

cohesive force in blind matter, so must there be in all things animate; and the name for that cohesive force among animate things is Love. We notice it between father and son, between brother and sister, friend and

friend. But we have to learn to use that force among all that lives, and in the use of its consists our knowledge of God. Where there is Love, there is Life; hatred leads to destruction.

□□□

GANDHI MAHATMA



He stopped at the thresholds of the huts of the thousands of dispossessed, dressed like one of their own. He spoke to them in their own language.

Here was living truth at last, and not only quotations from books. For this reason the Mahatma, the name given to him by the people of India, is his real name. Who else has felt like him that all Indians are his own flesh and blood?

When love came to the door of India, that door was opened wide.

At Gandhi's call, India blossomed forth to new greatness, just as once before, in earlier times, when Buddha proclaimed the truth of fellow-feeling and compassion among all living creatures.

Rabindranath Tagore

[A Renaissance man, Nobel Laureate, Dr. Rabindranath Tagore (1861-1941) is founder of Shanti Niketan and Vishwa Bharati. He was a great contemporary of Gandhiji who looked upon him as Gurudev.]

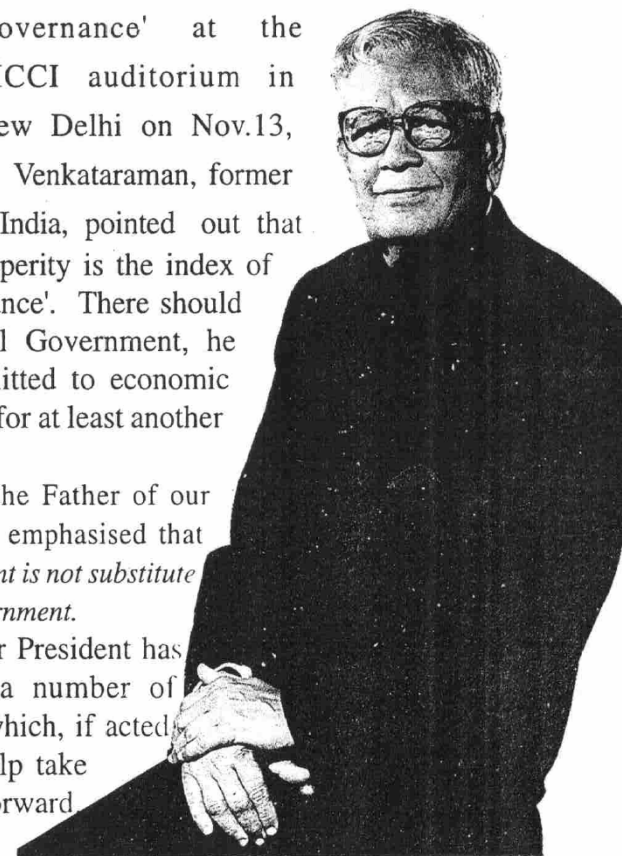
Good Governance: The Test and the Means

SHRI R. VENKATARAMAN
Former President of India

Speaking on 'Good Governance' at the FICCI auditorium in New Delhi on Nov.13, 1999, Shri R. Venkataraman, former President of India, pointed out that 'national prosperity is the index of good governance'. There should be a national Government, he added, committed to economic development for at least another 25 years.

Gandhiji, the Father of our nation always emphasised that *Self Government is not substitute for good Government.*

The former President has made quite a number of suggestions which, if acted upon, will help take the country forward.





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Organiser

The subject "Good Governance" is both topical and timely. It is an axiom of political science that a State comes into being for life (i.e. for protection of life and liberty) but it exists for good life (i.e. for the welfare of its people.)

The duty of the state is not only to protect life and liberty but goes further, to enable the people to live in a measure of physical and mental comfort.

Democracy is a government by the citizens themselves. The people should realise that they are

responsible for choosing the right and proper persons to represent them in national affairs. In colonial administration the government was different from the people. Those governments ruled but without the consent and concurrence of the people. This old concept still persists in the

masses today. They do not realise that the general election is the occasion for them to choose a government for themselves. On the contrary, the masses feel that the franchise is a patronage to be conferred on their kith and kin, or the local candidate, or one of their caste and religious fraternity.

In mature democracies a

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person who changes his party affiliation or crosses the floor seldom gets re-elected by the electorate. They do not trust him to stand firm by the policies and programmes proposed by him. In India a person who was in the Congress Government and

immediately thereafter in the Janata Government and then in Chandrasekar Government was re-elected and came once again into the Congress Government!

The electorate vote for a criminal, or a corrupt candidate and bemoan that the country has a bad government.

The electorate do not realise that even as they contribute to their own household expenditure, they have to contribute to their country's governance. They are easily misled by the unscrupulous

It is only because 90% of the people abide by the laws and 10% transgress them that the state is able to maintain order and harmony. If the situation were reversed with 90% transgressing the law and 10% abiding by it, there can be no organised society, no peace and harmony.

promises of political parties of free food, free clothes, free electricity, free everything. Even enlightened people plead for tax concessions, subsidies and incentives oblivious of the fact that they are met by borrowing which in turn imposed burdens indirectly on themselves.

