

Swatantra

Newsletter

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GUJARAT'S GRAND OLD MAN IS NO MORE

It is with a deep sense of sorrow that *Swatantra Newsletter* records the passing away of Mr. Bhailalbhai Patel, MLA., affectionately known as Bhaikaka to the thousands of his friends and admirers, in Ahmedabad on March 31, 1970.

Born of poor parents on June 7, 1888, Bhaikaka was an engineer, a practical idealist and politician. Bhaikaka worked on the Sukkar Barrage Scheme and was responsible for the construction and maintenance of roads and canals. In three years this engineering wizard completed 4,800 km of earth roads and 320 km asphalt roads. Four years before his retirement Sardar Patel sent word to him that his services were required to rebuild Ahmedabad. The beautiful Kankaria Garden still stands as a monument to his engineering skill.

He was sucked into the 1942 movement and in the process built up the Vallabh Vidyanagar University, without any grant from Government during the initial stages.

Watching with dismay the policies of the Congress Party which were ruining the country, Bhaikaka plunged into politics and formed his own Party to do battle with the Congress in Gujarat. A couple of years later he merged his Party with the Swatantra Party and he built up the Party in Gujarat. If it is in such a formidable position today, the entire credit goes to this great man. Bhaikaka's death is a loss not only to his family and to Gujarat, but to the country as a whole.

CENTRAL COMMITTEE MEETINGS

The National Executive and the Central Parliamentary Board met in Bombay on 16th and 17th February.

NATIONAL EXECUTIVE

1. Statement on the Current Political Situation

The Executive after considerable discussion issued the following statement on the Current Political Situation:

"With the emergence of two new Parties in place of the old Congress Party, India enters the seventies with a new political balance and a new political pers-

pective. The almost monolithic domination of one Party over our national life has at last ended. The Union Government, which had enjoyed a majority in the Lok Sabha despite its having polled less than 41 per cent of the popular vote during the General Elections of 1967, is now clearly seen to be, what it had always been, a minority government. The Party has sought to deal with this situation by deciding to lean on the support of certain other parties, which unfortunately include the Communist Parties.

"In any democratic country, the dependence of the Government of the day for its existence and survival on communist parties, which have extra-territorial

loyalties and have declared their designs to wreck the country's democratic Constitution constitutes a security risk that a country can only take at its peril. India today is faced with this most dangerous situation.

"Whatever the immediate causes, the country has passed through an acute crisis which shows signs of recurring with renewed violence and threatens the political stability and smooth functioning of our young democracy. This crisis basically arises from wrong economic policies of the Congress Government at the Centre and the signal failure of the Second and Third Five Year Plans which have resulted in economic stagnation, inflation and a decline in the standard of life of the middle class and other poor sections of the community.

"Faced with the failure of its basic policies, the Congress Party went through internal convulsions which it was unable to overcome because it could not bring itself to admit its mistakes and to turn away from the path of State Capitalist monopoly founded on 'permit-licence-quota raj'. Ignoring these lessons, the ruling Party wishes to inject larger and larger doses of the poison of State Capitalist economy and to do away with the remaining barriers to State Capitalist monopoly. Thus, there is an insidious attack on the fundamental right of the citizen to his property which threatens to develop into an attempt to amend the Constitution in a manner that would give the Government the right to expropriate arbitrarily and without compensation even the peasants' modest holding of land. The developments during the Presidential Elections last year, during which the debate shifted from policies to personalities, were only a reflection of this basic crisis.

"Another side effect of this developing schism in the Congress Party which has now become complete, has been lowering of the standards of public life in general. The shameless misuse of the facilities provided by the State monopoly of Radio and Television to indulge in loaded propaganda in favour of the Government and the Ruling Party, the attempt to deprive the Civil Service of their role as independent advisors, the attempt to browbeat the press and the attempt to misuse the office of the Governor are other developments to be deplored.

"In these circumstances, by reason of the disastrous international policies of the Indira Gandhi Government, which are steadily reducing India to the position of a Soviet satellite, and the government's economic policies of injecting larger and larger doses of sterile State Capitalism into our economic system and destroying all incentives to hard work and enterprise, as also because of its alignment with and dependence on the Communist parties, the removal of the present Union Government from office must occupy a high priority on the national agenda. The Party calls on all patriotic citizens to heed Rajaji's clarion call to action in his article 'The Danger Ahead' in *Swarajya* of January 31, 1970.

"The original mandate which Mrs. Gandhi's Government had got from the electorate in 1967 has expired as a result of the breaking up of her party and her losing her parliamentary majority. For the new proposals made at the Bombay Session of her Party and elsewhere, she has no mandate to legislate.

"A change of Government in New Delhi can only be made effective and meaningful if the people of India see the emergence of an Alternative Government of patriotic and democratic elements who are prepared to come together to take over the governance of the country. Such an alternative government, it must be conceded, is not so far visible and its emergence now becomes the task of all those who share an awareness of the dangers facing us today.

"No single Party can by itself perform the task of replacing the present Union Government and it is encouraging to know that even those who were strongly opposed to the concept of coalition governments have now come round to recognising the inevitability of such a Government. In this context, the Swatantra Party is proud that, in Orissa, it has contributed a model for the establishment and running of a stable coalition government established in a principled manner through the adoption of an agreed minimum programme prior to the election, in contrast to what has been happening in other parts of the country.

"The Swatantra Party is clear that, despite efforts to confuse the issue by loose talk of 'left' and 'right', which have become meaningless terms in the second half of the 20th century, the real choice before the country is between Liberal Democracy and Humanism on the one hand and Authoritarianism or Totalitarianism on the other.

"Within the ambit of democratic processes, there is ample room for protagonists of democratic socialism, the welfare state, a mixed economy and competitive free enterprise to settle their differences by a democratic dialogue and the process of compromise. What cannot however be compromised is the right of the Indian people to go their own way free from interference by Moscow and Peking and their respective Fifth Columns in this country. The Swatantra Party will therefore continue its efforts to build a broad-based platform in order to repel the threat of communist subversion already obvious in Bengal and elsewhere so that our country may pursue the path of ordered progress under a broad-based Government of Democratic Unity and Progress resulting in a richer and better life for our people.

"As one of the elements dedicated to the defence of India's national independence and the democratic way of life embodied in the Constitution, the Swatantra Party has a vital and important role to play in this larger national task and the Party pledges itself to an acceptance of this responsibility which involves the placing of the Nation before the Party."

2. The Party's Position in the State Assemblies

As a corollary to the Statement on the Current Political Situation the Executive has laid down the following guide lines for the Party's Groups in the various State Assemblies:

Gujarat

"Since, during the impending Budget Session of the Gujarat State Assembly, voting on every cut motion and demand for grant will become a matter of confidence and it would be impossible for the Central Parliamentary Board to give day-to-day guidance to the Gujarat Legislature Party, it becomes necessary to lay down instructions by the National Executive in pursuance of and within the framework of the Statement of Policy on the situation in the country adopted earlier by the National Executive.

"The Swatantra Party in the Gujarat Legislative Assembly is the official Opposition and have naturally to function as such. They have to function as vigilant critics of the policies of Government from day to day and to pose the Party's position on relevant issues. It is the legitimate aim of any Opposition to replace the Government of the day so that the policies in which they believe can be implemented. Motions of censure and cut motions are a normal part of Parliamentary routine.

"While the Gujarat Legislature Party is therefore free to press its cut motions and to oppose demands for grants during the coming Budget Session, there are certain basic national considerations which have to be borne in mind. The Swatantra Party is pledged to the removal of the Government led by Mrs. Indira Gandhi, because of its disastrous policies at home and abroad and its alignment with the Communists. The removal of Mrs. Indira Gandhi's Government, with or without elections, presupposes the coming into existence of an alternative government of which the Swatantra Party forms a part. Such a government has to be formed along with like-minded democratic parties. Obviously, nothing should be done which cuts across these objectives of the Swatantra Party in furtherance of the basic national interest.

"Obviously, as the Official Opposition, we cannot support any move on the part of smaller Groups in the Gujarat Assembly to bring down the Government. The issue therefore narrows down to what our attitude should be in the event of Mrs. Gandhi's supporters voting for a censure or cut motion of ours. While we should not ask for their assistance, we obviously cannot withdraw our motion just because of their support. In the event of the present Gujarat Government being defeated, the National Executive and/or the Central Parliamentary Board of the Party will give suitable instructions to the Gujarat Legislature Party as to the stand it should take from time to time.

