

[Mr. Speaker]

tomorrow and take up the Delhi Municipal Corporation Bill which is next on the Order Paper.

**Shri M. E. Masani (Ranchi-East):** May I Sir, with your permission, make a submission? I do not think that this debate should drag on from day to day. We have already had one adjournment. I think we should sit today and finish this.

**Mr. Speaker:** Shri Gopalan's suggestion was to postpone the debate on the food situation.

**Shri M. E. Masani:** I thought Shri Gopalan had wanted this debate to be adjourned.

**Mr. Speaker:** This will conclude today. Hon. Members may kindly restrict their speeches to 15 minutes.

**Shri Thirumala Rao (Kakinda):** Sir, tomorrow is a non-official day. I do not think the discussion on the food situation will have the full time allotted to it. We shall have to cut it short at 14.30 hours. Therefore, we have to consider whether it can be conveniently postponed to Monday and have one full day, and some other business is given time tomorrow.

**Mr. Speaker:** We have got 4½ hours more for this Delhi Corporation Bill. If we conclude this debate today at 15.00 hours, even then we will have only two hours and the remaining 2½ hours for the Delhi Corporation Bill can be taken up tomorrow. We can finish these 2½ hours tomorrow from 12.00 to 14.30. The Corporation Bill can, therefore, be finished tomorrow. Then the Food Debate may stand over to Monday.

**Shri Braj Raj Singh:** We have decided to sit on Monday from 14.30 hours.

**Mr. Speaker:** This will start on Monday so that overnight they may think out some other problems; or it will be taken up on Tuesday if not on Monday.

## MOTION RE: STATEMENT BY FINANCE MINISTER ON HIS VISIT ABROAD

**Shri Yajnik (Ahmedabad):** Mr Speaker, Sir, I am one of those on this side of the House who cherished the best good wishes for the success of the mission of the Finance Minister. There is certainly no harm in asking for aid from any camp, whether it is capitalist or communist.

While wishing success to this mission, we hoped that he would do everything possible to vindicate the political and economic stand that has been adopted by this Government and by the Parliament. In ordinary parlance, Sir, it is said that the first shot wins half the battle. Unfortunately, with the first shot the Finance Minister lost half the battle. The first shot was fired by him at the aerodrome, and I make no apology for returning again to this rather sorry episode of the interview he gave, because it was supposed to create a good climate for his mission in America.

But the shot has reacted on him. It is no use telling us that he answered hypothetical questions and the answers were misunderstood. The Finance Minister is too experienced a parliamentarian and a man of public affairs to be drawn into any unsavoury controversy. What did he say? He has even repeated yesterday what he has said in substance.

13.18 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

He visualised first the possibility of some of our friends, by which he meant the Communists, creating trouble in the event of some border dispute. Then the first presumption is that he first of all charges them with such despicable and treacherous motives of creating trouble if there is any border dispute. Secondly, he charges our people also to be so foolish as to follow the lead of the Communists in that event and mobilising

themselves in large numbers so as to create a critical situation for the Government. Thirdly, the Government is supposed to be so weak as would be faced by a grim crisis in the event of any Communist trying to rake trouble in this country. Fourthly, he envisaged the possibility, however remote he might call it today, of China somehow being drawn in the tentacles of the Communists of this country.

What does all this amount to? It shows that it over-estimates the strength of the Communists and it under-estimates very seriously the strength of our Government and the people who are behind it. So, Sir, I feel this is a sorry episode and, after all that the Prime Minister has told us, I would earnestly request the Finance Minister to bury the controversy and to withdraw any unsavoury statements that he has made or, in the alternative, to give us a clear line by line *verbatim* report or a substantial report of what he said in black and white so that it would represent clearly what he had to say to the American or to the Indian people.

Now, having defamed, in my opinion, the Communist Party and having envisaged the weakness of our own Government he goes to America. As I said, we wished him all success. As he has himself stated, he tried to do two things and they were good things in themselves. He has stated in the report that he wanted to assess the possibilities of having a long-term and short-term loan. Nothing wrong about it. We want it. The Prime Minister has repeated that we may not go on our knees for getting any aid. But, at the same time, we certainly want aid. There is nothing wrong in asking for a long-term and short-term aid from America, and in assessing the possibilities for the purpose. The second thing was explaining the principles and the aspirations of our economic policy. That was all well and good.

I am sorry that the Prime Minister did not speak about our economic

policy, because that is the main policy which is concerned with the Second Five Year Plan. Now, what is the socialist policy? And how was it explained or explained away in the United States? I would have wished our Finance Minister stood surely on the ground and to have told the Americans point-blank that "Yes, our country is certainly wedded to the policy of a socialist State. We believe in the socialisation of our industry and commerce by gradual stages." Meanwhile, certainly in our backward economy there is plenty of room for the private sector and for private industries which may flourish side by side.

There is also plenty of room for foreign capital on reasonable terms. But it was not necessary to whittle down the importance of the socialist sector. It was not necessary to raise high up before their eyes the virtues of the private sector. It was not necessary to harp on the mixed economy. It was not necessary to explain away the general line of socialism, the general ideal of a socialist pattern of society, that is not only held up before us by this Government but that is agreed to largely by the large number of political parties in this country.

I would say it is almost the unanimous desire of this Government, the ruling party and the millions in this land, that we adopt—and we stand four-square by the socialist pattern of society that we want to be established here. There should be no whittling down of that ideal. There should also be no whittling down of the stages by which we propose to proceed.

At the same time, we might certainly envisage a good scope for the import of foreign capital. But I am sorry to say the emphasis was all on the other side. In the statement that has been placed before us there is perhaps more that is unsaid than that is said. And if he goes on continually talking about, explaining, explaining and explaining the policies

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[Shri Yajnik ]

of India, the economic policy, I do not see any word of socialism. I do not see any word about the method of explaining it to the people of America.

We have an Ambassador there. The Ambassador surely has been explaining our policy. But to put the whole emphasis on one side, the private sector, to place the whole emphasis on the importance of foreign capital and to whittle down the strength of our feeling behind the socialist pattern of society was, I think, rendering disservice to this Government, our Government and the people of India.

What do we gain thereby? Do we think that the American Embassy here in India consists of fools? They have a big, highly equipped personnel. They know everything that is happening in this country. They read the newspapers. The newspaper-cutting and reports are going everyday to America. They know every bit of what is happening in this country. They know about our policy of socialism. They know about our policy of nationalisation. They also know that we want to extend the public sector as far as possible in the interests of the millions for whom this State is to work as a welfare State.

The Ambassador there and the American Ambassador in India, between them, everything is known. You cannot hide your socialist light behind the bushel. It is no use whining and whimpering before the American Gods in order to please them and to show that "our economy is nearly as good as yours, that we also are for the capitalist sector and so on". I think if we stand four-square on our principles, we have a better chance of getting good aid.

For the matter of that, Yugoslavia has got aid from America, not by whittling down its faith in Communism. They say "we are Communists". Even the Soviet Government have in past times received aid from America. Today, Poland re-

ceives aid. But they do not want to explain away, nor Yugoslavia. In fact, our real strength lies in this. The Prime Minister stated this morning that we stand without any alignment with either of the contending blocks. Well, that is our strength. Ours is the biggest country in the world which stands midway between two blocks and both blocks might aspire and desire that we align ourselves with them. But we do not, and therein lies our strength.

We stand four-square on our policy of non-alignment and it is due to that that we have got a large measure of aid from both sides and we will continue to receive from both sides. So, to that end, it was not necessary at all to whisper in the ears of the American bankers about the great virtues of our private sector and economy. It was not necessary at all.

Now, the Americans are straightforward people, sincere and human. They like straightforwardness. They like to call a spade a spade. If we are after the socialist pattern of society, let us say it from the rooftops as the Prime Minister is never tired to say, and it is by that we want to win what we want, and not by diluting our heady spirit of socialism with the water of capitalism.

Then, our Finance Minister goes to the Commonwealth Finance Ministers' Conference. A bulletin giving the substance of the decisions is placed before us. I read it from end to end, and I see nothing but the glories of the pound-sterling. We do not swear by pound-sterling. What is pound-sterling? The Empire is now a Commonwealth, and the Commonwealth might tomorrow be called by some other name. But let us understand that in the past, as in the present, it is not the King that is the ruler or the Queen. It is not the Prime Minister of Britain or the India Office that ruled over us. It is the pound-sterling and the Bank of England that has ruled over the economy of this land.

