

"WHITHER INDIA? --

What are the Likely Trends
After the Past and Prospective
Chinese Communist Attacks?"

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Guest Speaker

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BEFORE THE ECONOMIC CLUB OF DETROIT

Monday Noon, October 7, 1963
Veterans Memorial Building
12:15 P.M.

PRESIDING OFFICER

ALLEN B. CROW
Founder and First President
The Economic Club of Detroit

LESTER SKENE BORK
President
The Economic Club of Detroit

(The meeting was opened by President Lester Skene, Bork, who presented Allen B. Crow, Founder and First President, The Economic Club of Detroit, as Presiding Officer.)

ALLEN B. CROW: Gentlemen:

Since Columbus Day was fittingly observed yesterday with an impressive parade, it is well for us to remember that Indian civilization and culture antedates by centuries our own. Christopher Columbus thought he was landing on the shores of India, where he was seeking to open new channels of trade, when he discovered America almost 500 years ago. Hence, the natives who greeted him and his crew have ever since been referred to as "Indians."

When we consider today the very timely subject "WHITHER INDIA? -- What Are the Likely Trends After the Past and Prospective Chinese Communist Attacks?" we should have in mind first that India has a population about 2-1/2 times that of the United States, and its population is increasing at a tremendous rate. Second, that India's land area is only about 41% of that of the United States. And third, that India has been the chief beneficiary of our foreign aid program paid for by American taxpayers.

I shall not trespass upon the time of our distinguished guest to recite his qualifications as one of the foremost men of the world to discuss the theme, other than to point out that he addressed a similar meeting of The Economic Club of Detroit about 12 years ago when he spoke on the subject, "WILL COMMUNISM TAKE OVER INDIA NEXT?" Second, I had the privilege of meeting and conferring with him in his office in Bombay, through your cooperation, about a year ago. Third, that he was one of the 183 speakers who addressed the approximately 3,500 delegates to the International Management Congress from 87 foreign countries, which Colonel Cisler, Richard Jeeves and others from Detroit, including myself, attended in New York two weeks ago.

Mr. Masani availed himself of the best educational advantages of India and of England, as has been outlined by General Bork in the announcement of this meeting. He became successively Mayor of Bombay, India's first Ambassador to Brazil, a member of the Indian Parliament and Secretary-General of the Swatantra (Freedom) Party of India.

Gentlemen, I am honored to join with you in welcoming again to this platform and to Detroit The Honorable Minoo R. Masani of Bombay, India.

(Applause)

HON. MINOO R. MASANI: Mr. Chairman, ladies and gentlemen:

I feel very privileged to be asked to address The Economic Club of Detroit after this interval of 12 years, and to be in your city again and to see the growth that has taken place in it; this community development of which this very building is a part, and which has, if I may say so, been an operational face-lifting of this whole city which it has been a great delight to see.

The recollection I had of my last visit here was so pleasant that I readily accepted your invitation to be with you today and I am very happy that we have as the Presiding Officer -- and my protector on this occasion -- an old friend like Mr. Allen Crow, whom I had the pleasure of greeting in India not very long ago.

The subject on which I was asked to speak is the situation in India and the likely trends of its development or movement, against the background of the Chinese Communist attack last year and the possibility of the renewal of this attack in the future.

The Chinese Communist attack of October, 1962, came as a great shock to our people. There were only a few of us observers who had watched this menace, who had warned against it, who had been ignored, who escaped the shock. But most people were taken aback at what could only be considered an act of crass ingratitude for friendship extended and trust bestowed. Be it as it may, this development marked the end of one chapter and the beginning of another in our history. The post-independence period, which has lasted 15 years since India became free, has now come to an end. We hope that we are no longer adolescent, but have grown up to manhood with this shock. Since 1947 political India had lived in a kind of dreamland of its own making. Our Prime Minister admitted as much, when speaking in Parliament last October 25, he said we were "getting out of touch with reality in the modern world" and were "living in an artificial atmosphere of our own creation." And so the country came down to earth with a hard thud and felt very bruised.

The background of this development is the policy that has been followed by the Indian Government since 1947 -- a policy which is varyingly described as an independent foreign policy, a policy of non-alignment, or a policy of neutrality or neutralism. When the policy was first announced in August, 1947, I myself publicly welcomed it. But I must confess that by 1950 a few of us began to develop doubts as to how thoroughly and how correctly this policy of independence of judgment, as was claimed, was being in fact carried out.

