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New Delhi Letter

Drama Over Alliance Without Soul

From Our Special Representative

ON Sunday night, the Opposition offered the Prime Ministership on a platter to Mrs. Indira Gandhi, perhaps inadvertently. They agreed to disagree on a common programme.

Still they went ahead with an announcement on the formation of something—whether it is an alliance or front, they themselves do not know. This was totally unexpected turn of events.

Things on the thrashing out a common programme had gone too far. In fact, cyclostyled copies of the common programme were ready for the distribution to the press. Newsmen were asked to come to Mr. Nijalingappa's residence to collect the copies of the common programme. Mr. M. R. Masani and Mr. A. B. Vajpayee had signed the original copy of the common programme on Saturday. Mr. Nijalingappa approved the programme in principle, but wanted time to study it further. He promised to put his signature on Sunday.

Political Coup

But instead of getting copies of common programme, newsmen saw an interesting drama—Mr. Masani walking out of the summit talks in a huff. Newsmen rushed after him and Mr. Masani obliged them with a stiffly worded statement. He accused Congress (O) with "indecision and vacillation." As the newsmen returned to Mr. Nijalingappa's residence, the Congress (O) President told them that the final decision on the formation of the alliance has been put off. But hardly had newsmen reached their offices, telephone bell rang. It was a call from Mr. Nijalingappa's residence, informing newsmen of the birth of the alliance. They showed so much impatienec that they did not wait for the return of the prodigal—Mr. Masani—to the fold.

What happened on the Sunday night was, in a sense, a political coup. Who staged it? How did it succeed? In persuance Sonepur and Poona resolutions, SSP cannot compromise on programme for the sake of an electoral alliance. If it does, it will break. Thus, the first thing which the SSP signed, led by the formidable Mr. Raj Narain, did was to demolish the common programme. In this, they received valuable help from Dr. Ram Subhag Singh. He had never reconciled himself with the idea of an ideologically-based alliance. Within the party, he had been fighting a losing battle. But he was quick to exploit to his advantage the emergence of the SSP on the scene.

Why did Mr. Nijalingappa and Mr. Vajpayee accept this position? Mr. Nijalingappa has hardly any mind of his own. When sandwiched between the SSP on the one side and Dr. Ram Subhag Singh on the other, he got confused. Mr. Vajpayee's position is somewhat different. Personally, he had some reservation on any ideologically-based alliance which keep out the SSP. Mr. Vajpayee was one of the architects of the SVD Governments in U.P., Bihar and the Punjab, immediately after the 1967 elections. He played a significant role in making the Jana Sangh sit with Communists in these Governments. Later, he reluctantly agreed to end this honeymoon. However, his heart is still in SVD.

Apart from ideological predilictions, other considerations which weighed with Mr. Vajpayee is purely pragmatic. If the choice is to be made between the SSP and the Swatantra, Mr. Vajpayee would choose the former. The SSP could deliver more goods than the Swatantra in the Hindi region where the Jan Sangh has the highest political stake. Without the SSP, both the U.P. and Bihar Governments would collapse.

However, the theoreticians of the Big Three, namely, Congress (O), Swatantra and Jana Sangh are unhappy with their leaders. In the case of Mr. Masani, his partymen are unhappy because, in the situation, the Swatantra Party cannot afford to go it alone unless it is prepared to face extinction for the sake of principle. After the heroic walk-out by Mr. Masani, the party will have to come back, perhaps on its bended knees, to the alliance, whatever its form is. Mr. Masani will not get support either from Rajaji or from Prof. N. G. Ranga, the two pillars of the Swatantra Party.

Nevertheless, the theoreticians could not be happy. Their efforts to evolve a clearcut common ideological base has received a set-back. In fact, it is not a set-back, but a slide-back. By dropping even the word "democratic" from the joint statement issued on Sunday night, the SSP has successfully kept a loophole to make way for the CPI(M) to join the alliance. In fact, according to interpretation of the SSP leaders, the CPI (M) cannot be kept out of the alliance in terms of the statement. The CPI (M) will also certainly plump for their opportunity as it is terribly isolated and facing the possibility of a most serious setback in the mid-term poll.

The prospects of an alliance with CPI (M) are something very difficult for the hard core theoreticians to swallow. Leaders like Mr. Morarji Desai and Mr. Asoka Mehta in the Congress (O), Mr. Balraj Madhok and Nanaji Deshmukh in Jana Sangh are not happy even with the statement signed by their leaders. However, faced with a fait accompli they have not come out openly against what happened on Sunday night.