It is for that end that the shopkeepers came to India and that end remains even after the end of the British rule over this country. The pound-sterling represents the economic grip of Britain over our economy, and we still sing the praise of the pound-sterling. We hitch our socialists wagon to the star of the pound-sterling. Well, the pound-sterling might be good for us. Let us certainly benefit by it as far as we can, but we need not swear by it. We have already committed ourselves again to the convening of a Commonwealth Trade and Economic Conference.

To conclude, I would say this. Our economy is still in a very backward state. We have just emerged from a stage of political tutelage. Our leaders are never tired of telling us that though we have got political freedom we have not got economic freedom. The economic freedom is to be obtained, both internally and externally. Our economy today is very largely in the grip of foreign capitalists. Look at our oil; look at our tea trade; look at our jute industry and jute commerce; look at all our trade, finance and banking, and foreign trade. All that is in the hands of the foreigners, mostly British. Only the oil empire of America is coming in.

While, we want foreign aid, and while we want pound-sterling and dollar, let us always remember that sooner or later we want to be free from the tentacles of all foreign aid as soon as possible. It was heartening to hear the Prime Minister saying that we do not envisage foreign support and foreign aid for long. We desire that the aid should be necessary for as few years as possible. Let us free ourselves from the tentacles of foreign capital as soon as possible. Let us always see while we welcome foreign capital on terms that are suitable to our economy—the British empire has gone, but the British economic empire remains to a certain extent—that we are not under the shadow of Britain, under the Anglo-

American shadow for very long. Let us see that we secure our total and complete economic independence from foreign aid as soon as possible.

**The Minister of Home Affairs (Pandit G. B. Pant):** Mr. Deputy-Speaker, I regret that I had not the privilege of listening to the speech of the Prime Minister; I happened to be busy in the other House. Otherwise, perhaps it would not have been necessary for me to intervene in this debate. I may, however, observe that I am not entering any arena and I am not intervening in this discussion in the polemical spirit.

I think it is a fairly important subject which we are discussing. One of our colleagues has spent some weeks in foreign countries. He holds a responsible position here. He went as much in his own personal capacity as an emissary of our country. What welcome did he expect and what sort of reception would we like to give to our representatives and other devoted workers who go abroad and do everything that is humanly possible in order to advance the cause of the country on their return? Are we going to set a precedent which will come in the way of such devotion to public duty?

I had seen the statement to which reference has been made in the amendment I had also the privilege of going through the speeches of the Finance Minister which have been published and are embodied in the copy which has been laid in the library. There has been a lot of discussion, but I am afraid that there has been little attempt to come to brass tacks. What is it to which objection is or can be taken? I have read his speeches and I must say that I have nothing but admiration for the ability, the expert knowledge, the equipoise, the clarity of thought and the lucidity of expression which mark those speeches. His utterance throughout has been of a character of which any country cannot only be appreciative, but to some extent even proud. He has faithfully expounded our policy. He has not

[Pandit G. B. Pant]

departed an inch from the fundamentals of our policy.

What is our policy? Well, everyone knows here that the respect that we command outside India is due to a large extent to that policy. Nobody who seeks any financial aid or any other sort of help for the country can gain it, can secure it, except by adhering faithfully to that policy. Any departure from that would put us in the wrong; it will harm the cause.

I listened to the speech of Shri Mukerjee yesterday. I need not say that I was surprised. He used, I think, the expression "rhetorical flourish" in the course of his speech. He flourishes on rhetoric and his speech had hardly much more than that character and that characteristic. But I was really taken aback, somewhat like a feeling of consternation overwhelming me, as I listened to some of the remarks made by Acharya Kripalani. He is a respected leader. We all have looked to him for guidance and he has been with us for a long time. His presence here is due as much to the support of others as to our own. So, in a way he indirectly also represents us.

So, when he made certain remarks, we were really somewhat confounded. He is an apostle and an exponent of Gandhian philosophy. Would Gandhiji have ever used such words even for the worst of his enemies? We expect from Kripalaniji not only the normal standard of decency, but something more. We expect him to set a standard of sublime dignity in this House. When he speaks in a way which is, to say the least, vulgar, one becomes sad. The pathos and the anti-climax are both equally unthinkable, but when they actually occur, then one's faith in human nature is shaken. One's hope and trust that decency will mark the behaviour of decent people whatever be the provocation, fades away. So, I was greatly distressed.

So far as the merits of the case before us go, nobody is thinking of the merits but we have been digressing into other fields and into avenues

which are not directly germane. What did the Finance Minister do? He went there to attend the meetings of the International Monetary Fund and also of the International Bank. That was the primary purpose. But there were other responsibilities which he had to discharge either here or abroad. And it was naturally expected by those who live in other countries and also by us, that he would utilize this opportunity for putting our own case, not with a view to persuade people to go out of their way, to put anything in the beggar's bowl, as we have been told, but, apart from any financial considerations, to foster the spirit of understanding.

We need understanding and goodwill. It is not a question of money, but it is a question of spirit. Our country, its traditions, its policy, the principles laid down by our Prime Minister, the creed of Panchsheel which we have accepted, all call for a ceaseless and strenuous attempt for the promotion of a spirit of co-operation.

Nations today are not independent. All nations are inter-dependent. Whether you call it aid, whether you call it loan, whether you call it trade or commerce, there is continuous interchange of goods and thoughts among nations. So, when any one of our eminent personages goes abroad, it becomes his duty to place a correct picture about his country, its principles, its aspirations and its objectives before the people of the country he visits. He did so, and he did so faithfully, efficiently, persuasively and with marked talent effectively.

I think for all that he deserves the gratitude of our people. Even if he had not done anything, what he did in the course of his tour entitles him to our gratitude. Instead of that, we introduce politics. A stray sentence used in a report by a correspondent is made the subject of fierce controversy.

Well, there are news published from day to day on coming onslaughts. Plots have been hatched for days together, not only during the day but also during the night. But they all

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night. But they all miscarried because there was hardly anything which those who were making plots or hatching them could hang themselves to. So all that faded away. But, still some occasion was sought if not for placing views in an intelligible and coherent manner, at least for pouring abuse.

Well, I don't think that is the proper way of tackling problems which are complicated and intricate. What is the position? I am really amazed. The Communist Party is perhaps the only party in our country which says that the Plan should be retained in its full amplitude, that it should not be pruned, that not an iota should be taken out of it. Granted their sincerity, their desire to see that the country advances rapidly, though some people tell me that this insistence on the maintenance of the Plan in its fullness is designed by motives which may not be altogether pure. They say that perhaps knowing that adequate resources for implementing the whole of the Plan are not going to be available, it may be possible to argue at the end of these five years that these people are not capable of carrying out their plans.

**Shrimati Renu Chakravartty** (Basirhat): We have not said that.

**Pandit G. B. Pant:** I hope not. But I have got some documents to that effect.

**Shrimati Renu Chakravartty:** Place them on the Table.

**Pandit G. B. Pant:** I am inclined to disregard them as I think the collective honesty of the people should be better than the revelations made by these documents. Whatever it be, the fact remains that they want the whole of the Plan to be implemented.

If the whole of the Plan is to be implemented, what are the methods which they are going to suggest for securing the necessary resources for the implementation of the Plan? Everyone knows that if you are going to put up three steel plants, if you are going to extend your railway system, if you are going to establish heavy industries, if you are going to have

tools and machines made in your own country, then you do require aid from other countries. Whether you get it by means of negotiation in your own country or outside is a minor matter. But these are essential.

**Shri A. K. Gopalan** (Kasergod): May I make a clarification? It has also been said by other speakers and the ball was set rolling by my friend Mr. Frank Anthony. I thought that it is the general chronic disease with him and he would do it. But, on behalf of my party I want to make it clear that we have never said that we are against getting aid from any country. We are not against aid from any country. What we have said was—and Shri Hiren Mukerjee also said the same—about the manner and method in which we go and beg. We are not against foreign aid. We must get foreign aid. So, I request the hon. Home Minister not to say that we are against getting foreign aid. If anybody said that our policy is against getting aid from this country or that country, that is wrong. The only thing is that no political strings should be attached to the aid.

