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Draft Minutes of the second meeting of the National Executive held at the C.M.A. Conference Hall, Express Building, Churchgate, Bombay 20, on February 16 and 17, 1970

Present :

Mr. M.R. Masani - in the Chair
Prof. N.G. Ranga
Prof. M. Ruthnaswamy
Mr. R.N. Singh Deo
Smt. Gayatri Devi of Jaipur
Mr. Dehyabhai V. Patel
Mr. C. Latchanna
Mr. H.M. Patel
Mr. J.M. Lobo Prabhu
Mrs. Louella Lobo Prabhu
Mr. Piloo Mody
Mr. Lalchand Hirachand
Miss Kusumkumari Joshi
Mr. N.K. Ganapathiah
Mr. Johnson Vallikappen
Col. H.R. Pasricha
Mr. Tribikram Tripathy
Mr. D.N. Patodia
Mr. Harihar Patel
Dr. H.V. Hande
Mr. N.K. Somani
Dr. R. C. Cooper

I. Condolence

1. The National Executive recorded its sorrow at the passing away of Mr. T. Parmanand (Bihar) and Mr. D.S. Audhimoolam, M.L.A. (Tamil Nadu). The President eulogised their services to the Party and recalled that Mr. T. Parmanand, apart from being a leading Trade Unionist, was actively associated with the Party's efforts in revitalising the Bihar Unit. Mr. Audhimoolam, M.L.A., was the Deputy Leader of the Swatantra Party in the Tamil Nadu Assembly.

The Executive observed a minute's silence in honour of their memory and requested the General Secretary to convey the National Executive's sentiments to the families of the deceased.

II. Confirmation of Minutes

2. The minutes of the following meetings of the National Executive
 - (1) final meeting of the outgoing Executive held in Madras on December 27, 1969, and
 - (2) first meeting of the new Executive also held in Madras on December 28, 1969

were confirmed.

3. The Executive welcomed the new Treasurer, Mr. Lalchand Hirachand, who was not present at the previous meeting.

III. Current Political Situation

4. The President initiated a discussion on the Current Political Situation.

A preliminary draft statement of policy had already been circulated to members.

A revised draft incorporating certain suggestions made by some members was distributed at the meeting and formed the basis for discussion.

5. The General Secretary mentioned that Mrs. Jouella Lobo Prabhu's article entitled "Masterly Inactivity" was being distributed to members in view of its topical nature and interest. As for the comments received from Prof. Ruthy-swamy, the General Secretary explained that they really pertained to economic policy and therefore his suggestions had been incorporated in the draft Statement on Economic Policy which would come up for discussion the following day.
6. After considerable discussion, in which most members participated, a Statement on the Current Political Situation was adopted in the form attached (Annexure A).

IV. Letter from the General Secretary of the Sanyukta Socialist Party

7. A letter from Mr. George Fernandes, General Secretary of the SSP, forwarding a 17-point programme adopted by a Convention of his Party at Patna recently and inviting the Swatantra Party to a discussion of this Programme along with other parties was then considered.
8. After discussion the Executive authorised the General Secretary to reply to the SSP General Secretary on the following lines :
 - (a) The National Executive does not feel that a round table meeting of all Opposition Parties in Parliament to discuss the SSP's 17-point programme is desirable and believes that multi-lateral talks between Parties at this stage are not likely to be helpful.
 - (b) We would therefore prefer bilateral talks as suggested by Mr. G. Fernandes in his letter.
 - (c) Several of the points in their 17-point programme are not acceptable to the Swatantra Party.
 - (d) Our Statement on the Current Political Situation and Party Manifesto, etc should be sent to Mr. G. Fernandes,
and
 - (e) The S.S.P. General Secretary is welcome to pursue the matter further with Mr. Masani when both are in Delhi for the Session of Parliament.

V. The Party's position in the State Assemblies

9. The Executive then took up for consideration the position the Party should take in the various States, particularly in the State Assemblies of Gujarat, U.P., Mysore and Bihar.

GUJARAT

10. The President recalled that on 28th December, the newly elected National Executive meeting in Madras, had decided to reiterate its decision of 12th November 1969, that no action in the nature of initiating or supporting any move to bring down the Gujarat Government should be taken without the previous approval of the Central Parliamentary Board.
11. In this connection, he reported on his visit to Ahmedabad on January 31, and February 1, and gave a detailed account of his talks with the Party leaders and the discussions at the meetings of the State Executive Committee and of the Swatantra Legislature Party in which he had participated. He referred to various trends of thought among our members in the State Assembly.

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Vice President

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Annexure 'E'
INSPECTION TOUR OF VPs.

12. The President also reported on the discussions that he and Dr. Cooper, the General Secretary, had in Bombay on 12th February with Jaideepsinhji of Baroda the Leader of the Party in the Gujarat Assembly. He conveyed to the Executive Jaideepsinhji's line of thought in regard to the objectives of the Party in the Gujarat State Assembly and the intentions of himself and the larger number of our MLAs in the event of the defeat of the Gujarat Government which showed that there was no danger of any development which would cut across the Party's national objectives and strategy. He mentioned that he had shown to Jaideepsinhji a draft resolution on Gujarat which had been prepared, and mentioned that Jaideepsinhji concurred with the draft that was now before the meeting. Jaideepsinhji felt that it would also be acceptable to the large majority of his colleagues in the Gujarat Assembly.

The President mentioned that he had also shown the draft resolution that morning to Mr. H.M. Patel, the President of the Gujarat State Unit, who too found it acceptable. The President said that although he had misgivings about certain dangers to the Party in Gujarat as a result of the acceptance of the wishes of the Gujarat leaders and MLAs, about which he had already warned them at the meetings in Ahmedabad, he felt that on balance it would be desirable not to deny them the freedom of action that they wanted. In this context, the President recommended that the draft resolution should be adopted with the least possible change by the National Executive. After considerable discussion involving slight textual changes in the draft, the following decision was unanimously taken :

13. Since, during the impending Budget Session of the Gujarat State Assembly, voting on every cut motion and demand for grant will become a matter of confidence and it would be impossible for the Central Parliamentary Board to give day-to-day guidance to the Gujarat Legislature Party, it becomes necessary to lay down instructions by the National Executive in pursuance of and within the framework of the Statement on the Current Political Situation in the country adopted earlier by the National Executive.
14. The Swatantra Party in the Gujarat Legislative Assembly is the official Opposition and have naturally to function as such. They have to function as vigilant critics of the policies of Government from day to day and to pose the Party's position on relevant issues. It is the legitimate aim of any Opposition to replace the Government of the day so that the policies in which they believe can be implemented. Motions of censure and cut motions are a normal part of Parliamentary routine.
15. While the Gujarat Legislature Party is therefore free to press its cut motions and to oppose demands for grants during the coming Budget Session, there are certain basic national considerations which have to be borne in mind. The Swatantra Party is pledged to the removal of the Government led by Mrs. Indira Gandhi, because of its disastrous policies at home and abroad and its alignment with the Communists. The removal of Mrs. Indira Gandhi's Government, with or without elections, presupposes the coming into existence of an alternative government of which the Swatantra Party forms a part. Such a government has to be formed along with like-minded democratic parties. Obviously, nothing should be done which cuts across these objectives of the Swatantra Party in furtherance of the basic national interest.