The first shock came with the invasion of Tibet, our peaceful neighbor on our north, which took place at the hands of the advancing Chinese Communist armies. At that time there was a debate in Parliament when 10 out of 19 speakers, including myself, warned our government that the attack on Tibet, this valuable buffer that held China off from India, was in fact the beginning of an attack on the security of our own country. Unfortunately we were brushed aside as alarmists. India sent, in fact, two or three diplomatic notes in protest, but by and large the Suzerainty of China over Tibet was acknowledged by our government. We found this admission somewhat strange coming from our national leaders who had never bothered about British sovereignty over India, or who had even until this day never bothered about French sovereignty over Algeria or Portuguese sovereignty over Angola. It seemed to us peculiar that we who claimed to be fighting imperialism all over the world were starting to discriminate between imperialism of the Soviet kind and imperialism that came from the old democracies.

The Dalai Lama appealed to the United Nations -- the General Assembly; the Steering Committee -- to consider the Chinese attack on Tibet in 1950. It is a blot on our national history that our government sent a message to the United Nations suggesting that no notice be taken of the Dalai Lama's appeal. And, following our example, the British seconded the motion and the appeal of the Dalai Lama for help against the Chinese invasion was ignored.

Following this, our government signed a treaty of Panchashila or "co-existence" with the Chinese Communist government in 1954. Those who support this policy still ask: "What's wrong with co-existence? What's wrong with friendship?" The answer surely is that co-existence is a very excellent idea, but that you cannot practice co-existence with those that do not believe in your right to existence at all.

The Chinese Communists had made their intentions about India very clear much earlier. Let me recall two sentences from Mao Tse-tung. One: "Political power grows out of the barrel of a gun." The other: "Neutrality is a mere camouflage -- a third road does not exist."

It was against this background that these policies were practiced which in fact led to the attack on India last year. In fact, the Chinese invasion of India started several years earlier. Little bits of territory in Ladakh on Aksaichin Plateau were being nibbled at by the Chinese Communist armies, and this process started soon after the treaty of co-existence in 1954. It was only in 1959 that the Indian Parliament and people were made aware by the services of the Indian press of the fact that several thousand square miles of Indian territory were under Chinese occupation, a fact which had been held back from Parliament and the country by the leaders of our government. Our Prime Minister explained in a letter to Mr. Chou En-lai that he did not let the Indian people know what they were doing because that would have led to undue excitement between the two countries.

Even so, the bubble burst in 1960 and the Dalai Lama sought refuge in our country. The strangest part of the story is that, just when we were being menaced by the Chinese Communists, Mr. Krishna Menon, a well-known Communist fellow traveler of many years' standing, was placed in charge of our defense forces as Minister of Defense. His strategy was to deny the fact that Communist China was a threat and to point to our neighbors in Pakistan as the real threat that the Indian forces had to face, with the result that all the planning and the strategy of the army was to face Pakistan. When the Chinese attacked, most of our troops were deployed on the wrong frontier.

Many reasons are advanced for the success of the Chinese in defeating our troops last October. May I mention here that this was the first major defeat that the Indian Army had faced for over a century and a half? For a whole century Indian troops had fought successful wars in different parts of the world. They had a record of brave fighting in Flanders, in Italy, in North Africa, in Burma, in the Far East, and so on. And they had fought under foreign command, under the leadership of a foreign government.

Here for the first time was the Indian Army defending its country, a free country, from foreign attack and the picture was not one that one could be happy about. Many reasons have been advanced for this. I think among those which certainly played a part was the fact that the strategy of the armed forces, as laid down by the then Defense Minister, was that it was not the Chinese we had to face; it was another country.

Then again, politics had been introduced into our army and the esprit de corps of the army had been pretty well destroyed by two or three years of that administration. Finally, there was a lack of arms and equipment. We didn't have modern equipment. Our troops, who are not used to fighting at very high altitudes in the Himalayas, were found not to have adequate woolen clothing, not to have suitable shoes, and had not been trained for fighting at a high altitude. All these factors combined in the defeat of the Indian forces last October and November.

When this attack took place, something most exciting and encouraging happened. The Indian people suddenly had a national upsurge. There was a tremendous wave of patriotic feeling. The country wanted to fight, the country wanted to continue to fight until victory was won. The whole people showed an energy and a dynamism that was not noticed until those days. I remember speaking at that time, offering the support of our opposition party to our government. We felt the whole country was behind us. And I am sure your President, General Bork, would have been very happy to hear the rounds of applause with which my suggestion was greeted that we should turn our backs on Peking and make friends with the Nationalist Chinese Government in Taiwan. It was a sentiment that the Indian people responded to, that a second front could be opened somewhere else, to join them in the fight against the Chinese Communist regime.