**Pandit G. B. Pant:** I never said that the professions of the Communist Party are to the contrary. What I was saying is that you want aid from all countries; you don't want to spurn them. But you only want this that when you go to a country, adopt such methods as will only induce that country to withhold everything that they possibly can keep. That is, when you go to America, then you tell them that you are a very selfish people, you don't know how the affairs of democracy are to be managed, you are rich and prosperous; but you have adopted very ignoble means for amassing these riches and we do not want to touch with the pole the means that you have adopted, and we want all that you have. But we know that you don't deserve any sort of respect and we have always discarded you. That is how we should get aid.

**Shri A. K. Gopalan:** No, no.

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**Pandit G. B. Pant:** That is what I am saying. When we go to Russia, we tell them: the Soviet system was based, at a stage, on carnage, on blood-shed, that the leaders of the Soviet party and members of the Politbureau, are spirited away overnight, they are thrown into the dungeon, that many parts of Russia, which form part of the Soviet system are still in a primitive stage, that their methods have always been impure and unclean, let us have all that we need, we cannot do without your help. That is how we get assistance from Russia. You say you want aid all right, but you want us to adopt methods which will lead to results entirely contrary to what you want. If that is so, it would be more straight forward to say that we do not want aid.

Our own position is this. We stand for co-operation with every country. We are prepared to place our humble services, backward and undeveloped as our country is, at the feet of every country. We are humble. We do not possess many resources. But, whatever little we possess, we would be happy to share with them. We want to promote that spirit of co-operation in the world. All countries should co-operate. Whatever be their ideologies, we are not here to sit as censors on others. Russia is entitled to have its system, America is entitled to have its system. So far as the economic sphere is concerned, both have made enormous progress. We are lagging far behind. We seek help from them so long as it is without strings, so long as it helps the cause of peace and the spirit of co-operation in the world. We do not want anything for ourselves if it is going to endanger the larger interests of humanity. So, whatever we wish must be consistent with our spirit of friendliness towards all. We value more this spirit, this attitude, the amity and goodwill of other nations than even the aid that we may get in dollars.

Russia has been good enough to help us. We are obliged and grateful

to Russia. It accorded a magnificent reception to our Prime Minister when he visited Russia. We have no cause to be in any way unfriendly to Russia. We appreciate also what America has done. America has been acting selflessly. It has given away millions and billions of dollars to undeveloped countries for their uplift and advancement. It has adopted its own way of life. We are not here to judge as to the methods that they have followed from day to day. They are good people. So are the Russians. So are the Chinese. We have today the unique privilege of enjoying the friendship and goodwill of all these. I venture to say that our Finance Minister has further strengthened these bonds of friendship and goodwill with every country that he has visited. He has nowhere said a word which would, in any way, compromise the honour of our country. He has said things which can only raise us in the estimation of others.

But, can we conceal the exact state of affairs? Can we cover them up? Is it not true that we stand in need of machines which will enable us to be independent in future in the economic field, but which we cannot today construct in our own country, which we cannot manufacture here. Whether for the sake of advance or for the sake of future economic and political independence, it is absolutely necessary that our Plan should get through and for that we should not alienate any one unnecessarily. What did he say? When he went there, he told them what our needs are. He never said, you give us so much. He met all classes of people who could be helpful, not so much with a view to getting pecuniary aid as with a view to establishing contacts and to further promote the feeling of fellowship between America and ourselves. It is true and I feel that it is correct that there has been unnecessary misunderstanding about our country in America. We are friends of America. We appreciate all that they

have done. It is hardly to our advantage to create a feeling of bitterness when it does not exist in our country.

Our people are, by their tradition, friends of the entire human family. *Sarvam Vishnu Mayam jagat*: we have from our childhood been nourished on these tenets. The people of all other countries are also friendly to us. But, a few either misguided persons or those who have mis-conceived notions, create difficulties and they have to be cleared. We stand for non-violence. We stand for individual liberty. We stand for right means for the achievement of right ends. We stand for world peace and for friendliness with all. If all of us accept these principles and try to act accordingly, I think we can solve many of our problems. Ultimately our strength lies in the vitality of our own economic and social systems. We do want help from others. But, we want that help only if we are worthy of it. We want that help so that we may be of service to others and to other countries too. That is the way, the co-operative way, that can help our country and others too. The Finance Minister has, throughout, been actuated and guided by these principles. On behalf of this House, I wish to offer him my felicitations and also to express my admiration for the magnificent work that he did in foreign countries.

**Shri Anthony Pillai** (Madras North): Mr. Deputy-Speaker, at the outset, let me first congratulate the Finance Minister for at least a little moral courage for exhibiting what I may term some element of intellectual honesty. While in the United States he had the courage to say that our system of socialism was in no way different to American capitalism, and that in some respects Indian socialism was more capitalistic than American capitalism. That is a remark born of intellectual honesty, which I think all sections of this House should appreciate.

14 hrs.

I was surprised when my friend **Shri Mukerjee** demanded a categorical

assurance from the Prime Minister that that government does not stand for a mixed economy. Would a categorical assurance do for him, when the reality is the reverse? What is the purpose of the Opposition or any member of the Opposition who has been on various platforms complaining that these pious platitudes with regard to our socialist economy are nonsense, plead for reiteration of the nonsense.....

**Shri C. D. Pande** (Naini Tal): On a point of order. May I point out that our Government is committed to a mixed economy and therefore it is wrong to say that it is not so? It is a part of the economic policy as laid down by the resolution of 1948.

**Mr. Deputy-Speaker**: What he has said may be wrong, but there is no point of order.

**Shri C. D. Pande**: Point of order in the sense that to say it is not the policy of the Government is wrong. It is the policy of the Government to have a mixed economy here.

**Shri Anthony Pillai**: It may be that we adopt various, shall we say, intellectual disguises with regard to our pattern of society, but we all know that the reality is the reverse and that reality has been very clearly expounded by the Finance Minister, and for that exposition I am duly grateful.

There are really two points of view in this House. One solution has been suggested by **Shri Masani**, namely that the exuberant utterances of **Shri Krishna Menon** hinder our retaining the goodwill of the United States. **Shri Mukerjee** on the other side would urge that a halt be put on the activities of the Finance Minister in the interests of maintaining the goodwill of the Soviet Union. Both of them would suggest that the simple solution would be to remove either of these members from the Treasury Benches. But the issue that faces this country is not the fate of these two individuals.

What is the stark reality? This modern Columbus that we sent out to

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the United States came back with a Delphic oracle which has got to be interpreted. He said that he went out without expectations and came back without disappointments. This is a very profound remark which undoubtedly will have to be interpreted in various ways. According to my interpretation, what it means is this, that it is a confession that our domestic policies cannot be fulfilled without substantial foreign assistance, that to a large extent our foreign and domestic policies have failed to provide that assistance, and that it is necessary for a super-engineer to rebuild the climate in the United States for further assistance. If the domestic and foreign policies have failed to this extent, then it is not merely a question of cashiering either the Finance Minister or the Defence Minister; the whole Government is responsible to the nation for this failure. Shri Krishnamachari undertook, at the express instructions of the Cabinet, this task of removing doubts, of rebuilding the climate in the United States, but my humble opinion is that the more urgent task is to rebuild the climate in our country. We have here layers of population which are highly discontented. The workers, the peasantry, the small trader are all highly discontented with the state of affairs that prevails.

Shri Mukerjee referred to a remark that was made in the *Manchester Guardian* to the effect that our Five Year Plan was a gamble and that the gamble had failed. Personally I do not see anything wrong in that remark of the *Manchester Guardian*. It was undoubtedly a gamble. In fact, the plan has built-in gambles. There are three gambles, in fact. One was a gamble that there would be an adequate amount of foreign assistance, a pious hope to that effect; there was a gamble with regard to good monsoons; and thirdly there was a gamble that deficit financing would not lead to inflation. Therefore, to suggest that the Five Year Plan was

not a gamble would be utterly wrong. On the contrary, we who believe in a socialist ideology have very fundamental differences with regard to make-up of the Plan. We believe that if the Plan has to succeed, it should not depend on charitable aid, on goodwill on the part of any country. It should depend on our ability to evoke the sense of urgency, the sense of co-operation among the actual producers.

