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Masani's Dilemma

A wall of silence between leaders or between leaders and followers can be as harmful to a party as open quarrels between them. After the defeat of Mr. Babubhai Vaidya in the Rajya Sabha election from Gujarat, relations between the state unit of the Swatantra Party and the central leadership and those between Mr. Minoo Masani and certain central leaders have not been quite cordial. There have been signs of a growing rift at different levels. In these circumstances it is necessary for the concerned leaders to explain their respective stands.

The circular, which Mr. Masani has sent to the members of the general council, explains why he is disillusioned with a section of the leadership. On principle, he objected to certain actions of his colleagues. For instance, he says that the Gujarat Swatantra Party's participation in the Kutch agitation was "a major departure from the stand of the party in regard to the limits of freedom of expression permitted by the twenty-first principle." The twenty-first principle which applies only to individuals cannot be extended to state units or other organs of the organisation. The members of the Gujarat unit of the party, according to Mr. Masani, should not have dragged the party into the agitation. This is no doubt a sensible view. The people of Gujarat have been most agitated over the Kutch award and their concern is understandable, but where was the need for the party to get entangled in the agitation? It is not necessary that one should always carry with him one's party label.

One virtue of the Swatantra Party has been its stress on discipline, and a leader like Mr. Masani is justified in getting upset when other leaders take a lenient view of the violation of party directives by members. In the Vaidya episode no action was taken against those party men who had worked against him. The rebels were in fact given the impression that they need not fear any serious action against them. All these concern policies but there have been personal differences also. Mr. Masani, in his circular, recalls Mr. Ranga's remark that since he (Mr. Masani) was no longer the General Secretary, he should not seek to impose his policies on the party. That was indeed an unkind remark. As a leader, Mr. Masani has every right not only to advise the party but to caution it when it deviates from its principles. Anyway, it will be good for the Swatantra Party if these differences are settled amicably but if Mr. Masani is going to be ignored by his colleagues, he may have no course but to leave the organisation.

sometimes in the manufacture of exportable commodity, there may be an element of importation from a free foreign exchange country. Overall, any export is healthy and should be encouraged regardless of destination. As regards export promotion, we should learn from the experience of other countries such as Ireland where an aggressive export policy has paid rich dividends, Taiwan where the economy is booming in the absence of controls, and even our next door neighbour, Pakistan where because of adoption of wiser economic policies, the rate of growth has been higher as acknowledged by the World Bank and international economic authorities.

5. The paper circulated refers to import substitution but more as lip service than as real, genuine, practical policy. We in the Swatantra Party believe that there is hardly any need for industrial licensing in the conditions of to-day. This is not a time with a sellers' market and, therefore, nobody would set up an industry unless he is assured that he will be able to produce goods which he can sell at reasonable or competitive prices. Industrial licensing at a time of sellers' market can be understood; but certainly not when it has become, as it is to-day, the buyers' market, apart from the difficulty of financial or money stringency. We consider that industrial licences should be completely abolished. It would then be possible for an entrepreneur to look round to see where the items are imported and where manufacture locally should be undertaken taking advantage of the indigenous market. All the delays, corruptions and cumbersome procedures involved in obtaining an industrial licence would be eliminated and people will go forward with manufacture depending upon their own judgment of the market survey and economics of production and sale.

Even if it is felt that some kind of licensing is necessary, it is our fundamental policy that such licensing should be done not by an executive agency like Departments of Government but by a quasi-judicial body or authority which can be set up with its own secretariat and which will be independent to the extent permissible of executive influence. Unless Government is prepared to accept this principle, it is no use our taking part in any discussions on plan policy.

The approach of Government is from the point of view of keeping power within its own hands which it can exercise for its own advantage in the elections as well as in the practice of political power; whereas, our approach is that controls and licences should be reduced to the minimum, but where they are absolutely necessary in the economy of the country, they should be exercisable by a quasi-judicial body independent as far as possible, of executive authority and for a limited duration. If Government is prepared to accept this principle, we would be ready to sit down with you and evolve agreed measures to give effect to the new policy.

