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REGISTERED

9th July, 1962.

Dear Dr. Basant Narain Singh,

I am in receipt of a copy of Mr. Bateshwar Singh's letter of 23.6.62 to the Deputy Manager of the Central Bank in reply to their letter to the Raja of Ramgarh No.O/D 5064 of 12th June 1962.

2. Since we do not have a copy of the Bank's letter mentioned above, we are not in a position to know anything about the Raja Sahab's previous correspondence with the Bank.
3. However, in view of certain incorrect statements in paragraphs two and three of Mr. Bateshwar Singh's letter to the Bank, Sir Homi Mody, our Treasurer, has asked me to write to you to clarify the position and correct these certain incorrect statements.
4. As you are aware, the Central Office has never entered the picture in so far as the Credit agreement between the Raja of Ramgarh and the Central Bank is concerned. If you will care to check up the various papers signed by the Rajasahab with the Bank, you will notice that at no stage has the Swatantra Party or its Central Office undertaken any obligation to the Bank.
5. All that the Parliamentary Sub-Committee had done was to agree to the Rajasahab's request that amounts that had been earmarked by the Sub-Committee in respect of candidatures in Bihar endorsed by it should, instead of being paid to the State Unit or the candidates themselves, be remitted on his behalf to the Bank. In return, the Raja of Ramgarh undertook to place at the disposal of the Party's endorsed candidates in the State financial support and the new jeeps that were purchased as a result of the Credit.
6. The total amount payable as a result of the Parliamentary Sub-Committee's endorsements in respect of 15 Constituencies in Bihar amounted to Rs.4,50,000. As against this, Rs.50,000 was paid in cash to the Raja of Ramgarh in May/June 1961. Pursuant to the decisions of the Parliamentary Sub-Committee, Rs.1,20,000 was earmarked for endorsed constituencies in Darbhanga, Saharsa and Purnea in the Tirhut Division and paid accordingly. This left a sum of Rs.2,80,000 payable to candidates in the other endorsed constituencies of Bihar. It is this sum which, as desired by the Raja of Ramgarh and as decided by the Parliamentary Sub-Committee at its meeting in Madras on 4.1.1962, is being paid to the Bank on the Rajasahab's behalf in instalments of Rs.20,000.
7. We might add here that of this sum only a balance of Rs.60,000 remains to be paid on the Rajasahab's behalf in the months of July, August, September and October, after which the Party's commitment will have been fulfilled.

8. In this connection we regret to note that the interest so far accrued on the Credot has not yet been paid by the Raja of Ramgarh to the Bank. At the meeting of the Parliamentary Sub-Committee in Bombay on March 14, it was agreed that, on the Rajasaheb paying off the balance of the loan amounting to Rs.1,20,000 and the interest that had accrued on it, the Treasurer would repay the amount of Rs.1.40 lakhs then available for the purpose. And that, in the event of this not being done by the Rajasaheb, the Treasurer would continue to pay the monthly instalment of Rs.20,000 on his behalf till the Party's commitment of Rs.1,40,000 was written off. The Minutes have recorded the Rajasaheb's assurance that "he would pay off his share of the balance due to the Bank in a short time and inform the Party of the same", so that the matter could be closed. This we regret has not been done so far.

9. May I, while on this subject, also draw your attention to my letters of 19.4.1962 and 31.5.1962 to the Rajasaheb regarding the steps to be taken by him to be authorised to retain the jeeps belonging to the Centre.

10. Sir Homi Mody has expressed the hope that early steps will be taken to pay to the Central Bank the interest on the loan and the sum of Rs.1.20 lakhs as agreed to by the Raja Saheb at the meeting of the Parliamentary Sub-Committee.

Yours sincerely,

(M. R. Masani)

Dr. Basant Narain Singh,
Swatantra Party, Bihar,
Chhaju Bagh,
PATNA 1.

CC : to Mr. Bateshwar Singh, M.P.

M. R. Masani