We have received reports with regard to our agricultural production. There is the report by Shri Asoka Mehta and also the report from Shri Balvantray Mehta. These reports would clearly indicate that we have failed completely to evoke any adequate response from the real tillers of the soil; but on our ability to increase our production of agricultural products depends the whole Plan, the success of the Plan, and if we have failed in that effort, then any deficit financing on top of that failure will have disastrous consequences. Hence this scramble for foreign assistance.

Shri Masani was very clear. He said that foreign assistance on a government-to-government basis cannot be expected from the United States in this Sputnik rivalry, in this race to the moon, and therefore we can expect only foreign assistance from the United States to the private sector. In other words, underlying this whole debate is the apprehension that faced with the possibility of our having to abandon the Five Year Plan unless sufficient foreign assistance comes to our aid, there will be an attempt in various devious ways to subvert the basis of the Plan, to abandon the public sector in the interests of the private sector. That is the underlying apprehension which has caused so much heat and controversy in this debate. It is not the precise statements made by the Finance Minister in his trip abroad, which is urgent but what may possibly be the future consequences of Shri Krishnamachari's travels.

I would like to add one more point. It is with regard to this unnecessary controversy that has arisen over an alleged interview which the Finance Minister gave to a correspondent of a foreign newspaper. Personally I do not think that it is not permissible to a Minister to give rein to his imagination with regard to hypothetical situations. If the Finance Minister had stated that it is possible that Shri Dange, personifying the Communist Party, may take a leftward turn, it is not an impossible conjecture. It is not a far-fetched conjecture. Has the Communist Party denied it, that it has given up, or abjured a leftward turn for ever and ever? If that conjecture is a legitimate conjecture, the consequential conjecture that some foreign government may lend assistance to the Communist Party is also not an impossible conjecture. Has the Communist Party ever denounced the rape of Hungary in spite of the fact that the Government of the USSR is a subscriber to the doctrine of Panch Sheela? Here, we have a conspiracy of silence. If that conspiracy of silence can be maintained, what is there in the tenets of Stalinism to state with emphasis or to state positively that if the Communist Party should take a leftward turn, the Soviet Government or China will not necessarily give it assistance? It may be that the Finance Minister never made these remarks. But if he did give free rein to his imagination, to analyse the conjectural possibilities, I do not see anything wrong in that.

It may be that it is unwise to do so; it may be that in the context of our foreign policy, it is not wise to suggest that a friendly nation today may possibly take up arms tomorrow. But that conjecture is a conjecture *per se*; it is not fantastic conjecture.

On the other hand, my own view is that our foreign policy to a large extent is determined by pious platitudes. We follow a policy of neutrality. That is true. But that neutrality has not meant isolation. What

has it meant in practice? It has meant that being friendly with all nations may possibly lead to assistance from all nations. To a large extent, those expectations were not belied, particularly, during the First Five Year Plan. India tried to play the role of an honest broker and accept commissions from all sides. And as long as the guns boomed in Korea and in Indo-China, it was possible for Shri Jawaharlal Nehru to play the role of an honest broker. But today, when the cold war is tapering off into sabre-rattling and into a race for the moon, opportunities to play that role are producing diminishing returns, and hence the crisis with regard to the possibilities of getting assistance from abroad.

On the other hand, though our neutrality has meant basically that we should be friendly with all, there is also the other aspect of the policy, namely to what extent we should be firm and honest with our friends. Here, we have a paradoxical situation in which a neutral country is compelled to spend more and more on defence, even at the expense of jeopardising our Plan. Is it not wise to tell whoever those friends may be who have compelled this increased expenditure on the Plan, is it not wise to suggest to them that if this continues, we shall have no other alternative but to get even military aid from other nations to safeguard our Plan? On the other hand, could we also not be equally firm with the Soviet bloc and tell them that if they are subscribers to the Panch Sheela, we shall not tolerate the rape of any country like Hungary, that we shall openly speak out and denounce any such aggressive act on the part of our friends? Therefore, there is, really a contradiction in that our wanting to be friendly, nice and sugary to everyone, renders us impotent in being firm and honest in our dealings in the implementation of our policy of neutrality. My humble submission is that this policy of being sugary with everyone is yielding diminishing returns. It is about time

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that we try the other method both in the interests of our dignity and in the interests of our self-interest. It is wise to say to our friends that with regard to certain matters, we shall be equally firm, and we shall be equally outspoken. Unless we make a basic reappraisal of the tone and tenor our foreign policy and of our domestic policies, the aim of improving the economic situation of this country will certainly be in jeopardy.

**Shri P. K. Deo (Kalahandi):** Even after all these eloquent and highly controversial speeches by some members of the House, I still regard the visit of the Finance Minister to foreign countries as a piece of patriotic enterprise. The object of his visits is twofold, firstly, to assess the prospects of obtaining medium-term and long-term economic assistance for our Second Five Year Plan, and secondly, to create greater understanding of India's economic problems and policies. A guarded and intelligent assessment of his success is needed.

Acharya Kripalani has said that our Finance Minister went with a begging bowl. I would call it a very uncharitable remark on his part. The devil should be given his due credit.

**Shri Hem Barua (Gauhati):** Is the Finance Minister a devil?

**Shri P. K. Deo:** I have been closely following his utterances in the USA. On 4th October, 1957, while addressing the Eastern Conference sponsored by the East American Council, he has said 'We want loans'. He never said 'We want aid'. He also said that he will prove our repaying capacity.

An important sentiment has been released regarding the ideal of socialistic pattern of society or socialism and the so-called departure of that ideal in the Finance Minister's speech. Everybody in this House would agree that this country has accepted the

Second Five Year Plan, and to achieve the targets envisaged in the Plan, we need foreign capital to the tune of Rs. 700 crores. It is immaterial whether it comes from the USA or the USSR; so long as no political strings are attached to the aid, it should be welcomed. We accepted the other day Soviet aid to the tune of Rs. 60 crores, and it is no harm if we ask for such aid from the United States of America.

It is an admitted fact that there has been surplus capital in the United States, and that made our Finance Minister go there and use the goodwill of this country and his personal influence to induce the official and non-official agencies of the United States to help us to implement our Second Five Year Plan.

Now, coming to the achievements or failures, we should judge them from his performances and the results achieved in different countries. So far as Her Majesty's Government in UK is concerned, help from them is more in the forms of platitudes than of real promises. So far as the loan from the World Bank is concerned, before the Finance Minister's departure from here, a delegation had already visited this country on behalf of the World Bank, and they had given a favourable report regarding the soundness of our projects, especially our railway expansion programme. How far will it be fair on the part of the Finance Minister to claim that he has achieved the disbursement of \$150 million of bank loans to India for our Plan purposes?

Our Finance Minister feels that on the whole he has been successful. That might be a complacent belief or effective intelligent thinking. But it depends on the results. Today's paper gave an indication that Mr. Cooper gave a statement that India would be expecting financial assistance from America to the tune of \$300 million, that is, more than half of what we had asked for. That is a very good sign. The question of assistance from the USA has been under the consi-

deration of the United States Government.

At this delicate moment, the reaction of our Communist friends is to rather sabotage any prospect of our getting any such loans from the United States. (An Hon. Member: You are there). The wheat loan from Canada has been a piece of success.

So far as our trade relations with West Germany are concerned, negotiations for deferred payment are nothing but postponement of our burden. A long-term perspective indicates that lightening of this burden could be achieved by balancing our trade relations. I would like to know categorically from the Finance Minister if he discussed the question of balancing of our trade with West Germany and of the marketability of our products there.

The visit of the private industrial mission in search of capital for the private sector synchronised with the visit of our Finance Minister to that country. We would like to know if there was any co-ordination between these two visits, if the private delegation helped in any way in getting foreign assistance from that country.

Many persons in this country expressed their regret over the statement of the Finance Minister. My hon friend, Shri H. N. Mukerjee, accused the Finance Minister of having hit the Prime Minister below the belt. But that has been contradicted, and our Prime Minister here has given his unqualified support to the statement of the Finance Minister after the misunderstanding has been cleared. (An Hon. Member: Not yet).

