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MOST CONFIDENTIAL

MORARJI DESAI:

I had half an hour's talk with the Chief Minister on Friday, March 20th morning. I had seen him last about 2 months back after his return from the Hyderabad Congress.

We talked most of the time in Gujarati, except for a few words or phrases in English in between.

I told him I had three reasons for this visit; first, to give him some information; secondly, to get from him some information and reactions re: current events and trends; and lastly, to criticise him for a serious mistake his Government had made.

I followed this up by showing him Attlee's letter to me dated 29th January 1953. He read it carefully. Attlee's letter assumed a new importance, because of last week's Nehru- Jaiprakash talks, as Attlee did not want the socialists to join the Congress and he wanted them to form the opposition party to the Congress. Morarji said "You apparently wanted the socialists to join the Congress". I replied: "I am of opinion that instead of making an unholy alliance with the Kirpalani Group, the socialists should have joined the Congress and thus strengthened Nehru's hands against the right wing re-actionaries inside the Congress." More of this later - as Morarji said: "Tell me first what you

have to criticise me about." I said his Government had appointed Motichand Shah, a building contractor, as the Chairman of the Bombay Housing Board, and surely Morarji must be knowing that Motichand was recently convicted of fraud in dollars in the Police Court. Morarji said this was not a serious mistake offence, besides it was not Motichand's fault; Deshmukh was responsible for all the trouble. Morarji said that Motichand was told that he would not get dollars in the normal way and he should give some good reason for asking for dollars - namely, to get treatment for his wife's illness and operation, and that he could then spend the dollars as he liked, and Government would not ask him any questions. Morarji said that having then used the dollars for his own visit, Motichand was harassed by the Government and he was asked why he had made quite a different use of the dollars given. Then Government asked Motichand to 'confess' and promised that if he would confess, no action would be taken against him and the incident would be treated as closed. I told Morarji I knew Deshmukh very well, he was a man of honour and integrity, and he could never have suggested such a dishonest deal. Morarji said he knew Deshmukh better, and he had found Deshmukh "unsatisfactory" in many other incidents and ways. I again repeated I was not satisfied with what Morarji was telling me, but apart from that now the fact was that Motichand was convicted and it looked bad for Government to appoint such a man to a responsible position. Morarji said I was talking nonsense. "After all, the offence was not serious. It was just like being convicted

for a speeding offence," and he said "What do you think I can do? Where are good men to be found? One man in three in Bombay is like that." I protested. I said I had a better opinion of people than he had. He went on: "One man in three is like this and if we all the time think of their wrong acts, there would be no one left to select from. I have put Patel in the State Transport. Don't I know all about him? I know all the wrong things he has done and is doing, but what can I do? I could not find a better man. Or if all people, who are bad, are to be removed from responsible government positions, then Chagla is the most unfit man as the Chief Justice of the High Court, because he is an 'immoral man'. Two months ago Morarji had told me that Chagla was a communist and was leading an immoral life, and I gathered that he was spying on Chagla - the Chief Justice of the Bombay High Court! He had then expounded to me strange and grotesque theories of sex!

I told him that as Chief Minister he was to do the right thing and be "clean", but he should make people feel that he was "clean" and that his action in appointing Motichand Shah had made a disturbing impression on me. Morarji said he did not care for such maxim and he would do what he liked. I also protested against Motichand's appointment from another angle, namely, that Motichand himself a building contractor and he, as Housing Board Chairman, would have to handle tenders from other contractors. Morarji said Motichand knew his job. The first Chairman, Gidwani, had made a mess; the

second Chairman, M.P. Gandhi could not spare the time for the work and he brought Motichand in. I told him he had made a serious mistake.

Then I went back to Nehru-Jaiprakash talks, and told him that the socialists, seeing Nehru's anxiety for co-operation, had upped their demands, which it was impossible for Nehru to accept. Morarji said he and others had others had stopped Nehru from going further, and that is why Nehru had to break off the conversations.

Then Morarji said: "You are not helping me." I told him I was available for Labour, Housing and Social Work and I was in close touch with Shantilal Shah and that Morarji could certainly make use of me in these spheres of work. Morarji complained that I did not do any work for the Children's Aid Society. I replied that he had put me out of the Committee because he disliked my article on the Textile Strike of August/September 1950. Morarji said I should join the Congress. "Join the Congress?" I asked, "and do what?" "What work could I do inside the Congress and how would that work be of use to the country?" Morarji said: "Join the Congress and get into the Provincial Congress Committee and fight Patil." I told him I was a non-party man; I had enough to do in my labour work and in writing, and my political work was confined to writing political notes and I had neither time nor inclination for political party intrigues and quarrels. Morarji said I would be writing notes re: what he was telling me. I said recently I had not mentioned

him in my notes, but I had quoted what Nehru had told me, and that note had gone to Nehru. I did not mind people seeing what I wrote about them.

He criticised Firestones because they gave employment to some one recommended by S.K. Patil and for having given him facilities during his American trip.

I checked up privately with the Secretariat Morarji's version of the Motichand case and I find that Morarji was telling me something which he definitely knew to be untrue. As far as Government of Bombay are concerned Motichand has told them that he himself went and disclosed to the Reserve Bank how he had used the dollars in the wrong way and not for the purpose for which he had been given dollars by the Reserve Bank. Even this statement of Motichand, the Government of Bombay do not accept as true. I cannot go into further details, as I do not want to involve my Secretariat friends into trouble with the Chief Minister.

Bombay,
23rd March 1953.