

13.03 hrs.

MOTION RE: INTERNATIONAL SITUATION—*contd.*

THE MINISTER OF EXTERNAL AFFAIRS (SHRI SWARAN SINGH): We had a full debate yesterday on the international situation and I would, in my reply, endeavour to cover some of the points that have been raised in the course of the debate. Much as I would like to reply in detail to many matters that have been raised by hon. Members, it will not be possible for me to do so because of paucity of time. But I would like to assure the hon. Members that I have greatly benefited by their comments and by their observations and I will try to derive the maximum benefit from their mature ideas and suggestions that they have made.

In this debate Members from the Opposition Benches as well as my colleagues from our Party have touched upon some important points.

Almost all the leaders of the Opposition Parties have spoken and some of the doubts that were attempted to be raised on some vital issues have been effectively replied to by my colleague on this side and my task to that extent has been very much lightened. (*Interruptions*)

SHRI SHYAMNANDAN MISHRA (Begusarai): You imitate the Prime Minister.

SHRI SWARAN SINGH: It is a good model to imitate and I will commend the same to you. I do not think you will have the wisdom to do that.

About the international situation our first thought should go to countries in our regions. In his connection, I would like once again to draw the attention of the House to the great progress that Bangladesh has made over two years. Bangladesh has completed two years of its sovereign independent existence on 16th December this year. These two years have seen what a tremendous progress in all fields has been made by Bangladesh. Human memory is short but it was just two years ago, on the 16th December, 1971, that Bangladesh emerged as a free independent country. Ten million Bangladesh citizens had taken refuge in India and according to Shiekh Mujib-ur-Rahman, another twenty mil-

lion had been displaced from their homes and hearths. All the refugees have gone back. In fact, they returned to Bangladesh before the year 1972 was out and the floating population of Bangladesh is, by and large, now settled and they are pursuing their normal avocation.

These two years have seen Bangladesh adopting a democratic Constitution based on Parliamentary system. They have enforced that Constitution and the elections have been completed; the administration, according to the democratic methods with the objective of strengthening democracy and secularism—those processes have been taken deep roots in Bangladesh. Shiekh Mujib-ur-Rahman has emerged as the leader who has provided stability and philosophy to the new country, Bangladesh and we rejoice at the great strides and progress that have been made by the people of Bangladesh.

It is always proper to remember when we talk of progress and the immense sacrifices through which people of Bangladesh have gone through. Many people had to lay down their lives for Bangladesh; our own Indian soldiers, members of the security forces shed their blood to defend India's sovereignty and also to defend the freedom and sovereignty of Bangladesh. I would like to take this opportunity of paying my homage to the memory of all those who made their supreme sacrifice, who laid down their lives and who underwent many sufferings. The situation in Bangladesh is stabilised in the political sense and the Government and people are now engaged in the mighty task of restructuring their war ravaged economy. They have made considerable progress. Great deal has still to be done and we wish them well. Our friendship with them is of an abiding character and it is a matter of great satisfaction for us to note that Shiekh Mujib-ur-Rahman, has, from time to time, made very clear and categorical statements to the effect that Bangladesh friendship with India is the basic cornerstone in the policy of Bangladesh in the international affairs and we rejoice to recall this state of happy relationship between Bangladesh and India.

Now, coming to Pakistan, I would like to bring the information about our relations up to date. From time to time, I have been keeping the

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House informed about the salient features of our relationship with Pakistan.

After the signing of the Delhi Agreement, the process of three-way repatriation commenced on the 19th September. Up to the 17th December, a total of 134,328 persons have been repatriated to their respective countries. This includes as many as 36,474 Pakistani prisoners of war and civilian internees in India. We have very hope in this way of resolving this humanitarian problem affecting so many individuals in a mutually satisfactory manner.

In accordance with the Delhi Agreement, the problem of 195 prisoners of war has to be taken up in a tripartite meeting between Bangladesh, India and Pakistan, it being understood that Bangla Desh can participate in such a meeting only on the basis of sovereign equality. Therefore, the ball is in Pakistan's court to create the necessary conditions for Bangla Desh's participation so that this matter can be discussed and resolved amicably. For this, it is not necessary to await till the entire process of repatriation is completed, as it is provided for in para 3(vii) of the Delhi Agreement that this tripartite meeting can take place earlier if it is so agreed.