There has been a feeling in certain quarters that when our Finance Minister has been negotiating for foreign aid from the United States, our Prime Minister should not have made a reference to the activities of international gangsters at Kashmir. There has been some feeling, at the same time, that when the USSR has been supporting us in the Security Council

on the Kashmir question and when we have been fighting for China's recognition in the United Nations, we should not have gone to the western bloc for financial or economic assistance. But these things are quite different. They cannot be put together. Everybody in this House feels that India is not prepared to sacrifice the ideology of neutrality and non-alignment with power blocs for the sake of foreign aid. We all feel that we have to raise our internal resources and have to stick to the policy of more exports and try to implement our Second Five Year Plan successfully.

It will not be out of place to mention here that sometime back, a Japanese firm, Yunoshitta and Company, promised technical and financial assistance to the Government of India for developing the Paradip port on the cost of Orissa. In return, they were to get 2 million tons of iron ore from this country. That would earn Rs. 12 crores worth foreign exchange. If our Finance Minister gives his sympathetic consideration to this proposal, that will also help us a long way to get foreign resources.

With this, I support the statement of the Finance Minister.

Shri Somani (Dausa): Mr. Deputy-Speaker, Sir, undoubtedly our country is faced with a very difficult and critical economic situation. It cannot be denied that the Finance Minister undertook his mission at a time when the country's needs of foreign exchange are so urgent and acute. It is therefore in the context of this pressing need for implementing even the core of our Second Five Year Plan that we have to examine and discuss the results of the very difficult mission which he undertook recently.

I may remind hon. Members that the present Finance Minister imposed the heaviest burden on the private sector which any Finance Minister could do at the time of his last budget. The burden was not only heavy, but the nature of the taxation

[Shri Somani]

measures he initiated is unprecedented. Having got the approval of the House for these taxation measures, I think it is nothing short of a remarkable achievement that he was able to visit those countries and create such a favourable atmosphere where the private sector plays such a predominant role.

It is also clear from the statements already made by the Home Minister and the Prime Minister that all this achievement of the Finance Minister has been made without sacrificing any of the principles or policies this country has been following. And it is not the claim of the Finance Minister's statement, to which reference can be made, but all reports indicate—and it can be said without the least fear of exaggeration—that never in the recent past have the conditions been more favourable in the United States of America for large-scale assistance for this country for the implementation of the Second Five Year Plan than now.

We have the testimony of the leader of the unofficial industrialists' delegation, Shri G. D. Birla. He has testified to the very favourable impression that was created by the Finance Minister's visit. We have seen this morning the report of a speech of Mr. Sherman Cooper, who was for sometime US Ambassador to this country, estimating that the order of assistance from America might be in the region of about \$250 to \$300 million. Shri Birla has also estimated that the aid that we might expect from America would be about \$250 million. (*An Hon. Member: For private sector?*).

We are also aware of the fact that it was due to the visit of our Finance Minister that the United States Government constituted a committee of high officials to go into the various aspects of our Plan and our requirements, and it is reported, that that committee has made a very favourable report for the consideration of the

President. That being so, I think the bitter controversy which has been raised about the mission of the Finance Minister is really very unjustified and is calculated to do a great mischief to the very objective which we have all in view, namely, to promote the pace of economic development as fast as possible.

Apart from the assistance that we might receive from the Government, there are various other agencies like the World Bank, the Export-Import Bank and other American-sponsored institutions from which valuable assistance has been forthcoming, and from which there are further prospects of assistance forthcoming, for many of our projects. In addition, this is the first time that we have heard that a combine of private commercial banks in the United States of America have come forward to help the Tata Steel expansion project.

We have also a report of the Industrialists Mission that the present climate in America to afford assistance in the implementation of the Second Five Year Plan is such that a very substantial investment from the industrialists and investors of America may be expected. All that means that if the atmosphere that has been created by the Finance Minister's mission is pursued to its logical conclusion, then, naturally, this mission will bear fruitful results which will be of great assistance at a time when we are faced with such a difficult situation in our foreign exchange resources.

Coming to the question which is often raised, as if the private sector has run away with a huge amount of foreign exchange resources, as if there has been an over-investment by the private sector in several projects. There have been frequent criticisms that the private sector is not playing its role, that the investors are shy and that they are not making their full contribution. On the other hand, when they show enterprise and go ahead, they are charged with recklessness. I think at a time when the private

sector is in a position to secure substantial foreign assistance by way of deferred payments, it is highly desirable that the Government of India should pursue policies which will enable the private sector to take full advantage of the opportunities that have been created by this atmosphere in foreign countries.

It appears that our trade with West Germany shows an adverse balance to the tune of about Rs. 80 crores in the last year alone. That shows the nature of capital equipment which we are importing from West Germany. And, if, as the Finance Minister has said in his statement, the German Government and the German machinery manufacturers there are in a position to enter into long-term credit facilities for the private sector, that means that we are in a position to avail foreign exchange facilities to the extent of about Rs. 250 crores during the next three years—if proper advantage is taken of the facilities that West Germany is in a position to offer for the economic development of our country.

My point is, whether the projects are in the private sector or in the public sector, it is a part of the Plan itself and whatever contributes to the increase in production—if the private sector today is in a position to secure substantial credit facilities from abroad—there is no reason why Government should not come forward and take such measures as will enable the private sector to avail itself of those facilities.

I would not take much time of the House; but it is clear that this debate which has taken place and the way in which certain remarks have been flung about may cause much damage than good to the country. At a time when any country is faced with an economic crisis one would naturally expect that all sections of the people would co-operate to get the difficulty solved. I think it is in the interests of the country that all parties should have come forward to strengthen the hands of the Finance

Minister to go ahead with the mission in which he has been able to create a certain atmosphere, but the results whereof can only be secured if our country and this House here strengthen his hands and enable the Government to go ahead to take advantage of the atmosphere that has been created. I think it is really very essential at this critical stage of the Plan, when this mission has produced such results in creating a favourable atmosphere especially in America and West Germany, which alone are in a position to deliver the goods, that everything possible should be done to enable both the private sector and the public sector to avail this opportunity and take full advantage of the results of the mission.

I feel that the Finance Minister has really achieved remarkable success on a very difficult mission and that everything possible should be done so that the atmosphere that has been created would enable us to achieve the objective that we have in view.

**Mr. Deputy-Speaker:** Shri Gopalan wanted some five minutes for some personal explanation.

**Shri S. M. Banerjee (Kanpur):** He took already 2½ minutes to explain that point as I think.

**Shri T. T. Krishnamachari:** Mr. Deputy-Speaker, when this motion was tabled by my hon. friend, Shri Masani, I was not quite sure in my mind whether I ought to welcome a discussion or feel aggrieved that my friend, Shri Masani, should have brought this matter on to the surface. In retrospect, the mixed feelings with which I approached this debate have somewhat been changed largely because of the very massive support that I got on the floor of this House from my chief, the Prime Minister and no less massive and equally spontaneous support from my senior colleague the Home Minister. After all, even if this debate had some element that was not good in it some good has come out of it.

[Shri T. T. Krishnamachari.]

Basically the approach that has been made by the Opposition follows the pattern of communist stock. A prophet of communism once said that if he had 4 enemies he would make friends with 3 and destroy the fourth; and this process will go on that way.

**Shri Hem Barua:** That was Mr. Chester Bowles who said like that.

**Shri T. T. Krishnamachari:** I am afraid my hon. friend does not know anything about communists (*Interruption*).

**Mr. Deputy-Speaker:** He has said that a prophet has said so and he calls the man who said that a prophet. There is nothing to oppose it.

**Shri Hem Barua:** I said that it was Mr. Chester Bowles.

**Mr. Deputy-Speaker:** It may be that he is a prophet; what is the harm?

**Shri T. T. Krishnamachari:** My friends the communists must seek to divide the Cabinet and that is a process that they have been carrying on for long. They must praise the Prime Minister and decry his colleagues, in the hope that sometime or other they might perhaps win over the Prime Minister. They do not understand, as often people who believe in dogmas such as they do do not understand, that the Prime Minister has chosen his colleagues and if he does not want them he can drop them. So, there is no point in saying the Prime Minister is a good man but his colleagues are bad men. The Prime Minister chooses those colleagues.

