

May 9, 1961.

3293
GENERAL SECRETARY'S NOTE ON BIHAR

The Bihar Party wishes to make a bid for a majority and is hopeful of securing it. They have repeatedly asked for massive financial assistance from the Centre and have undoubtedly meanwhile invested substantial resources of their own.

2. After listening to their President, Vice-President and General Secretary and to their request which is that the Centre should find for them a total amount in cash of Rs. 12 lakhs between now and polling date, which would be used for jeeps, maintenance of workers and other purposes and that the cash payments should be made in monthly instalments of Rs. 25,000 commencing now, I have explained to them our financial limitations.
3. I have also placed before them the scheme that was worked out recently between the Treasurer and myself, which now awaits the approval of Rajaji and the President at the meeting that I am having with them on the 14th instant. I have explained to them that on the basis of 24 Parliamentary candidatures being approved by the Centre in Bihar, they would get exactly the amount that they have asked for, namely, Rs. 12 lakhs.
4. Their only difficulty is in regard to the giving of names of candidates for the Lok Sabha which, according to their manner of proceeding in the matter, may not be available for another four months. I do not consider this to be a sound or satisfactory position and I have expressed the view that they should conform to the decision of the Central Organising Committee and accelerate the process.
5. Subject to what Rajaji and the President have to say, my own inclination in the case of the Bihar Party, as a special case, would be to accept for the time being the names of the

Parliamentary constituencies and to get the assurance from the Bihar State Party that whatever funds are made available from the Centre will be exclusively concentrated on these constituencies.

6. On this basis, the question arises as to what can be done in the months of May and June.

7. The Treasurer, Mr. A.D. Shroff and I feel that subject to our receiving from the Bihar Party a list of up to 24 Parliamentary Constituencies and agreeing to spend these funds within them, we should (a) pay the Bihar Party Rs. 25,000 per month in May and June (in place of Rs. 2,750 per month due to them in normal course) and (b) agree to their raising up to Rs. 5 lakhs in loans against further payments to be made to them by the end of 1961. ■

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