What pained them most is that all the time and labour for the last six months to chart out a common ideological base has lost. The common programme which had been agreed upon by the three parties was based on the June resolution of the AICC of the Congress (O). The resolution itself was based on a working paper which was prepared jointly by three M/s. Mehta, Masani and Madhok.

But the ten-point programme, thrashed out after a series of meetings, was reduced by Sunday night with one stroke to a one-point programme of defeating Mrs. Gandhi. But the question is whether this will establish credibility with the electorate. It is true that in 1967, voters gave a thrashing to the Congress on negative consideration. But can 1967 be repeated in 1971? Have the electorate in the last four years learnt nothing and forgotten nothing? In 1967, the electorate voted almost recklessly. The result was that hotch-potch parties came together after the election and formed Governments. This experiment failed miserably. These Governments fell like a house of cards, without anybody shedding tears for them. There is hardly any reason to believe that the present SVD Governments in both U.P. and Bihar would meet any other fate than that met by their predecessors. If no other party, atleast the SSP will certainly live up to its repetition.

Having undergone this experience, will the electorate again vote on the basis of one-point programme?

Moreover, politically the fashion of anti-Congressism was dead with the split in the Congress. The party remained no more a monolith which it was when undivided. Neither the Congress (R) nor Congress (O) is in a position to rule the country single-handedly. In other words, other parties have to seek realignment with one Congress or the other. This would mean that anti-Congressism can no more provide a rallying point of all the erstwhile non-Congress voters. It would mean that a large chunk of those who voted against the Congress in 1967 are bound to make a reassessment. This would largely be on the basis of performance and programme.

Handicap

If the "alliance" only gives a call to throw out Mrs. Gandhi and does not present an alternative programme, it would certainly face the handicap of rallying all those who voted against Congress in 1967. Last time the voters were in a mood to teach lesson to the Congress. It was, thus, badly mauled. This is to a great extent the cause of its split also. On the other hand, those who were electoral allies against the Congress failed the people. Voters, in all probability, will not vote this time on negative considerations alone. Without a positive programme, they will not feel enthused. The question is: how long this soulless "alliance" will remain intact? Without agreeing on a common programme, it has become doubly difficult to sort out the problems of adjustments. Moreover, the adjustments are more difficult among equals, since every party would be

(Continued in Col. 7)

In 1970

under consideration by the Board, it was understood that the return to the grower worked out by him was far below the Board's calculation. Various fallacies in the cost accountant's reasoning had been pointed out by the growers who were hoping that the Government would study the report in the proper perspective and make such modifications as were necessary to provide a fair return to the grower.

The coffee growers had been pleading for a replanting subsidy as in the case of tea and rubber. Although the Board had increased the cost of replanting loan from Rs. 2,000 to Rs. 3,000, a decision on the subsidy was still awaited.

Coffee Consumers

Sweden has the highest per capita consumption of coffee at 13.15 kg. per annum, followed by Netherlands, Belgium and the U.S.A. with 7.30 kg., 6.89 kg. and 6.71 kg. respectively.

India's own per capita consumption is estimated at 0.08 kg. per annum. India has vast scope for increasing the domestic consumption of coffee. But this calls for, in the first place, increasing the production of coffee in the country.

The consumption of natural rubber has been expanding at a rapid rate. The 1969-70 production is estimated at 82,000 tonnes and that of 1970-71 at 92,000 tonnes.

The consumption of raw rubber under the Fourth Plan ranges from 1.18 lakh tonnes in 1969-70 to 1.80 lakh tonnes by 1973-74. By 1973-74 the natural rubber production is expected to meet 1.25 lakh tonnes of the total requirement.

The State Trading Corporation entered the rubber trade in 1970. Although STC's entry was to ensure the price fixed by the Tariff Commission—Rs. 520 per 100 kg. for the small growers—reports indicate that they were unable to secure this price. The reason was attributed to the fact that STC made most of its purchases through the co-operatives. This had resulted in the ruling selling prices to fall below Rs. 470 per 100 kg. This was causing concern to the growers.

Prospects

The prospects for plantations cannot be said to be gloomy. But the industry should be given the confidence which it badly requires. For instance, the proposal to nationalise a section of the industry, the likelihood of a take-over of the tea trade by the Government and their possible entry into packeting field, is hardly conducive to the progress and development of the

Prospects Of Silver For New Year

By A Staff Reporter

BOMBAY, Jan. 5.—The new year is an opportune time to look once again at the prospects of silver. There is still no real evidence that further liquidation will not take place, counteracting any substantial price rise, though a few minor notes of encouragement have been struck of late according to the latest issue of the London Metal Bulletin dated January 1.