Mysore and Uttar Pradesh

"In regard to the attitude to be taken by the Party's

Groups in the State Assemblies of UP and Mysore, the National Executive considered the matter in the context of the objectives outlined in the Party's Statement on the current political situation.

"The earlier decision of the Central Parliamentary Board taken on August 29, 1969, that the Party's Groups should not participate in attempts to topple State Governments which did not contain communists or enjoyed their support was also considered.

"In the light of the above, the National Executive decided that, while playing their legitimate role as Opposition parties in the Assembly and pressing for the consideration by the State Government of their view point in regard to essential issues, our Groups should not support moves to bring down the established government if as a consequence, the alternative is likely to be the coming into being of a government containing communists or those who accept their support.

Bihar

"As regards Bihar, in view of the fluid situation, the Executive authorises the President and the General Secretary to take appropriate decisions including our subscribing to a common minimum programme in the light of the Party's Policy and objectives outlined in the Statement on the current political situation."

3. Condolence

The Executive recorded its sense of sorrow and observed a minute's silence in honour of the memory of Mr. T. Parmanand who was actively associated with the Party's work in Bihar and Mr. D. S. Audhimoolam, the Party's Deputy Leader in the Tamil Nadu Legislative Assembly who passed away last month.

4. Youth and Constructive Work

A sub-committee with Mr. N. K. Somani, MP, as Convenor, has been set up to study the problems of Indian Youth and submit its report for the Executive's consideration at its next meeting. The other members of the Sub-Committee are—

Mr. Piloo Mody, MP
Mr. D. N. Patodia, MP
Mrs. Louella Lobo Prabhu, and
Mr. Tribikram Tripathy.

5. Collection of Funds

The poor state of the Party's finances were noted and various suggestions were made in regard to the collection of funds. This is spelt out in considerable detail under the column "From the General Secretary's Desk" in this issue.

6. Publicity

The National Headquarters has been publishing *Swatantra in Parliament* which covered the activities of the Party's Group in Parliament and the *Swatantra*

Newsletter which reported organisational activity and our work in the various State legislatures.

It has been decided that *Swatantra in Parliament* be made a topical weekly bulletin issued for the present during sessions of Parliament, and *Swatantra Newsletter* should be made a fortnightly.

7. Economic Policy

To enable the Executive at its next meeting to adopt a statement on the Economic Policy of the Party, a Working Group consisting of the following has been set up with

Mrs. Louella Lobo Prabhu as Convenor, and
Prof. N. G. Ranga, MP,
Mr. D. N. Patodia, MP, and
Prof. R. K. Amin, MP, as members.

8. Fundamental Rights

In view of the derogatory statements made on the judiciary by people in high positions like the Prime Minister and Mr. R. K. Khadilkar in the context of the Supreme Court's Judgement on Bank Nationalisation, the Executive expressed the fear that there would be increasing attacks on the judiciary and on fundamental rights. It therefore decided that the Party should take the initiative in immediately setting up a non-partisan Committee for the Defence of Fundamental Rights, to resist all measures which threatened the independence of the judiciary and the fundamental rights of the citizens.

9. Corrupt Politicians

The Executive unanimously endorsed Mr. Jayaprakash Narayan's suggestions that politicians found guilty of corruption should retire from politics and if they did not do so, their Party should debar them from membership and if the Party failed to do so, then public opinion should be brought to bear to remove the guilty politicians.

Resolutions

Resolutions were passed on

- (a) Supreme Court's Judgement on Bank Nationalisation, and
- (b) Kerala Land Reforms Act, 1969. (For texts of the Resolutions see Annexure 'B')

CENTRAL PARLIAMENTARY BOARD

The Central Parliamentary Board met twice, once in Bombay on 17 February and on 19 March in New Delhi. At its meeting on February 17 the Board took the following decisions.

1. In view of the fact that some of the Party's legislators had recently attended, in one capacity or another, conventions of other political parties, it was decided to request the Party's legislators **not to—**

- (a) attend Conventions of other political parties,

- (b) address meetings from the platform of other political parties, and
- (c) issue statements or sign memoranda jointly with members of other political parties,

without the prior permission and approval of the appropriate Party authorities.

2. The Board also decided that the Party's MPs should be requested to give quarterly reports of their work in the constituencies to enable the National Headquarters to get an idea of the extent of attention being paid to the electorate by our MPs.

An urgent meeting of the Central Parliamentary Board was convened in Delhi on March 19, primarily to consider the forthcoming Rajya Sabha elections and the situation in Orissa and Gujarat. With the declaration of President's Rule in Bengal the Board took note of this event and adopted a resolution.

Rajya Sabha Elections

The following decisions were taken.

Andhra

Since the candidate nominated at the previous meeting of the Board decided, due to personal reasons, to withdraw from the contest, the Central Parliamentary Board approved Mr. Srikrishnamurthy as the Party's candidate.

Tamil Nadu

Mr. S. S. Mariswamy was nominated as the Party's candidate.

Other States

Guidance was given to the Party's MLAs in the State Legislatures of Assam, Bihar, Punjab and Uttar Pradesh in regard to the manner in which they should cast their votes.

Situation in Orissa

The Chief Minister Mr. R. N. Singh Deo who is also the President of the Orissa State Unit and a member the Board gave a detailed report on the situation in Orissa. Mr. Singh Deo reassured the Board that stability had been restored and there was no immediate threat to the Swatantra-Jana Congress coalition Government.

Situation in Gujarat

The Central Parliamentary Board reviewed recent developments in Gujarat and heard a report from the President and the General Secretary about these developments. The Board also had before it a telegram from Rajaji which urged that "Gujarat leaders and our friends elsewhere should all give first place to the national issue whether Mrs. Indira Gandhi should continue to govern India." As is well known, Rajaji and the Swatantra Party have been giving the highest priority to this issue because of the threat to

the security of the country and the Fundamental Rights of the citizen arising from the alignment of the present Union Government with the Communists and its dependence on Communist support.

The Board noted with considerable amusement Mr. Jagjivan Ram's cynical offer of conditional support to the Swatantra Party in Gujarat if it were to assume power in the event of the present Ministry falling, even while making efforts to overthrow the Swatantra-led Government in Orissa and while carrying on a persistent campaign of vilification against the Party. The Swatantra Party in Gujarat being the official Opposition has every right to try to replace the State Government. The Board hopes that, in the event of such a development, a Government led by the Swatantra Party would be able to emulate the example of the Orissa Government and provide the State with good, clean and efficient administration.

The machinations of the Ruling Congress in Gujarat while trying to topple our Government in Orissa should invite the contempt of all lovers of clean public life and principled politics. The Board would like to make it clear that, in the event of the Party assuming the reins of Government in Gujarat, it will do so irrespective of the attitude of the Ruling Congress to such a Government.

The Board, while approving of the views expressed by the President of the Party on this subject in his interview with the U.N.I. on 16th March, the full text of which was placed before the Board, was glad to be informed by three Members of Parliament from

Gujarat, at present in Ahmedabad, that there had been certain misleading press reports and there was no difference of opinion in the Gujarat Swatantra Party regarding the National Executive's directive.

West Bengal

The following resolution was adopted unanimously:

"The Central Parliamentary Board took note of the grave situation in Bengal where there has been a breakdown of law and order and a failure of the Constitutional machinery and the widespread violence engineered by Marxist Communists has already involved considerable loss of life and suffering for the people of Bengal. In the prevailing conditions, there appears to be no hope for the restoration of law and order.

"The Board feels there has already been inordinate delay and criminal negligence in dealing with this situation and that immediate measures need to be taken to restore law and order and afford protection to the lives and liberties of the people of Bengal. Alongside of a Declaration of President's Rule under Article 356 of the Constitution, there is also need for the immediate issuing by the President of a Proclamation of Emergency under Article 352 declaring that the security of West Bengal is threatened by internal disturbance and for suspending under Article 356(i) (c) the provisions of the Constitution to the extent that is necessary in order to restore law and order and protect the lives and liberties of the people."

FOCUS ON ORISSA

Aids to Industry

According to a recent decision, the State Government will be leasing out for a period of 99 years, factory buildings in Industrial Estates to entrepreneurs instead of giving them on annual lease. This has been taken to encourage industrialists to invest in Orissa. It has been proposed that the lease value can be paid in several instalments, as agreed to by the State Government. This facility has also been extended to existing occupants in such Industrial Estates.