The only tangible result of this upsurge was the expulsion of Mr. Krishna Menon from the Indian Government. On November 7, just on the day before Parliament was to meet, the Congress Party in Parliament demanded that Mr. Krishna Menon be removed from his position as one who had lost the confidence of the country, and the Prime Minister gave into this demand and accepted that resignation. Three days later, our Parliament unanimously passed a resolution expressing its determination to fight this aggression, which ends with the words: "With hope and faith this House affirms the firm resolve of the Indian people to drive out the aggressor from the sacred soil of India, however long and hard this struggle may be." That, as I said, was on 10 November last year.

Unfortunately, on the 21st of November, the Chinese declared a unilateral cease-fire. It could more aptly be described as an ultimatum, which demanded that the Indian armies also stop firing under pain of dire consequences and, though this cease-fire was regarded unanimously by the government and the people, when it was made, as a trap which we should not walk into, the fact remains that on 30th November our government by acquiescing in it accepted this ultimatum and fighting was brought to a stop.

It was as if, after Dunkirk, Britain had signed an armistice with Hitler. Some of us warned against this. I myself remember writing an article in the Hindustan Times of Delhi on November 28 pleading that the fight should not be called off; that this was an opportunity having, drawn the Chinese on to the Indian plains, to fight them back and defeat them, as could have been done because of the logistic situation that was developing. But that advice was not followed and the Chinese armies were allowed to withdraw to a prepared position at the top of the mountains where they are invulnerable -- without being either harried or attacked while they were retreating.

Since then we have expressed repeatedly our determination to clear the Chinese troops from our territory, but no action has been taken or any preparation made in that direction. Many times, thinking of this situation, one is reminded of the words of that great orator, Demosthenes, when he spoke to the Athenians in 351 B.C. He said then (This was during the war with Phillip of Macedon): "Shame on you Athenians for not wishing to understand that in war one must not allow one's self to be at the command of events, but to forestall them. You make war against Phillip like a barbarian when he wrestles. If you hear that Phillip has attacked in the Chersonese, you send help there; if he is attacking at Thermopylae, you run there. If he turns aside, you follow him to right and left, as if you were acting on his orders. Never a fixed plan, never any precautions. You wait for bad news before you act."

This appears not an unfair description of our posture before, during and after the Chinese attack last year.

Now, one thing that happened last year was that, during the October-November attack, the governments of the United States and the United Kingdom rushed to our assistance. Mr. Harriman and Mr. Duncan Sandys were in Delhi asking in what ways you could be of help. This help was gratefully accepted, small arms were airlifted and transport planes shuttled back and forth carrying troops and supplies. The general reaction in India was: "Now we know who our friends are." This was the theme of many an editorial, and this was the theme of conversation all over the country.

The Soviet Union had declared that the Chinese were brothers, that the Indians were friends, and that all they could do was to declare their neutrality and good will towards both. The non-aligned countries on which we had looked for comradeship, to whom we had taught non-alignment, we found practiced non-alignment against us for a change. And we then began to realize how bitter non-alignment must taste to those who are attacked, when other people practice it on them.

Many times the question is asked: "Why did the Chinese stop fighting? Why did they have this unilateral cease-fire, after making the attack?" It is difficult to divine the motives of the Chinese Communist dictators, but perhaps what Mr. Khrushchev -- a very good friend of theirs -- said soon after may be a pointer. In an article or speech he published soon after the Chinese attack had stopped, Mr. Khrushchev bewailed the folly of the Chinese in attacking India to start with, and pointed out that this attack had destroyed what he called "one of our best friends in India," -- meaning our former Defense Minister. He said, however, that the Chinese were very wise to have stopped fighting when they did because when they stopped "the Anglo-American noose was being securely fastened around the neck of the Indian people." In other words, India would have become a greater and more conscious member of the free world, if the Chinese attack had not stopped. And I think this makes good sense from the Communist point of view.

Well, a year has passed since then, our defense position is somewhat improved -- thanks to the support coming from outside, our armies are probably a little better equipped and armed than they were a year back -- and with the new Defense Minister and the new Generals in the Army who are now in command, certainly the morale of the Army is altogether different. There is no doubt that if they are attacked, they will give a good account of themselves, although the decision may be difficult to divine. The main weakness in the Indian position is the absence of the air arm. We could have stopped the Chinese attack last year if we had been in a position to bomb the Chinese bases in Tibet and to attack their troops as they advanced on the land. We did not have the air force and, what little we had we did not use on that occasion. This is a big gap in our defenses which is still current, and in this context it is good to know that later this month and in November there will be joint air exercises in which the American, British and Indian air forces will participate. This is an encouraging step for which we are all grateful.