This propaganda is not merely carried on by the communists but also by those papers which are run by fellow travellers. We are pleased that our leader is spared from the various epithets that are often hurled at our devoted heads but none the less the tactics happen to be unavailing and I think it is worth while mentioning.

But in dealing with Shri H. N. Mukerjee I should not forget the fact that the motion was moved by Shri

Masani. I am grateful to whatever he said about me and about my work. I am, perhaps, somewhat less grateful in regard to whatever he said about what I should have said in America. But support came from another quarter, from an old colleague. I hope that it does not bear the patent so far as the communists are concerned. Shri Frank Anthony and I have been here for a number of years, almost since 1942—a significant year in the history of communism in India. I have known in those days Mr. Frank Anthony spontaneously supported any good cause. Here he found that this poor fellow who was one of his comrades being harassed and he brought in an amendment. I am grateful to him not only for the amendment but to his somewhat critical approach to the whole problem.

I would just like to say a word about Acharya Kripalani. It is a matter of deep regret that I should have provided the occasion for him to have said what he did. I am not in a position, I have not got the authority or the age or the experience that my senior colleague, the Home Minister has to speak about Acharya Kripalani as he did. All that I can say is that Acharya Kripalani is a respected leader and I think that respect still holds good. I have not had the privilege of knowing him very well so as to exchange pleasantries. None-the-less, it is sad that some people should have occasion even to criticise a person who has occupied that position in Indian public life. I have nothing more to say about what he has said about me and my trip, not even to quote what he said in England.

About my friend, Shri Mukerjee, the orator of the Communist Party, is nursed in the traditions of Oxford. He is good enough to say that he found me a charming man outside this House. May I say that I heartily reciprocate that sentiment? I found him more charming. I found him cultured. I do not see how that type of culture that he imbibed at Oxford can still be preserved in the atmosphere in which he now thrives, because the

## Abroad

atmosphere is, may I say, Mr. Deputy-Speaker, overpowering. Not that I say that my friend opposite is any the less charming. But she is not quite so soft outside as Mr. Mukerjee; she is hard as nails but she is charming and when she is not here we miss her.

But this personal charm, Oxford culture or Cambridge education goes by the board when the indoctrination of communism starts. A totalitarian mind believes that anything that is untrue becomes true by repeating it. It is not a communist following; it belonged to Mr. Hitler as well. Now Shri Mukerjee must go back to his old stock of imports and must quote figures—may I say, misquote. He wants the House to believe that all this trouble, the need for money, for foreign aid, the need for my going abroad and asking for aid—the root cause of all this is the import policy that has been pursued by the then Commerce and Industry Minister. It does not matter whether the occasion is appropriate or not because the Communists never choose an appropriate occasion. Every occasion is appropriate for their propaganda. He misquoted a lot of figures. He quoted something about condensed milk and powdered milk. Powdered milk came free. It is imported no doubt and it came by the sea through the customs. A lot of powdered milk has been coming free. It is being distributed for poor children. I suppose the communists do not like it.

He was afraid that I might get up and say that our imports had been largely in the field of capital goods. He must meet that argument. So, he says: "Your imports of capital goods are not for making producer goods but for making consumer goods". This is a new line so far as the communists mind is concerned; it is inventive if it is nothing else. We may probably hear more of it later.

But what did he say? He said that I had in an interview said something which I did not, which would affect our relations with two countries who are our neighbours. But at the same time, he abused every other country

that is friendly. If you want to sympathise with East Germany, there is no need to abuse West Germany. If you want to be friendly with Soviet Russia, there is no need to abuse Britain or the United States. But, Shri Mukerjee is a good man. He says: "Do as I tell you but do not do as I do". The Russians do as he does but I must do as he tells me.

Now, about my statements in the United States and elsewhere. Unfortunately, I am far too lazy to lay down or put in paper whatever I say. I do not prepare speeches either because I fancy that I am being overworked or I am incapable of doing that kind of work. But I took good care so far as anything that I said in the United States was concerned that I put it down on paper. Not merely did I do it but I had it printed, undoubtedly at Government expense, and put in the library. As the Prime Minister said, I would like hon. Members who are interested in order to find fault with whatever I have said, to read it again. Maybe that we did not speak with one voice in this Cabinet. But hon. Members will find that the sentiments that are mentioned there are the same as mentioned by any senior Member of the Cabinet in this country or elsewhere. I have nothing to be ashamed of in regard to what I said abroad and I refuse to be hung because of my misdeeds until such time as my hon. friends take charge of this Government. In which case, of course, I have been assured by my communist friends that they will probably swing me first. It would be a good thing to do. After all, many of them are my good friends. They would not like to create any suffering for me.

The point really about it is this. Hon. Members in this House and outside must be wary. There are a handful of papers in this country which, if they are not communist, are fellow travellers-owned papers and if they cannot say anything against the Prime Minister, they choose the lesser dignitaries in the Cabinet. They choose to misrepresent what we have said. I am not here to defend whether it is right for us to go to the

[Shri T. T. Krishnamachari]

foreign country and ask for aid without political strings. If Shri Mukerjee says that the policy of the Government is wrong and, therefore, he must pass a vote of censure on the Government having done something in pursuance of a policy which is basically wrong, I agree with him. Let us have it. We will try to defend it to the best of our ability. But the policy is a thing which, at any rate, Shri Gopalan in clearer terms, being not so well educated as Shri Mukerjee, states something which he is not against. If that is your attitude, you must prove what you say, if you have any reason to say that the policy of this country has been twisted, misrepresentation has been made or the dignity of this country has been lowered. I am afraid, Sir, no such case has been made out.

Well, about other speakers, Shri Anthony Pillai—I do not know what Shri Pillai was saying, whether he was saying something in my favour or against—I think largely thought that there is a justifiable case on the Finance Minister's side though he may not approve entirely whatever I have been doing. Well, I thank him for small mercies

**An Hon. Member:** He did not approve.

**Shri T. T. Krishnamachari:** That is what I said, I do not know exactly where I stand in relation to him.

The hon. Member from Orissa gave us a limited approval. Of course, Shri Yajnik said that everything that I wanted to do was right but everything that I did was wrong. He has been trained in this art of dialectics for a long time, and we see evidence of it here.

To come back to the point which Shri Masani started, let me tell Shri Masani once again that I am grateful to him for whatever he said about me. But, at the same time, I would like to say much of what he said was not

quite correct, because we have publicised our taxation policies. Shri Somani said something about our tax policy. I have found that the Americans found that one or two elements in our tax policy were not quite so unreasonable as some people in this country seem to think. And, certainly, as compared to Israel I think we are doing better.

There is one thing that people in America did not know. The large depreciation allowances, the development rebates which we are giving, which have made industry plough back their profits to some extent and expand, is a thing which they were not aware of. The second thing they were not aware of was that we are not a Communist country, in spite of the fact that we have a Communist Opposition which is reasonably vociferous, and individual liberty does exist in this country, and might exist so long as we are all here and democracy flourishes.

As the Prime Minister mentioned, there are certain points which are common to us, valuable points. For instance, our Constitution, the Rule of the Law, the respect for individual freedom, the ability of a man to go to a court if something is done against which even the Communists enjoy in this country, these are points of contacts. Of course, there are points of difference.

I did not say that they are more socialistic. All I did say was that the social security measures which they have adopted in their country are something which we would not be able to adopt for many many years to come, because they are so perfect, their standard of life is such that in a socialist economy we would not be able to achieve for many years to come. Therefore, these are matters in which we probably can envy them. Their standard of living is high. Their social security measures are high. Their wages are very high even in relation to their cost of living. And, labour is very powerful in America. If anybody thinks that labour is not powerful in America,

they make a mistake. The labour lobby is probably the strongest lobby in America.

So, these are some of the things from which we see how they are influenced. It may be that we would like to implant some of the things in our country. I certainly would like, if we can afford it, to bring in their social security measures. That does not mean we accept the entire system, that does not mean we accept capitalism as such. I have repeatedly said that so far as we are concerned capitalism is of short duration here, it is a matter of barely over 40 years.

I would like Shri Masani to read what I have said. Perhaps, he may approve of me a little less but, nonetheless, I am grateful to him for whatever he has said. I am grateful to Shri Frank Anthony for his amendment, which is certainly very flattering so far as I am concerned. Well, by and large I am grateful even to the Communist Party for not having made it worse than what it was.