16. Obviously, as the Official Opposition, we cannot support any move on the part of smaller Groups in the Gujarat Assembly to bring down the Government. The issue therefore narrows down to what our attitude should be in the event of Mrs. Gandhi's supporters voting for a censure or cut motion of ours. While we should not ask for their assistance, we obviously cannot withdraw our motion just because of their support. In the event of the present Gujarat Government being defeated, the National Executive and/or the Central Parliamentary Board of the Party will give suitable instructions to the Gujarat Legislature Party as to the stand it should take from time to time.

MYSORE AND UTTAR PRADESH

17. In regard to the attitude to be taken by the Party's Groups in the State Assemblies of Uttar Pradesh and Mysore, the National Executive considered the matter in the context of the objectives outlined in the Party's Statement on the Current Political Situation.
18. The earlier decision of the Central Parliamentary Board taken on August 29, 1969, that the Party's Groups should not participate in attempts to topple State Governments which did not contain communists or enjoyed their support was also considered.
19. In the light of the above, the National Executive decided, that while playing their legitimate role as Opposition parties in the Assembly and pressing for the consideration by the State Government of their viewpoint in regard to essential issues, our Groups should not support moves to bring down the established government if, as a consequence, the alternative is likely to be the coming into being of a government containing communists or those who accept their support.

20. BIHAR

As regards Bihar, in view of the fluid situation, the Executive authorised the President and the General Secretary to take appropriate decisions including our subscribing to a common minimum programme in the light of the Party's Policy and the objectives outlined in the Statement on the Current Political Situation.

21. In this connection the General Secretary informed members that Mr. Abdul Chaffar Hashmi, who was elected to the U.P. State Assembly as one of the Party's candidates, had defected to the Ruling Congress Party and would be informed that his letter of resignation was not accepted and that he was expelled from the Party. This was in line with an earlier decision of the National Executive taken on April 14, 1969, that those members of the Party who, after having been elected to Parliament or State Assemblies and Councils as Swatantra Party candidates, defect from the Party should be expelled from the Party.

VI. Supreme Court's judgement on Bank Nationalisation

22. A resolution on the Supreme Court's judgement on Bank Nationalisation was, after discussion, adopted unanimously (attached Annexure B).
23. The meeting then adjourned for the day.

24. The adjourned meeting of the National Executive was held on Tuesday, 17th February at 10 a.m. at the C.H.A. Conference Room.

Present :

Mr. M.R. Masani - in the Chair
 Prof. N.C. Ranga
 Prof. M. Ruthnaswamy
 Mr. R.N. Singh Deo
 Smt. Gayatri Devi of Jaipur
 Mr. Dehyabhai V. Patel
 Mr. G. Latchanna
 Mr. H.M. Patel
 Mr. J.M. Lobo Prabhu
 Mrs. Louella Lobo Prabhu
 Mr. Piloo Mody
 Mr. Lalchand Hirachand
 Miss Kusumamari Joshi
 Mr. N.K. Ganapathiah
 Mr. Johnson Vallikappen
 Col. H.R. Pasricha
 Mr. Tribikram Tripathy
 Mr. D.N. Patodia
 Mr. Harihar Patel
 Dr. H.V. Hande
 Mr. H.K. Sonani
 Dr. R.C. Cooper

VII. Party Organisation

26. Action arising out of General Council Meeting discussion

The General Secretary reported that, arising out of a discussion on Party Organisation at the General Council meeting in Madras on December 27 and 28, 1969, he had issued circulars to State/Regional Units on the following subjects :

- (a) Training Camps
- (b) Translation of Mid-Term Report
- (c) Panel of Speakers
- (d) Vice-Presidents' inspection tours
- (e) State/Regional Conventions

27. The General Secretary agreed with a suggestion that important circulars and instructions concerning Party activity should be sent not only to State/Regional Units but also to units at the district and if possible at the primary levels. He reported that a beginning had already been made in this connection with a request to State Units in November last year asking for addresses of the Party's Units at the district and primary levels.

28. Copies of the above circulars are attached (Annexures C, D & E).

Youth and Constructive Work

29. A draft resolution on a "Call to Youth for Constructive Work" was discussed. Since members generally felt that this called for more fundamental thinking and particularly the need to study in depth the needs of Indian Youth, the Executive decided to defer further discussion and meanwhile appointed a Sub-Committee consisting of the following to study the problem and submit

their report for consideration by the National Executive at its next meeting :

Mr. Piloo Mody
Mr. D.M. Patodini
Mr. Tribikram Tripathy
Mrs. Louella Lobo Prabhu
Mr. N.K. Sonani - Convener

30. The Sub-Committee was also requested to study the proposal for reducing the voting age from 21 to 18. Meanwhile, members of the Party in their individual capacity were left free to express their own views on the subject.

Finance

Statement of Accounts

31. The General Secretary (who was till the end of last year Treasurer of the Party) read out a statement of income and expenditure of the National Headquarters since the last General Elections. The Statement which was recorded indicated the poor financial position of the Party and the fact that the funds at present available were barely enough to meet the needs of the National Headquarters for the next couple of months.

Collection of Funds

32. In the light of the financial statement the Executive discussed at length ways and means of collecting funds for the Party. In this connection they had before them a circular issued by the General Secretary on the need to decentralise the collection of funds (copy attached Annexure F).
33. The Hon. Treasurer, Mr. Lalchand Hirachand, observed that contributions from those with means to do so would be available provided such persons were aware that the Party was active and that the funds they contributed were being utilised fruitfully.

This involved better publicity and public relations and principled behaviour on the part of Party members. In this context the question of better publicity and utilisation of the existing journals issued by the National Headquarters viz. Swatantra Newsletter and Swatantra in Parliament, was considered.

34. The following were among other suggestions made :

- i. emphasis should be on collecting small contributions from a large number of small businessmen, shopkeepers, professionals, and white-collar workers instead of relying on a few big contributions.
- ii. letters for donations should be written to large numbers of people in various walks of life and signed by
 - (a) President and General Secretary, and
 - (b) the two Treasurers

35. Publicity

The role of the Swatantra Newsletter and Swatantra in Parliament in providing information to Party supporters and sympathisers and guidance to Party workers in regard to the Party's work outside and within Parliament and the State Legislatures was considered.

SWATANTRA NEWSLETTER

36. In regard to the Swatantra Newsletter, it was felt that it should be a fortnightly and should report not only on our activities in the field but also our

work in the various State Legislatures. In this context, the General Secretary reported that, despite repeated circulars, most State/Regional Units either did not send any reports of their activities or even if they did, the reports were received very late. To get over this problem, the National Headquarters was requested to consider the possibility of appointing honorary correspondents in the various states and regions who could be held responsible for providing reports of Party activity for publication in the Newsletter.

