

Personnel & Productivity Services

MANAGEMENT CONSULTANTS

M. R. MASANI, M. P.
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148 MAHATMA GANDHI ROAD, BOMBAY 1

23rd July, 1959.

1007

Dear Sir Homi,

Herewith

- (a) a letter just received from Jayaprakash. Any helpful thoughts?
- (b) a draft of my remarks as Chairman of the Organising Committee of the Swatantra Party in Bombay welcoming the participants to the Convention. Your comments on the passage about business will be much appreciated. If desired, we could meet and discuss this.

Yours sincerely,

M. R. Masani
(M. R. Masani)

Encl:
Sir Homi Noddy,
Bombay House,
BOMBAY.

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Si 1882

Is there any more
accountants to you? I shall
try hard to find one
for you.

Yours
27/7

I am impelled to make these remarks by the unfortunate attempt of Mr. Nehru to seek to discredit the Swatantra Party by an oblique reference to the Forum of Free Enterprise. Now, as Rajaji has pointed out, the Forum has sought, during the last few years, to bring the values of free enterprise and its ^{role} part in the economic development of the country to the notice of the people. It has produced a CODE OF GOOD CONDUCT which is a model for enlightened enterprise and public-spirited citizenship, which I am sure, the Prime Minister ~~could~~ ^{himself} find it possible to endorse. It is a pity that despite this service the Forum has done to the country, Mr. Nehru should have sought to resort to a form of alleging "guilt by association" which reminds one of the late lamented Senator McCarthy. I am sure that attempt will fail in this great democracy of ours as it failed miserably in that other great democracy of the United States.

We certainly do not turn our backs on businessmen just because they are businessmen. They are as welcome in our ranks as any other members of the community. I am sure they are too intelligent to imagine that a Party as broad-based as this and led by such men as Shri C. Rajagopal chari and Professor Ranga can ever become the stooge of Big Business.

It has also been suggested that the Swatantra Party is depending on large funds from Big Business. Not only our opponents but many of our supporters are under that ^{wrong} impression, and it therefore becomes necessary that I should say a few words on that subject. At a meeting in Bangalore on May 29, with Rajaji in the Chair and even before this Party was formed, I had said that it would be futile for us to wait for Big Business to make up its mind to give us support and that the job of establishing and building the kind of Party we were thinking of would, and must, fall on the shoulders of the small man, whether in the town or the countryside. Nothing has happened in the last two months since the Swatantra ~~Pa~~ Party was established to weaken my ^{caution} scepticism about the capacity of Big Business to make up its mind and to have the courage of its convictions. Rajaji has already stated / publicly that he wished it were true that large / funds donated by businessmen were coming into the

Party's coffers. The reason for this state of affairs is not far to seek. It lies in a controlled economy where business tends to become the hand-maid of the State and selfish scramble for licences and permits obscures the capacity to stand up for one's own way of life. ~~I hope-I~~ At this point, may I be permitted, without hurting the susceptibilities of my business friends, to say that the lack of imagination and ~~idea~~ vision, the supine attitude to government and the pathetic desire to clutch at any straw that may come their way in the shape of soft words thrown at them occasionally by government spokesmen, displayed by certain sections of Business, are not qualities that are calculated to win the respect of the broad masses of the people?

My reply to the Prime Minister's charge of "vested interests" is that the only vested interest today in this country is that of the politicians in power, the bureaucrats in office and the businessmen who hang on to their coat-tails. I am inclined to think that if a year from this Convention, a census is taken of the businessmen who support the Swatantra Party and the businessmen who support Mr. Nehru's Party, it would be found that those in the Swatantra Party happen to be clean and enlightened exponents of the principles of free enterprise unlike some of those who figured in the LIC scandal and who, no doubt, will continue to be found on Mr. Nehru's "socialist" bandwagon.

I have sounded this candid note of caution so that the thousands of our supporters throughout the country, small men in the shops and bazaars and fields, may know that the Swatantra Party relies on their small contributions for its functioning. This is a small man's Party and it is right that while welcoming support from all, it should, by and large, rely on the small man's mite.

C O P Y.