Now, we have seen reported statements by Pakistani leaders to the effect that Bangla Desh cannot be recognised till certain pre-conditions are fulfilled like the return of all war prisoners, presumably including 195 and suspension of proposed trials by Bangla Desh. It seems hardly fair on the part of Pakistani leaders to talk of pre-conditions when all these matters were discussed before the Delhi Agreement was signed which provides for a tripartite meeting with the participation of Bangla Desh as a sovereign equal. We would, therefore, sincerely hope that the Pakistan Government would see its way to fulfilling its commitment under the Delhi Agreement.

We are glad that Pakistan has at last withdrawn its complaint on the 195 prisoners of war from the World Court. Pakistan should now take action in accordance with the Delhi Agreement.

I have repeatedly said in this House that both India and Pakistan stand committed to the implementation of the Simla Agreement. While we have had occasions to draw the attention of Pakistan Government to some of the statements and actions of their leaders which in our view were not in tune with the spirit and the objectives of the Simla Agreement, the Pakistan Government have so far responded by reiterating their faith and their allegiance to this agreement and the principle enshrined in it. The question, therefore, arises, what is preventing the implementation of certain normalisation measures such as resumption of communications, air links, travel, trade and cultural exchanges between the two countries? These are the items mentioned in para 3, discussions on which can begin any time Pakistan desires. We on our side are willing and ready to start these discussions at the earliest moment. On our part, we had made it clear to Pakistan soon after the completion of delineation and withdrawal of troops from occupied territories that we were prepared for bilateral discussions on these issues. Surely, there can be no doubt that it is in the mutual interest of Pakistan and India and in the interest of the vast number of people in the two countries if there is no further delay in this matter and fresh agreements are worked out to resume these links between the two countries in so many fields.

This would also give rise to greater confidence and improve the atmosphere which would facilitate the task of discussing more complicated issues.

I have also seen press reports about the remarks of Pakistani leaders suggesting that India has ignored Pakistan's proposal for reduction of defence forces. This is quite a misleading statement. Pakistani leaders are well aware that Pakistan herself is spending as much as 50 per cent of her national budget and as much as 9 per cent of her GNP (based on last year's budget figures) on military expenditure. Despite her much greater need due to extensive borders, apart from the border with Pakistan and long coastline, India is spending much less proportionately on defence. However, we have never been averse to having any discussion on any subject with Pakistan, but the fact remains that the pre-requisite for

meaningful discussions on defence matters is the establishment of durable peace in accordance with the Simla Agreement.

The recent statements of Pakistani leaders on Kashmir to which we had taken exception, her efforts to acquire more and more weapons far in excess of her reasonable requirements, despite the existing high order of military spending and her continued negative attitude on Bangladesh, a reality which Pakistan can ill-afford to ignore, are obvious contradictions in Pakistan's postures on this subject. However, we are always willing and ready, which we have demonstrated on earlier occasions, to take concrete steps for further normalisation of relations between India and Pakistan and for taking steps for establishment of durable peace.

Now I will say a few words about our relations with our other immediate or close neighbours. With Nepal and Bhutan, where there are two young Kinks looking after these two countries, our relations are excellent. Our economic relations with Nepal are growing from strength to strength, our co-operation with Nepal for strengthening their economy and for providing a number of amenities and social services continues, and we have made our contribution in the development of Nepal.

With Bhutan as well we have developed very friendly relations which are in the mutual interest of both Bhutan and India. Bhutan has now been a member of the United Nations for some years and the Bhutanese delegation along with the delegations of other sovereign independent countries, members of the UN, are making their contribution in the international forum in an admirable manner. We wish them every success. We will continue to have friendly relations which are in the mutual interest and benefit of our two countries.

With Burma, we have been able to strengthen our relations even more. I myself with a high-power delegation consisting of our representatives from many economic Ministries paid a visit to Burma and I had for the first time visited places outside Rangoon also. We had the visit of their Minister who came to India with several other persons dealing with economic matters in Burma, and the Burmese delegation vi-

sited several places in our country. It is my expectation that as a result of these contacts our bilateral economic relations, relations in the industrial field, mineral field and so on will be strengthened further. It is a matter of great satisfaction to us that with Burma we have always had very friendly relations and a very friendly border where co-operation and quiet and friendship prevail, and we greatly value our old friendship with Burma.