In short, the need of the hour is (a) elimination of all controls except in a few limited fields such as foreign exchange, entrustment of controls where necessary being a quasi-judicial body independent of executive authority and (b) national rather than party approach to all problems of national economy not allowing party politics to queer the pitch of national consensus for economic development of our country.

without a response to the emotional urges of the people it cannot hope to build a mass base in the foreseeable future. This state of affairs leads to impatience on both sides: the central leaders, like Masani, show impatience with the irrationality and opportunism of state units, while the latter resent the slowness in establishing links with the people. On issues like Kashmir, Kutch and Language, there is an unending dispute.

The majority of Swatantra units do not see eye to eye with the policy of the party. On many economic issues like planning, opinions expressed by the Swatantra parliamentarians are not fully shared by many important units. Similarly on the issues of an independent nuclear deterrent and support to U.S. policy in Vietnam and elsewhere, Swatan-

tra members hold opinions quite contrary to the official view.

The problems that arose before the 1967 General Elections were quite often swept under the carpet. Sometimes members were given the freedom to differ. This was possible because till then at the state level the party was not very significant. The disputes were also fewer and of a minor character. With the party becoming the largest opposition group in the Parliament and having a strong position in many States, those differences can no longer be ignored. The leadership will have to evolve ways and means of reconciling the various conflicts and harmonising the thinking at different levels of the party. Otherwise, Swatantra Party may become a nine-day wonder in the political history of free India.

Draft letter to the Prime Minister regarding the
Swatantra Party's reactions to the Approach to the
Fourth Five-Year Plan.

Dear Prime Minister,

I am grateful to you for your kind invitation to attend the meeting tomorrow to consider the paper on "Approach to the Fourth Five-Year Plan". In such a nation-building activity, we would like to co-operate with Government but, on further consideration, I regret to say that we have come to the conclusion that no useful purpose will be served by our taking part in the discussion tomorrow until it is clear that Government has an open mind in planning and is genuinely anxious to have the co-operation of the other parties.

Let me make it clear that we are not opposed to planning as such but we are definitely of the opinion that the concept of planning is overdone by Government by taking planning an instrument of all kinds of controls, licences and permits which are the bane of our political and economic life to-day but in which the Congress Party, I regret to say, believes for reasons which are obvious to any political observer. Our experience shows that controls are resorted to more for purposes of corruption and exercise of patronage than out of sheer economic necessity. Even where it is patent that controls impede production, they are practised because they give Government the power and the authority to hold people in check or put them under their obligation which they would not hesitate to exploit for various purposes.

Take the case of Food Zones for example. This year we have had a bumper crop and if there was any time when the Food Zones could have been abolished and the unity and integrity of the country could have been emphasized, it was this year. In much less favourable circumstances, late Rafi Ahmed Kidwai had the courage and the vision to abolish controls over food and history has shown that his action proved a success and there was increased production accompanied by free distribution and reasonable prices. It is the fundamental policy of the Swatantra Party that there is no need for Food Zones and that they should be abolished as early as possible and I take this opportunity to reiterate the same in no uncertain language. Again, although it has been clear that there is no need for control over distribution of sugar, Government has been hesitant in relaxing control over sugar for reasons which are not above board if ugly reports that are circulating in the country are to be believed even to a small extent. If these controls are removed, there may be a temporary rise in prices but that would surely stimulate increased production which, when achieved, would result in (a) reduction of prices below the previous levels, (b) elimination of middlemen and (c) avoidance of having to stand in queues which our people hate from the bottom of their hearts. Government has been relaxing the control over sugar gradually but has not had the courage and wisdom to abolish them altogether, with the result that increased production is affected and we are almost driven to the necessity of having to import sugar for maintaining reasonable ration. These examples can be multiplied, if necessary.

As regards imports and exports, there is again unnecessary emphasis on controls. Export promotion and export controls are contradictory terms and it is only in this country that we have the spectacle of policy of Government trying to promote exports through a system of export controls! Cases have come to our notice in which items which are manufactured locally are now allowed to be exported and some of them are allowed to be exported only to free foreign exchange countries. It is not realised that all exports are good, whether to free foreign exchange countries or to rupee payment countries, even where,