Patna,
18/7/59

Dear Minoo,

You know of my efforts to form an Afro-Asian Committee on Tibet. In that connection we have decided to send one person to South and East Asia and another to West Asia and North Africa. For the latter side we have not yet been able to find a suitable person, but for the former Shri Samar Guha, who was secretary of the All India Tibet Convention, has been selected. He has already obtained his pass-port and shall leave immediately. But I am in some difficulty about raising the necessary amount of money. Some 8 Thousand rupees are required. For this I wrote to several friends in Calcutt a, but so far only Rs.1500/- have been collected. I have now written some more letters, but am doubtful if the full amount will be realised. Frankly, I find the Indian capitalist to be a most un-imaginative person. However, that is not the point just now. I am writing this as a sort of S O S to you. You must help to raise at least Rs.5,000/-. I am sure the businessmen in Bombay have more imagination. If you cannot obtain donations, please get me a loan. The trouble is I cannot spare any time just now to go to Calcutta. Otherwise, I would have raised the money. Therefore, I have to turn to you for help. To save time, will you kindly send whatever you are able to collect direct to Shri Samar Guha?

With affectionate greetings;

Sd/-
Jayaprakash.

Draft

OPENING REMARKS BY MR. M.R. NASANI, CHAIRMAN OF THE ORGANISING COMMITTEE, BOMBAY, WHILE WELCOM- ING THE PARTICIPANTS TO THE CONVENTION OF THE PARTY ON AUGUST 1.

I

This is a historic occasion and I feel honoured to play my humble part in it, which is to welcome all of you here to this City of Bombay for the first Convention of the Swatantra Party. By your presence and the long distances you have travelled, you have given expression to the widespread relief and joy with which the coming to birth of the Party has been hailed by lakhs of people throughout the country.

Bombay has been the birth place of great movements. It was in this City that, in 1885, the Indian National Congress was established, and once again a new national movement, this time not for national liberation but for democratic liberties and personal freedom, takes shape. The event may well prove, in its own way, as important and historic as that of 1885.

The coming into existence of the Swatantra Party marks, in a way, the end of the post-Independence era into which had overflowed the agitational politics of the struggle for Independence, in which so many of us here actively participated under the leadership of Mahatma Gandhi. It marks the beginning of the functioning of normal parliamentary democracy in a country whose freedom has been well and truly founded on the rock of a democratic Constitution and which now turns to utilise that freedom for the well-being and happiness of its people. The emergence of the Swatantra Party is a sign of the growing political maturity of our country.

II

Judging by the letters received by leading spokesmen of the Party and its Secretariat and the warm welcome extended to it in all quarters, the Swatantra Party has come into existence in response to a widely felt need. The Congress adventures in joint-farming, land ceiling and State monopoly in the foodgrains trade are calculated seriously to injure food production and the harmony of rural

life. The evils of interference by political bosses in the administration of the country and the pressure they bring to bear on officials in regard to such things as licences have demoralised the officials and destroyed public confidence in the government of the day. Most people hold the view that this has established itself as a malignant growth in the body politic. We have, for every one of us to see, the parade of the public sector achieve the double distinction of being expensive and inefficient. The middle class is being pulverised by an inflation that is steadily creeping over them. The investors are being taxed out of their investable surplus. The poor are made to pay more for the necessities of life through heavy excise duties. The expansion of our Plans and the shrinking of our resources make simultaneous progress. In the result, the main features of our economic life today are fear, hesitancy and uncertainty as to what the government will do next. For the first time, a political party has come forward to say openly these things which were already in people's minds.

The groundswell against State Capitalism - mis-called socialism - and against collective farming - mis-called joint cooperative farming - has found an effective channel of expression, and many who felt suffocated by the conspiracy of silence that seemed to have descended upon the country during the last few years are able to breathe freely once again. Among such people are to be found numerous members of the Congress Party, the bulk of whom think along Gandhian and liberal lines but who have been intimidated in recent years by a few half-baked Marxists at the head of the Party.

At last there is a major political party in India which provides a clear alternative to the policies of the ruling party, rejecting as it does lock, stock and barrel the entire methodology of Socialism which is more accurately described as State Capitalism, and which puts the individual right in the centre of the picture.

There has been, since the achievement of Independence, a double imbalance in our polity. On the one hand, the ruling party has in Parliament and in the Legislatures of the States been so numerous and so powerful that there has been no

opposition worth the name. In Parliament, for instance, the Congress Party has around 365 members while no opposition group numbers more than 30. Such a state of affairs does not conduce to the health of a parliamentary democracy. It is bad for the government, because it creates arbitrariness on the one side and flabbiness on the other. It is bad for the opposition because it breeds irresponsibility caused by lack of hope in ever achieving power.

