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Draft minutes of the meeting of the Executive Committee of Swatantra Party, Bombay Region, held on Wednesday the 11th March, 1970

A meeting of the Executive Committee of Swatantra Party, Bombay Region was held at the Party office on Wednesday the 11th March, 1970, when the following members were present:

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| 1. Mr. Madhu Mehta (Chairman) | 2/3 |
| 2. Mr. Shantilal Thar | 2/3 |
| 3. Mr. P. S. Koppiker | 3/3 |
| 4. Mr. Mahamood Omer | 3/3 |
| 5. Mr. Shashikant Gavaskar | 3/3 |
| 6. Mr. J. Venkiteswaran | 3/3 |
| 7. Mr. Nana Chudasama | 3/3 |
| 8. Mr. S. Ramachandran | 3/3 |
| 9. Mr. Ramesh Dave | 3/3 |
| 10. Mr. Adi Narain | 3/3 |
| 11. Mr. Hiren Shah | 3/3 |
| 12. Mr. Pramod Tejookaya. | 3/3 |

1. The minutes of the previous meeting held on 21st January, 1970 were read and confirmed.

2. At the outset, the General Secretary informed the meeting that it has been decided to hold the Regional Council meetings on the first Monday of every month and the Executive Committee meetings on the 2nd and 4th Wednesday of every month. Regarding the next meeting of the Executive Committee, as per the earlier decision, it was decided to have the meeting at Andheri at the residence of Shri Hiren Shah, above Bank of India, S.V. Road, Andheri, Bombay. 58 on 25th March, 1970 at 9 p.m. It was also decided to have the Executive Committee meeting in the month of April, viz. 8-4-69 at Walkeshwar either at the residence of Mr. Nana Chudasama or of Mr. Madhu Mehta over a dinner.

3. Regarding the Convention, the General Secretary mentioned that 254 delegates had attended the Convention. Regarding the resolutions passed at the Convention and the Souvenir brought out on the occasion, the General Secretary was asked to arrange to send copies thereof to all the Units.

4. In regard to employing full time political workers, the General Secretary informed that the Sub-Committee had submitted their proposal to the Office bearers to appoint in the first instance Mr. N. K. Jagtap as a whole-timer on a salary of Rs. 300/- per month and that accordingly he has been appointed from the 15th January, 1970, and that he had been instructed to submit reports every month to the General Secretary. In this connection, the General Secretary reported that for the present Mr. Jagtap has been assigned the work of contacting members for renewals and also to enrol members specially in those areas where there were no Primary Committees. He also assured that he would give proper guidelines of work to him every now and then.

5. Mr. J. Venkiteswaran thanked the Committee for the sanction of the Subvention for the months of October and November, 1969 for the Matunga Unit.

6. Regarding the Workers' Shibir at Andheri, Mr. Hiren Shah informed that it might cost Rs. 175/- and the Unit would be able to bear half of the expenses. In this connection, it was decided to sanction a sum of Rs. 100/- as Regional Office's contribution towards the Workers' Shibir.

7. Regarding the cooption of Shri Girish Munshi to the Executive Committee, Mr. J. Venkiteswaran said that the Party's Constitution does not permit any cooption to the Executive Committee. Regarding the election of two members to the Executive Committee, from Bombay North East District, Mr. S. Ramachandran informed that he would form the District Committee for that area shortly and then arrange to get 2 members elected to the Executive Committee.

8. Regarding the printing of literature on Fundamental rights, the Chairman informed that there were various suggestions given at the Workers' meeting held on Tuesday the 10th March, and it should be incorporated in the leaflet to be printed in various languages. In this connection, Mr. Nana Chudasama informed the Committee that various other organisations like OPUL, Common Man's Forum, Forum of Free Enterprise and other organisations were printing literature on the subject and nothing should be duplicated. It was therefore decided to appoint a Sub-Committee consisting of Shri Nana Chudasama and Shri Hiren Shah to prepare our literature and then to place the estimate of expenses at the next meeting. In the meanwhile, it was decided to print 10,000 copies of the Mid Term Manifesto in English, Marathi, Gujarati and Hindi and in this connection a sum of Rs.3000/- was sanctioned. The General Secretary was asked to get quotations from various presses and also approach the Associated Printers who do a good job of translations and printing of the same in various languages. But the General Secretary submitted that he had already placed an order for printing,. However, he was requested to see that a good job made at a comparative cost.