One other weakness in our position is that we have not been successful in making friends with our neighbors in Pakistan. The talks that were taking place during the last few months have ended inconclusively and things are where we started. This is undoubtedly a great weakness because India and Pakistan need each other and the longer they go on squabbling and the longer they do not see that they need each other, and are not prepared to pay the price for this friendship, the longer both of them will be in peril. Our Pakistani friends today profess to believe that the Chinese Communist regime is a peace-loving, friendly one with which they can establish ties of friendship and brotherhood. They have taken from us those foolish slogans of "Indians and Chinese are brothers" which we have found were so unrealistic. And now they are practicing those slogans, maybe partly to tease you and partly to tease us, but I cannot help feeling sorry for our neighbors in Pakistan who are now about to repeat those tragic mistakes that we made during the past 10 years, and from which they could well have learned and saved themselves. The result is that these two countries continue to be at loggerheads and this makes for a point of danger for the entire subcontinent.

Now having said this much, Mr. Chairman, I would like now to try and give a balance sheet of the gains and losses during and since the Chinese attack. To what extent have we learned, to what extent have we improved our position, to what extent have we lost ground or failed to learn from our mistakes?

I think the first big item on the credit side of the balance sheet undoubtedly is the tremendous educative value of what has happened. This there can be no denying. Somebody very wise once said: "We cannot fight what we do not understand." I think it can now be said that, so far as the Chinese Communist regime is concerned, the people of India clearly understand the nature of what they are fighting. I don't think this can be said about our understanding of the Soviet Communist regime. About this a great deal of illusion still persists. Formerly, our Prime Minister used to say that Chinese communism was good and Russian communism was bad because the "Asianness" of the Chinese Communists was stronger than their communism. Now the same people say that Chinese communism is bad and the Soviet is good because it is going through a process of liberalization. And there's a great deal written by Anglo-American writers which gives encouragement to the thesis which some of our government leaders apparently hold that we can rely on Khrushchev to protect us from Mao Tse-tung, a thought which I consider to be a profound delusion.

All the same, the people have learned something they are not going to forget in a hurry. The by-elections that have taken place in recent months, as a result of one of which I myself got elected -- re-elected to the House of the People last May -- show that by and large the people of India have learned what the Chinese Communist menace is and who are the kind of people who can be depended upon to resist it.

The second on the positive item side of the balance sheet is the valuable demonstration of friendship that came to India from the side of the Democracies. It was not only the U.S.A. and Britain, it was many other democratic countries -- Australia and other countries -- and from Asia (I am sorry to say, all alone) the Prime Minister of Malaya; the only government leader in Asia to say publicly on the platform: "India is right, China is wrong. We are on the side of India." This was a very valuable demonstration of friendship which I think our people will remember.

Finally, I think the way that everyone behaved in India showed that the young Indian democracy was capable of dealing with a situation like this. The fact that the opposition parties gave unstinted support to the government while the fighting was going on and suspended their differences of opinion with the government showed that the opposition was a loyal opposition and was prepared to play the game.

On the side of the government also, let me say there was no misuse worth mentioning of the special powers and the Defense of India Rules that they had acquired to suppress dissent at home. All of us functioned throughout the emergency without any limitation on our freedom of expression or our freedom of action. I think this is something for which in a new democracy like India -- when we look around at Pakistan, Indonesia, Egypt and other surrounding countries -- we have reason to be grateful.

The Congress Party to its credit was able to get rid of the wrong man who was then occupying the Defense portfolio. All of this showed that the Indian people were mature enough in a way to deal with this crisis that came upon them. On the other hand, we must face the fact that there are some items on the debit side of the balance sheet also.

I quoted to you earlier the words of our Prime Minister who said we had been living in dreams of our own creation and had come into touch with reality. Unfortunately since then, this new awareness seems to have faded. We seem to be heading back to the bad old ways. The dependence on the advice of Mr. Krishna Menon has not gotten very much diluted since then. The hostility to those who stand firmly against a Communist advance also remains. Mr. Nehru later said apropos that concession: "I did not mean that we were pursuing a wrong policy. I only wanted to point out we had not been vigilant enough."

There is the refusal to break off diplomatic relations with a country that has attacked our country and remains in occupation of no less than 14,000 square miles of it. There is the almost unbelievable support for the admission of Communist China into the United Nations that still persists to this very day in the face of our bitter experience. So that later events have belied the hope that many of us came to acquire during the exciting days of October and November last when we thought that everyone had learned the lesson and that from now on there would be a clarity that had been lacking in our policies.