Jan Singh

The other way in which there is a lack of balance is that all the parties in existence hitherto have adhered to socialism or communism of one brand or another and there has not been one major party opposed to that ideology. Communist and socialist parties cannot by their very nature function as an effective opposition to the government of the day because, ideologically, they are merely satellites of the ruling party. The most they can do is to egg the government on to slide faster down the slope of totalitarianism. The result has been that, at the last election, in most constituencies the voters did not have an opportunity to vote for any way of life other than the communist or socialist. To a man who believed in any other ideology, the choice between the Congress, the Praja Socialist Party, the Socialist Party and the Communist Party candidates was Hobson's choice. For all practical purposes, a large part of the electorate was thus disfranchised. It will now be possible for the country and the electorate to have before it a clear alternative.

III

As is well-known, the immediate provocation for the formation of the Swatantra Party was the adoption of the Nagpur Resolution by the Congress Party. The attempt to commit the country to collective farming, to a State Monopoly in the foodgrains trade and to ceilings which would reduce the peasant permanently to economic helotage by denying him an income of more than Rs. 300 per month for himself and his family, has produced a lively reaction, which shows the peasantry of India is aware of its interests and is not prepared to be liquidated in a fit of absence of mind. I can say without fear of contradiction that the bulk of the Congress rank and file are not not in favour of joint cooperative farming of the Nagpur pattern but are deeply disquieted and concerned at the thought of such a development. The days have

passed when the Prime Minister could brush aside opposition to joint farming as confined to a "few incorrigible persons". The latest, most welcome and most significant note of warning against a hasty, doctrinaire approach of this nature come from none other than the esteemed President of the Republic, Dr. Rajendra Prasad, than whom India possesses no more seasoned and far-sighted statesman.

Affecting as it does the possession of land by no less than 52 percent of the Indian people, the Nagpur Resolution presents both a challenge and an opportunity. It is not an accident that the move for the establishment of the Swatantra Party should have taken place at a meeting convened in Madras on June 4 by the All India Agriculturists' Federation and that Professor Ranga should be nominated its leader. This is as it should be. India is, and will remain, for many generations to come, a peasant country and a broad-based democratic party cannot but have firm roots among the peasantry.

The fight of the peasant for his land cannot, however, be carried on in isolation. Nor can the businessman and industrialist hope to survive for long if they stand by and see the peasant dispossessed of his farm. [At this point, may I be permitted, without hurting the susceptibility of my business friends, to say that lack of imagination and vision, the cringing attitude to government which only invites the contempt of those in authority and the pathetic desire to clutch at any straw that may come their way in the shape of soft words thrown at them occasionally by way of crumbs by government spokesmen, are not qualities that are calculated to win the respect of the broad masses of the people.]

displayed by some of them

The principle for which the peasant proprietor stands and the free way of life of which he is the backbone he has in common with other sections of our people, such as the artisan and the worker, the doctor and the lawyer, the businessman and the industrialist, the writer and the teacher. Each of these classes can thrive only in a society where there is freedom of expression and freedom of choice for the producer, the investor and the consumer, where a man gets a fair return for hard work and for enterprise, and where the fruits of his labour are not snatched away from him by a bureaucratic despotism of the type we see in the communist countries of Russia and China and the captive countries of Eastern Europe.

The Swatantra Party can succeed in giving effective opposition to the State Capitalist policies of the present government and in providing the country, in the course of time, with an alternative government, only if it can mobilise a broad-based coalition of these various elements in our national life. The middle classes of the cities and towns must join hands with the middle classes in the villages in defence of their rights and privileges. If they do not hang together, they will assuredly hang separately.

We, of the Swatantra Party, judge the patriotism of the Indian citizen not by the vocation he follows or the state of life in which he is born, but by the spirit that animates him, his love for his country and his desire to serve his fellowmen. We accept no caste system in our political life. In our scheme of things, there are ^{no} untouchables. Such discriminatory practices we leave to the new Brahmins of "Secularism" in New Delhi. I am impelled to make these remarks by the unworthy attempt of the Prime Minister to seek to smear the Swatantra Party by an oblique reference to the Forum of Free Enterprise. This is a form of alleging "guilt by association" which reminds one of the late lamented Senator McCarthy and the attempt will fail in this great democracy of ours as it failed miserably in that other great democracy of the United States.