With Sri Lanka, we have had very good relations. There have been several high level visits, and I would like to inform the House that we are expecting Mrs. Bandaranayake, the Prime Minister of Sri Lanka, to be with us in the month of January, most probably at the time of our Republic Day Celebrations. I am sure that this will further strengthen the friendly relations that exist between India and Sri Lanka.

Coming to Afghanistan, I would like to take this opportunity of welcoming the establishment of the Republic of Afghanistan. The President of the new Republic, Sardar Mohammed Daud, is known to us as a great and courageous leader, who was for several years the Prime Minister of Afghanistan. I myself paid a visit to Afghanistan in return for a visit that had been undertaken by a very high-powered political leader of Afghanistan to India. I was greatly struck by the determination of the Afghan leadership to strengthen their sovereignty, to strengthen their independence, and to undertake measures which might improve the lot of the people of Afghanistan. Our friendship with our Afghan brethren has been traditional, and we share many ideas in the international field which are identical, and this provides the basis for further strengthening of our relations with Afghanistan.

About Iran, another neighbour on the other side of Pakistan, I need hardly remind the hon. Members of the ties of history, language and culture with Iran, and I am glad to be able to report to the House that last week we had with us the Foreign Minister of Iran; a cultural agreement was also signed under which our educational and technical exchanges will be further intensified. The fundamental interests of our two countries do not need to come into any conflict or clash. Our discussions with the Foreign Minister of Iran made it clear that both sides

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can and must work together for ensuring greater stability in our region and in Asia as a whole. Our exchanges of views have led to a far better understanding between us and have removed some misgivings which may in the past have arisen, and such as have appeared in the press also from time to time. This visit and my last visit to Teheran, it is my belief, will result in a future relationship between us on the basis of a clearer appreciation and increased confidence regarding each other's policies and objectives. In the economic field, there is considerable scope for expanding our co-operation. The Joint Economic Commission of the two countries will be meeting in the middle of the next month in Delhi led by a senior Iranian Minister. Collaboration in oil refineries and petrochemicals, we believe, can be brought about to a greater extent to the mutual benefit of both our countries.

Iran's relationship with Pakistan is well known to us. However, I believe that the Iranian Government has appreciated our approach to the solution of problems in the sub-continent bilaterally and by peaceful means.

On the Indian Ocean, both India and Iran are in the 15-members *ad hoc* UNO committee, and our aim is to remove rivalry, tension and major powers' naval presence in this area, which is of vital significance to the peace and tranquillity of Afro-Asia.

I will say a few words about the present situation in West Asia. The recent war between the Arabs and Israel has, of course, been an event of global importance and concern. There was the risk of the conflagration spreading, which could have had disastrous consequences for the region as a whole. A significant part was played by the cooperation between the United States and the Soviet Union in bringing about a ceasefire and working out with the cooperation of the UN Security Council a broad framework in which peace could be stabilised. Hon. Members will recall that the UN Security Council in its resolution of October 22, 1973, besides calling for a cease-fire and for the full implementation of its earlier resolution No. 242 of November, 1967, also enjoined that talks between the parties concerned should start imme-

diately with a view to reaching a just and durable peace. This cease-fire in West Asia has been effective now for roughly two months, even though at times it was very tenuous. There are still difficulties which could lead to new clashes. In spite of these difficulties, we feel that the chances of a durable settlement in West Asia are better at the moment than perhaps ever before. An overwhelming majority of the countries in the world is now conscious that an essential condition of peace is the withdrawal of Israeli forces from occupied territories and secondly, discussions for a just and durable peace must be undertaken without delay. Our sympathies in the recent conflict and our views on the question of durable peace are well known to the House. No country has a right to remain in occupation of the territories of others seized by armed force. We have seen over long years Israel in illegal occupation of such territory and its refusal even to accept the principle of withdrawal. We believe moreover that the establishment of a stable peace should be based on respect for the right of existence of all the States in the area and that the full rights of the Palestinian people must be restored. The Peace Conference is starting today in Geneva under the co-chairmanship of USSR and USA, over which the UN Secretary-General will preside in the opening phase. Arab countries have shown a great deal of flexibility and demonstrated their earnest desire for a peaceful settlement of this problem and we hope that Israel too will show a sense of realism and recognise the force of world opinion in this matter, so that this long-standing problem can be solved in the interests of all the countries of the region. I am glad to notice that in our own country, and in this House, a broad consensus in support of the Arab cause has already emerged and there was no discordant voice on this issue. The issue is simple: The Arab lands must be vacated and Palestinians must be restored their legitimate rights. There may be some observations of a collateral nature to the effect that if our support to this cause were not there, we could play a better mediatory role. I fail to understand the logic of this argument that in order to be able to play what some members feel can be a mediator's role, we should be hesitant in expressing our strong support to a cause which we believe is just.