The failure to make friends with Pakistan is a failure for both countries, which I have mentioned already. The failure to make friends with the Chinese Nationalist government who in such a situation must be regarded as our natural allies is another failure. The Budget that was introduced last March, which laid very heavy taxes on the back of our people in an attempt to build up our defense establishment, was also in my view a defeat because I cannot believe that the Chinese Communist rulers would want anything better than that India should enter into an arms race with them in isolation; without the cooperation of those who have the tools. My thought in this situation would be the same thought as was given expression to by Mr. Winston Churchill during the last world war when he said to you, across the Atlantic: "Give us the tools and we shall finish the job." We have a magnificent land army, the biggest in free Asia. We have a record of fighting behind us. If we had the equipment and the planes and the tools, I believe we could shed our own blood in our own defense and not call on you for anything more. But the reluctance to take this equipment, the reluctance to take friendly aid when offered without inhibition, this is coming in the way. And unless this reluctance is given up, I cannot see how we can build up our armed forces and our own strength, equip them with our own money, and at the same time improve the standard of life of our own people which is also a high priority in a country such as ours.

To sum up, I would say we are somewhat like a patient who's been half-cured. We were undergoing the process of cure during October and November last when the doctor or the surgeon stopped operating, sewed us up and went away. The result is that while we are partly cured, some poison still remains in the system. We have not learned our lessons, we have half-learned them. I personally believe, however, that whatever has been learned, has been learned for good and that faced with a similar challenge there can be no doubt about the patriotism of the Indian people and their determination to defend their country to the death.

And now, Mr. Chairman, in the last few minutes that remain I would like to turn to a field which is relevant to the very name of your Club -- the field of economics, although it may not strictly perhaps form part of the theme on which I was asked to speak. I would like to turn to this field also for another reason that the picture here is brighter than the picture that I have unfortunately in good faith had to put before you so far.

Now, it is also an aspect of our life where you have a very definite role to play. There may not be very much you can do about our attitude to Communist China, about our attitude to communism -- this is something the Indian people will have to resolve for themselves, and if necessary learn the hard way. But in the economic field you have an important role to play. Here I would say that, in spite of governmental policies of which I do not approve, policies of too much planning, policies of too much control, policies that are doctrinaire and not pragmatic, progress has, by and large, been good. The vitality of the productive forces in India is something amazing, whether it is a peasant on the farm or the businessman -- the entrepreneur -- there is a tremendous drive to go places. And although burdens are loaded on the back of the economy (high taxation, inflation), the economy just refuses to die. People who were appalled when the new taxes were imposed in March would be found by September establishing new plants and looking for further expansion, quite contrary to what they had imagined six months ago! There is this tremendous drive.

Our basic problem, of course, is our population -- too many people and too little capital. Too many hands that are unemployed, too many mouths to feed, not enough tools to put into those empty hands. And as Mr. Crow rightly pointed out, this problem becomes accentuated by the high rate of population increase which is now 2.5 per year.

Now, there is one and only one answer to this, and that is to increase the sum total of capital so that it can balance somewhat against the population, to correct this imbalance between too many people and too little capital. A century back, a British statesman named Canning talked about "bringing in a new world to redress the balance of the old." It was in a very different context, but I often recall this because this is what we need. We need to bring in your new world to redress the balance of our old world. And this you are eminently equipped and qualified to do.

I am very happy that even on your Board of Directors, even with your own Chairman, Mr. Cisler, with Mr. Jeeves, we have people here who are actually engaged in the operation that I am suggesting to you, and thereby performing a great service to our country and also to the world as a whole.

What we need is capital and managerial and technical skill. These are the two things in which we are short. And if you come in with your equity capital or your loan capital, people to people, enterprise to enterprise, entrepreneur to entrepreneur, you can do a great deal not only to help us to raise our standard of life and to bring India into the comity of prosperous nations, but you could also do a great deal to anchor India more firmly in the free world -- which would be in your interest and ours.

I stress the role of equity capital because I believe that that is the most useful way in which this economic aid can be channeled. I know that there are spheres where the aid can only come in through the government of the country concerned. That would be so in regard to the infrastructure -- things like irrigation, power, highway development, -- to mention only three things that India needs desperately today. Here you will have to give money to the government of the country, earmarked for these desirable purposes.

But there is all that big field of production and, in the big field of production, producing the things that the people need, there is no room for government, because governments are not equipped to produce things economically. The business of government is government, not business. And there we want you to come and cooperate with our people in putting up those factories and bringing in the equipment and the managerial know-how with which we can produce more for the needs of our people.

From that point of view, I welcome the Clay Report. There were two things about the Clay Report which I thought were very good for us. One was the very positive view it took of the position in India and Pakistan as two countries that had made good use of the aid given to them so far and which could be helped further with great advantage. That was naturally something that we in India appreciated.