Among these was the statement by the Canadian Government that it is now to mint a silver coin to commemorate the entry of British Columbia into the confederation (MB Dec., 8) and the fact that the Eisenhower silver dollar now only awaits the signature of the President for the final go-ahead. More significant, however, was the recent statement from the Swiss Bank Corporation noting some fresh consumer interest from industry and the arts and also from some European governments, which are still minting silver coins, such as West Germany, Austria, France and Italy.

It is still felt too that lack of GSA sales must eventually make its impact on the market. None of this, however, does much to relieve the present weak situation as regards demand, although it does provide a few drops of much-needed confidence, and it still does not appear that January 1971 is likely to see much of an improvement.

On the other hand, Indian silver market seems to continue firm due to poor floating stocks in the markets of India. Here, it was believed that the present stocks are around 800-900 bars in the whole country, which are supposed to be meagre. It was argued that due to a good crop there would not be much inflow from distress sales. Hence stocks could not be replaced soon while seasonal demand was gradually moving up in country.

The main demand still however, comes from smugglers who continue to have faith in earning dollars from silver sales abroad. The contraband dealers have widened their field and now are reported to be operating from all over the country. A seizure of about Rs. 20 lakh silver only yesterday near the Kolhapur area confirms the fact. Not only Daman but other ports of Western India too are being used to smuggle out the white metal.

Prices recorded a new high of 13 months at Rs. 572 per kg today. About 15 days ago it was around Rs. 555.

Bullion

Money

Silver Firm, Gold Steady

From Our Market Staff

BOMBAY, Jan. 5.—Silver ruled firm in the local bullion market today. Gold was steady.

Primary gold was unchanged at Rs. 176 per 10 gm. Standard gold was 50 P lower at Rs. 183.50. Sovereign remained unchanged at Rs. 172.

Silver weekly delivery opened firm at Rs. 572 against the previous close of Rs. 569 per kg on better advices from New York. It receded to Rs. 571 on reports of seizure of 85 bars of silver. However, it rallied and hardened further to Rs. 573.25 on fresh support from bulls and in absence of selling pressure. It closed at Rs. 572.75.

Silver .996 fineness opened Rs. three higher at Rs. 570 and closed at Rs. 571 per kg. Silver .916 fineness gained Rs. four at Rs. 570.

Arrivals of silver were 15 bars of 30 kg each against the offtake of 20 bars.

CALCUTTA MIXED

The Calcutta bullion market displayed a mixed trend today. Although there was no fresh development, silver was maintained around the overnight level mainly due to shortage of floating stocks and offerings. Following the elimination of week-holders, it opened unchanged at Rs. 650 a 100 tolas and hovered around that level till the close in listless trading.

Pure gold eased moderately on buyers resistance at the higher levels, combined with reports of scattered arrivals during the session. Jewellers and stockists extended scattered support at the dips without disturbing the price trend. Pure gold opened with a loss of 38 P at Rs. 211.62 a tola and maintained that level till the close on restricted offtake.

Standard gold also softened in line with the trend in pure gold. Bombay gold was quoted rupee one below yesterday's level at Rs. 185.50 a tola. There was no transaction in the Calcutta product due to the paucity of supplies. It was nominally quoted at Rs. 183.50 per 10 gm. Sovereign ruled unchanged at Rs. 170.50 a piece on stray enquiries in the face of acute shortage of supplies.

The turnover was small and the undertone at the close was mixed.

DELHI: Despite heavy arrivals of silver from the upcountry centres, the Delhi bullion market presented a firm undertone today as a result of the improvement in the demand in silver from the local dealers and contraband exporting centres. The volume of business was moderate.

Prices of standard gold showed a gain of Rs. 1.50 on scarcity of supplies. However, primary gold remained unchanged.

Silver tezabi ended with again of Rs. two at Rs. 556, after starting at Rs. 555.50 and strengthening to Rs. 557.25.

Silver weekly delivery (new) resumed at Rs. 558, advanced to Rs. 559.75 and concluded at Rs. 558.80.

Arrivals and the offtake in silver estimated at around 50 bars and 30 bars respectively.

Rates (in rupees): Silver (per kg): tezabi 556; hansali kada 559; gaddi pakki 551.