Plan Outlay, 1970-71

The State Government has finalised its Plan Outlay for 1970-71 at Rs. 45.09 crores, an increase of Rs. 11.90 crores from the previous year's Plan estimates. A notable feature is the large increase in the irrigation and power sector, from Rs. 15.14 crores to Rs. 24.82 crores. The outlay for agriculture and community development has also registered a noteworthy increase.

Industrial Development

The Chief Minister, Mr. R. N. Singh Deo, urged industrialists to join the State and its people in their

endeavour to promote the economic well-being of its citizens and also of the country. The free sector should come in a big way with resources and talent, if the State is to get out of the morass of poverty and backwardness, he said.

He was inaugurating, on January 5, a Seminar on Industrial Development organised by the Uktal Chamber of Commerce and Industry. Emphasising the need for large scale private investment the Chief Minister said that such investment would be fruitful because of the enormous natural resources which remained to be exploited. The State Government, he said, was ready to provide financial incentives infrastructure facilities like Power, Communication and Water.

Presiding over the function, Mr. Harihar Patel, Minister for Industries, assured those present that the entire Government machinery would be at their disposal to assist them in their efforts to set up new industries. He was critical of the Centre's attitude towards Orissa in expediting issue of licences. In support of his contention he stated that even now some applications for establishing new industries were being kept in abeyance by the Centre. This proved that the

Centre's protestations about balanced regional development and removal of regional imbalances remained mere protestations and nothing more. Strangely enough, he said, while an application for locating a certain industry in Orissa had not been cleared, a particular industrial house had been favoured with a licence for the same industry in an "advanced" State, and that too when the latter's application was subsequent.

Orissa — Haven of Tourists

Tourists can have the best image in India in Orissa, observed Mr. Harihar Patel, Orissa's Minister for Industries and Tourism, in Bombay on 17 February.

Addressing a meeting under the auspices of the

International Tourism Council, he said that different religions had flourished there and made their impact on the people. As such, there was complete harmony prevailing among people of various religions, castes and creeds.

"In fact, one will find a composite culture there. It is a meeting place of cultural currents in the country. India's image can best be projected by requesting the tourists to visit Orissa", he added.

Mr. Patel said that Orissa abounds in places of tourist interest. "No State in India has the advantage of having so many sites for tourists. There are thousands of temples, dense forests, hilly tracts, lovely beaches and other places of beauty", he declared.

The Budget

Railway Budget

The week old Railway Minister, Mr. G. L. Nanda, presented the Railway Budget which provided for "marginal" increases in passenger fares and freight rates. How "marginal" they were could be gauged from the fact that the minimum fare for travel upto 28 kms. would be Re. 1/- instead of 20 paise and 85 paise upto now.

The General Secretary, Dr. R. C. Cooper in a letter to party units called upon members to organise public meetings to denounce this anti-people budget and demand a rejection of the proposed fares.

Mr. P. S. Koppiker, General Secretary, Bombay Regional Unit, in a statement said: "This is the first dose of SOCIALISM under the new dispensation of the New Congress. It is necessary and urgent that both commuters and consumers should rise as one man and give a combined fight to this image of socialism

which, under the garb of helping the poor, sucks them dry instead of giving them sustenance and succour."

Union Budget

Yet one more bad budget—bad for the people, bad for the economy and therefore bad for the country's future. This was how Dr. Cooper, the Party's General Secretary characterised the Union Budget presented by the "Socialist" Prime Minister, who also holds the Finance Portfolio.

Mr. M. R. Masani, M.P., President, called it "Savage", in a statement issued on March 1, 1970. He has called upon all Party members to educate Public Opinion, to make them aware of the proposals and has warned that ultimately it will only be the Swatantra Party, and those who might join it, who would be fighting the proposals to the bitter end. The Statement released for the press, is reproduced as annexure 'A'.

Raw Deal to Rajasthan

The peasants of Ganganagar, Hanumangarh, Bhadra and Sangaria in Rajasthan have been pressing the State Government for agricultural facilities and concessions for many months. Instead of granting them, the State Government has adopted a needlessly high-handed attitude.

After a personal tour of the affected areas Smt. Gayatri Devi, M.P., and President of the Rajasthan State Unit, has written a letter to Prime Minister Indira Gandhi, detailing the callousness of the State Government and urging accepting the just demands of the farmers.

In her letter she says that during her tour she met and talked to farmers, students and others and all felt that it was the negligence and corruption of the State Government that was responsible for the plight of the farmers. She said that, in view of this, the Centre should direct the State Government to look into the farmers' demands.

Among the demands made by the Ganganagar District Kisan Sangarsh Samiti are the following:

- (a) At least two *murabbas* of land should be given to the landless;
- (b) Those deprived of *khatedari* rights in Tibi, Bhadra and the Rajasthan Canal area should have their rights restored;
- (c) Auctioning of land should be stopped and those already held should be declared invalid;
- (d) Allotment of land should not be cancelled in case of non-payment of instalments and the increase in land revenue and irrigation charges should be withdrawn;
- (e) Surcharge and betterment levy should be abolished and agricultural machinery should be tax free.

Smt. Gayatri Devi had urged the Chief Minister to invite the leaders of the Ganganagar agitation for talks to find a solution to the peasants' problems and to bring the long-drawn agitation to an end. In a letter to the Chief Minister she said that not only kisans but also the general public were agitated by the corruption in the administration.

Voters' Identity Slips

(The Election Commission of India in a notification No. 64/70(1)/5181 dated 18th February 1970, issued certain instructions regarding unofficial identity slips issued to voters during elections. The entire body of the letter is reproduced below. Party members and workers are requested to read and follow these instructions carefully.)

"I am directed to state that the Commission has considered carefully what particulars may be shown on the unofficial identity slips issued by candidates or by political parties to voters for production at the polling stations on the day of the poll. As the object of such identity slips is only to facilitate the identification of the voter and the tracing of the entry relating to him in the electoral roll used at a polling station, the essential particulars required on the identity slip are the name of the voter, his serial number in the electoral roll, the number of the electoral part, and the number and name of the polling station where he is to cast his vote. In the past, the Commission had advised that there may be no objection to these slips also showing the name of the candidate and/or the name of his party and/or a facsimile of the symbol allotted to the candidate. It was, however, pointed out that the slip should not contain any slogans or exhortations to vote for a party or for a candidate since these would amount to canvassing within the polling station which is prohibited by law.

"It has been brought to the notice of the Commission that the smooth and peaceful conduct of the poll is sometimes seriously hindered by the rivalry between the contesting candidates or the political parties sponsoring them to persuade the voters to go to one of the booths set up by them near a polling station for the purpose of receiving the unofficial identity slips. Such contests often lead to unseemly scenes near polling stations and sometimes even to breaches of peace. It has, therefore, been suggested by several

responsible persons and organisations that the practice of issuing unofficial identity slips to voters by political parties and contesting candidates should be stopped. In the judgement of the High Court of Judicature at Madras dated 28th May 1968, in election petition No. 11/67, the Court has observed that the wearing of a badge with the name of a contesting candidate at a polling station would mean endeavouring to persuade voters to give their votes in favour of the candidate and would, therefore, amount to breach of the provisions of section 130 of the Representation of the People Act 1951. The Commission is taking action separately for amending the law so as to specifically prevent the wearing of any badge, emblem, flag, ribbon or the like, bearing the name or pictorial representation, or both, of any candidate or by any person in or near a polling station on the date or dates on which the poll is taken. Similarly, it would not be permissible to show the name of the candidate and/or the name of his party and/or a facsimile of the symbol allotted to him on the unofficial identity slips issued to voters for being produced at a polling station. The Code of Conduct in force in Tamil Nadu contains a provision that all political parties agree that the identity slips supplied by them to voters will be on plain white paper and will not contain any symbol. The Commission considers that this wholesome practice should be extended to all States and Union Territories and would, therefore, appeal to all political parties and contesting candidates that the unofficial identity slips issued by them to the voters should be on plain white paper and that they should not contain the name of the candidate and/or the name of his party and/or the facsimile of the symbol allotted to him.

"It is requested that the above instructions may be carefully noted and observed in the printing of unofficial identity slips at all future elections."

Students and Party Membership

There appears to be some confusion in regard to the eligibility of students (who are 18 and above) to become members of our Party. The confusion possibly arises in the context of the Party's policy not to encourage formation of student political Unions in the Campuses of our educational institutions.

The party's Statement of Policy—"To Prosperity through Freedom"—states categorically:

"Students above the prescribed age are no doubt eligible for membership of the Party and we wel-

come if they seek it. Students may form study circles for the appreciation of political and economic problems but, in the interests of discipline, the Party is of the view that it should not encourage the formation of political groups inside universities and colleges".