Besides, in a true democracy, the people voluntarily observe the laws, rules and regulations as they are forged by themselves in the interest of good governance. It is only because 90% of the people abide by the laws and 10% transgress them that the state is able to maintain order and harmony. If the situation were reversed with 90% transgressing

the law and 10% abiding by it, there can be no organised society, no peace and harmony. Some of the advanced countries, notably Switzerland, have perhaps the highest degree of compliance. A mere board stating that the road is closed will be complied with by almost 100% of the people.

Chief Malady

Therefore, the chief malady that afflicts our democracy is the absence of a responsible electorate. We have an electorate consisting mostly of illiterate, uninformed, poor and starving masses. The struggle for existence obliterates all the finer qualities of man.

Rome was not built in a day nor a democracy in a century. Britain became a mature democracy after 800 years from the days of the Magna Carta.

Britain went through a prolonged persistent struggle for devolution of authority from the Crown to the people. She had also patches of nepotism and corruption during the period of the

struggle. Students of British Constitutional history will recall the notorious statement of Prime Minister Walpole that every man has a price.

Unfortunately, India did not try to educate its masses on its duties in a democracy. Our leaders assumed that the masses were all Nehrus, Patels and Azads. Had we introduced in all schools subjects like citizenship duties and moral instruction, the present generation of voters would at least have been conscious of their duties of as

citizens in a democracy.

During the discussions on the People's Representation Bill in the Provisional Parliament in 1951, I had pleaded for compulsory voting by the electorate so that the citizen may realise that it is a duty to the state and not a patronage to be conferred on their favourites. Even now, it is not too late to introduce compulsory

voting for the Central and State Assemblies.

As a result of all these shortcomings, the sovereign people of the

country and even intellectuals want the failures to be cured by legislation.

They vote for the criminal or the corrupt but want a law to prevent criminals and the corrupt from standing for elections. The law-makers search for a definition of a criminal and the jurists come to the conclusion that only a man convicted of a crime can be called a criminal. Since it takes years

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to get a conviction and get it confirmed in the Highest Court, the criminal (in common parlance) will have a merry time for two or three terms in the legislature.

People vote for a person who defects from party to party but want a law to prevent defection. The feeling that law is the cure—all for our ills is the antithesis of democracy where people maintain and observe right conduct voluntarily.

We are no doubt the second most populous country in the world, maybe the first within the next decade. But we have yet to become a mature democracy in the true sense of the term. Merely holding periodical elections and adopting Parliamentary procedure will not make a country a true democracy. We have to educate our people on the duties of a citizen to the country and its peoples.

A Government which is stable and truly representative of the majority of the people, maintains its territorial integrity and national sovereignty, accelerates economic growth and development, ensures the welfare of all sections of people, and renders justice without delay, may be termed good governance.

It is not easy to define good government but it is possible to identify the ingredients. A Government which is stable and truly representative of the majority of the people, maintains its territorial integrity and national sovereignty, accelerates economic growth and development, ensures the welfare of all sections of people, and renders justice without delay, may be termed good governance. An administration which fulfills these criteria may be termed good government.

During the last fifty years, no government at the Centre ever secured a majority of the votes cast. In a multi-party system no

candidate normally polls a majority of the votes cast in the constituency and the one who polls the largest number of votes among the contending candidates is declared elected. Very often a candidate polling 30% to 35% of the votes is declared elected even though 65% to 70% votes were not in his favour.

The majority which have not voted for the candidate or the government feel it is not their government. India fails in the first of the criteria and must take steps to correct this morbidity. Political parties are reluctant to change the present system since they are now winning most of their seats on a minority of votes.

Political instability is a corollary to minority governments. Faced with an acute balance of payments crisis in the early nineties Dr. Manmohan Singh, the then Finance Minister, said that India's problems 'cannot be solved by a single party and the cooperation of all parties is necessary to put through stringent measures'. He was assailed at that time by

pressures from within and pulls from outside. India can gain a respectable place among nations if it can have a national government consisting of the political parties in the House committed to economic development for at least another 25 years after which it may be reviewed.

National Prosperity

National prosperity is the index of good governance. Merely maintaining internal peace and security though vital for national progress cannot be equated with national development. Nor can mere increase in volume of production without adequate purchasing power with the masses through enlightened policies, bring national prosperity. Nor should economic policies and programmes be static. They have to change with the needs of the times. During the post-War period of acute shortages of food, clothing, raw materials, savings and capital resources a measure of control and regulation was necessary for social justice and accelerated economic development.

BHAVAN'S JOURNAL

Planning played a useful role during the first fifteen years of our Republic. Even during the very first plan the state started three one million tons steel plants, fertiliser plants, power station, major irrigation dams etc. These were at that time beyond the resources of private enterprise. At the end of 15 years

India had become one of the top fifteen countries in the world in industrial production.