**SHRI SHYAMNANDAN MISHRA :** The tragedy is that those who had played aggressively partisan roles are the mediators now!

**SHRI SWARAN SINGH :** Then you are saying that we should have been more aggressive! I was not replying to this type of argument. It is true that, in a sense, Shri Mishra's comment is correct. In this particular case, the two countries, the United States and the Soviet Union, were able to play the mediatory role because it is hard reality that the war could not be carried on there without the active support of these two countries to the countries which are actually carrying on the war. To that extent, the argument is valid. But that only shows that to be neutral does not provide a very good opportunity to play the so-called mediatory role!

I am mentioning this because sometimes we are carried away by text-book postulates and are prone to forget the realities of the situation. Particularly, the speech of the young Jan Sangh member who, I think, spoke for the first time on foreign affairs—his speech was mostly in very good language and the delivery was good—so far as the content of his speech is concerned, I have no hesitation in saying that it was rather trite and common place, based on some old books and some new journals, and such a combination can never be productive either of clear thinking or forceful presentation. That apart, the important thing is that in a situation where war prevails, if we find that justice is clearly on one side, we should not hesitate to express our support especially when, apart from the cause being just, the people involved are the Arab people, who are our brethren and with whom we have got friendly and fraternal ties. So, I think the logic is irresistible that there could not be any other attitude except the one that we have adopted. And it is not a small consolation, if I may use that expression, to recall that countries who had been very hesitant in the beginning veered round to the view which India had taken consistently from the beginning. Look at the nine members of the European Community and the statement that they have made, supporting the Arab cause in far more categorical terms than what they have been saying from the time when the war started. Look at the attitude of Japan or several African countries. They

are all slowly veering round to the view and attitude that we have taken from the beginning. All this will clearly show that the attitude that we have adopted in this respect is the correct attitude and we should never regret having adopted that attitude.

This brings me to the visit of Mr. Brezhnev, about which a great deal has been said. As a matter of fact, I need not say much about this. The outcome of the visit is incorporated in several agreements. I took the earliest opportunity to place those agreements on the Table of the House.

**SHRI SHYAMNANDAN MISHRA :** Why one protocol is not forthcoming?

**SHRI SWARAN SINGH :** Even you forget to mention it in your speech Mr. Mishra. I was expecting that you would refer to it so that I could say something on that.

The relationship between India and the Soviet Union ever since our independence has been one of firm friendship, based on principles, and this friendship has stood the test of time. This is the basic thing that we have to remember. It was rather amusing for some hon. Members to express certain misgivings—and the misgivings are not based on any experience in the past, mind you, but some sort of feeling—that perhaps the relationship is becoming so strong that it may have some implications or become a source of concern to us in the future. This, if I may say, is not a correct way of looking at a problem of this nature. If I may say, experience is the best argument in such circumstances. We have been independent for the last 27 years. Now, during this period, on all vital political issues, we have always had the Soviet support at most critical moments. I need not recount. . .

**SHRI JAGANNATHRAO JOSHI** (Shajapur): What happened in Tashkent?

**SHRI SWARAN SINGH :** That is a separate issue. If you have any comments, we can discuss it. I stand by the Tashkent Agreement because I am a signatory to it and I am prepared to defend it.

The important point is that on Kashmir, wherever the question arose in any international forum, including the United Nations, on Goa, on war

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with Pakistan, on all these political issues, there has been a strong and consistent support of the Soviet Union to us.