Therefore there is no bar on students from becoming members of the Party provided they accept in writing the Party's policies and programmes.

Banks Take-over by Government

The recent judgement of the special bench of the Supreme Court striking down as invalid the Banking

Companies (Acquisition and Transfer of Undertakings) Act, 1969, is a significant one.

Commenting on the Supreme Court verdict, Mr. M. R. Masani, M.P., President, Swatantra Party, in a statement issued on 10th February said, "it is a matter for gratification that the Supreme Judiciary has once again proved its independence by upholding the rule of law in accordance with the Constitution". The judgement, he said, has vindicated the action that he and Mr. Balraj Madhok (Jan Sangh) took in filing the petition against the Bank Nationalisation Ordinance.

Dr. R. C. Cooper who had challenged the validity of the Act told the press in Bombay that he was happy to find that "our efforts for safe-guarding democratic institutions and sanctity of the Constitution have been fully vindicated by the country's highest Court of Law." He hoped that the Government would respect the decision of the highest Court of Justice in the country and "following the example of Australia under similar circumstances several years ago, desist from taking any further hasty action".

Mr. N. K. Somani, M.P., and Joint Secretary, Swatantra Party, said that the Central Government will now at least mend its ways and shed its unscrupulous lust for indiscriminate acquisition of citizens' properties and assets. The existing banking law which were brought into the statute book in February 1969 should now be allowed to be operated in the interest of accelerating economic developments of neglected sectors.

"This is heartening news", was the comment of Mr. Viren Shah, Swatantra M.P., who added "the independent judiciary is one of the greatest assets of democracy and this judgement should once again prove that so long as we have this asset the wrong and unjust acts of the Government, passed by brute majority, could be struck down. Let us hope that even now those who are at the helm of the Government would realise their folly and mend their ways".

Prof. P. J. Shroff: The Supreme Court's ruling that the Constitutional guarantee on the demand of compensation is not satisfied by the impugned Act, will be widely acclaimed.

Mr. G. Latchanna, President, Swatantra Party, Andhra Pradesh Unit and Leader of the Party's Group in the Assembly said that "moral decency and democratic practice demand the immediate resignation of the Prime Minister".

Mr. D. N. Patodia, M.P., and President of All-India Depositors Association hoped the Government would accept the Supreme Court's judgement on bank nationalisation "in a sporting manner and will desist from taking such actions in future." Mr. Patodia said that freedom and independence of the banking institutions was needed to be maintained in the interest of the depositors and shareholders and quick economic growth of the country.

"Discrimination"—Dr. Cooper's Clarification

In a statement issued on February 11, Dr. R. C. Cooper, General Secretary, Swatantra Party, said that there was a widespread misunderstanding in the

reporting of the Supreme Court's judgement, that in case the Government wished to persist with the measure of nationalisation it had to bring within its fold all the small Indian banks and foreign banks. He said, there was nothing in the judgement as widely suggested in the press reports which would make it necessary for the Government to do this. According to Dr. Cooper, the Court had not held that the Act was invalid because it discriminated by picking up 14 banks alone and leaving the rest of the Indian banks and foreign banks out of the nationalisation scheme. Dr. Cooper noted that section 15(2) of the Act had been struck down by the Court "on the grounds of discrimination because it prohibited the nationalised banks from doing any banking business whatsoever. *It is this prohibition which is held to be discriminatory.*"

The Ordinance Again

The Government of India by an Ordinance on February 14 assumed ownership of the 14 "denationalised" banks again. This has been done retrospectively from July 19, 1969, the date on which the first Ordinance on bank nationalisation was promulgated. The Ordinance has left untouched the other Indian banks and the branches of foreign banks operating in India. It has provided a new formula for compensation to be paid to the banks in either cash or security or both. The scheme of compensation involved, varies from Rs. 17.50 crores for the Central Bank of India to Rs. 2.30 crores for the Bank of Maharashtra. In all other respects, the Ordinance has restored the *status quo ante* as it was before the Supreme Court in its historic judgement pronounced the earlier Act as invalid. The Ordinance, however, does not prohibit the shareholders of the nationalised banks from starting any new banking business.

Commenting on the new Ordinance, Dr. R. C. Cooper, General Secretary, said in a statement issued on February 15, that there were several definite improvements from the point of view of shareholders. The important feature of the new Ordinance was the right of the existing nationalised banking companies to carry on any business including banking business. "With dynamic management, it should be possible for many of the nationalised banking companies to restart banking business with much greater efficiency and economy", he added. Dr. Cooper hoped the Unit Trust and the LIC would not use their undue influence to restrain or prevent the management of the banking companies to do business under indirect Government pressure.

Writing in the February 21 issue of the *Swarajya*, Rajaji has said: "Smt. Indira Gandhi and her Government and those who hang on to her have received a well deserved blow from the highest judicial authority in India. The prestige of the Union Government and Premier was already struggling for life and this judgement of the Supreme Court gave the coup de grace." Continuing he said, "in spite of the lengthy extracts in

the press from the long judgment of the Supreme Court striking down as invalid the bank nationalization attempted by Indira Gandhi's Government and the even longer speculative commentaries put out in the papers, I find no answer to my original question: If depositors entrust their moneys to A, B or C, can the State intervene and dismissing A, B and C from the trust make itself the trustee without the consent of those who entrusted their moneys? I fail to see any flaw in my question or any debate on the point or so far any answer to the question. In spite of the new Ordinance and a statute in those terms, my question must be discussed and answered before we can feel that the matter is closed. The right to property includes the management of it and the entrustment of it to trustees of the owners' choice for safe custody and good management".

While addressing the Regional Convention of the

Bombay Unit Mr. M. R. Masani, MP, President, Swatantra Party, described the Ordinance as "illegal and a fraud on the Constitution." He said, "the Government has misused the powers to issue the Ordinance as an emergency measure" and added that every citizen should be grateful to the Supreme Court for "keeping the flag of the Constitution flying".

Speaking at a meeting of the All-India Depositors Association, Mr. D. N. Patodia, M.P. said on February 17th that the Union Government by promulgating the Ordinance had made it a fait accompli thereby preventing the Parliament from having a free discussion. He said the new Ordinance was not justified and that it was not necessary in the context of social control of banks which empowered the Reserve Bank to control the banks with regard to sanction of credit, use of deposits etc. Therefore it should be challenged.

AROUND THE STATE LEGISLATURES

UTTAR PRADESH

(Below we reproduce excerpts of the speech made by Mr. Bhanu Pratap Singh, Leader, Swatantra group in the U.P. Assembly. This has been reproduced from the news report which appeared in the *National Herald* of 4th March.)

"A scathing attack on Chief Minister Charan Singh's personality and 'politics of self-interest and drift' was made by the Swatantra Party leader, Mr. Bhanu Pratap Singh in the UP Assembly today—the third day of the general discussion on the Governor's Address.

"Mr. Bhanu Pratap Singh narrated examples of the self-contradictory policies that had been pursued by Mr. Charan Singh in his quest to retain the post of Chief Minister. The Swatantra leader said that he had once been a great admirer of the Chief Minister, but his 'quicksilver' nature had disillusioned him. He referred in this connection to the various changes of front made by Mr. Charan Singh on issues like land ceilings and abolition of land revenue on uneconomic holdings.

Quotation

"Mr. Bhanu Pratap Singh read a quotation from pages 182-83 of Mr Charan Singh's book *India's Poverty and its Solution* in which Mr Charan Singh had committed himself against the imposition of ceilings. The quotation read: 'There are two dangers inherent in the acceptance of the principle of redistribution of land, however theoretically sound, in a country like India where there is little land *per capita* and little land that will be or has been available by imposition of a ceiling. First, the situation created by the acceptance of the principle will arouse, or has aroused, land hunger not only among agricultural labourers, which was understandable but also among all non-agricultur-

ists in the villages. Second, in the class conflict so unleashed, various political parties will try to outbid each other in the matter of fixing as low a ceiling as possible—a still lower ceiling in the future—and the Communist Party, which aims at collective farming, will be the gainer. . . Finally, howsoever we may proceed in the matter of redistribution of land, taken in the country as a whole, it will not make or have made, any appreciable difference to the economic situation and will not solve or have solved any problems so far'.