SWATANTRA IN PARLIAMENT

37. The general view of the Executive was that Swatantra In Parliament was too expensively brought out and was published much too late, making it merely a historical record of the Party's work in Parliament. What was needed was a regular topical bulletin preferably a weekly one, issued for the present during Sessions of Parliament. Mr. Piloo Mody, who made the suggestion, agreed to be its editor.

The National Headquarters was asked to work out a scheme in the light of the above suggestions and implement it as early as practicable.

VIII. | Mr. C.C. Desai

38. The National Executive had before it letters from Mr. N.K. Somani and Mr. D. N. Patodia referring to Mr. C.C. Desai's behaviour on the Consultative Committee of Parliament for the Ministry of Industrial Development. The Executive had also before it a note on various activities of Mr. C.C. Desai in Parliament and outside since his election to Parliament in March 1967, which showed a persistent departure from certain basic Party policies and repeated acts of indiscipline. (Attached Annexure G).
39. Mr. H.M. Patel, the President of the Gujarat Unit, conceded that Mr. C.C. Desai's activities had been a considerable source of embarrassment to the Gujarat Unit.
40. After discussion, it was unanimously decided on the motion of Mr. Lobo Prabhu, that Mr. Desai should be asked to furnish an explanation of his behaviour and to show cause why action should not be taken against him.
41. The President said that he would have a word with Mr. Desai and find out if he was prepared to give an assurance of good and disciplined behaviour from now on before the formal letter asking him for an explanation was delivered to him and to take further action in the light of Mr. Desai's response./

IX. Resolution re: Bank Accounts

42. In view of the change of Office Bearers, the following Resolutions in regard to operating the five Bank Accounts of the Party, were unanimously adopted :

(a) RESOLVED that Current Account Nos. 1 & 2 of the Swatantra Party, with the Bank of India Head Office, Bombay, be operated by any one of the following :

Mr. M.R. Masani	.. President
Dr. R.C. Cooper	.. General Secretary
Mr. Lalchand Hirachand	.. Honorary Treasurer
Mr. N. Dandekar	.. Vice-President

- (b) RESOLVED that the Current Account of the Swatantra Party with National and Grindlays Bank Ltd., Connaught Circus, New Delhi, be operated by any one of the following :

Mr. M.R. Masani	..	President
Mr. N. Dandekar	..	Vice-President
Mr. H.P. Nanda	..	Hon. Treasurer
Mr. C.K. Hazari		

- (c) RESOLVED that the Current Account of the Swatantra Party with the Bank of India, Kanpur Branch, Kanpur, be operated by any one of the following :

Mr. M.R. Masani	..	President
Mr. N. Dandekar	..	Vice-President
Dr. R.C. Cooper	..	General Secretary
Mr. Lalchand Hirachand	..	Hon. Treasurer

- (d) RESOLVED that the Current Account No. III of the Swatantra Party with the Bank of India, Calcutta (Main Office) be operated by any one of the following :

Mr. M.R. Masani	..	President
Mr. N. Dandekar	..	Vice-President
Dr. R.C. Cooper	..	General Secretary
Mr. S.B. Datta		

X. Economic Policy

43. A draft Statement on Economic Policy that was distributed to members was then taken up for consideration. Mr. R.N. Singh Deo expressed the view that the draft contained many points which needed careful study. He therefore suggested that the draft Statement should be held over for the next meeting so that members could consider the draft. The Executive, while agreeing with this suggestion, decided to set up a Working Group consisting of :

Prof. M.G. Ranga,
Mr. D.N. Patodia
Prof. R.K. Amin,
and
Mrs. Louella Lobo Prabhu - Convener

to prepare a working paper on the subject.

44. The following time schedule was laid down for the purpose :

- (1) Working Paper to be ready in 15 days,
- (2) to be circulated thereafter to members of the National Executive inviting their comments within 15 days from the date on which the Working Paper was posted to them,
- (3) thereafter to prepare a fresh paper in the light of the comments received and issue the final draft for circulation to members of the National

Executive a week after receipt of comments, and

- (4) to consider the draft at the next meeting of the National Executive.

XI. Mr. Lobo Prabhu's note on the Criteria for selection of candidates

45. Arising out of a decision of the last meeting of the National Executive, Mr. Lobo Prabhu had prepared a note entitled "Swatantra as Elite of Politics" which had been circulated to members (Attached Annexure H).
46. Accepting the principle underlying the note, the National Executive referred it for further consideration by the Central Parliamentary Board.

XII. Privy Purses

47. The President informed the Executive that he had written to Maharaja Srinaj of Bhargadhra (an associate member of the Party in Parliament and the Intendent General of the Concord of Princes) conveying the Party's position in regard to the abolition of Privy Purses and hoping that the former rulers would not be demoralised by the proposal to abolish the Privy Purses but would on the other hand throw their weight in public life to help preserve democracy in the country. The Maharaja of Bhargadhra replied, forwarding the following extract from the resolution the Concord had adopted at their meeting on March 8, 1969 :

"The Conciliar Committee of the Concord for India, surveying the general situation and the State of the Union, views with grave concern the evidence of anti-democratic, disruptive, and disunionist trends in the country and affirms its staunch support the democratic form of government and society in India, and the liberal and moral principles and values of public and social life."

XIII. Chandigarh

48. While reiterating the Party's position that it would not, as a Party, take any stand on the Chandigarh issue, the Executive did feel that the life of Sardar Darshan Singh Pheruman who was the Vice-President of the Punjab Unit and a member of the General Council, could have been saved and the disturbances particularly in Haryana causing loss of life and damage to property could have been avoided if only the Prime Minister had not used Chandigarh as a political weapon in her squabbles but had taken an early decision on the merits of the case.

XIV. Progress with preparation of draft Position Papers

49. The General Secretary reported that, arising out of a decision taken at the last meeting of the National Executive, certain members of the Party had been requested to prepare well documented position papers on various important subjects. Mr. Gampalish had submitted his draft paper on Food & Agriculture which had been distributed to members at this meeting and Mr. M.K. Sengupta's paper on Transport and Communication had just been received and would be circulated to members shortly.

XV. Kerala Land Reforms Act

50. The Kerala Unit's note on the implications of the Kerala Land Reforms Act was considered and after discussion, a resolution was adopted unanimously (attached Annexure I).

XVI. Committee for the Defence of Fundamental Rights

51. In this connection the Executive, while expressing concern at derogatory statements made by people in high positions like the Prime Minister and Mr. Khadilkar casting aspersions on the Supreme Court and the mounting attack on Fundamental Rights, agreed with Prof. Ranga's suggestion that the Party should take the initiative in organising a non-partisan Committee for the Defence of Fundamental Rights. Former Chief Justice Subba Rao could be approached to head this Committee.

XVII. Property Rights

52. A draft Resolution on Property Rights was placed before members for their consideration. It was, however, felt that instead of a resolution it would perhaps be better if the National Headquarters issued talking points on this subject in English and the various languages incorporating the views of eminent jurists and widely circulated them as quickly as possible. Meanwhile, points made in the draft resolution should be circulated to the Party's members of Parliament for their information and use.