Now, I put the question straight : Can you recall any moment where this close relationship may have been used by the Soviet Union to embarrass us on any issue, political or otherwise, either internal or external ?

**SHRI ATAL BIHARI VAJPAYEE** (Gwalior) : Why did Soviet Union supply arms to Pakistan ?

**SHRI SWARAN SINGH** : The criticism is now being narrowed to a particular point. I will come to that.

First, on the political issues, it is quite clear that there has been a consistent and clear support from the Soviet Union. Then, you take, for instance, the economic issues, their collaboration with us in the economic field, in the establishment of several projects in our country. I myself have been associated with several such projects. Further, you take, for instance, the growing volume of trade between our two countries. In both these fields, they have never tried to impose any pattern in our economic development. They have shown their willingness to cooperate with us, in giving us the equipment, in giving us the technology, in giving us such other help as we require. They have never insisted that we should do it in this form or that form. They have always tried to conform to our suggestions in the establishment of plants, whether it is a steel plant or a heavy electrical plant or it is for the establishment of a power project or it is for search of oil or any other cooperation in the basic industrial fields. How do we then say that they are likely by this cooperation, in any way, to have an influence on us which might be against our interests ? This is certainly not the correct way of saying things.

Again, it was said, not perhaps so much by any people here, by many of the Western press people who were indulging in a hobby that when Mr. Brezhnev comes here, he will ask us to sign this or to sign that. I cannot help recounting my own encounter with a group of two such foreign correspondents, very high placed, who came and had an interview with me, about two or three days before the actual

date of Mr. Brezhnev's visit. They asked me, "What is your expectation ? What is going to happen ?" I gave them a reply which is known to you and which has been justified by our subsequent experience. Then, at the end, they said, "Mr. Minister, do you want to give us the impression that our Head Office has spent all the money for us to undertake this journey to India only to hear this sort of thing about it ? We can as well know this thing when we are sitting in our offices." They were out to see something unusual, something spectacular, happening. And the disappointment is that nothing spectacular from their point of view happened which could really form very interesting or sensational story. We cannot help them if we cannot produce a story which hits their headlines according to their own liking.

I would like to say that we should be careful while assessing our relations with such a tried friend as the U.S.S.R. We should view it in the proper perspective and try to understand the importance of that relationship.

**SHRI SHYAMNANDAN MISHRA** : The point was not that there is something wrong with their approach. The point made was that our dependence on them is passing the permissible limit.

**THE PRIME MINISTER, MINISTER OF ATOMIC ENERGY, MINISTER OF ELECTRONICS AND MINISTER OF SPACE (SHRIMATI INDIRA GANDHI)** : There is no dependence.

**SHRI SHYAMNANDAN MISHRA** : I can quote instances as to what extent your dependence has increased on them.

**SHRI SWARAN SINGH** : May I request my very dear colleague that we could discuss this matter perhaps without introducing any heat ?

What is the type of our relationship with the Soviet Union even in the economic field ?

I would like to say that we can say with a certain measure of pride that almost anything of importance that we have obtained from the Soviet Union by way of any machinery, say, for a steel plant or heavy electrical factory or most of the other equipment almost everything, we have purchased at a negotiated price, almost at world

price. We are committed to pay for everything that we have purchased from them. It is true that there was a gift on one occasion of certain equipment—I think, the total value was about Rs. 2 crores or something of that order—certain farm machinery when we were starting a new farm, a State farm; we got that free. But our relationship is such that we have purchased all the machinery and we are repaying the amounts.

Take our trade. We get their goods and we are selling our goods at market price. If purchasing goods from any country at a price which is comparable, which is competitive, our paying the price thereof, our getting the price for the goods that we export and their paying us the price for the things that we supply, if this is crossing the permissible limit, then I should say that the real meaning of these expressions has been lost by these people who raised this point. This is the type of relationship between these two countries. I think, it is a clean departure from the type of large gifts that are being floated in the international community in the relationship between several other countries. We have taken a conscious, natural decision of paying for everything that we get, including that defence equipment that we have obtained from the Soviet Union or from certain other countries. I will not have any hesitation to get military equipment which is necessary for our defence and security from any source whatsoever. But we have not accepted any gifts from the Soviet Union in this field. Whatever equipment we have obtained we have paid for it. So, I would like to repudiate, most strongly, any such suggestion. In a growing economic relationship of mutual interest—I repeat, of mutual interest—they are interested in selling their equipment to other countries, and India is a big country which has embarked upon large development programmes. So, it is in the mutual interest of the Soviet Union and India that we get their equipment; and we repay it over the years. There is nothing unequal in this relationship. To import any such concept, to my mind, is absolutely unjustified either on facts or on any careful analysis of the reality of the situation.