"Mr. Bhanu Pratap Singh said that ceilings on agricultural land was 'social injustice' unless it was balanced by a similar ceiling on urban property. He said that he would like to make a commitment on behalf of the rural people that they would be ready for a ceiling on land if there was a ceiling on urban property. He thought there would never be a ceiling on urban property and it was for this reason that the Prime Minister had merely levied tax on urban property, instead of imposing a ceiling.

"Mr. Bhanu Pratap Singh said that a minister drew a salary of Rs. 1,000 a month, but no farmer with 30 acres of land could earn this amount from his land. He said that about 40 lakh acres of land went to Gaon Samajas following Zamindari abolition, but thirty lakh acres out of this went to the Thakurs and Brahmins, who today were in the vanguard of social justice'.

Social Justice

"Mr. Bhanu Pratap Singh then referred to Mr. Charan Singh's changed view on land revenue abolition. Mr. Charan Singh had, before he became Chief Minister, told at public meetings in Gorakhpur and Deoria that those who asked for land revenue abolition were in favour of keeping the state backward as the state's resources would be reduced. Mr. Charan Singh had, under pressure in the SVD, agreed to

abolish land revenue on uneconomic holdings, but later he went back on his words. This time also to keep his office, Mr. Charan Singh had agreed to abolish land revenue on holdings upto 3.125 acres which he considered uneconomic.

"Mr. Bhanu Pratap Singh said that no holding could be said to be economic or uneconomic by itself. What determined its economics was the quality of land, the amount of inputs and the character of the cultivator. An American farmer earned crores from a plot of only one acre. He was breeding butterflies which he was selling at Rs. 2,000 a pair.

Challenge

"Mr. Bhanu Pratap Singh challenged Mr. Charan Singh theory that a four-acre holding was economic. The Swatantra leader said that the per acre profitability had been reckoned at Rs. 100 in Punjab, the leading agricultural state in the country, but even if it was calculated at Rs. 200 per acre, a four-acre holding would only give annually a profit of Rs. 800 to a family of five persons. This would mean a daily income of hardly fifty paise per member. Which country taxed people with such means, he asked.

"Mr. Bhanu Pratap Singh said that it could not be denied that Mr. Charan Singh had been changing political colours too often and, along with it, changing his policies to suit the needs of the hour. Mr.

Charan Singh had been out of office for only two years in twenty-two years since Independence and he should consider himself responsible for many of the ills flowing from Congress rule, but he had discovered that the Congress was an evil on April 1, 1967, when he has crossed the floor to become the SVD Chief Minister.

Perfidy

"Mr. Bhanu Pratap Singh referred to the 'perfidy' of the BKD under Mr. Charan Singh, who had himself proposed the candidature of Mr. C. D. Deshmukh in the last Presidential election but had opted for Mr. V. V. Giri at the eleventh hour. 'I will consider the Communist Government better than the Charan Singh Government as people knew what the Communists stood for. I consider every honest man better than a man who was constantly changing sides,' Mr. Bhanu Pratap Singh added.

"Mr. Bhanu Pratap Singh was of opinion that both Mrs. Indira Gandhi and Mr. Charan Singh had politics of vested interest. Mrs. Gandhi had sacrificed a party to retain her hold as the Prime Minister and Mr. Charan Singh's sole politics was to retain Chief Ministership at any cost. He counselled the BKD members 'not to march right and left and left and right,' at the behest of their wavering leader."

NEWS FROM STATE UNITS

ANDHRA

State Executive

The Executive Committee of the Andhra Pradesh met at Vijayawada on 1st January 1970 with Mr. G. Latchanna, M.L.A., President of the State Unit in the Chair.

State Parliamentary Board

The following members were elected to the State Parliamentary Board:

(1) Mr. G. Latchanna, M.L.A., (2) Mr. Sunkara Satyanarayana, (3) Mr. B. Ratnasabhpathy, M.L.A., (4) Mr. J. Chandramouli, M.P., (5) Mr. T. Purushothama Rao, M.L.A., (6) Mr. K. Rosaiah, M.L.C., and (7) Mr. H. R. Sayoji Rao.

Telangana Region

The Executive appointed a 5 member *ad-hoc* committee with Mr. T. Purushothama Rao, M.L.A., as Convenor to organise the Party in the Telangana Region.

Resolutions

A number of resolutions were passed with reference to the current political situations, the plight of the

Harijans and Girijans and others in the recent cyclones and calling upon the State Government to take necessary steps for their relief, the Naxalite problem and abolition of land revenue.

State Council

The meeting of the State Council was held on 2nd January 1970 at Vijayawada. Mr. G. Latchanna, President, State Unit, was in the Chair. The State Council coopted 10 members on the recommendation of the State Executive.

BOMBAY

The Bombay Unit held its Regional convention on 15th February at a specially erected pandal in Juhu. It was inaugurated by Mr. M. R. Masani, M.P., President, Swatantra Party. Mr. Lalchand Hirachand, President, Bombay Regional Unit, delivered the opening address and Smt. Gayatri Devi, Vice President, Swatantra Party, was the chief guest.

A number of resolutions were passed with regard to problems concerning the city like rationing, unemployment, Municipal affairs, Bombay House Repairs Act, etc.

In his opening address, Mr. Lalchand Hirachand

highlighted the problems faced by the people of Bombay especially the acute shortage of housing and consequent growth of slums. He criticised the State Government's policies which had brought housing construction of the private sector to a virtual standstill.

It was on 15th February that the 14 banks which were "de-nationalised" by the Supreme Court were once again brought under Government control by an Ordinance. Reference to this was made by Mr. M. R. Masani, M.P. in his inaugural address. He declared that the Ordinance was illegal and a fraud on the Constitution. The Government should have respected the Supreme Court's decision.

Urging Bombay Party Workers to be dynamic and infuse themselves with a spirit of dedication, Mr. Masani observed that it was wrong to say that the Swatantra Party was in favour of the status quo. "We want change, radical change, so that the status quo of State Capitalism, controls and permit-licence are abolished", he added. He asked Party members to organise the consumers and bank depositors to defend their rights and check exploitation.

DELHI

The number of Primary Units have gone up from 9 to 18. 70% of the membership consists of people below 40 years of age indicating the enthusiasm for the Party among the younger generation.

A general meeting of the workers of the Lajpat Nagar Unit was held during the second week of January. Among others present at the meeting were Col. H. R. Pasricha, President, Mr. Jethanand Betab, Vice President and Mr. M. R. Arya, General Secretary, Delhi Regional Unit. Three resolutions were passed on threat to the Fundamental Rights to Property, the rise in prices of foodstuffs and other commodities, and the increasing corruption in Central and State Governments.

GUJARAT

State Executive

The State Executive met twice on 6th November, 1969 and 18th January 1970. At its earlier meeting it asked the State Government to scrap the levy on paddy crops. By another resolution it accused the State Government of using the Preventive Detention Act in an arbitrary way and denounced the arrest of the Editor of *Jai Hind*, a leading language daily published from Rajkot and Ahmedabad.

The next meeting of the Executive took place on 18th January, 1970. By a resolution the Executive criticised the Gujarat State Government for its failure to provide groundnut oil at cheaper rate and demanded immediate withdrawal of the levy on groundnut oil.

The President of the Party, Mr. M. R. Masani who represents Rajkot in the Lok Sabha was given a rousing reception on his first visit to the constituency after

his election as President of the Party. On the occasion a meeting of the Party workers was held at Rajkot on 8th February 1970. Among other things it discussed was the neglect of the Saurashtra Region by the Gujarat Government. The meeting called upon the State Government to redress the grievances of the people of Saurashtra.

KASHMIR

Mr. Abdul Wahid Raina, General Secretary, Swatantra Party, Kashmir Region, has in a statement issued on January 2nd supported the demand for "liberal autonomy for Kashmir". The dilatory tactics of the Sadiq Government he said, had by its failure to adopt the recommendations of the Gajendragadkar Commission report, caused dismay and frustration among the people. The Party, he declared, holds that the recommendations as have been accepted, should be implemented without further delay and so far as the other recommendations not accepted by them the Government should clearly enunciate their approach.

MYSORE

The Saklasapur Unit of the Party held a meeting during the second week of December. The Speakers who included Mr. N. K. Ganapaiah, President, Mysore State Unit, Mr. Jwalanaiah, Mr. Krupadas, Mr. Boranna Gowdh, Mr. Pattabhy, and Mr. Somappa, alerted the farmers and shopkeepers about the threat to the fundamental right to property.