9. Regarding the report of the Enquiry Committee on Mr. Desmond D'Souza, Mr. Shantilal Thar placed before the meeting the detailed report of the Enquiry Committee. He also explained the behaviour of Mr. Desmond D'Souza during the enquiry Committee. He also placed before the meeting a letter dated 11th March, from Mr. Desmond D'Souza, about the impersonation of Mr. Shenoy, during the enquiry. Pros and cons of recommending his case to the National Head Quarters was discussed and ultimately it was decided to tender him a stern warning in the matter.

10. At this stage, Mr. Ramesh Dave suggested that the Bombay Regional Unit should frame rules for taking immediate action on this type of activities and the National Executive should empower the State Units to do so. In this connection, Mr. Ramesh Dave and Mr. Hiren Shah were requested to prepare a note on the subject and to place before the next meeting of the Executive Committee, for its consideration.

11. The following amounts off Public meetings were sanctioned:

Matunga Public Meeting held on 16-2-1970	Rs.367/-
Girgaum Public meeting to be held on 14th March, 1970	80/- ✓
Public meeting at Kalmaikiwadi, on 17th March, 1970	125/- ✓

12. Mr. S. Ramachandran wanted that the Regional Office should have a fortnightly newsletter, in which activities of the Units could be published. In this connection, Mr. Ramachandran was asked to discuss this matter with the General Secretary and then to report at the next meeting of the Executive Committee.

The meeting terminated with a vote of thanks to the Chair.

P. Ramachandran
CHAIRMAN.

January 12, 1970

Sub : Decentralised Funds Collection for Swatantra Party
Units - Ways of Collecting Funds for Political Parties

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 guide-lines 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 : Rs 3,000/- divided as under :

<u>Industrial Units</u>	Rs 100/- p.m.	from 10 Companies	Rs 1,000/-
<u>Other Business Houses</u>	Rs 50/- p.m.	from 10 Units	Rs 500/-
<u>Small Shop-keepers</u>	Rs 10/- p.m.	from 50 Units	Rs 500/-
<u>Professional Persons</u>	Rs 10/- p.m.	from 25 Persons	Rs 250/-
<u>Other Individual</u>	Rs 5/- p.m.	from 100 persons	Rs 500/-
<u>Sympathisers</u>			Rs 250/-
<u>Box Collections</u>	..	..	Rs 3,000/- p.m.
i.e. Per Annum			Rs 36,000
Souvenir Advertisements & Subscription			14,000 p.a.
Dinners etc., at least			Rs 50,000

District Committees

Monthly Target : Rs 600/- divided as under :

<u>Industrial Units</u>	4 Units at Rs 50/- p.m.	Rs 200/-
<u>Business Houses</u>	5 Units at Rs 20/- p.m.	Rs 100/-
<u>Shop-keepers</u>	20 Units at Rs 5/- p.m.	Rs 100/-
<u>Professionals</u>	5 Persons at Rs 10/- p.m.	Rs 50/-
<u>Other Individual</u>	10 Persons at Rs 5/- p.m.	Rs 50/-
<u>Sympathisers</u>		
Box collections, Souvenir Advertisements, Dinners etc.		Rs 100/-
		Rs 600/-

i.e. Per Annum Rs 7,200/-

Primary Units

Monthly Target Rs 100/- divided as under :

<u>Industrial Units</u>	1 at Rs 25/- p.m.	Rs 25
<u>Business Houses</u>	2 at Rs 10/- p.m.	Rs 20
<u>Shop-keepers</u>	5 at Rs 2/- p.m.	Rs 10
<u>Professionals</u>	2 at Rs 5/- p.m.	Rs 10
<u>Other Individual</u>	5 at Rs 2/- p.m.	Rs 10
<u>Sympathisers</u>		

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 :

- (1) 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

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 Rs. 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 successfully 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 Grievances 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 which will fund 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.

Yours sincerely,

(R. C. Cooper)
General Secretary