Perhaps, at this stage, I could as well dispose of another point that was raised, namely, why is there greater cooperation between the planning Commissions

of the two countries. This was one of the points raised by Shri Shyamnandan Mishra. What does this mean? We are embarked upon our development programmes. Our desire is that we should make greater progress in the field of industrialisation; we should move into sophisticated technology. We would, therefore, be interested in getting technology from whatever source it is available. There may be some better sources of technology available, but these sources are not available to us for reasons which we have never been able to comprehend. Therefore, not to take such technology from sources from which it is available will be unwise from our point of view. We are interested in exporting the engineering goods of various types to the Soviet Union and, in fact, to all countries. How can we succeed in exporting industrial goods, whether they are machine tools or components or products of chemical industry or of several other industries? Now, the obvious course that is open to us is that we study carefully what are their requirements. Are they willing to forego some of their internal production to open their market to Indian engineering goods? If they could do it, this is a very desirable objective, and to be able to successfully enter into deals of this nature, it is necessary for both countries to study carefully their planning programmes, the future plans and areas of development.

**SHRI SHYAMNANDAN MISHRA :** The time horizon of 15 years for the integration of the two Plans! The crisis in one would get reflected in the other.

**SHRI SWARAN SINGH :** If I may say, I have sympathy for the lone voice that Mr. Mishra still continues to raise and all that I can say is that I cannot help him if he refuses to see the obvious

Long range integration in a desirable field is something we should aim at and I would like to repeat that India is now in a position to have such long-term economic co-operation with almost any country in the world. Let it be any country, whether it is Western Europe or America or Canada. If it is prepared to enter into long-term arrangements with us to enable us to increase our industrial and economic potential and to open their markets to our industrial goods, we are prepared to enter into similar arrangements with them. . .

**SHRI SHYAMNANDAN MISHRA:** You said that you will have treaties of friendship with all countries of the world but hardly any country is prepared to do that.

**SHRI SWARAN SINGH:** Therefore, we should not have a treaty with any country? I cannot accept that logic.

Then, casually I looked at the names of important visitors over the recent period. This is only to show whether our relationship is being strengthened only with any particular group of countries, and the list which I will read now will indicate as to what are the types of visitors that we are receiving, say, for the last six weeks or over the next four weeks.

We had first of all the King of Nepal. We had the Minister for economic Co-operation from the Federal Republic of Germany. We had the Finance Minister of France. Then we had Mr. Brezhnev. We had then Dr. Husak, then the Foreign Minister of Iran and we had earlier the Foreign Minister of Zaire (Congo). Then we are expecting the Prime Minister of New Zealand on the 27th of this month. In the month of January we are expecting President Tito as also Mrs. Bandaranaike.

Now, let my friends on the opposite side go over this list and see for themselves what a cross-section of the world it represents—representatives from West European countries, East European countries, our Asian neighbours, friends from Africa and our non-aligned friend like Yugoslavia. So, this is the type of relationship that we develop. To say that we are developing our relations in such a manner that we are concentrating our effort only in one direction is not correct. While saying that, it will be wrong for us at any time to be on the defensive. While we want to have good relations with all countries, I have always been opposed very strongly to this approach of equidistance for the sake of equi-distance. We must, as a mature nation, be able to distinguish who are our real friends, who is the friend who has stood with us and which is the friend who will really stand with us. It is this approach which, unfortunately, is sometimes ignored.

Any country that ignores this fundamental approach is likely to ignore its

own interests. Apart from other matters, the interesting topic of Asian collective security has also come up for comments in this House. I was somewhat amused to find that when our comrade, a Member of the Communist Party who had tabled a Resolution.