On 25th December the Hassan District Committee held a press conference and in the evening a public meeting was held addressed by Mr. N. Shivappa, M.P., Mr. Boranna Gowdh, District President and Mr. Pattabhy, District Secretary. On the 1st of January Mr. Ganapaiah along with Mr. Shivappa, M.P. and Mr. Krupadas addressed a meeting of farmers and shopkeepers at Putur, South Kanara.

Between the 2nd and the 5th January, Prof. Ranga, Leader of the Party's group in the Lok Sabha was in Mysore. He addressed a number of meetings at Bangalore, Arsikere, Shimoga and Chikmagalur, Hosakote and Hubli.

According to a report received from the President of the State Unit, response to the Party is very encouraging especially in the villages. As an instance he has cited that during a visit to a village in Chikmagalur District he was not only able to get 14 members enrolled but was even able to constitute an *ad hoc* committee for organising the Party.

Mr. Ganapaiah addressed a Party Workers' and Sympathisers' meeting in the unorganised district of Mandya, arranged by Mr. M. R. M. Sastri. A public meeting held that evening was addressed by Mr. Ganapaiah, Mr. Sastri and Mr. Krupadas.

State Council

The State Council and the Executive met jointly at

Bangalore on 25th January 1970. Dr. H. V. Hande, Joint Secretary, Swatantra Party was present. Among other things discussed were the need to strengthen the Party, holding meetings in connection with Property rights, and the need to take advantage of the Leslie Sawhny Programme of Training for Democracy. Resolutions were passed with regard to the Border dispute criticizing the Central Government for its dilatory tactics, the Sharavathi Hydro-electric project, the growing unemployment problem, the lawlessness prevalent all over the country, the Mysore Land Reforms Act, removal of controls and abolition of the levy system, and the threat to the fundamental right to property.

Saklasapur

The Saklasapur Unit held a meeting of its Executive on 4th February under the chairmanship of Mr. S. B. Somappa. Among other things that were discussed was the threat to the right to property, the Taluk Board elections and the membership campaign.

Belur

On 2nd February, the Belur Taluk Primary Unit (Hassan District) held a public meeting where a number of farmers and shopkeepers were present. Among others who addressed the meeting were Mr. N. K. Ganpaiah, Mr. Boranna Gowdh, President, Hassan District Unit, Mr. Puttaranganath, MLA, Mr. Krupadas, Joint Secretary, Hassan District and Mr. Range Gowda, President, Belur Primary Unit.

ORISSA

Ganjam District

The Ganjam District Unit met during December 1969 under the Chairmanship of Mr. Yatiraj Praharaj. Among those present were Mr. A. N. Singh Deo, Mr. Padmanabha Singh Deo, Vice President, Ganjam District Unit and Mr. J. Pati, Secretary. On the same day Mr. A. N. Singh Deo addressed a largely attended public meeting explaining the State Government's policies regarding agricultural improvement and other developmental work.

State Executive

The State Executive met in Bhubaneswar on 8 February. In a strongly worded resolution it said: "In spite of the approved and laid down policy of giving priority consideration for underdeveloped States to bring them to the level of other States, the various methods and tactics used by the Government of India on political and other parochial considerations is something unfortunate and undeserving of a sane and sensible Government."

The meeting also constituted a 9-member Parliamentary Board. It congratulated the State Government for its "bold stand" in championing the question of regional development, allocation of Plan resources, licensing of Industries and priority to projects.

Cuttack District Unit

The Cuttack District Unit met on 10 February and elected its new office-bearers and 10 representatives to the State Council. The election was conducted by Mr. Harihar Das, Vice-President, Orissa State Unit.

PUNJAB

State Executive and State Council

A joint meeting of the State Executive and State Council was held at Amritsar on 10th January.

Among other things discussed were:

(1) The Chandigarh issue; (2) The reported move for transfer of Fazilka and Abohar to Haryana; (3) The Bhakra Nangal Dam; (4) Sant Fateh Singh's fast and subsequent threat to immolate himself; (5) Sardar Darshan Singh Pheruman's ashes; (6) Ceilings on urban and rural property.

Press Statements

Two press statements were issued by Sardar Basant Singh, General Secretary, Punjab State Unit, on the Central Government's decision on Chandigarh and allied issues. He characterised it as a mischievous decision which went against all past assurances and called upon all Political Parties to get together and evolve a method for settling this issue, which would be acceptable to all.

RAJASTHAN

State Executive

The Rajasthan State Executive met in Ajmer on 18 January.

State Parliamentary Board

The following 5-member State Parliamentary Board was constituted:

Smt. Gayatri Devi, M.P.; Mr. Laxmansingh of Dungarpur, M.L.A.; Mr. Kalyan Singh Kalvi; Mr. S. Ramsingh; and Mr. Vital Prasad.

Resolutions

The Executive adopted seven resolutions concerning the abolition of land revenue, distribution of Government lands among landless peasants, the postponement of the Panchayat elections, relief measures in famine and drought stricken districts, peasant unrest in Ganganagar and the unwarranted police firing on 7 January.

The Ganganagar Unrest

Addressing a press conference, Smt. Gayatri Devi, M.P., President, Rajasthan State Unit said that the Home Minister should resign in view of the deteriorating law and order situation in Ganganagar District. She forecast that the proposed judicial inquiry into the police firing would be put in cold storage as the Beri Commissioner's Report.

The conference was also addressed by Mr. Vijaya Singh, MLA, and Mr. Kalyan Singh, General Secretary, Rajasthan State Unit. (See elsewhere in this issue for Smt. Gayatri Devi's letter to Prime Minister Indira Gandhi.)

TAMILNADU

The 92nd birthday celebrations of Rajaji began with a public meeting in Mylapore on 6 December. The next day 300 party workers participated in laying a road in the slum area in West Mambalam. There was an intercollegiate debate in the evening at Triplicane on "The Development of Democracy in India—Rajaji's role therein."

On the 8th, party flags were hoisted at various party offices and prayers were held for Rajaji's long life and good health. 500 copies of the *Ramayana* rendered into Tamil by Rajaji were distributed free to the girl students and staff of a local school at T Nagar.

Poor people were fed in large numbers and sweets were distributed to children during these celebrations.

The Madras District Unit also arranged for a huge public meeting on 28 December when Messrs. Dahyabhai Patel MP, Piloo Mody, MP, N. K. Somani, MP, and Mr. Harihar Patel, Minister for Industries, Orissa State, spoke. It was presided over by Prof. M. Ruthnaswamy, MP, Vice-President, Swatantra Party.

State Executive

The State Executive met in Coimbatore on 11 January. It viewed with concern the attempts by the Ruling faction of the Congress Party at the Centre to delete the Citizens' Fundamental Right to property. It requested its units to effectively mobilise public opinion against such a move.

Touching upon the problem of unemployment, the executive called upon the Government to adopt the rural construction programme on an extensive scale which besides absorbing a major part of the unemployed would also provide better living conditions and facilities to the rural folk. Other matters dealt with by the executive related to removal of all residuary controls on food, abolition of tax on wet lands and the necessity for encouraging an independent trade union movement.

Dr. H. V. Hande, M.L.A., and Joint Secretary, Swatantra Party, was among others who attended the meeting.

State Parliamentary Board

The following 5-member State Parliamentary Board was constituted::

Rajaji; Mr. K. Sundaram, MP; Prof. M. Ruthnaswamy, MP; Mr. K. Cheemaichamy, MLA, and Mr. S. S. Mariswamy, MP.

DISSERVICE TO DEMOCRACY

Today in Orissa, a coalition Government of Swatantra Party and the Jan Congress is in power. After the 1967 General Elections non-congress governments came into existence in Punjab, Haryana, U.P., Bihar, W. Bengal, M.P., Orissa, Kerala and Tamil Nadu. Out of these the D.M.K. Government in Tamil Nadu and the two party coalition Government of Orissa, have been stable. In Kerala the U.F. Government has been replaced by a mini-front Government, while in other remaining states the Governments could not survive and thus mid-term elections were held. In States, because the Governments are formed with the opportunistic alliance of various parties, serious differences crop up and the Governments fall. This situation is not helpful to give the States efficient administration and are not conducive to its economic development. In spite of this the party positions are such that like-minded parties have to come together to form a Government.

But in Orissa the Swatantra-Jan Congress coalition Government has survived and it goes on doing service that is good for the people; at such a juncture efforts being made to topple this stable government deserves to be condemned. It is but natural that with the split in the Congress, its echoes will be felt in all the States, and such a situation, however detestable, has become inevitable, but there is no political wisdom in trying to topple the Orissa Government by hook or by crook.