There was another aspect of the Clay Report which I also welcome and that is the stress laid on helping free enterprise to develop in those countries. I was very glad, therefore, when a proposal emerged from your Congress that at least half of the Development Loan Funds invested by this country should be channelized through private enterprise. I think this is an excellent step in the right direction. I say this from the point of view of the Indian nation which stands much more to gain from equity capital coming in with its own managerial skill, watching it and making sure that those investments are productively utilized, rather than coming in through government to government aid which is, alas, only too often used in wasteful, top-heavy projects which may add to national glory but do not add to the well-being of the people.

Mr. Crow gave me this morning a copy of the latest issue of "Think" which contains an excellent article written by a young Indian friend of mine, Prakash Jain, entitled "Opportunities in India for U.S. Business." I would strongly commend it to you and I would like to read to you the last sentence of his article, which I think is so right. He says: "To sum up, I think it is fair to say that anybody who invests in India may suffer some misgivings today, but anybody who does not invest in India will suffer many regrets tomorrow."

Now, I addressed, Mr. Chairman, this Club on November 12, 1951. At that time you asked me a question, and the question was whether India would be taken over by communism very soon. I did not say "no" categorically, recalling my speech -- I said "not likely." And I indicated to you then the reasons why I thought that India was not likely to be a victim of communism in the near future then. Today, after 12 years of engaging in this hard fight to keep our country free from this peril, I can reply to your question: "Will India go under? Will she submit to these pressures that come to her from the north and from within? Will she cave in and be taken over by either the Chinese or the Soviet Communists?" My answer would be a clear "No." I do not think this is going to happen. I recognize that the fight is not yet won. I recognize, as you have seen from my speech, that I am only too painfully conscious of the dangers that face us. And so the battle will be long and hard. But I believe we shall win it, and I have no doubt that we shall win it much faster, more painlessly, if we have you with us in this common fight; if we have your good will, your assistance and cooperation in seeing that India becomes a more prosperous, a more clear sighted and a more determined member of the free society to which you and I belong.

(Applause)

ALLEN B. CROW: Mr. Masani, we have a number of questions upon which we shall be pleased to have your comments briefly.

(Reading Question) "SINCE INDIA DOES NOT HAVE ENOUGH FOOD TO ADEQUATELY FEED HER OWN PEOPLE, WHY IS CHINA ATTACKING INDIA? WHAT CAN RED CHINA GAIN BY SUCH PIECEMEAL ATTACKS?"

HON. MINOO R. MASANI: I don't think the purpose of China in attacking India was to find any breadbasket there, such as Hitler might have intended to find in the Ukraine in 1940 or 1941. I think the purposes of the Chinese invasion were mainly political, not strictly military. I suppose they imagined that if they attacked, as they did in force on the Nepal northeastern frontier, our government might have been persuaded to sign a treaty that would legitimize their conquests on the western side of the frontier in Ladakh where their real interests are supposed to lie. As I mentioned already, they got a surprise. They probably had not bargained for the love of their country of the Indian people and the intelligence of the Indian people who saw the danger and expelled from the government someone who might have been prepared to play that game.

The long-term objective of the Chinese attack, however, must have been to strike terror among the small countries of South and Southeast Asia, to make them realize that if India could not stand up to them, Burma and Thailand and Laos and Viet-Nam had certainly no chance, and that the sooner they caved in the better. The developments in Burma these days make one wonder whether those fruits are not already being garnered by the Chinese among our Eastern neighbor.

And finally, they would undoubtedly like, in pursuit of their dogma and doctrine of world domination, to be able to dictate the political color of the government of India; to have in Delhi what they would call a "friendly" government -- and what you and I would call a satellite government. I think this is their optimum or major objective. And it is possible that the last attack and any future attacks that may come might be motivated to pulverize the resistance of the Indian people; to make them realize that only a government that was "friendly" to the Chinese Communist dictatorship could be a viable or stable one in Delhi, somewhat after the pattern of what happened under Soviet pressure in Czechoslovakia in April, 1948. This I think is the major purpose of the Chinese attack -- not a desire to share our food deficits.

ALLEN B. CROW: (Reading Question) "WILL PRIME MINISTER NEHRU AND HIS PARTY BE RETURNED TO POWER AT YOUR NEXT GENERAL ELECTION IN 1967? WHAT IS THE PROBABLE INCREASE IN THE VOTING STRENGTH OF THE COMMUNIST PARTY? CAN YOUR OWN PARTY WIN?"