**SHRI SHYAMNANDAN MISHRA:** Which Communist Party?

**SHRI SWARAN SINGH:** If you have seen the second part, the answer would have been clear. You know the comrade, a Member of the Communist Parties on collective security.

There was a resolution tabled by our comrade, a Member of the Communist Party of India. When the resolution was coming up for discussion, he thought that this was a matter which could perhaps be discussed when the debate comes up. Then, there were several hon. Members, whom I won't name, all of us know, who were opposing this withdrawal and insisted that it should be discussed.

I am glad that the opportunity has now come for discussing this matter. I would like to make some comments on this in the light of this debate.

**SHRI SHYAMNANDAN MISHRA:** Had you something to do with the withdrawal of this motion?

**SHRI SWARAN SINGH:** If you had perhaps asked for a vote, then I would have voted for the withdrawal.

The question of the Soviet proposal for Asian collective security had come up in the speeches of various hon. Members. The General Secretary, Mr. Brezhnev, in his address to Members of Parliament of two Houses had explained the Soviet concept of collective security in Asia.

I need not go into details since most Members present here had listened to Mr. Brezhnev's speech. The operative part of what he had said on the subject was that this is an idea worth discussing with a view to strengthening peace and security in the Asian sub-continent. The present debate may perhaps be regarded as a commencement of discussion on this subject. Hon. Members have commented on this idea and I have benefited from their views. The emergence of Asia as an area of peace and tranquillity as a result of relaxation of tension is a



desirable objective. However, we have to keep in view the situation as it prevails in Asia and the political complexity in the continent of Asia.

The situation in Indo-China has not yet stabilised. In Cambodia, the war situation is still continuing. In South Viet Nam also, there have been allegations of violations of the Paris Agreement. In the Indian sub-continent, the process of normalisation is still to make satisfactory progress. Pakistan continues to pursue the negative policy of not recognising the reality of Bangladesh. In West Asia, the Arab-Israel conflict has re-appeared within a period of six years. Arab territory is continued to be occupied by Israel and the Palestinians still remain without a homeland.

Obviously, it will take considerable time to find a solution of all these problems. Moreover, there are two military groupings in Asia—the CENTO and SEATO. All these aspects are not palatable to the people of Asia. We would like these trends to be reversed and mutual confidence to be established. Any proposal which brings about such a result would be welcome to us. Our own thinking is that an adherence to such principles as renunciation of the use of force, peaceful co-existence, respect for sovereignty of all countries, non-interference in internal affairs and broad development of economic and other cooperation on the basis of equality and mutual benefit will assist such a process.

I may assure the House that it is Government of India's belief that an atmosphere of friendship and peace can prevail not by means of military blocs; nor by any system of grouping of countries directed against any other country or group of countries but through goodwill and cooperation. More intensive co-operation in the economic field in the first instance would help in strengthening mutuality of interests amongst countries of the region. These are the objectives that are before us and we believe that if we continue to pursue these objectives, and if we succeed in creating an atmosphere where these objectives are broadly accepted by the countries in the region, there may be an atmosphere of peace and tranquillity in Asia. Historically, let us remember that Europe has taken something like 29 or 29

years before they could convene a conference in Helsinki for the first time, Conference on Security and Co-operation. It was possible for them to do so after the conclusion of some very important agreements or treaties like the Moscow Treaty between the USSR and FRG, and also the Treaty between Poland and FRG and then the various Treaties and Agreements between GDR and FRG. It was after all these treaties had been concluded that an atmosphere was created where Europe, East and West, could sit together for the first time and could talk of peace and security, not of wars, not of conflicts but of co-operation. So, we should not be afraid of these ideas merely because they come from one country or another.

In this particular case, this idea comes from the leader of a friendly country, and, therefore, we should view it in the spirit in which it is offered and not try to say that there may be some catch in it or there may be something hidden in it. I think ever since our Independence we have developed enough of maturity and understanding of the complexities of international life and we have to see what is in our best interest and what is in the best interests of Asia, and we should be prepared to study carefully any new ideas that might be floated from any quarter whatsoever.

I would like to recall that our own Prime Minister in her tour of South-East Asia had put forward a suggestion for stabilising peace in the South-East Asian region, where all the countries in that region could get together and enter into an agreement to respect each other's sovereignty, and this should be guaranteed by other important countries in the region and even outside the region. So, these are the ideas which will continue to be with us and we should try to deal with them in a deep manner, trying to understand the implications thereof, and we should not react in a superficial manner.