In Orissa Government the main partner is the Swatantra Party and its ally is the Jan Congress. But there is no reason to believe that Mr. Hare Krishna Mehtab or his colleagues hold leftist communist views. In spite of this, it is unfortunate that efforts are being made by the P.S.P., The New Congress and the rightist Communists to form a progressive front with the Jan Congress by trying to separate it from the partnership with the Swatantra Party. It looks as if all the parties are after power only; they just do not care for progress through stable administration. It is understandable that if there are internal differences in Orissa Government and if there is a danger to the coalition government, the other parties try to take advantage of such a situation; but by deliberately sowing seeds of discord to topple the government, these parties are doing disservice to democracy by following this path.

Courtesy: *Pratap*, Surat, 11-3-70

from the General Secretary's desk

DECENTRALISED FUNDS COLLECTION FOR SWATANTRA PARTY UNITS— WAYS OF COLLECTING FUNDS FOR POLITICAL PARTIES

Dear Friend:

In the past, practically the entire funds for the Party was collected by a handful of individuals at the top. Most of these amounts came from a few individuals, companies or firms.

In the changed circumstances, this will no longer be possible. Legislation is now in force banning contributions to political parties by Companies. A time has come when the fund collection effort has to be decentralised over the length and breadth of the country in the best interest of the Party.

Besides the National Headquarters, every State Executive, District Committee and Primary Unit Committee will have to participate actively in the collection of moneys for political work of the Party and be self-sufficient at their respective levels. This is by no means an easy task. However, I can say from my experience of a decade as Treasurer of the Party that with adequate effort sizeable amounts can be collected. I am aware of the fact that already a few units are very successfully doing this and are completely self sufficient.

How to Proceed with this Task?

The following suggestions are intended as guidelines for fund collection drives by the various State Executives, District Committees and Primary Unit Committees:

1. Besides the Treasurer, every State Executive/District Committee/Primary Unit Committee must have a compact Fund Raising Committee specially constituted for the collection of funds.
2. The members of this compact Committee must be carefully chosen having regard to their experience, influence and contacts for fund collection work.
3. For day-to-day collection of funds, assistance of active workers of the Unit will be most valuable.
4. It will be the initial task of each Unit to prepare lists of

(a) industrial concerns

- (b) business houses
- (c) shop-keepers
- (d) professionals like doctors, lawyers, chartered accountants, architects, etc., and
- (e) other individual sympathisers of the Swatantra Party in their respective geographical areas.

Such lists must be constantly revised and kept up-to-date.

5. In fund collection drive, the principle of "capacity to pay" must always be borne in mind.

6. Small amounts of money need not be ignored—they can always total up to large figures.

7. Purely by way of illustration I would like to suggest the following monthly targets for (1) State Executive (2) District Committee and (3) Primary Unit.

State Executive

Monthly Target:

Industrial Units
Other Business Houses
Small Shop-keepers
Professional Persons
Other Individual sympathisers
Box Collections

Rs 3,000 divided as under:

Rs 100	p.m.	from 10 Companies	Rs 1,000
Rs 50	p.m.	from 10 Units	Rs 500
Rs 10	p.m.	from 50 Units	Rs 500
Rs 10	p.m.	from 25 Persons	Rs 250
Rs 5	p.m.	from 100 persons	Rs 500
			Rs 250

Rs 3,000 p.m.
Rs 36,000

i.e. Per Annum

Souvenir Advertisements & Subscription
Dinners etc., at least

Rs 14,000 p.a.
Rs 50,000

District Committees

Monthly Target:

Industrial Units	4 Units at Rs 50 p.m.	Rs 200
Other Business Houses	5 Units at Rs 20 p.m.	Rs 100
Small Shop-keepers	20 Units at Rs 5 p.m.	Rs 100
Professional Persons	5 Persons at Rs 10 p.m.	Rs. 50
Other Individual sympathisers	10 Persons at Rs 5 p.m.	Rs. 50
Box collections, Souvenir Advertisements, Dinners etc.		Rs 100
		Rs 600

i.e. Per Annum Rs 7,200

Primary Units

Monthly Target:

Industrial Units	1 at Rs 25 p.m.	Rs 25
Other Business Houses	2 at Rs 10 p.m.	Rs 20
Small Shop-keepers	5 at Rs 2 p.m.	Rs 10
Professional Persons	2 at Rs 5 p.m.	Rs 10
Other Individual sympathisers	5 at Rs 2 p.m.	Rs 10
Box Collections, Souvenir Advertisements, Dinners etc.		Rs 25
		Rs 100 p.m.

i.e. Per Annum Rs 1,200

11 Ways of Collecting Money for Political Purposes

- (i) Monthly contributions ranging from Rs. 5/- to Rs. 100/- according to the size of the business concern or capacity to pay of the individual businessman should be collected. In cases of individuals and partnership concerns, the collections can be made every month in two ways — (a) Either an active worker of the Party should call upon the businessman or the shop-keeper for collecting his monthly contribution, or (b) bank order system should be used whereby the individual or firm concerned will once and for all direct his banker to credit every month a certain stipulated amount of money to the bank account of the Party by way of his voluntary contribution.
- (ii) Monthly collections from individual Swatantra Party sympathisers ranging from Re. 1/- per month to Rs. 100/- per month according to the capacity to pay. This again will be collected either through active workers, or preferably, through the bank order system.
- (iii) It is suggested that Party literature could be sold to the public for a token price of 5 paise or 10 paise each instead of being distributed free. This will have two advantages — (a) having been paid for, the literature will be read more carefully, (b) it will secure additional finances for the working of the Unit. For the past several years, certain political parties in India and elsewhere have been very success-

fully adopting this procedure, thus ensuring livelihood for some of their active workers on a month-to-month basis.

- (iv) Box collections at public meetings of the Party. At each public meeting of the Party, whether large or small, active workers or volunteers should go round collecting small amounts of money through collection boxes.
- (v) Box collections at Railway Stations, banks, busy market places and other areas where people congregate in large numbers would also be useful. Such collections could be made from time to time (say once a month) according to the availability of volunteers.
- (vi) **Annual Flag Day for Collection Drive**
Once a year a more intensive effort should be made at fund collection by organising a "Flag Day". It is suggested that the date of the Annual Flag Day should coincide either with the Anniversary of the Party or Rajaji's birthday or any other such occasion. At such time, through large number of volunteers, intensive effort must be made to cover the entire geographical area within the jurisdiction of the Unit. What day of the year should be observed as "Flag Day" will be communicated to you in due course.
- (vii) Another source of collecting small amounts of money will be by way of small contributions from individuals or groups of citizens to whom successful assistance is given by the Civic Grie-

vances Bureau or Unit. If your Unit successfully redresses the grievances of citizens, they will be more than willing to make small contributions for the development of the Party's work.

(viii) Monthly contributions from Committee members who have capacity to pay, have been found to be another potent means of collecting funds on a regular basis for Party work.

(ix) One of the items for which money is needed is printing of Party literature in regional languages. Since Joint Stock Companies (Private and Public Limited) are now prohibited from making contributions to political parties, it will be necessary for the purpose of spreading the Party ideology to form a separate Trust Fund which will print and distribute literature without direct Party affiliation. Responsible sympathisers of the Party could be appointed as Trustees.

(x) One of the accepted modes of collection of funds for political parties in the USA and other foreign countries is to periodically organise "Subscription Dinners" at which prominent party leaders are invited to address the gathering. On an average, the Bombay Unit has held at least one such dinner meeting every year. It is, however, possible to have more than one dinner meeting per annum, particularly with different subscription rates according to the financial capacities of the participants. During the last 10 years such dinners have been held successfully on a number of occasions. The charges per person have varied from Rs. 50/- to Rs. 500/- according to the type of audience and the venue of the dinner and the number of participants from 100 to 500. From our experience, it has been possible to net a sizeable amount of money on each occasion. For mofussil areas, the rate per person may be even less than Rs. 50/- having regard to the type of people likely to patronise in such a function.

(xi) Souvenir Advertisements

Although the latest legislation prevents companies from contributing funds to political parties, legal opinion obtained by the Federation of Indian Chambers of Commerce and Industry shows that there is no specific embargo on giving advertisements in Souvenirs issued by political parties provided the value of advertisement is commensurate with the advertisement benefit. In other words, as long as the charges levied for advertisement are not inordinately high, having regard to the number of copies printed, it is still possible for political parties to collect sizeable amount of money by advertisements in Souvenirs, pamphlets, etc. Several Units of the Party are collecting annually sizeable amounts of money through Souvenir advertisements. Such Souvenirs can be issued on

specific occasions even by the Primary, State and District Units. This should provide sizeable amount of funds for individual units.