HON. MINOO R. MASANI: Mr. Chairman, I am not a prophet; I am only a political analyst or student. I would very much hesitate to answer any of these three tough questions. I would only make one or two general observations. One is that it is not to be at all assumed that the Congress Party will win the next general elections in 1967. Now, in saying that, I am not being necessarily terribly optimistic. Let me recall a basic fact, which I find is not known in your country even by those who follow Indian public affairs. That is the fact that the present Congress Party administration is a minority government. The vote of the Congress Party at the last elections in February, 1962, for Parliament was 44.72%. The highest vote the Congress Party has achieved since independence in earlier elections was 48%. At no point in our free history have the Congress Party got even a plurality of the Indian electorate. This is very important to remember. You will say then: "How does it come that 73% of the seats in Parliament are occupied by members of the ruling party?" The answer is that we decided, when we framed our Constitution, to adopt the British electoral system which works reasonably well where there are two parties; may not work so well where there are three. And certainly it completely collapses in giving any kind of fair representation to the people when you have six opposition parties dividing the opposition vote. The result is that with 45% of the vote, the present power government has 73% of the seats. This is a distortion which one has to bear in mind -- otherwise the picture isn't clear.

The parties, including mine, that tabled a vote of "no confidence" in the government about a month ago had behind them 39% of the popular vote. So it was 39% against the government, 45% in favor. The remaining being made up of the Communists and a few independents. In such a situation, if the four non-Communist opposition parties -- the two Socialist parties; my own Swatantra Party and the Jan Sangh -- were to have an electoral bloc by which only one candidate was put up in each constituency, and the present swing of opinion against the Congress Party as shown by the last three by-elections continues, it is quite possible that we will have 45% of the vote and the Congress Party will have only 39 or 40%, in which case we might very well get a majority for the opposition.

Secondly, the Congress Party is quite obviously splitting; thanks to a purge of anti-Communist elements made by Mr. Nehru last month from his Cabinet, a strong opposition within the Congress Party to Marxist policies is now developing. Mr. Nehru says that the issue is one of socialism. I think that's a red herring. The issue is whether men like Krishna Menon should be put into power in India. And that is not a question of economic socialism at all because, as we know, one of those purged -- the Finance Minister -- had introduced a most Socialist budget, a most Socialist gold control order, and a very Socialist compulsory saving scheme.

Now, in such a situation it is quite possible that the Congress Party may not even go to the polls united in 1967. But even if they do, I think the pattern will be very different and certainly opposition parties will make a gain -- how much I cannot tell. I don't think the Indian Communist Party will make any gains, in reply to the question on that point. They already would have been wiped out if it wasn't for the kind of encouragement they received. They are now practically in coalition with the Congress Party. They back its candidates against ours. When I stood for Parliament in May at a by-election, I had to face only one candidate, the Congress Party candidate, but he had the wholehearted support of the Communist Party and their constituency.

So now, polarization is taking place on this issue. I take the view that in 1967 any surprise may be expected because of the system of election and the changes within the parties and between the parties that may take place between now and then.

ALLEN B. CROW: (Reading Question) "IS THE COMMUNIST PARTY CONTROLLED BY THE MOSCOW OR THE PEKING REDS?"

HON. MINOO R. MASANI: That's a very good question. Moscow and Peking are at the moment fighting for the control of the Indian Communist Party. There is a Moscow faction and there is a Peking faction. When the fighting started, the Peking faction was locked up by the state governments in our country under preventive detention -- many of them -- and the Moscow faction took power in the party and seized possession of the apparatus. In the last few months this control has been weakened and now the Peking elements are raising their head openly and fighting for control of the party.

They've already started talking of a Fifth International -- the Fourth having been the Trotskyist, the ones whom they don't like. The idea would be that under the aegis of Peking a Fifth International of Communist parties in India and elsewhere might come into existence.

Now, Moscow evidently does not want this for obvious reasons and the result is that the Moscow Communists are giving ground to the Peking Communists who want a strong insurrectionary line within India -- a kind of "left" deviation as opposed to the revisionism of the Moscow Communists. It seems that Moscow wants to pay a price for avoiding a schism, which may have very bad repercussions in the other countries of Asia, Latin America and so on. And so the trend at the moment is flowing in the direction of the Peking Communists. But even so, the people who look to the Kremlin are in the majority, and it's very difficult to say how this battle will end -- whether there will be a kind of patched-up compromise as at present, or an open split where India will have two Communist parties, one looking to Moscow and the other to Peking.

ALLEN B. CROW: (Reading Question) "DOES MR. MENON HAVE ANY OFFICIAL POSITIONS OR ANY INFLUENCE WITH THE PRESENT GOVERNMENT OF INDIA, AND IS HE A COMMUNIST? TO WHAT EXTENT DOES KRISHNA MENON STILL INFLUENCE NEHRU?"