**Shri M. R. Masani:** Mr. Deputy-Speaker, Sir, yesterday evening, I must confess, I had a certain amount of doubt whether my fellow sponsors and I had done wisely in tabling this motion. I felt that for two reasons. One was that the debate had gone off from the economic plane on which I had largely pitched it to a political plane, and that unfortunately has lasted right till this moment.

The Finance Minister, for instance, feels that some of the things that I said about taxation measures were not correct. I think it is a great pity that he has not taken more time to point out where these inaccuracies were. I have taken the trouble to list the disincentives or obstacles to investment in India as I have understood them, and I hope even now he will get someone in his Ministry to take trouble to tabulate the answers or corrections to each of those difficulties to which I drew attention.

The second reason I had some doubts was that the general feeling left on one yesterday was that perhaps the debate may do more harm than good in the general context of our economic situation and our need for economic aid, credits and investment from abroad. That, Sir, I think one no longer feels, and I think we all can feel, as the Finance Minister has expressed already, that this debate has been worthwhile because it has given an opportunity to Parliament and the country to rally round the policy of this Government of ours in seeking the help of friendly countries of the world. The very powerful speeches made by the Prime Minister and the Home Minister today have corrected any damage that might have been done towards the end of yesterday's debate. I feel, therefore, that if it can be said by the *Manchester Guardian* that the Plan was a gamble and the gamble had failed, I would say that the Communist Party's plan in this debate was a gamble and that gamble has also failed.

Now, in so far as the Prime Minister's speech was concerned, I felt that in one of the finest speeches that he has made in this House for some time, he placed a very correct perspective of our approach to other countries and to the rest of the world. I am sure that we all agree about the way in which he explained our approach as being a friendly one, that when we go to a country our business is to make friends with that country and be friendly to it, that we get back in international relations what we give, and that we should give our best in those contacts that we make so that we may get the best out of other people.

I think it was good of the Prime Minister in that context and in that spirit to confess to us frankly that he shared the regret that some of us felt at the outbursts and statements of the Defence Minister on the 18th of November in the Security Council. In the light of that, Sir, we all hope that the Minister concerned will observe

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greater restraint in his utterances in future.

Now, it seems that irked by the Communist charges the Prime Minister asked us to ask ourselves and answer these questions: "Do we stand as humble suppliants at the bar of the world? Does the world think that we are self-respecting people or not?" I think, Sir, there can only be one answer to both the questions, and the answer is a resounding "No". I have yet to find anyone in the world who thinks that we are suppliants or that we lack self-respect; if anything, the charge is often made that we are throwing our weight about somewhat unnecessarily as a young nation. I think, therefore, we can reassure the Prime Minister that this libel that the Communist Party has tried to affix on the Government's policy and that of the Finance Minister's visit is one that is entirely unwarranted by the actions of our people and the Government.

Why has the Communist Party adopted this tactic that it did yesterday and it has done for the last few days in trying to foment this particular issue? I think the answer is clear, that it is in pursuance of their policy of trying to drive a wedge between different countries in the non-Communist world. That policy, to which the Finance Minister referred, has been known as *salami* tactics, that is the policy that Rakosi, the former tyrant of Hungary, described as detaching one opponent after another and slicing them off till nobody was left to fight. Their attempt to sabotage the good results of the Finance Minister's visit results from the irritation felt and experienced by them; not because that the mission failed but because of the expectation that the fruits of that mission may be reaped by this country in the near future.

If, however, this Plan could be sabotaged, then this country would be at the mercy of the Communist Party in this country and of their

friends abroad. Judging by the reaction to the Finance Minister's alleged statement about their friends abroad, one can see that they are very sensitive on that spot, but can they blame us if we still imagine that they are part of an international conspiracy, when their own General Secretary, Mr. Ajoy Ghosh, and the delegation of the Communist Party of India have been spending the last few weeks in Moscow, confabulating with Communist leaders from the rest of the world?

What is it that they are discussing there? Is it the weather? What is it that they discuss over weeks and what do the reports say? The reports say that very close contacts are being established between the Asian and the non-Asian parties and that the task of liberating the colonial and semi-colonial countries of the world has been under active discussion. So, the visits that are paid there are for the purpose of preparing for the liberation of this country and other countries similarly placed. In that context, one cannot help feeling that the Home Minister, in his very incisive analysis of their policies, was being very charitable and mild when he let them off with the very mild reproaches that he did.

The Deputy Leader of the Communist Party of India said, interrupting the Home Minister, that their policy was not to oppose aid or loans from various countries. I was very glad to hear that.

Shrimati Renu Chakravartty (Basirhat): And the rest of it?

Shri M. R. Masani: But the fact remains that when the Communist Party entered this House in force in 1952, after the elections before the last, they called a meeting of what was described as "non-Congress democratic M.P.s". At that time, they put before them a minimum programme for functioning jointly on the floor of

Parliament. Item No. 14 of that minimum programme which can be found in the *Hindustan Times* of 25th April, 1952, is as follows: "No acceptance of foreign loans". I am glad, therefore, that that policy has been diluted or changed. Whether that change is strategic or tactical, I do not know. Therefore, when professions for the support for the second Five Year Plan are made, we have to take them, as the Home Minister suggested, with a certain amount of scepticism.

Shri H. N. Mukerjee tried to draw a distinction between the socialist pattern which he professes to support and the mixed economy which he described as something which I adhere to. I am very flattered that the mixed economy is laid at my door, because it happens to be the actual policy of the Government of India and will remain there so far as I can see. After all, what is the mixed economy? If there is going to be a public or a non-official sector alongside of the State sector, and if that sector is to be given, as the Finance Minister and the Prime Minister insist on repeating in speech after speech, an honoured and important place, that is a mixed economy. A mixed economy is an economy in which that State sector and the non-official sector function side by side in the service of the country. If I am to be given the parentage of the mixed economy, I am very proud, because that happens to be the policy of our Government and our country under a socialist pattern of society.

The mixed economy is perfectly consistent with democratic socialism. It may not be consistent with totalitarian communism, but certainly democratic socialists will find no difficulty in accepting a mixed economy of State and private enterprise.

I would like to correct one little statement of Shri Anthony Pillai which, I am sure, was unintentional. He seemed to understand that I had

written off all hope of a government-to-government credit from the United States. That was not what I said yesterday. I was trying to point out that, under the Presidential system of government, the Administration was not free to give unlimited credits as they might wish to do and that the nature of the credit might be limited to the kind of figure that Mr. Sherman Cooper mentioned yesterday in New York.

I stand for getting the fullest assistance from outside, both in the form of investment capital and of government-to-government aid for essential purposes.

I hope, Sir, the House will accept the amendment and substitute motion endorsing the Finance Minister's statement moved by Shri Frank Anthony and will reject the other amendment which are in the nature of a censure.

**Mr. Deputy-Speaker:** The first amendment to the original motion is that of Shri T. B. Vittal Rao.

**Shri T. B. Vittal Rao (Khamnam):** I do not press my motion.

**Shri T. K. Chaudhuri (Berhampore):** On this side, we want to concentrate on one motion only, namely, amendment No. 3, which is in my name and is followed by some others.

**Mr. Deputy-Speaker:** Then, I shall put substitution motion No. 3 to the vote of the House. The question is:

That for the original motion, the following be substituted, namely:—

"This House having considered the statement by the Finance Minister on his visit to the U.S.A., Canada, the U.K., and West Germany laid on the Table of the House on the 13th November, 1957, records its strong disapproval of the manner in which he sought to interpret the basic approach and political perspectives of India's

[Mr. Deputy-Speaker]

economic policies among the Governments and the banking and business communities of the countries he visited".

