuggled gold from coming in because by that the much cheaper foreign gold is bought in India at higher prices and thus Indian money goes out of the country. The national economy thus gets indebted to foreign countries and loses foreign exchange, which ultimately the nation pays from its export earnings in order to meet the cost of this smuggled gold on the international market. National economy does suffer.

Why does so much gold come into the country and that too by smuggling? The import of gold on private account is banned. Formerly, there was no such ban. Secondly India does not produce much of her own gold. The gold mines of Kolar, Hutti, etc., produce about 50 lakh grammes per year, i.e., about Rs. 5 crores worth of gold (at Rs. 100 per 10 grammes), while the market seems to be swallowing gold worth Rs. 40 or Rs. 50 crores.

The demand and the high price tempt the smuggler. The price of gold outside India, the internationally fixed price, is Rs. 53.58 per ten grammes, while the Indian buyers who have big money are prepared to pay even Rs. 130 per ten grammes. It means the smuggler earns Rs. 76 more as his profit on Rs. 54, his buying price. If the cost of transport and smuggling is taken as 30 per cent of the original price, the gold arrives here

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# P. M. Defends Basic Policies

## Opposition's Criticism of Misuse of Emergency

### ★ From Our Parliamentary Correspondent

The Prime Minister's reply to the debate on the motion of thanks to the President's address, in both the Houses of Parliament, would not completely dispell the doubts or meet all the criticisms of members on political and economic issues before the country. But he has reassured Parliament that the basic policies of the nation, both in domestic and foreign fields, would be adhered to and that he attached very great importance to these policies.

THE Prime Minister dwelt more on the fundamental aspects of our domestic and foreign policies, on Planning, Socialism and Non-alignment, and less on their concrete application. The result was that Nehru's reply did neither cover up the lapses in the execution of these policies nor admit that these lapses, to which the Opposition had drawn pointed attention, existed in any great measure.

He was more detached and impersonal in his arguments, jumping suddenly from one subject to another and again returning, and presenting a kaleidoscopic view of things and events, but never focusing the full light on himself or his government.

His speeches therefore sometimes became stimulating, but never fully satisfying to an audience which itself was composed of conflicting elements and caught in recent and persistent doubts and dilemmas. Nevertheless, Nehru addressed himself more to the Rightists than the Leftists, because it is they, the former, who have persisted in their criticisms and even hostility to his policies.

Replying to the debate in the Lok Sabha, the Prime Minister spoke at length on the need to get out of old ruts of thinking, to awake to the reality of a fast changing world where a great speed of thought and action is necessary. And most of the time he had his eyes on Prof. Ranga.

Discussing the President's address, the overriding issue before the members of Parliament—everyone agreed on this—was the Chinese aggression. But the approach to this issue once again brought forward the sharp cleavage between the Right and the Left. The Swatantra-PSP-Jan Sangh mounted a fierce attack on the Government for what they described as weak-kneed and fumbling policy of the government which has brought humiliation to the country and dissipated the will of the nation to fight.

### Rightists' Attack

Speeches of Prof. N. G. Ranga, U. M. Trivedi, S. N. Dwivedi, Hem Barua and Gayatri Devi—some of the leading lights of the Rightist lobby in the Lok Sabha—concentrated on pointing out that the acceptance of the Colombo proposals by our government was a very bad mistake, that we are isolated in the world, that the majority of the six non-aligned powers who met in Colombo were on the side of China, that massive Western military aid includ-

ing the so-called "Air Umbrella", if we can get it, is the only hope in the situation and that generally the government was making a mess of the whole defence of the country.

Hem Barua wailed hysterically: "Our freedom is in jeopardy today. It is the weak-kneed, vacillating, fumbling and faltering policy of the government that has landed us in this sordid state of affairs". "I feel our Prime Minister is a lonely man in the world stage and we are a lonely nation". According to this PSP leader, our acceptance of the Colombo proposals shows "a psychology of defeat and a psychology of loss of nerves".

While Prof. Ranga harped on his favourite theme of a "victory plan" and explained that such a plan—whatever it might mean—can be implemented only with Western military aid, the Maharani from a back bench was more bitter in her distress: at the government's failure to plump into the Western camp.

"They (the government) have succeeded in humiliating us in the eyes of the world, and what is even worse, they have humiliated, as I have said before, our armed forces of India which were amongst the finest in the world. If they cannot redeem the shame and humiliation they have brought to this country, then, I would appeal to their patriotic sentiments and ask them to consider whether the time has not come for a radical change in the leadership of our country." That is how Maharani Gayatri Devi felt. Prof. Ranga of course referred to the need for a coalition government.

### Air Umbrella

Behind all this wailing and expressions of humiliation and shame was the question of the "Air Umbrella" about which there have been speculations and reports in the press and which seemed to have very much appealed to the imagination of some of the members, while causing apprehension and anxiety to others. The Prime Minister had made a statement last week in the Lok Sabha in response to a calling attention notice by a Congress member clarifying the position.

He had then said that the reports about establishment of foreign bases and foreign planes as an "Air Umbrella" in India were "incorrect and greatly exaggerated". He said, "The US-Commonwealth team in their discussions with the Indian Air Force experts have been dealing with the assess-

ment of the Chinese air threat and the extent to which the Indian Air Force requires strengthening in order to meet it".

He explained that the preliminary action that is considered necessary is the extension of existing air-strips and improvement of ground control and communications system etc. and added: "There is no question of the standing of foreign air force or the establishment of any foreign air bases in India.

