



[Handwritten signature]
My dear Masani,

As I have great regard and gratitude for you, I am writing letter with great reluctance only from the greater concern I feel for the Swatantra Party. After reading C.C.Desai's explanation and the comments of Cooper, I find myself faced with the following questions.

- (1) It was the decision of the National Executive, on the motion of H.M. Patel that I should obtain a retraction from C.C.Desai, without precipitating an open clash. When I met you on 19/2, I told you that Desai was not in Delhi and that I would contact him as soon as possible. When I phoned to him, he informed me that he had already been asked by you to see him. Strictly therefore whatever has since taken place between you and him is against the decision of the National Executive. I am confident that if I have had been allowed to act according to its decision, I could have obtained the necessary assurances from Desai.
- (2) I have not been able to relate the procedure for disciplinary action followed by Cooper. It may be specified from where it is derived. I remember that there are previous decisions of the National Executive that the State Party should initiate proceedings. In any case the State Party must be consulted. Any correspondence of the State Party should be available to the National Executive.
- (3) The position of Central Parliamentary Board in the proceedings and in other decisions which are involved is not clear. I would like to recall that at the meeting of the National Executive in Madras, after its election, I raised the question of the CPB saying that its powers, if any being only by delegation from the National Executive, should be clearly defined. This was agreed to and it was decided that I should prepare a draft. In the proceedings however the record was only in respect of the powers of the CPB in respect of elections, on which the note submitted by me was by me was accepted. Otherwise the delegation to the CPB is not defined even now and cannot be extended either to disciplinary proceedings or decisions of policy.
- (4) Decisions of policy are on economic or political issues. I do not see much difference between Desai's contention that private enterprise is using the party and the General Secretary's report to the Bangalore Convention that "the larger part of the Big Business in India.... turns its back on the Party.... which stands for free enterprise". The difference appears to be only in respect of Monopoly, though even that is not very considerable. While Desai maintains that Monopolists are coming in the way of smaller industrialists, the Central Parliamentary Board's resolution is "that the Party stands for opposition to monopoly in whatever sector it may raise its head". I followed this line on the Monopoly Bill opposing the Bill in the interests of country from the economics of scale and in the interest of shareholders, which should not be prejudiced by the size of companies. This issue as



also the issue of managerial remuneration and Managing Agencies are dynamite as we cannot go to the electorate defending the very rich except in so far as they serve the economy. It is an issue which the CPB should not have decided without reference to the National Executive or the General Council. I feel it should even now be referred to these bodies but it has now become academic after the legislation, which has been passed I feel therefore the less said about it the better as any publicity of the differences between Desai and the CPB will do irreparable harm to the Party.

(5) On Desai's statements about toppling the Gujarat Government, however much we may deprecate their number and diversity, the line taken by him is not inconsistent with the recorded decision of the the National Executive of February 16 that "While we should not ask for their support (Congress R) we obviously cannot withdraw our motion just because of their support" Desai's statements are predictions and he has clarified "in the Swatantra Government there would be no members of the Indicate but the Swatantra Government will have the support of the Indicate". In the circumstances, it is the CPB and you who have to bring your attitude on the offer of support by Jagjivanram, in line with the decision of the National Executive. In any case, the Gujarat Party should complain first against Desai in a matter which concerns it most.

(6) Desai's standing up for the adjournment motion on Dharam Vira and his part in the last Rajya Sabha election are past history, which should not be raked up. In respect of adjournment motion, if the Party felt Desai had shown indiscipline, it still gave him its confidence by subsequently electing him twice as Secretary of the Parliamentary group. In respect of the Rajya Sabha election, even if Desai's denial is disproved by Rajaji's testimony, it is clear that no action was taken at that against Desai when action was taken against other offenders.

In conclusion though I do not like Desai's style of defence, I do not find that except in respect of monopolies managing agencies and managerial salaries, he has differed from the Party. I feel in fact the differences are personal and temperamental in a large measure. They should not be allowed to injure the Party, as they are likely to do in a mortal way, if they come into the open. I would request you therefore to withdraw the item from the agenda. I am sending a copy of this letter to Cooper to do the same or place my letter before the National Executive. Failing that I shall be compelled to move

- (1) that the decision of the National Executive that I should mediate should be allowed to run its course
- (2) that the issues of monopoly managing agencies and managerial salaries should be brought for decision by the General Council
- (3) that the Gujarat State should be asked to comment on Desai's

MEMBER OF PARLIAMENT
(LOK SABHA)



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defence and particularly on the subject of toppling the ministry.

I hope you will forgive my intrusion which is most unpleasant to me but is at the same time quite unavoidable. I am sending a copy of this letter to Rajaji as the issues raised are most serious and should be known by him.

Kind regards,

Yours sincerely,

9 2660 crabhu
(J.M.Lobo Prabhu)