## Division No. 6]

Awasathi, Shri  
Banerjee, Shri Pramathanath  
Banerjee, Shri S.M.  
Barua, Shri Hem  
Bhargava, Pandit Thakur Das  
Brij Raj Singh, Shri.  
Chakravartty, Shrimati Renu  
Chaudhuri, Shri T.K.  
Dasgupta, Shri B.  
Dige, Shri  
Elias, Shri M.  
Ghodassar, Shri Fatehsinh

Abdul Lateef, Shri  
Achar, Shri  
Agadi, Shri  
Anthony, Shri Frank  
Bahadur Singh, Shri  
Banerji, Shri P.B.  
Bangshi Thakur, Shri  
Beck, Shri Ignace  
Bhagat, Shri B.R.  
Bhakt Darshan, Shri  
Bhargava, Pandit M. B.  
Birbal Singh, Shri  
Brahm Perkash, Ch  
Brajeshwar Prasad, Shri  
Brij Narayan "Brijesh", Pandit  
Chaturvedi, Shri  
Chettiar, Shri R. Ramanathan  
Chuni Lal, Shri  
Daljit Singh, Shri  
Dasappa, Shri  
Das, Shri K K.  
Das, Shri Ramdhani  
Das, Shri Shree Narayan  
Datar, Shri  
Deb, Shri N.M.  
Desai, Shri Morarji  
Dube, Shri Mulchand  
Dubish, Shri .  
Dwivedi, Shri M.L.  
Elayaperumal, Shri  
Ganapathy, Shri  
Gandhi, Shri Feroze  
Ganga Dey, Shrimati  
Ganapati Ram., Shri  
Ghosh, Shri M.K.  
Godsora, Shri S.C.  
Guha, Shri A.C.  
Haeda, Shri Subodh  
Heda, Shri

Ghosal, Shri  
Ghose, Shri S.  
Gopalan, Shri A.K.  
Goundar, Shri Shammuga  
Haider, Shri  
Kodiyam, Shri  
Kunban, Shri  
Majhi, Shri R.C.  
Mohan Swarup, Shri  
Mukerjee, Shri H.N.  
Mullick, Shri B C.

Hukam Singh, Sardar  
Jaipal Singh, Shri  
Jang Bahadur Singh, Shri  
Jangde, Shri  
Jena, Shri K.C.  
Jhunjhunwala, Shri  
Joshi, Shri A C  
Kanakasabai, Shri  
Kasliwal, Shri  
Kedaria, Shri C.M.  
Keshava, Shri  
Keskar, Dr  
Khanna, Shri  
Kripalani, Shrimati Sucheta  
Krishnamachari, Shri T.T  
Krishnappa, Shri M.V.  
Kureel, Shri B.N.  
Lachhi Ram, Shri  
Lahiri, Shri  
Laskar, Shri N C  
Mafida Ahmed, Shrimati  
Majithia, Sardar  
Maiti, Shri N B  
Malliah, Shri U S.  
Maniyangadan, Shri  
Masani, Shri M R.  
Mathur, Shri Harish Chandra  
Matin, Shri  
Mehdi, Shri S.A  
Mehta, Shri J.R.  
Mehta, Shrimati Krishna  
Mishra, Shri B D.  
Mishra, Shri Bibhut  
Mishra, Shri M.P.  
Mishra, Shri S.N.  
Mitra, Shri R.R.  
Mohammad Akbar, Shaikh  
Munisamy, Shri N.R.  
Morarka, Shri

15.03 hrs.

[MR. SPEAKER in the Chair]

The Lok Sabha divided: Ayes 34;  
Noes 143.

## AYES

15.10 hrs.

Pandey, Shri Sarju  
Panigrahi, Shri  
Parmar, Shri K.U.  
Ramam, Shri  
Rao, Shri T.B. Vittal  
Singh, Shri L. Achaw  
Sugandhi, Shri  
Thakore, Shri M.B.  
Vajpayee, Shri  
Valvi, Shri  
Yajnik, Shri

Na, Shri C.K.  
Naldurgker, Shri  
Nanjappa, Shri  
Nathwani, Shri  
Nehru, Shrimati Uma  
Nek Ram Negi, Shri  
Oza, Shri  
Padam Dev, Shri  
Pande, Shri C.D  
Pandey, Shri K.N  
Parmar, Shri Y S  
Patel, Shrimati Maniben  
Patel, Shri N N  
Patel, Shri Rajeshwar  
Pillai, Shri Thanu  
Prabhakar, Shri Naval  
Raghubir Sahai, Shri  
Raghunath Singh, Shri  
Rajiah, Shri  
Raju, Shri D S  
Ramakrishnan, Shri  
Raman, Shri C R Pettabbi.  
Ramaswami, Shri S V.  
Ram Subhag Singh, Dr.  
Rane, Shri  
Rangarao, Shri  
Rao, Shri Jaganatha  
Reddy, Shri Viswanatha  
Roy, Shri Bishwanath  
Rungsung Suisse, Shri  
Sadhu Ram, Shri  
Sahu, Shri Rameshwar  
Samanta, Shri S.C.  
Semantshar, Dr.  
Sanganna, Shri  
Sarhad, Shri Ajit Singh  
Satish Chandra, Shri  
Satyabhama Devi, Shrimati  
Sen, Shri P.G.

## NOES

Shah, Shrimati Jayaben  
Sharma, Shri D.C.  
Sharma, Pandit K.C.  
Sharma, Shri R.C.  
Siddanajappa, Shri  
Singh, Shri Babunath  
Singh, Shri D.N.  
Singh, Shri M.N.  
Sinha, Shri B.P.

Sinha, Shri Satyendra Narayan  
Sinha, Shri  
Somani, Shri  
Soren, Shri  
Subbarayan, Dr. P.  
Sultan, Shrimati Maimoona  
Sunder Lal, Shri  
Swaran Singh, Sardar  
Tahir, Shri Mohammed

Thimmaiah, Shri  
Thomas, Shri A.M.  
Tiwary, Pandit D.N.  
Uike, Shri  
Upadhayaya, Shri Shiva Datt  
Vedakumari, Kumari M.  
Vyas, Shri Radhehlal  
Wadiwa, Shri

*The motion was negatived.*

**Mr. Speaker:** I will now put the substitute motion of Shri Frank Anthony. The question is:

That for the original motion, the following be substituted, namely:—

"This House having considered the statement by the Finance Minister on his visit to the U.S.A., Canada, the U.K. and West Germany laid on the Table of the House on the 13th November, 1957, records its approval of the contents thereof."

*The motion was adopted.*

#### DELHI MUNICIPAL CORPORATION BILL

**Mr. Speaker:** The House will now resume further clause-by-clause consideration of the Delhi Municipal Corporation Bill, 1957. Out of 6 hours agreed to by the House for clause-by-clause consideration and third reading of the Bill, 1 hour and 30 minutes have already been availed of and 4 hours and 30 minutes now remain.

The House will now take up clause 59. Which are the amendments that hon. Members would like to move or treat as moved—Amendments Nos. 115, 116, 117, 118 and 119? I see no hon. Member rising.

The question is:

"That clause 59 stand part of the Bill."

*The motion was adopted.*

*Clause 59 was added to the Bill.*

**Clause 60—** (Appointment, etc. of the General Managers)

**Shri Vajpayee (Balrampur):** I am moving amendments Nos. 50 and 51.

**Mr. Speaker:** What about amendment No. 120? It is the same as 50.

**Shri Vajpayee:** I beg to move:

Page 39, lines 11 and 12,—

omit "with the approval of the of the Central Government".

Page 39, lines 20 and 21,—

for "not less than three-fifths of the total number of members" substitute "the total number of members and by a majority of not less than two-thirds of those present and voting"

इस धारा में जो दो संशोधन उपस्थित किये गये हैं उन का उद्देश्य कारपोरेशन को इस बात का अधिकार देना है कि वह एलेक्ट्रिसिटी और ट्रांसपोर्ट के जेनरल मैनेजर्स की नियुक्ति कर सकें। अभी ६०वीं धारा में जो व्यवस्था की गई है उस के अनुसार कारपोरेशन इस बात के लिये बांधा हुआ होगा कि वह केन्द्रीय सरकार की अनुमति से एलेक्ट्रिसिटी और ट्रांसपोर्ट के जेनरल मैनेजर नियुक्त करे। मैं समझता हूँ कि केन्द्रीय सरकार को इस बात की स्वतंत्रता होनी चाहिये कि जिस व्यक्ति को वह उपयुक्त समझे उसे इन पदों पर नियुक्त कर दे। आवश्यकता हो तो इस तरह की व्यवस्था की जा सकती है कि जो भी व्यक्ति नियुक्त