XVIII. Debarring Corrupt Politicians from membership of Political Parties

53. The Executive endorsed Mr. Jayaprakash Narayan's view that politicians found guilty of corruption should retire from politics and if they did not do so their parties should debar them from membership. If the Parties failed to do so, public opinion should be brought to bear on such parties to remove the guilty politicians.

XIX. Next meeting of National Executive

54. It was decided that the National Headquarters should fix the time and date of the next meeting of the Executive.
55. The meeting then terminated.

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SWATANTRA PARTY

National Executive, February 16, 1970

STATEMENT ON THE CURRENT POLITICAL SITUATION

With the emergence of two new Parties in place of the old Congress Party, India enters the seventies with a new political balance and a new political perspective. The almost monolithic domination of one Party over our national life has at last ended. The Union Government, which had enjoyed a majority in the Lok Sabha despite its having polled less than 41 per cent of the popular vote during the General Elections of 1967, is now clearly seen to be, what it had always been, a minority government. The ruling Party has sought to deal with this situation by deciding to lean on the support of certain other parties, which unfortunately include the Communist Parties.

In any democratic country, the dependence of the Government of the day for its existence and survival on communist parties, which have extra territorial loyalties and have declared their designs to wreck the country's democratic Constitution constitutes a security risk that a country can only take at its peril. India today is faced with this most dangerous situation.

Whatever the immediate causes, the country has passed through an acute crisis which shows signs of recurring with renewed violence and threatens the political stability and smooth functioning of our young democracy. This crisis basically arises from wrong economic policies of the Congress Government at the Centre and the signal failure of the Second and Third Five Year Plans which have resulted in economic stagnation, inflation and a decline in the standard of life of the middle class and other poor sections of the community.

Faced with the failure of its basic policies, the Congress Party went through internal convulsions which it was unable to overcome because it could not bring itself to admit its mistakes and to turn away from the path of State Capitalist monopoly founded on "permit licence-quota raj". Ignoring these lessons, the ruling Party wishes to inject larger and larger doses of the poison of State Capitalist economy and to do away with the remaining barriers to State Capitalist monopoly. Thus, there is an insidious attack on the fundamental right of the citizen to his property which threatens to develop into an attempt to amend the Constitution in a manner that would give the Government the right to expropriate arbitrarily and without compensation even the peasants' modest holding of land. The developments during the Presidential Elections last year, during which the debate shifted from policies to personalities, were only a reflection of this basic crisis.

Another side effect of this developing schism in the Congress Party which has now become complete, has been the lowering of the standards of public life in general. The shameless misuse of the facilities provided by the State monopoly of Radio and Television to indulge in loaded propaganda in favour of the Government and the Ruling Party, the attempt to deprive the Civil Service of their role as independent advisors, the attempt to browbeat the press and the attempt to misuse the office of the Governor are other developments to be deplored.

In these circumstances, by reason of the disastrous international policies of the Indira Gandhi Government, which are steadily reducing India to the position of a Soviet satellite, and the government's economic policies of injecting larger and larger doses of sterile State Capitalism into our economic system and destroying all incentives to hard work

and enterprise, as also because of its alignment with and dependence on the Communist parties, the removal of the present Union Government from office must occupy a high priority on the national agenda. The Party calls on all patriotic citizens to heed Rajaji's clarion call to action in his article "The Danger Ahead" in Swarajya of January 31, 1970.

The original mandate which Mrs. Gandhi's Government had got from the electorate in 1967 has expired as a result of the breaking up of her party and her losing her parliamentary majority. For the new proposals made at the Bombay Session of her Party and elsewhere, she has no mandate to legislate.

A change of Government in New Delhi can only be made effective and meaningful if the people of India see the emergence of an Alternative Government of patriotic and democratic elements who are prepared to come together to take over the governance of the country. Such an alternative government, it must be conceded, is not so far visible and its emergence now becomes the task of all those who share an awareness of the dangers facing us today.

No single Party can by itself perform the task of replacing the present Union Government and it is encouraging to know that even those who were strongly opposed to the concept of coalition governments have now come round to recognising the inevitability of such a Government. In this context, the Swatantra Party is proud that, in Orissa, it has contributed a model for the establishment and running of a stable coalition government established in a principled manner through the adoption of an agreed minimum programme prior to the election, in contrast to what has been happening in other parts of the country.

The Swatantra Party is clear that, despite efforts to confuse the issue by loose talk of "left" and "right", which have become meaningless terms in the second half of the 20th century, the real choice before the country is between Liberal Democracy and Humanism on the one hand and Authoritarianism or Totalitarianism on the other.

Within the ambit of democratic processes, there is ample room for protagonists of democratic socialism, the welfare state, a mixed economy and competitive free enterprise to settle their differences by a democratic dialogue and the process of compromise. What cannot however be compromised is the right of the Indian people to go their own way free from interference by Moscow and Peking and their respective Fifth Columns in this country. The Swatantra Party will therefore continue its efforts to build a broad-based platform in order to repel the threat of communist subversion already obvious in Bengal and elsewhere so that our country may pursue the path of ordered progress under a broad-based Government of Democratic Unity and Progress resulting in a richer and better life for our people.

As one of the elements dedicated to the defence of India's national independence and the democratic way of life embodied in the Constitution, the Swatantra Party has a vital and important role to play in this larger national task and the Party pledges itself to an acceptance of this responsibility which involves the placing of the Nation before the Party.

SWATANTRA PARTY

NATIONAL EXECUTIVE

Bombay, February 16, 1970.

RESOLUTION

Supreme Court Decision Invalidating the Bank Nationalisation Act

The Swatantra Party welcomes the decision of the Supreme Court in striking down the Bank Nationalisation Act as hostile discrimination against the fourteen nationalised banks and as a violation of the constitutional guarantee of fair compensation whenever private property is acquired by the State. The Party's earlier warnings and criticism in Parliament and outside have been fully vindicated.

The Supreme Court's verdict will serve to protect the citizen's Fundamental Rights from further erosion; it has upheld the sanctity of the Constitution and will act as a brake on those in seats of authority who are prepared to go to any lengths to perpetrate acts which could only destroy democratic institutions and individual liberty, all in the name of so-called socialism.

In this context it is deplorable that instead of respecting the judgement of the highest court of justice in the country, several spokesmen of the Ruling Party and others have resorted to unfair and unbecoming criticism of the authority of the Supreme Court.

The judgement of the Supreme Court should be a lesson to the Government to act with caution when dealing with measures of an expropriatory nature which infringe the rights and liberties of the citizens such as are contemplated in the ten-point programme and other decisions of the Ruling Party in Bombay.

The Swatantra Party pledges itself to fight any attempt that may be made to lessen the authority of the Supreme Court enshrined in the Constitution which constitutes a real safeguard of the rights of the people.

