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COMMENTS ON MR.C.C.DESAI'S EXPLANATION.

1. Abolition of the Managing Agency System:

Ref: H.E'S Note: Para I(a), at

pages 1 & 2 of the Note.

Mr.CCD's Explanation: Part of para 3 (from page 2 onwards)

and paras 4 to 8 (at pages 3 & 4 of the Explanation.

Comments:

(i) Mr.Desai does not deny:

- 4-5 ✓
- that the Parliamentary Group of the Party had decided to oppose the abolition of the Managing Agency system;
 - that the Central Parliamentary Board endorsed that decision;
 - that being made aware of Mr.Desai's views to the contrary the C.P.B. rejected his request for freedom to give expression to his views in the course of the debate on the subject in the Lok Sabha; and
 - that despite being aware of the Party's policy on this subject as above, he continued to give public expression to views on this important matter diametrically opposed to those of the Party.

(ii) In defence of his views and action Mr.C.C.Desai

- questions the authority of the Party C.P.B. in pronouncing upon questions of Policy;
- accuses the Party with being concerned "only to look after the interests of the minute minority.....who exploit the licence-permit Raj and then take away the bulk of the rewards of a non-competitive economy.....";
- alleges that the Party in general and the C.P.B. in particular have been misled in such matters by Mr.Masani;
- urges that in any event he cannot be said to have indulged in indisciplined conduct in regard to this matter merely by reason of his holding, and giving expression to views "not in strict conformity with official party thinking"; and
- claims that in fact he (Mr.Desai) has by his public advocacy of the evils of the Managing Agency system "contributed to the saving of the image of the Party from being tarnished by the reactionary views of people like Mr.M.R.Masani.

Despite the fact that Mr. Masani was not a member of the CPB or National Executive and that he was not present at the meeting of the CPB on 12th June 1955

- (iii) It is quite impossible to accept the above defence of Mr.Desai's conduct, which was plainly subversive of discipline and good order within the Party in relation to a matter of policy which was basic to its principles.

2. Monopolies & Restrictive Trade Practices Bill:

Ref: N.E's Note: Para I(b), at the foot of page 2 onwards
upto the top of page 5 of the Note.

Mr.C.C.Desai's Explanation: Paras 9, 10 and 11 (at pages 4 to 6)
of the Explanation.

Comments:

- (i) Mr.Desai's defence consists, quite simply:-

firstly in accusing the Party of gross hypocrisy, by favouring monopolists while paying "lip sympathy to the cause of Free Enterprise";

secondly, in insisting that everything that he said and did in connection with this matter was in fact in defence of "free competitive society" and "real Free Enterprise" consisting of small industrialists, farmers and traders, concerning whom the Party itself, he alleges, has never shown any anxiety.

- (ii) It is plain on the face of it that Mr.Desai's defence cannot be accepted.

(N.Dandekar).