

(copy)

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The Associated Cement Companies Limited
Cement House
121, Queen's Road, Bombay 1.

Chairman's Office

20th June 1961

Dear Shri Rajaji,

I have received your letter of 12th June and am interested to know of the problems to which you refer in connection with the development of the Swatantra Party which you have helped in founding and of which you are the distinguished leader.

You will appreciate that in order to give a definitive reply to your appeal it will be necessary for me to consult my colleagues on the Board of Directors of the Company and I propose to do this in due course. All I can do meanwhile is to give you an indication of my own thinking on the subject and what it may be possible for the Associated Cement Companies to do in this connection.

As some of us see it, the obligations of an enterprise such as ours is, within the limits that the law proscribes, to give assistance and help to those political parties and organisations whose policies and activities are conducive to the establishment and maintenance of democratic institutions and processes and conditions in which industry and business can flourish. Against this background it appears to me that an enterprise such as ours cannot but respond to a request for assistance from the Congress Party which is today in office. Not only because of its past achievements in the struggle for independence, its general background and policies but also because it is today a stabilising force in the face of disruptive elements such as the Communists who pose a threat to our Constitution and the democratic way of life. I quite realise that you may not be able to appreciate the force of this contention but I would like to share this thought with you.

At the same time, some of us appreciate the vital necessity for this country

to develop an effective opposition democratic party without which the normal processes of Parliamentary democracy can ^{not} function effectively. So far, unfortunately, there has been no such opposition; but we have watched the effort on which you have now embarked with considerable sympathy and there can be no question that, of the democratic parties in this country, your Party is the one whose policies as announced and enunciated could be helpful to the cause of industrial enterprise and business. I would, therefore, concede that you have a just claim to ask for our support and I certainly propose, when this matter is taken up by our Board of Directors, to suggest that, along with the Congress Party, your Party too should receive an appropriate contribution from our Company. The amount I have in mind is Rs.3 lakhs.

But as I have said earlier, the precise extent of the support which we shall be able to give is naturally a matter upon which the final decision can only be that of the Board of Directors. I shall convey this to you when it is taken.

Yours sincerely,

(sd) Dharmasey M. Ehsan

Shri C. Rajagopalachari,
Madras.