SWATANTRA PARTY

NATIONAL EXECUTIVE

February 17, 1970

KERALA LAND REFORMS (AMENDMENT) ACT, 1969

The National Executive of the Swatantra Party views with considerable apprehension the enactment of the Kerala Land Reforms (Amendment) Act which provides, inter alia

- (a) That voluntary transfers effected after the date of publication of the Kerala Land Reforms Bill, 1963, in the Gazette shall be invalid thus reducing to penury or rendering homeless all those who had purchased land or built homes on such lands after the prescribed date, and
- (b) for illusory compensation which is really expropriation.

The present Coalition Ministry in the State, led by the Communist Party of India, and unfortunately other Parties like the Organisation Congress and the Kerala Congress, have not only lent support to this expropriatory and unconstitutional measure but adopted a resolution in the State Assembly requesting the Central Government to include the amended act in the 9th Schedule of the Constitution in order to prevent the expropriatory provisions of this act from being struck down by the Judiciary.

The National Executive fully supports the Kerala Unit of the Party in its opposition to this obnoxious measure. It calls upon

- (a) The Party's Units elsewhere in the country to educate the farmers in their States on the injustice being done to their brethren in Kerala; and
- (b) the Party's Group in Parliament to oppose inclusion of this Act in the 9th Schedule of the Constitution.

Annexure C.

National Headquarters Circular No. 125

February 3, 1970

Dear Friend:

Training Camps conducted by the
Leslie Sawney Programme of Training
for Democracy

At the last meeting of the General Council the need for a cadre of trained Party workers was repeatedly stressed.

In this connection you will recall that as far back as May 3, 1968, we had, vide Central Office Circular No. 95, conveyed the offer made by the Leslie Sawney Programme of Training for Democracy to train our Party workers. We once again enclose a note issued by the ISPTD which spells out in detail the kind of training that will be imparted in their camps.

A few Party Units and certain leading members of our Party have taken advantage of the offer and training camps were organised last year in Puri (Orissa), Kottayam (Kerala), Delhi, Rajkot (Gujarat), Lucknow (U.P.), Jaipur (Rajasthan), Hassan (Mysore) and Pondicherry.

Evening Camps

The ISPTD has since then experimented successfully with 9 day "evening" camps for employed citizens. Such camps would indeed be a boon for our Workers most of whom are employed or otherwise engaged in their business. The facility of evening camps should be made full use of by us. Such Camps should be held at the district level in Taluka towns.

9 (full) Days Camp

We should also have 9-day training camps for training between thirty to forty five full-time party workers at each camp. Our aim should be to have 4 evening and one 9(full) days Camp in each State.

Specimen Programmes

Specimen programmes for the two types of Camps mentioned above are enclosed (Annexures A & B).

Expenses for Camps

The Leslie Sawney Programme looks after all the expenses :-
The board and lodging of participants (in the case of 9-day training camps); honoraria, travel expenses and stay of visiting lecturers, distribution of literature and visits to villages (excursion). Trainees are expected to bear only their travel expenses (in the case of 9-day Training Camps only as this does not arise for participants at evening camps). In this connection we would like to emphasise that ISPTD will not entertain requests for financial grants to run training Camps yourselves.

Time and Venue

In the light of the crying need in our Party for trained cadres, we hope your Unit will take full advantage of their offer.

The LSPTD has informed us that they are fully booked till May this year but would be able to consider requests for camps from June onwards.

Please return the attached form (Annexure A) duly completed to enable us to coordinate our efforts and send a consolidated programme to the LSPTD.

Your replies should be received by this office not later than February, 20, 1970. Absence of a reply by that date will be taken to mean that your Unit is not interested.

Yours truly,

Rudraj
(S. V. Raju)

Executive Secretary

Encls: ***

LESLIE SAWHRY PROGRAMME OF TRAINING FOR DEMOCRACY

A programme aiming at the training of political workers and others in citizenship, political organisation and the principles of liberal democracy named the Leslie Sawhry Programme of Training for Democracy will come into operation from the beginning of April, 1968, for a period of five years.

The programme will offer to youth and student groups, co-operative societies, trade unions, voluntary organisations and local units of democratic political parties training courses tailored to their needs at various places and in various languages.

Such a non-partisan Programme, it is believed, would meet a badly felt need in this country. While totalitarian groups and parties have well trained and disciplined cadres of workers to further their aims, such cadres are lacking in the case of democratic political parties and organisations in this country.

The programme will employ an essential staff of organisers and teachers but will mostly rely on experts in various fields such as academic men, public and social workers, writers, journalists and business executives for participation in the process of training.

The syllabus of these training courses, which will last for anything from a week to a month, will cover three main heads: the principles of liberal democracy as developed and practiced throughout the world; methods of organisation of political parties, trade unions and other voluntary groups and associations; and physical training. The syllabus will inter alia include background information on India, its geography, history, Constitution and political parties; the contemporary political scene, both in India and abroad; a study of comparative political philosophies; the methods of organising voluntary associations and groups, the conduct of meetings, the preparation of publicity material, etc.

During the last few months before he passed away in December, 1967, Col. Sawhry, who was not only an enlightened and dynamic industrialist and a keen sportsman but also a great lover of freedom, had enthusiastically joined in developing this project and had agreed to participate in its direction. It has, therefore, been felt that it would be appropriate if the Programme were named after him and were to serve as a tribute to his memory.

The Programme will be administered by a Board of Management consisting of Mr. M.A. Palkhivala as Chairman, Mrs. Leslie Sawhry, Mr. Chantlal Shah, M.P., Mr. V.D. Kulkarni, Mr. C. Kulkarni, Mr. M.A. Greenivasth, Mr. H. P. P. as members and Mr. H.R. Khosla as Honorary Secretary and Treasurer. The office of the Programme will be at Kanchaji Bldg Building (4th Floor) Bell Lane, 127 Mahatma Gandhi Road, Bombay 1.

The Board of Management hope that this project will meet with widespread response not only from the friends and admirers of Col. Sawhry but from groups and associations who would wish to avail themselves of the training facilities offered by the Programme. The Board of Management will be grateful if those friends and admirers of Col. Sawhry who wish to make a contribution to this Programme would kindly send their cheques made out in the name of "The Leslie Sawhry Programme of Training for Democracy" to the address given above and if groups and institutions who would like a course to be organised during the coming year for their workers would also get in touch with the office of the Programme.