We certainly do not turn our backs on businessmen just because they are businessmen. They are as welcome in our ranks as any other members of the community. I am sure they are too intelligent to imagine that a Party as broad-based as this and led by such a man as Shri C. Rajagopalachari can ever become the stooge of Big Business.

It has also been suggested that the Swatantra Party is depending on large funds collected from Big Business. Not only our opponents but many of our supporters are under that impression, and it is therefore necessary that I should say a few words on that subject. At a meeting in Bangalore on May 29, with Rajaji in the Chair and even before this Party was formed, I had said that it would be futile for us to wait for Big Business to make up its mind to give support to the Party, and that the job of establishing and building the kind of Party we were thinking of would, and must, fall on the shoulders of the small man, whether in the town or

in the countryside. My scepticism about the capacity of Big Business to make up its mind and to have the courage of its convictions is, I fear, borne out by the experience of the last two months. Apart from two or three individuals from the ranks of industrialists and businessmen, there have been no recruits. As for the mythical funds to which references are made, I hope it will not dampen your ardour too much if I reveal that, throughout the country, the funds that have so far come into the coffers of the Swatantra Party do not amount to Rs. 50,000 and that almost all of this has come from small donations from middleclass and lower-middle class people.

The reason for this state of affairs is not far to seek. It lies in a controlled economy, where business tends to become the hand-maid of the State and the selfish scramble for licences and permits obscures the capacity to stand up for one's own way of life. I hope I will prove wrong, but I fear that a large number of businessmen will continue to finance the Congress Party in the same suicidal manner that they have hitherto pursued.

My reply to the Prime Minister's charge of "vested interests" is that the only vested interest today in this country is that of the politicians in power, the bureaucrats in office and the businessmen who play ball with them. I say further that, if a year from this Convention, a census is taken of the businessmen who support the Swatantra Party and the businessmen who support Mr. Nehru's party, it will be found that the businessmen in the Swatantra Party will be clean and enlightened exponents of the principles of free enterprise and that the blackmarketers and corrupt businessmen of the kind that figured in the LIC scandal will continue to be found on Mr. Nehru's "socialist" bandwagon.

I have / sounded this warning about the state of our funds so that the thousands of our supporters throughout the country, small men in the shops and bazaars and fields, may know that the Swatantra Party relies on their small contributions for its functioning. This is a small man's party and it is right that while welcoming support from all, it should, by and large, rely on the small man's mite.

I shall leave to Rajaji and Professor Ranga the task of elaborating on the Party's philosophy and programme. Before I conclude, however, there are two criticisms made about the Party to which I would like to offer a brief answer. One doubt or fear that has been voiced by some good people is that the Swatantra Party might, by dividing the democratic forces of the country, unconsciously help the Communists. There is a plausibility about this argument that makes it necessary to consider it.

I hope its worst critics will not deny that the Swatantra Party is clearly and categorically committed to a frontal opposition to Communism in a way that no other party in India can claim. Its Statement of Principles is such that there can be no coexistence ^{between} it and the ideology of communism, and its leading spokesmen have a long and distinguished record of struggle against communist totalitarianism. To quote Rajaji's celebrated phrase of many years ago, Communism is the Swatantra Party's "Public Enemy Number One".

If today the Swatantra Party comes out in frontal opposition to the government of the day, it is precisely because the policies of the Congress government are preparing the ground for communism. In many ways that I do not have the time now to list, the policies of the Prime Minister and his supporters, whether on the international or the domestic plane, have made communism respectable in this country. The moral barrier that Gandhiji had erected against communism has been eroded and a fog of confusion has been allowed to spread in the country. The economic policies of the Nehru government, and in particular those of collective farming, justify one in using about it a phrase of which the late Sardar Vallabhbhai Patel was fond of, that it is playing the role of the "Sappers and Miners" of the Communist Party, and we are not prepared to allow our country to be committed to outmoded dogmas which the rest of the world is discarding.

Is it suggested that, in the face of the unfortunate inability of the majority of the Congressmen to assert themselves in the councils of their government and their Party, the rest of us should stand by helplessly and watch this erosion of democracy for fear of building splitting the non-communist vote? The attitude

of such people reminds one of the story told about Robert Benchley, the well-known American comedian. He was sipping a cocktail at a party, when a temperance friend passing by wagged his finger warningly and said, "Lay off that stuff, Bob. It is slow poison", to which Benchley replied, "That is all right. I am in no hurry". The drift to communism implicit in government policies though slow is sure. It would appear that many estimable members of the Congress party who would react violently if the threat of communist dictatorship were directly round the corner, do not seem to mind very much if the process is not quite that rapid.