By 1965 the shortage had eased, capital markets developed and transport and communications improved. At the meeting of the National Development Council in 1965 I suggested as Minister for Industries from Madras (now Tamil Nadu) that the time had come for removing a number of items from the schedule to the Industries (Development and Regulation) Act. Prime Minister Lal Bahadur Shastri was impressed with the idea and he asked the Cabinet Secretary to sit with me and prepare a list.

But Lal Bahadur died shortly thereafter and the idea followed suit.

Even without the exchange crisis in 1991, global changes and the collapse of Soviet and East European controlled economies and their change-over to market economy would

The first and foremost thing the state should do is to denude itself of most of the industrial and commercial activities.

have forced India to fall in line with the worldwide trend. The foreign exchange crisis of 1991 jolted the slumbering Indian economy to desperate action. Today market economy has come to stay and no future government, whatever its hue, can reverse it. But the need of the hour is to accelerate the pace but with caution.

It should be our endeavour to keep down our foreign exchange outflow below the foreign investments. Otherwise, even accelerated foreign investments may act as a drain on our resources. For instance in 1997-98 foreign investment amounted to 5025

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million dollars but the outflow of foreign investments was 5081 million dollars in the same year. Diligent handling of our foreign exchange is vital for our progress.

Government out of business

The first and foremost thing the state should do is to denude itself of most of the industrial and commercial activities. Except in strategic areas like atomic energy, select

defence production, oil and natural gas and a few others which may require social control no new state enterprises need be undertaken any more. The Public Sector has played its role. It filled a vacuum when capital was both shy and scarce. With a well established and advanced Private Sector capable of raising resources both internally and internationally, a developed capital market and a vibrant stock

exchange the time is propitious for withdrawal of the state from not only new but the existing Public Sector units. Firstly, there should be a freeze on new Public Sector Units. Then a time-bound programme for complete

Good governance is one where the cost of administration is met from the Revenues and the plan expenditure from borrowings, internal and external.

disinvestment of state holdings in manufacturing and trading units should be drawn up and implemented. Disinvestment of holdings in other areas should be carefully chosen on economic and strategic considerations. At present there are 240 Public Sector Units with an investment of Rs.240,000 crores. The market value of these should be substantial.

The amounts realised by disinvestment should be utilised for the redemption of debt and not treated as Revenue and spent merrily.

Good governance is one where the cost of administration is met

from the Revenues and the plan expenditure from borrowings, internal and external. If a country has to borrow even for carrying on day-to-day administration, the country will run into a debt trap of immeasurable consequences. In the past there used to be an item in the Budget called surplus from current Revenues which used to be treated as part of plan finance. It has disappeared from the budgets for nearly two decades. Currently the revenue receipts of the Union Government are not enough to meet the annual debt servicing charges i.e. the interest and annual repayments. Besides, we are borrowing to meet the other government expenditure.

At the same time, during the current decade, we have been giving up revenue recklessly. All receipts from shares, Mutual funds etc. are income but we have exempted them from income tax. The income tax rate at the highest slab namely 30% coupled with over 100 exemptions is one of the lowest in the world. Direct tax in

Unless the Centre prunes drastically the duplication of state functions, the bulk of the national resources will go to the staff and very little to the programmes.

India as a percentage to the G.D.P. is 3 as compared with 25% in the developing Asian countries. The highest slab rate of income tax is the same 30% whether the income is Rs.1.5 lakh or Rs.1.5 crore. With dwindling revenues and ever growing public expenditure we need not talk of good governance but count the years ahead for reaching total bankruptcy. A populist finance minister is the worst enemy of the nation and the people.

A lot of duplication of functions has resulted from Central aid to the States. In the name of supervision and monitoring every department of State has been duplicated in the

Centre. This expansion has gone to the extent of starting secondary schools (Navodaya) which in my days at school were the responsibility of Taluk Boards and District Boards. Unless the Centre prunes drastically the duplication of state functions, the bulk of the national resources will go to the staff and very little to the programmes.

Prudent administration is one which realises its worth for every rupee spent. Cutting down costs, eliminating redundant services, pruning down the flabby bureaucracy and subsidies to the non-poor. Sections of society should be studied speedily, by the expenditure Commission contemplated by the Vajpayee Government. I hope the Report will be implemented with vigour and not consigned to its usual place, the shelf.

Before I conclude I should like to repeat what I have been saying

for nearly a decade. The market economy and the welfare state are not mutually exclusive. The Scandinavian and Nordic countries and New Zealand are all market economies but their

Poverty anywhere is a threat to prosperity everywhere.

welfare measures cover their citizens from the cradle to the grave. One may ignore 9% to 10% unemployment in a country. The devil takes the hindmost in those countries but if the hindmost in a country constitutes 40% of the population the devil will take the foremost and not the hindmost. We should always remember the dictum of the International Labour Organisation, "Poverty anywhere is a threat to prosperity everywhere." Appropriate tax levels coupled with prudent public expenditure should be able to take care of the welfare of the masses. There can be no greater charity than paying adequate taxes to sustain the welfare measures.