APPENDIX B

LESLIE SAVORY PROGRAMME OF TRAINING FOR DEMOCRACY

Specimen of 9 Day Evening Camp

Day & Date:	Sessions / Subjects /	Leaders of Discussion
	I	II
	6.15 to 7.45 p.m.	8.00 to 9.30 p.m.
Saturday Jan. 24	-----	Leadership
Sunday Jan. 25	9.30 to 11.00 a.m. Communism in Practice 6.15 to 7.45 p.m. Gandhism	11.15 a.m. to 12.45 p.m. Problems of Citizenship 8.00 to 9.30 p.m. Brains Trust Session
Monday Jan. 26	Conduct of Meetings	Consumer Movement
Tuesday Jan. 27	India-- the Land and the People	Modernisation of the Social Structure
Wednesday Jan. 28	Our Educational Policies (The Language Issue)	Organisation
Thursday Jan. 29.	Constitution	Elections
Friday Jan. 30.	Family Planning	Press & Public Relations
Saturday Jan. 31	Social Work	A Critique of our Economic Policies
Sunday Feb. 1	9.30 to 1.00 p.m. Trade Union Organisation	Problems of Democracy

ANNEXURE C

Request for 9 (full) days or 9 (evening) days Camps under the IGPAB

1. Name of Unit :
2. Type of Camp Desired :
(Specify 9(full) day camp and/or
9-day evening Camps). If both
please state "Both".
3. Language of Camp/s
4. Suggested Venue/s
 - (i) for 9 (full) days
training Camp (Statewide)
 - (ii) For evening Camps (at least
4 camps (Districtwise) in
different Taluka towns)(For both (i) & (ii) suggest
alternative venues)
5. Probable Dates preferred
(Give choice of months from
June onwards)
6. Comments if any you might like
to offer

.....
General Secretary

Dated:

..... 1948

Swatantra Party

NATIONAL HEADQUARTERS

PHONE 251424

GRAMS: SURAJYAM



SASSOON BUILDING,
143, MAHATMA GANDHI ROAD,
BOMBAY 1.

When replying, please quote our Ref. No. _____

February 12, 1970.

General Secretary's Letter No. 221.

Dear Friend:

Sub: Translation of Mid-Term Report

Our office had sent you copies of the Mid-Term Report, an extra copy of which is attached. We do not know what steps, if any, your Unit has taken to publicise this document extensively in your State.

2. You will agree it is necessary that as many people as possible should read this report, and for this purpose it must be available to them in their local languages.

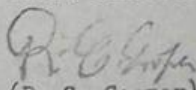
3. So far, we have only come across a translation of the report in Gujarati. We would like you therefore to take immediate steps to translate the Mid-Term Report in the language of your State if you have not already done so.

4. One way of giving wide publicity to the Report would be to publish in the following journal/s a translated version and reprints printed in fairly large numbers for distribution to District and Primary Units:

<u>State</u>	<u>Name of Periodical</u>	<u>Language</u>
Andhra	Vahini	Telegu
Delhi	1. Swatantra Jyoti 2. Swarajya Sandesh	Hindi
Gujarat	Swarajya Sandesh	Gujarati
Kerala	Swatantra Janatha	Kerala
Madras	Chanakyan	Tamil
Mysore	(New Kannada Weekly)	Kannada
Orissa	Swarajya	Oriya

5. Regarding the cost of these reprints, while we can give no promise or assurance, please let us know what it would cost to have reprints of the report printed on the cheapest possible paper. We shall consider the matter in the light of available resources. In any event, the reprints should be printed and distributed in your local language.

Yours sincerely,


(R. C. Cooper)
General Secretary

H. M. E

February 12, 1970.

General Secretary's Letter No. 222

Dear Friend,

Among the suggestions made at the first meeting of the newly elected General Council held in Madras on 27th and 28th December, were the following :

1. that the National Headquarters should prepare a panel of speakers who could be invited to address public meetings in the various languages and in the various parts of the country;
2. that the Party's Vice-Presidents should visit the State/Regional Units and help them (State/Regional Units) with their difficulties;
3. that State/Regional Conventions must be coordinated by the National Headquarters.

1. Panel of Speakers

We shall be grateful if you will kindly let us have a list of Speakers from your State who would be available for addressing meetings in other States, in addition to your own State, with the following details :

- (a) name of speaker
- (b) address
- (c) position held in Party
- (d) language/s
- (e) subjects on which speaker has specialised e.g., general politics, economics, Youth, foreign policy, social service, etc.

May we suggest that you should communicate this request to your Units at the District and Primary levels and invite names for them also. As we propose preparing a Directory of Speakers and issuing it towards the end of March, we would be grateful if the names of the speakers on or before 20th March, 1970.

2. Inspection Tours of Vice-Presidents

The following are the Party's Vice-Presidents:

1. Mr. R.N. Singh Deo
2. Prof. M. Ruthnaswamy
3. Smt. Gayatri Devi of Jaipur
4. Mr. N. Dandekar
5. Mr. Dahyabhai V. Patel

I am sure our Vice-Presidents would be quite willing to be of assistance to neighbouring State/Regional Units. Programmes could be drawn up and communicated to the Vice-Presidents requesting them to visit your State not merely to address public and workers' meetings

but also to sit with your State/Regional Executive and give you the benefit of their advice and experience.

3. State/Regional Convention

If State/Regional Conventions were organised in a coordinated manner, it would make it possible for the Party's State leadership and National leadership to try and be present. This means that a coordinated programme of Conventions in various parts of the country needs to be worked out both to avoid a clash in dates and to give adequate notice to members of the National Executive and the Party's Office Bearers in the States to be present at one another's Convention. We had, in 1966, worked out a schedule of State/Regional Convention in consultation with State/Regional Units and it proved very helpful. We would therefore like to organise a similar programme and would be grateful if at the next meeting of your State/Regional Executive, you were to decide the tentative dates on which your Unit proposes holding its Convention. A list of such Conventions will then be drawn up and communicated to all Party Units. It would be advisable if alternative dates were given.

For your information, the Bombay Regional Convention is being held on Sunday, 15th February, 1970.

Kindly let us have your tentative dates on or before the 15th of March, 1970.

Yours sincerely,

(R. C. Cooper)
General Secretary

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) shbp-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 250/-

i.e. Per Annum			Rs 3,000/- p.m.
Souvenir Advertisements & Subscription			Rs 36,000
Dinners etc., at least			Rs 14,000 p.m.

			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>		
<u>Box collections, Souvenir Advertisements, Dinners etc.</u>		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>		
<u>Box Collections, Souvenir Advertisements, Dinners etc.</u>		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 Re. 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

Answer - G

Strictly Confidential

Note Regarding Mr. C.C. Desai's Activities

It is a matter of regret that Mr. C.C. Desai has in his activities in Parliament and outside since his election in March 1967 shown a persistent departure from certain basic Party policies and has acted repeatedly in an indisciplined manner.

That Mr. Desai's position on certain issues of economic policy is at variance with that of the Party is obvious. A free economy and a total elimination of permit-licence-Raj and the governmental controls and regulations associated with it are among the fundamental planks of the Swatantra Party and the Party's 21st Principle has no application to such issues. Despite this, Mr. Desai has on more than one occasion spoken or written in a sense contrary to the Party's policies. Certain examples are listed below:

I Economic Policy

(a) Abolition of the Managing Agency System

In August 1968 the Central Parliamentary Board had before it a request from Mr. C.C. Desai to be allowed freedom of action on the floor of the House when the question of the abolition of the Managing Agency System came before it. While rejecting this request, the Board took the following decision which is quoted from the Minutes of the meeting:

"in so far as abolition of the Managing Agency System was concerned, the Board decided that no such freedom could be given since the matter related to a question of the system of management. It was and should remain the prerogative of shareholders; and not for Government to prescribe the kind of management a Company should have. Free and competitive Enterprise was a fundamental principle of the Swatantra Party and there should therefore be complete freedom for the owners of business enterprises to choose whether they should be set up as proprietary concerns (owned and managed by individual proprietors or the family or a firm), or as companies whether private or public, and in either case whether managed directly by their Boards of Directors or through Managing Agents or Secretaries and Treasurers. The proposed Bill interfered with this fundamental principle. Hence, the Board regretted its inability to permit Mr. C.C. Desai to support the Government's Bill in this regard.