Income-Tax Position

Before I leave this subject, I would like to clarify the position regarding taxation of income of political parties. The legal position, as existing today, is that voluntary contributions, donations, etc., to political parties are not subject to income-tax. However, if there is any income from specific trading activities or by way of income on investments, only that would be taxable. In this connection, I reproduce below extracts from a Circular issued to State/Regional Units in May 1968, for the guidance of office bearers of various Primary, State and District Units of the Party:—

"The position regarding taxation of political parties, as explained by the Finance Minister, Shri T. T. Krishnamachari, in 1965, still obtains viz., that only such income, if any, as arises from interest on investments or income from any other properties would be taxable. *Receipts from donations and subscriptions* are not liable to income tax. Where the unit has any income from property or interest on investments or Fixed Deposits, they should declare only such income for tax purposes.

Where a notice is received from the Income Tax Officer, and the Unit has no income from the aforesaid two sources, a reply should be sent to the Income Tax Officer, stating that there is no other income except from donations and that you are advised that according to law, and the assurance given by the Finance Minister in the Lok Sabha, such donations received by political parties are not liable to tax. Further, that in view of this position, the question of furnishing any details of income or expenditure does not arise.

In response to a letter to the then Finance Minister, Mr. Morarji Desai on the subject, Mr. Desai replied that instructions had been issued in 1965 to all Income-Tax officers to the effect that donations and subscriptions did not constitute any income and, are therefore not taxable in the hands of political parties.

We were informed that the Central Board of Direct Taxes had also drawn the attention of the Commissioner of Income Tax to these instructions."

If there are any points which require further clarification, the National Headquarters will be willing to answer specific queries and to give advice on matters arising out of this Circular.

I sincerely trust that at every level in the Party these guidelines will receive the serious attention they deserve and that steps will be taken to implement them to the maximum extent possible.

Jai Swatantra

Yours Sincerely
R. C. COOPER

ANNEXURE A

Statement of Mr. M. R. Masani, MP, President, Swatantra Party, released to the Press for publication on March 1, 1970

"By its Budget proposals of savage taxation following close on the heels of the Railway Budget the Indira Gandhi Government has declared war on the living standards of the Indian people. While no single class will escape additional burdens, the worst hit will be the lower middle class and poor consumer both in the cities and in the villages," says Mr. M. R. Masani, President of the Swatantra Party, in a statement setting out the Party's position on the Budget.

In the Swatantra Party President's view, "both the Budgets attempt to squeeze what Karl Marx would have called 'surplus value' out of the common people for feeding the Moloch of the State Capitalism under the camouflage of 'socialism.'"

There are direct attacks on the common man's pocket represented by a wide range of excise duties on such articles of daily use as sugar, tea, kerosene and cigarettes. Many of the agriculturists' requirements will also become more expensive by reason of several additional levies. Even more widespread will be the impact of the higher cost of transport of goods caused by the increase in the Railway Freight rates which will result in a rise in the price of almost every conceivable commodity.

This Budget, according to Mr. Masani, is highly inflationary because of two factors which have to be assessed against the background of a rise in the general price level of seven per cent during the past twelve months and of 5.5 per cent between 15th November 1969 and the end of January 1970 which reflects galloping inflation at the rate of around 25 per cent. The first factor in the Budget is the reckless resort to admitted deficit finance of Rs. 225 crores which is well beyond the safe limit which even the Planning Commission had accepted when, in their Third Plan proposals, they had admitted that any deficit finance beyond Rs. 850 crores over five years would be inflationary. Already during the past year there has been deficit financing to the extent of Rs. 290 crores and, with the present proposal, will account for Rs. 515 crores during the first two years of the Fourth Plan which would be in excess of the dose of deficit finance considered "safe" by the Planning Commission.

The second factor is the rise in prices and in the cost of living as a result of the General Budget and the Railway Budget which will start a new vicious spiral of inflation through demands being made for higher wages and dearness allowance without any in-

crease in productivity which this Government will be in no position to resist. This will further push up costs in our already high cost economy and thus impair exports.

"Increased production and productivity are the country's first need," observed Mr. Masani, "so that there may be something to distribute to the people. This Budget signally fails to do anything to answer this need. Nor is there anything in the Budget that would increase employment opportunities. There is little in the Budget which encourage anyone either to work harder or to invest. There is neither Growth nor Socialism in this Budget."

"The savage increase in direct taxes, well beyond world levels on corresponding incomes in even the most advanced countries, will diminish what little investible savings there are. Even the reasonable proposal made by Mr. Bhoothalingam that the exemption limit for income tax should be raised to Rs. 7500 has not been accepted despite hypocritical protestations of concern for the poor. The raising from around Rs. 4,500 to Rs. 5,000 of the exemption limit is piffling and is meant to throw dust in the peoples' eyes."

Asking why these additional taxes should have been imposed, Mr. Masani claims that not a single rupee of additional taxation is either necessary or justified. What the country needs is a drastic cut in the size of the Socialist Establishment, which the "New Class" of parasites is seeking to build, accompanied by a sharp reduction in the rates of existing taxes on the model provided by Japan. Instead of this, the present Budget extorts an additional Rs. 170 crores from the peoples' pockets for wasteful diversion to non-productive expenditure on the Bureaucracy and to feed the "white elephants" of State Enterprises which have already eaten up thousands of crores of the country's scarce resources.

Calling on Swatantra Party members throughout the country to educate public opinion during the next two weeks before the Budget comes up before Parliament, the Swatantra Party President warns that the so-called dissatisfaction of the Communist Parties with both the Railway and General Budgets and their shadow boxing with the Prime Minister would inevitably melt away by the time Parliament votes these measures and that in the end it would only be the Swatantra Party and others who might join them who would be prepared to fight both Budgets to the bitter end.

Resolutions passed by the National Executive in Bombay on February 16, 17, 1970

1. Supreme Court Decision Invalidating the Bank Nationalisation Act

The Swatantra Party welcomes the decision of the Supreme Court in striking down the Bank Nationalisation Act as hostile discrimination against the fourteen nationalised banks and as a violation of the constitutional guarantee of fair compensation whenever private property is acquired by the State. The Party's earlier warnings and criticism in Parliament and outside have been fully vindicated.

The Supreme Court's verdict will serve to protect the citizen's Fundamental Rights from further erosion; it has upheld the sanctity of the Constitution and will act as a brake on those in seats of authority who are prepared to go to any lengths to perpetrate acts which could only destroy democratic institutions and individual liberty, all in the name of so-called socialism.

In this context it is deplorable that instead of respecting the judgement of the highest court of justice in the country, several spokesmen of the Ruling Party and others have resorted to unfair and unbecoming criticism of the authority of the Supreme Court.

The judgement of the Supreme Court should be a lesson to the Government to act with caution when dealing with measures of an expropriatory nature which infringe the rights and liberties of the citizens such as are contemplated in the ten-point programme and other decisions of the Ruling Party in Bombay.

The Swatantra Party pledges itself to fight any attempt that may be made to lessen the authority of the Supreme Court enshrined in the Constitution which constitutes a real safeguard of the rights of the people.

2. Kerala Land Reforms (Amendment) Act, 1969

The National Executive of the Swatantra Party views with considerable apprehension the enactment of the Kerala Land Reforms (Amendment) Act which provides, *inter alia*

- (a) That voluntary transfers effected after the date of publication of the Kerala Land Reforms Bill, 1963, in the Gazette shall be invalid thus reducing to penury or rendering homeless all those who had purchased land or built homes on such lands after the prescribed date, and
- (b) for illusory compensation which is really expropriation.

The present Coalition Ministry in the State, led by the Communist Party of India, and unfortunately other Parties like the Organisation Congress and the Kerala Congress, have not only lent support to this expropriatory and unconstitutional measure but adopted a resolution in the State Assembly requesting the Central Government to include the amended act in the 9th Schedule of the Constitution in order to prevent the expropriatory provisions of this act from being struck down by the Judiciary.

The National Executive fully supports the Kerala Unit of the Party in its opposition to this obnoxious measure. It calls upon

- (a) The Party's Units elsewhere in the country to educate the farmers in their States on the injustice being to their brethren in Kerala; and
- (b) the Party's Group in Parliament to oppose inclusion of this Act in the 9th Schedule of the Constitution.

(For Private Circulation)