HON. MINOO R. MASANI: Mr. Krishna Menon, I notice, is a favorite topic of discussion in the United States! Mr. Krishna Menon, of course, has had no official position since last November 7, as I mentioned in my talk. He has, by all indications, considerable influence with the Prime Minister, but not with any other leading members of the ruling party or the government. Just how far this influence goes is a matter which outsiders like us would not know about. But I should say that the influence is strong and has never abated, because Mr. Nehru only parted with him under pressure and not because he realized that Mr. Krishna Menon was not a good thing for India. However, he is completely isolated. He has lost whatever support he had and, but for the Prime Minister's support, he would not be a factor in Indian politics at all. As to whether he is a Communist is a question that's hard to answer. If by that you mean: "Was he or is he a member of the Communist Party?", I would say nobody really knows, and it doesn't really matter because carrying a card is not the only way of being a Communist, as you in your country have learned in the last 15 or 20 years. If you ask whether he is a Communist by persuasion, I would say yes. I would describe him as a crypto-Communist.

ALLEN B. CROW: (Reading Question) "IN REFERENCE TO THE NEGOTIATIONS THAT HAVE EXTENDED FOR SEVERAL MONTHS CONCERNING THE STEEL PLANT AND FINANCIAL PARTICIPATION BY THE GOVERNMENT OF THE UNITED STATES, WHAT IS THE SITUATION NOW?"

HON. MINOO R. MASANI: The situation about this Bokaro steel plant, to which I presume you refer, is that the Indian Government has withdrawn its request to the United States government for the funds for such a plant. This comes at the end of developments at your end which suggested that the Congress could not be persuaded to vote these funds, which would ultimately be of the order of a billion and a half dollars.

I think the withdrawal of the request is really an acceptance of the fact that it would have caused embarrassment to the Administration if the request had been pressed. And so our government has done the decent thing and called it a day. On the other hand, your government has been equally decent in letting our government off from the Voice of America agreement, which was signed by our government and then gone back on 10 days later, on the ground that this was a misunderstanding on their part of what it implied and they hadn't quite understood its meaning; that it was against non-alignment. So, both parties have been let off a commitment, and one can call it a fairly happy solution of a difficult situation.

I am not one of those who is heartbroken at this development because I hold the view that if this money is to come to India -- and I hope some of it still well -- it should come for things that require and deserve much higher priority than a steel plant; such as the infrastructure, such as the provision of irrigation and water facilities, the supply of fertilizer to the peasant, the building of roads and highways which are tragically missing and without which the country cannot be opened up nor our economic plans furthered, and for the development of electric power installations. So I would say that it may be a blessing in disguise if this money, having now been saved, could be expended and earmarked for purposes which in my view deserve priority than the Bokaro steel plant.

ALLEN B. CROW: We have many more questions and I am sure we would be very glad to hear the answers. Our time is drawing to a close, however, so this will be our last question.

(Reading Question) "WHAT ARE THE PROSPECTS FOR AN ACCOMMODATION BEING REACHED BETWEEN INDIA AND PAKISTAN?"

HON. MINOO R. MASANI: That is certainly the most difficult one of the lot. Well, to be quite candid I think the prospects are dim in the immediate future. I think the two countries need each other and need each other's friendship more than almost anything else; but between needing a thing and being prepared to pay the price for it, there is a gap. Nothing comes free that is worth having. At present, neither country seems prepared to pay the price.

I would imagine that, with the passing of time and new faces coming up on both sides, this process of making friendship might be easier, and that's the only hope one can have. After all, one recalls, Mr. Chairman, that France and Germany fought for a century over Alsace - Lorraine and had two bloody wars over that bit of territory. I wonder how many people today know where they are or care where they are at the moment? And certainly France and Germany couldn't care less. One has to congratulate their great leaders, President Adenauer and General de Gaulle, for having closed this unfortunate chapter in their relations and for having realized that the interests of France and Germany far transcend the question of who should have possession of that bit of territory. And I look forward to the day when the statesmanship of my country and that of Pakistan can reach the heights that General de Gaulle and President Adenauer have shown in our own time.

(Applause)

LESTER SKENE BORK: May I add one remark to our speaker's answer to the last question. He told us last evening that Nehru was appointing a Communist leader to head the government in Kashmir as a favor towards the Russian Communist group. This, to my mind, is a very sad reflection, most difficult for us to understand. I know that our speaker could amplify those comments to a very edifying degree for us.

We are indeed indebted to you, Mr. Masani, for this very illuminating and stimulating talk on your country. We thank you for having given us the privilege of having the students from India present today with us. Our appreciation to you, Allen Crow, for your usual masterful job as Presiding Officer.

Thank you very much for being here. The meeting is adjourned.

A D J O U R N M E N T