By rallying the country against communism, by educating public opinion about the moral gulf between communism and the free way of life, the Swatantra Party will eliminate the danger of the Indian people drifting towards communism without being aware of it. By our uncompromising opposition to State Capitalism which leads to communism, we shall put heart into the broad ranks of the Congress Party who have been overawed into silence during the past few years. The whole world, including the peoples behind the Iron Curtain, is moving away from the shibboleths of collectivism, and we are not prepared to allow our country to be committed to outmoded dogmas which the rest of the world is discarding.

Perhaps our greatest service in fighting communism will lie in the fact that we shall stop the polarisation which has been taking place between the Congress on the one hand and the communists on the other. Till now there was a danger that all discontent would be funnelled into Red channels. Such a polarisation took place in China in the '40s, with what tragic results for the Chinese people, we have seen. If the Swatantra Party takes away one vote from the Congress, it will ^{at the same time} divert several potential votes away from the Communist Party. Let me give a personal example of this healthy process. A friend of mine in Bombay, many years my senior, told me about a year ago that at the next elections he would vote for the communists, much as he detested them, because that was the only way to remove the "corrupt and anti-democratic Nehru government". I pleaded with him that this would be a tragic mistake on his part, but to no purpose. Last month, the very first donation that came into the Swatantra Party's office in Bombay was one of Rs.100/- from the same man who wrote that new hope had come to him and he could see a bright future for the country.

Another criticism, to which the Prime Minister has made himself a party, is that the Swatantra Party has not come forward with a positive programme and is only confining itself to criticism of the government. This is a peculiar statement, coming as it does from someone who has claimed all these years that he would welcome the emergence of a strong opposition. Now, the first duty of a party in opposition in a democracy is to oppose. Its primary function is to draw attention to the mistakes and mismanagement of the party in office. If the history of democratic parties throughout the world is examined, it would be found that normally they came into existence as a reaction or revulsion against policies that were considered to be contrary to the public interest. It is in the process of such opposition that the new Party gradually evolves its own positive policies and features. Criticism of the government of the day is a necessary overture to the thrashing out of a new, constructive programme. Such a programme will be found in the Statement of Principles as it emerges from this Convention.

It is interesting, however, to note how these words 'negative' and 'positive' are used. One would imagine from the Prime Minister's comment that the destruction of private enterprise, the elimination of the farmer, the liquidation of the traders in the foodgrains business, and the taxing out of existence of the investor are all 'positive' policies. We may be forgiven for considering them destructive. By contrast, the Swatantra Party's broad policies are to help the peasant proprietor by giving him fertilisers, implements and credit, to encourage the entrepreneur by assuring him of the possibilities of a fair profit, to assure the worker that he would get a higher wage provided there is increase in productivity, and promising each of them the freedom of choice appropriate to their functions. This presumably is a "negative policy" simply because it seeks to reverse the destructive processes of which the present government is engaged. It is time we cease to be intimidated by such semantic jugglery. Whatever enlarges individual liberty and the dignity of the individual, whatever enhances the area of a man's freedom of choice, and also whatever limits the dangers of bureaucratic despotism, whatever limits the concentration of political and economic power in a limited number of hands is a positive policy.

XV/

Under Rajaji's inspiring leadership, the Swatantra Party will seek to adhere to the ternal verities. We shall seek to guide the country back from Nehru to Gandhi. We draw inspiration from our own country's great cultural heritage and her spiritual traditons, but, just to show that humanity is one and men are the same the wide world over, I wonder if you will forgive me if I end with a quotation from a very great figure in another Continent, who, every one will agree, had a positive philosophy, even though he indulged in the destruction of Negro slavery. That man was Abraham Lincoln and his thoughts, from which I shall quote to you, are so startlingly relevant because they almost appear to have been drafted as a message to this first Convention of the Swatantra Party in Bombay a century later:

- " You cannot bring about prosperity by discouraging thrift.
 You cannot strengthen the weak by weakening the strong.
 You cannot help the poor by destroying the rich.
 You cannot establish sound security on borrowed money.
 You cannot keep out of trouble by spending more than you earn.
 You cannot build character and courage by taking away man's
 initiative and independence.
 You cannot help men permanently by doing for them what they could
 do for themselves. "