"As a matter of fact, none of the friendly countries have made any such suggestions. India has to be defended by its own forces. We welcome the help of the friendly countries in procuring the necessary equipment and materials, but the air defence of the country is too vital a matter to be left to the improvisation and delays inherent in any project like that of the 'Air Umbrella' suggested in the press reports".

Even after this, spokesmen for the Right seemed to trumpet a sort of welcome for this umbrella. PSP leader S. N. Dwivedi criticised Congress MPs for waiting in a deputation on the Prime Minister to express their anxiety about this Air Umbrella project and he called communists and others who opposed the project as "bogey-makers". "We want to take the help from any friendly country which wants to give us guarantee for protecting our territorial integrity and for protecting us from communist invasion", he said.

### PM On Foreign Help

This question of whether others should guarantee or underwrite our defence was precisely one of the major issues that came up in the debate. Communist speakers in both the Houses were very clear on this point. They welcomed every effort to strengthen defence of the country but stoutly opposed any move to tie up the defence of the country to the wishes and dictates of other countries. They warned against excessive dependence on Western aid for building up our defence and they were opposed to anything which might compromise our policy of non-alignment.

The same position was found in the stand of most of the Congress members who spoke. And the Prime Minister in his replies in both the Houses laid great stress on this. Self-reliance was the keynote of his speeches. This obsession with foreign military aid and this desire to have others underwrite our defence, he told the Rajya Sabha, comes out of having permanently cold feet. While he expressed his gratitude to the help given by friendly countries and defended the taking of such help, he also told the Rajya Sabha:

"In a basic struggle for life and freedom, it would be absurd for us not to take

that help, but in taking that help we must keep that very freedom, to preserve which we take that help, intact and our principles intact". In this connection he also made very significant observations about the futility of military blocs and particularly said that the SEATO and CENTO "have failed, failed completely and miserably".

The Prime Minister said: "Members who do not like our policy of non-alignment are supporting fully the theory and policy and actually the desire of the Chinese government. It is extraordinary, these extremes meeting in this way".

Communist spokesmen, A. K. Gopalan in Lok Sabha and Bhupesh Gupta in the Rajya Sabha, sounded timely warnings about the increasingly dangerous role of Right reaction inside the country and the danger of imperialist pressure on our foreign policy increasing.

### Communists Warn

Bhupesh Gupta told Rajya Sabha: "... the forces of reaction within the country have grown stronger and the forces of democracy and progress have suffered certain very serious blows. The forces of Right reaction are today organised not merely in the parties of the Opposition but also within the Government and in the State apparatus".

He said that imperialist pressure has grown and added: "... despite the fact that basically our policy of non-alignment stands and stood the test of time in this crisis, it cannot, however, be said that we are exactly in the same position where we were before September last year".

Communist speakers also called upon China to accept the Colombo proposals in toto. They further demanded that China should release all Indian Prisoners of War so as to create a better atmosphere.

However, the debate failed to throw any light on what the future course of action would be before the government. Necessarily it has to be one of vigilance and flexible tactics. Peking's resistance to accept the Colombo proposals in toto and the absence of any other positive alternative had created a sort of vacuum in an otherwise healthy situation built up by the efforts of the six non-aligned nations. Nobody could have expected the Prime Minister to spell out any set formula for future action. For reasons of security and strategy the Government could not disclose its hand. Also the fact is there that the ball is now in the Chinese court.

Even so, the Prime Minister made it clear that he would not rule out the possibility of a peaceful settlement and once again stressed that the problem before us was not a purely military problem, but a political problem in the larger context. The nation has

to be armed militarily and should have clear ideas politically, he said. He reiterated his earlier offer to refer the Sino-Indian border dispute to the International Court of Justice or for arbitration, provided the Chinese government agreed to the course.

As for the question of sending troops up to the border and over the areas vacated by the Chinese, the Prime Minister clarified that we could send our troops anywhere within the ambit of the Colombo proposals. But it is a question of advancing in strength enough to face any odds and it is a matter for the Army to decide.

### Pak-China Talks

The backdoor parleys between Pakistan and China to slap a "border agreement" in the face of India was a matter of concern to members and the subject came up for sharp comments. Communist member P. K. Vasudevan Nair, speaking in the Lok Sabha said that "the people of this country will not be a party to any agreement or any action on the part of either Pakistan or China" to repudiate through the backdoor the sovereignty of India over the entire Jammu and Kashmir State".

The Prime Minister also referred to the issue, and commented upon the extraordinary timing of the Pakistan Foreign Minister Bhutto's visit to Peking on the eve of the next stage of Indo-Pak talks to begin shortly in Calcutta. He said that this did not indicate any strong desire on the part of Pakistan to arrive at an agreement with India.

The Cabinet had considered the consequences of this Pakistani move but came to the conclusion that we should not back out of our commitment to continue the talks with Pakistan because of what has happened. However, the Prime Minister's comments left no one in any doubt that the Indo-Pak talks would lead nowhere after this.

On domestic issues, the government was under heavy fire from all the Opposition. The most serious charge against the Treasury Benches was that they had misused the emergency for narrow party purposes. Beginning with A. K. Gopalan, a number of members from Communist and other benches in the opposition complained about coercion in the collection of National Defence Fund and instances were quoted from the press also. The government was charged with making the whole thing a partisan show, of filling up the National Volunteer Force and Home Guards with men picked by Congress Committees.

Communist members bitterly criticised the large-scale and arbitrary arrests of communists, trade unionists and kisan sabha workers and their ill treatment in jail. The government was accused of

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