In this connection, it was noted that the Parliamentary Group of the Party had already decided to oppose the abolition of the Managing Agency system. It was also noted that once any interference was permitted with the freedom of the owners/investors to choose the form or system of management for industrial and business enterprises, the inevitable consequence would be interference by the Government with the form of management of agricultural farms, leading to statutory imposition of Cooperative or even Collective farming instead of farms which were privately owned and managed as such."

Mr. Desai continued however to give public expression to views on this important matter diametrically opposed to those of the Party. Reproduced below are some extracts from Mr. C.C. Desai's article in the Company Law Journal of March 5, 1969, after he had been made aware of the Party's policy on this matter.

1. ".....a deep introspection by those long concerned or connected with this system has also brought about the same conclusions that this form of management of industrial venture in India has outlived its utility and is regarded as an anachronism in modern India which should be done away with in the larger interest of private sector industry in our country.
2. ".....Indian capitalists.....made it (the managing agency system) into a perfect instrument for deriving benefits disproportionate to the services to such an extent that the Indian conscience was aroused and a demand for the abolition of the managing agency system. The system stands condemned because of its own abuses despite some healthy features and notwithstanding some good exceptions.
3. "It should be said to the credit of our present government after Independence that a complete survey was made of the decadent company legislation that governed joint stock enterprises in India. This action was precipitated as a result of a good deal of publicity given to the misfortunes that had befallen many a small investor in our country. Successive commissions and committees.....pointed out the great weaknesses of the managing agency system and by and large suggested its abolition lock, stock and barrel, unsung, unwept and unhonoured.
4. ".....The basic question, however, remains to be answered - and that is whether under a managing agency system it would be possible to pinpoint the liabilities and responsibilities of a particular individual for any mishaps to a managed company.....it would not be desirable in their own self interest to make any unwarranted claims of the little good that it may have performed in the past and which under modern trends and tendencies of the nation it could not claim under this system.
5. "Despite counting unpopularity of a microscopic minority of short sighted members of the enlightened society of industrialists one could confidently assert that this germ of managing agency in our industrial firmament needs to be put to dormancy through courageous and sincere effort on the part of our government.
6. ".....the managing agency system has outlived the original justification and has nothing to commend itself.....on the other hand, abuses of large scale siphoning of profits by way of commissions, the real benefit of which should go either in the lowering of prices for the consumer or in the cutting of prices to make exports feasible.
7. "In the circumstances, it is a pity that the Congress Party which brought forward this legislation is now having second thoughts and is delaying the passing of the bill notwithstanding the general approbation of the entire bill from all sides in both Houses of Parliament."

Mr. Desai's publication of this article in defiance of the Party's decision is a clear case of breach of discipline.

(b) Monopolies and Restrictive Trade Practices Bill

Mr. C.C. Desai was nominated by the Party to the Select Committee of Parliament on the Monopolies and Restrictive Trade Practices Bill. The Swatantra Party's position on this Bill was defined by the Central Parliamentary Board in a resolution at its meeting on January 27, 1960.

"The Swatantra Party has always been opposed to monopoly, whether in the State or the private sector, and would welcome the introduction of genuine and reasonable anti-monopoly legislation

which would seek to prevent those concerned from exploiting a monopolistic situation.

"The Central Parliamentary Board of the Swatantra Party, having examined the Monopoly and Restrictive Trade Practices Bill now before Parliament, is alarmed at finding that the provisions of the Bill have to a large extent little to do with combating monopolies but are so designed as to give Government all manner of arbitrary authority over all industrial and trading concerns regardless of whether or not they are monopolies. The Bill bears little resemblance to the draft legislation recommended by the Das Gupta Commission on Monopolies.

"If enacted in its present form, the Bill would prevent this country from enjoying the benefits of technological progress and economics of size on the one hand, and would place everyone engaged in industry, trade or services at the mercy of the politician and bureaucrat to whose arbitrary whims and fancies the Bill provides neither a judicial nor any other check. The Board, therefore, calls upon Swatantra Members of Parliament to fight this pernicious Bill, while making it clear that the Party stands for opposition to monopoly in whatever sector it may raise its head."

Yet Mr. Desai's attitude when the Select Committee was examining witnesses was completely out of line with that of the Party. It was not as if he only put questions to witnesses to draw them out. He went out of his way to demonstrate his disassociation from the Party.

Reproduced below are a few extracts from the proceedings which give an idea of the lengths to which Mr. Desai went in utter disregard of the Party's policy :

"This Bill seeks to give relief to a large number of small industrialists and to a large number of people who suffer from the evils of monopoly... this Bill is intended to cover a great majority of the people and I do not seek any serious objection to the principles of the Bill.

(Talking about the Public Sector, Mr. Desai said.....)

.....Public Undertakings are solely owned by Government and therefore there is no question of their economic power being used for political interference. That is the reason why I feel that the Bill correctly and rightly excludes the public undertakings from the scope of the Bill.....In fact when I read the Bill first I also felt....why there should be any distinction between public undertakings and the private sector. But then when I thought a little more deeply into the matter and went into the question of the motives of the Bill then I found that there is justification for exemption of the public undertakings.

(Talking about constituting the Monopolies Commission as an Independent, impartial body, Mr. Desai said.....)

If the Monopolies Commission were made the sole authority then it may amount to a parallel Government.

(Replying to the contention that this Bill would amount to duplication of existing legislations, like the I.D.R.A., Mr. Desai said...) in spite of those enactments there has been growth of monopolies. So it is obvious that these legislations have not been sufficient to deter the growth of monopolies and that is why I suppose it can be assumed that it is necessary to go in for a more comprehensive bill which will have the actual effect of curbing or controlling monopolies. Would you not agree that there is growth of monopolies now and the existing legislations have not been sufficient?

The Governments are not reluctant to use the power which amounts to interfering with commerce and industry. If these powers are there it

stands to reason. We can assume that these powers are not there and that there is growth of monopoly, it leads to concentration of economic power, concentration of economic power leads parties to exercise political power which is objectionable and against socialistic and democratic way of life.

(While speaking on banking with reference to social control measures, he said)

There is considerable force in the contention that small industrialists do not get due share and consideration at the hands of banks. I have personal knowledge. There are a number of banks prior to this social control of banks where directors themselves themselves appropriated loans. There are concerns in which they are interested or are members. I am glad that it applies not only to banks but even to Government controlled institutions like the ICIC where you will find every Director taking a loan. So would you not say that where cases have occurred where Directors take away the bulk of the loan and the small industries who do not get guarantee should be helped? Experience is that these big industrialists appropriate the bulk of the advances leaving small industrialists in the lurch.