Coins: old 591 (per kg); new 278 (per kg).

Gold (per 10 gm): standard 185.50; primary 182.

New York Silver

NEW YORK, Jan. 4 (Reuter).—New Commission House buying was firming silver futures in early dealings. Values, after opening about 140 points higher partly reflecting the London trend, gained some points on useful speculative buying.

Values were holding near two per cent net gain at the end of the first half hour.

Silver futures were near the day's highs in the early afternoon. Values were running about 190 points up on balance on Commission house buying.

Trade sources noted that the movement today was narrow about a cent between the highs and the lows, with the lows not much below opening levels.

Chartist profit-taking earlier tended to restrict any breakthrough on the upside.

Silver futures closed 210 to 180 points higher, most months finishing 180 to 190 points higher. Volume today reached 4009 lots.

Trade sources said fresh commission house buying was the major supporting factor in the advance. Chartist profit-taking pared the day's highs of more than two cents net gain in the end and limited the advance in the afternoon.

Futures closing: Jan. 165.70, Feb. 166.70, March 167.80, May 170.30, July 172.90, Sept. 175.50 (All settlement).

LONDON: Silver spot 165-3|4, three months 169-1|4, six months 172-3|4, one year 180-1|4. Gold 37.32-1|2.

Alliance Without Soul

(Continued from Col. 6)

trying hard to become supreme in the "alliance."

From among the "alliance" parties, the most ambitious is the Jana Sangh and most unreasonable the SSP. In the Jana Sangh, a section led by Nanaji Deshmukh and Mr. S. S. Bhandhari wanted the party to contest not less than 300 seats. But the more reasonable among it, namely, Mr. Vajpayee and Mr. Madhok wanted to make a claim for 200 seats but ultimately agree on 150 to 175 seats. As a compromise between the two factions, the Jana Sangh officially has demanded 250 seats.

The most difficult States will be U.P. and Bihar. These are the States of common influence of the Jana Sangh and the SSP. The Jana Sangh has already demanded 60 out of 85 seats in U.P. and 40 out of 53 in Bihar. It also wants to contest all the seats from Madhya Pradesh. The SSP has so far not made its demand known. But it would certainly be not far behind. In fact, the existing seats would not be sufficient for the Jana Sangh and the SSP. Where will Congress (O) go? If Swatantra Party joins the alliance, which it is most likely to do when its National Executive meets, the house would already be full. At this rate BKD has done the wisest thing and can contest as many seats as it likes.

The question is that without any agreement on policies, the give-and-take spirit is totally missing. The adjustments become purely a matter of horsetrading. When parties have unlimited ambitious and exaggerated notions, there is every chance of their falling out at the crucial hour of adjustments. An idea of these exaggerated notions could be had from one fact. The Jana Sangh leaders openly say that through the mechanism of "alliance" they will carry the corpse of their partners on their shoulders. When the partners are harbouring such notions and do not bother to reach agreement on principles and programme, there is every possibility that the alliance may prove to be a non-starter.

GUR

Steady Trend

From Our Market Staff

BOMBAY, Jan. 5.—Activity in the local gur market was moderate today. Prices fluctuated in a narrow range, and the trend was steady.

Inferior Ladoo ruled at Rs. 47.50, while Nizam gur changed hands at Rs. 41 per 50 kg. The market had some supply of gur from U.P. also, and it was offered at Rs. 44 per 50 kg.

Superior gur ruled steady on satisfactory supply and steadier advices from the origins. Daily arrivals at the Kolhapur market were placed at 1500 cartloads.

Prices here for No. 1 variety were quoted at Rs. 70-72 per 50 kg.

MUZAFFARNAGAR: Gur prices declined further here today. Arrivals of the commodity were 8,000 quintals.

NON-FERROUS METALS

Steady Tone

Weekly Reviews

Upward T

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From Our Co

SONEPAT, Jan. 5. — An upward trend was witnessed in the local foodgrains market last week. Daily arrivals were restricted and consumers demand was good. Wheat and other coarse grains ruled steady. Rice and paddy were subdued on new crop arrivals. Pulses showed a mixed trend.

After early modest fluctuations, wheat ruled steady with the average quality quoted at Rs. 75-80 per quintal and the farm variety at Rs. 85-100 per quintal. The red-Mexican quality was traded at Rs. 70-76 per quintal. The daily arrivals were low, at an average of 500 maunds. Besides local consumer demand, support was evinced by outside areas.

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Personal

"I keep the door open, and look at what happens!"