(Talking about the State Sector he said)

I am opposed in principle to the public sector but I do not see how the development of the public sector has led to concentration of economic power because that power is only in Government and Government is all-powerful anywhere. What is objectionable is concentration of economic power in individuals non-Governmental personnel I am opposed to the public sector in principle because they are not working efficiently But I do not see how the public sector development leads to concentration of economic power or political power.

(Speaking on 3.8.1968, when Mr. M.R. Masani, MP, was being examined as a witness, Mr. Desai said)

For the present I hope Mr. Masani will forget - he may not forget but we will forget - that I belong to the Swatantra Party The distinction that I was going to make there was that in the State Sector, or say, the public sector, the ownership is broadbased; the ownership is located in Government as Government is representative of the people the power exercised by the State Sector is ultimately traceable to the people, whereas in the case of the private sector, it is exercised by a few individuals. And won't you make a distinction between a few individuals exercising that power and the same power being exercised by the Government which, as I said, is broadbased.

(on licensing)

"I am also opposed to industrial licensing but one reason for industrial licensing is to avoid dissipation of resources by putting up unnecessary and uneconomic institutions".

The Evidence led before the Select Committee (including Mr. Desai's statements) was laid on the Table in Parliament and has been published.

It may be mentioned here that Mr. Desai sought to cover up his behaviour in the Select Committee by putting in a Minute of Dissent in line with the Party's decision.

It is because of Mr. Desai's attitude that the Central Parliamentary Board decided that Mr. Desai should not be the Party's spokesman when the Bill came up for discussion in the Lok Sabha.

(c) Planning Commission

Before finalising the draft of the Fourth Five Year Plan, the Planning Commission had last year invited industrialists to discuss their participation in the Plan. At one of these meetings Mr. C.C. Desai is reported to have expressed views completely contrary to the Party's policies and wanted more severe restrictions imposed on large industrial houses in respect of further licenses. Officials of the Planning Commission were reported to have expressed their delight with Mr. Desai's opinions.

(d) Ceiling on Managerial Remuneration

At the meeting of the Consultative Committee for Ministry of Industrial Development, held on 19th December, 1969, Mr. C.C. Desai contrary to the views and policies of the Party in matters of controls and regulations, strongly pleaded for further tightening up of ceiling regulations regarding the salaries and perquisites of Company Directors and Managing Directors. He further stated that the decision taken by the Government by way of imposing various restrictions fell short of the needs of a socialist pattern of Society. When the Government spokesman stated that it had taken action after a great deal of consideration and that it was not necessary to further deal with the matter, Mr. Desai insisted that the whole thing should be re-examined for further tightening up. Consequently, a special meeting of the Consultative Committee was called on February 2, 1970. At the special meeting Mr. C.C. Desai persisted and opposed the Party's point of view placed before it by two other Swatantra M.P.s, Mr. Patodia and Mr. H.K. Sonani.

II IN PARLIAMENT

On the floor of Parliament also there has been at least one occasion when Mr. Desai has flouted the decision of the Party's Parliamentary Group. The Party demanded the dismissal of the first U.P. Government in Bengal (which was subsequently dismissed) and the imposition of President's Rule. During the debate on this issue in Parliament in 1967, Mr. Desai stood in support of a Communist motion of censure against the imposition of President's Rule in Bengal in defiance of the decision taken by the Party's Parliamentary Group, notwithstanding his being one of the Secretaries of the Group.

III INCITING INDISCIPLINE IN GUJARAT

In the biennial elections from Gujarat to the Rajya Sabha in March 1968, the official Swatantra nominee was defeated by a rebel candidate. Certain MLAs were debarred from holding office in the Party for having played a leading role in this debacle.

Mr. C.C. Desai made several visits to Ahmedabad and worked against the Party's nominee. In reply to a question by Rajaji at the National Executive meeting in Madras on June 22, 1968, Mr. Desai admitted in the presence of other members that he had in fact worked for the rebel candidate's success.

IV PRESIDENTIAL ELECTIONS

In the Presidential Elections in 1969, also, Mr. Desai's position was, to say the least ambivalent.

After a visit to Ahmedabad on 12th August, 1969, Mr. Desai shot off a press statement to the effect that while all MLAs of the Party in Gujarat would give their first preference votes to Mr. C.D. Deshmukh, in regard to the second preference vote, the Party's MLAs would "in all probability refrain from giving their second preference" either to Mr. Reddy or to Mr. Giri. This was after the Party's Central Parliamentary Board had advised members of the Party in Parliament and State Assemblies to give their second preference to Mr. Sanjiva Reddy.

Such a statement, if left uncontradicted, would have caused confusion among our Legislators not only in Gujarat but in other States and in Delhi. Therefore, Mr. R.C. Cooper, who was then acting as General Secretary, was compelled to issue a rejoinder expressing surprise at Mr. Desai's statement and stating that, as a result of a meeting he (Mr. Cooper) had with the Party's MLAs in Ahmedabad, he had got the impression that the Party's MLAs would cast their first preference votes for Mr. Deshmukh and their second preference votes for Mr. Sanjiva Reddy as advised by the Central Parliamentary Board.

V. MISSTATING PARTY'S POSITION

Mr. Desai has a habit of going to the press with views which he tries to make out are the Party's views and thus embarrassing the Party.

Thus, in November 1969, he announced to the Press that all Swatantra MLAs would help topple the Indira Desai Government and would be quite willing to support the Indira Gandhi Group in the State Assembly to form an alternative Government with our support. This is what the report said :

"Efforts to form a united front between the Right-Wing Swatantra Party and the Left-Wing Congress are likely to be made during the forthcoming session of the Gujarat Assembly towards the end of this month.....

"Mr. Desai extended an open invitation to 35 Congress MLAs to come out of their party to form another ministry."

"Any fears that they might have had about the adverse reactions of an alliance with the Rightist Swatantra Party were allayed by Mr. Desai who assured the rebels that his Party would not join the Government."
(Hindustan Times, 8.11.1969)

The Gujarat State President had to issue a rejoinder that the views expressed by Mr. Desai were his personal views and not of the Party.

The National Executive, which considered this matter in Bombay on November 12, "regretted" Mr. Desai's statement.

At the General Council meeting in New Delhi on November 15, 1969, Mr. Desai, who was speaking during a discussion on the Mid-Term Report, reiterated defiantly that he stood by his statement in the Press which had been deplored by the National Executive. He contemptuously threw the draft Mid-Term Report of our Party on the table and said it was not worth the paper on which it was written. On the other hand, he accused the leadership for "bossism" and "dictatorship".

The President, Prof. Ranga, admonished him and said that Mr. Desai should not have acted in an irresponsible manner and taken upon himself to speak for the Party in Gujarat without any such authority.