**SHRI SHYAMNANDAN MISHRA :** We do not yet understand it even after his speech. It seems to be crystal gazing.

**SHRI SWARAN SINGH :** All right : sometimes, crystal gazing also does result in the concretisation of ideas. Otherwise, no one will indulge in crystal gazing even.

**SHRI SHYAMNANDAN MISHRA :** Crystallisation from crystal gazing?

**AN HON. MEMBER :** It depends upon the crystal.

**SHRI SWARAN SINGH :** He is looking into a clear crystal, I hope, because my hon. friend says it depends on the crystal into which you look. I cannot understand the arguments put forward by muted critics; I call them muted critics because there is nothing on which they can criticise. If they offer muted criticism.

**SHRI SHYAMNANDAN MISHRA :** He is an understanding admirer but he has not been able to communicate his understanding to us. All the sittings that Mr. Brezhnev had with him have been wasted. Is there any progress on what he had said earlier?

**14.00 hrs.**

**SHRI SWARAN SINGH :** I think now the House does not want us to carry on the dialogue (*Interruptions*). I do not want to be hard-hitting today at all.

**SHRI VASANT SATHE (Akola) :** Today Mishraji is in a peculiarly different mood.

**SHRI SHYAMNANDAN MISHRA :** After his cultural show yesterday, I should have been in a better mood. (*Interruptions*).

**SHRI SWARAN SINGH :** The argument that is put forward is that we have not yet subscribed to the concept of collective security, and the muted criticism is that we should be careful not to subscribe to it. I cannot answer such a criticism. India has demonstrated enough of independence in dealing with such situations and all that I can say is that if earlier experience is any guide, we will certainly look after our best interests.

There was also the visit of the General Secretary of the Communist Party of Czechoslovakia and I would like to say a few words about that visit. Sympathy and friendship between India and Czechoslovakia date back many years before India's independence. Since the establishment of diplomatic relations between India and Czechoslovakia in 1948, there has been a very healthy and positive development of our relations in all fields. High level exchanges

of visit have contributed greatly in this regard. As hon. Members are aware, our Prime Minister had visited Czechoslovakia last year. In May this year, I paid a visit to Prague at the invitation of the Czechoslovak Foreign Minister. Our President had also been in Czechoslovakia in October this year. The visit of Dr. Husak, General Secretary of the Communist Party of Czechoslovakia from Dec. 3 to 9, 1973, is the latest in these high-level exchange of visits. Since this was his first visit to our country, we are glad that he was able to visit some of our cities, Agra, Hyderabad, Bangalore, Trivandrum and Bombay, and to see some of our industrial and cultural centres. We are happy to receive him in our midst since he is known not only for the outstanding leadership which he has given to the Czechoslovak people in their task of socialist construction and for the contribution that Czechoslovakia has made towards strengthening of peace and *detente* in Europe but also for his humane approach to finding solutions to problems.

In this context, we warmly welcome the signing on Dec. 11 after the return of Dr. Husak to Prague of the Treaty of Normalisation of Relations between Czechoslovakia and FRG by which the Munich Pact has been put out of the way thereby closing once for all the chapter of world war II.

The Joint India-Czechoslovakia declaration signed on Dec. 5 has paid a tribute to India's peaceful foreign policy based on non-alignment and the principles of peaceful co-existence. The Czechoslovak side also expressed their appreciation of India's untiring efforts seeking to achieve a durable peace in the Indian sub-continent. India reiterated her appreciation of the constructive role played by Czechoslovakia in promoting peaceful and co-operative relations amongst the States of the European continent.

During Dr. Husak's visit, the third economic co-operation agreement was signed between the two countries on Dec. 5, 1973. Czechoslovakia has agreed to provide fresh credits of the value of Rs. 800 million on more favourable terms than the previous Czechoslovak credits providing for a 15-year repayment period as against the earlier 12 years. Under the agreement, Czechoslovakia has undertaken

to continue her assistance in the strengthening of India's industrial base especially in the fields of power generation, electrification of railways engineering industries and fertiliser production. The bilateral trade turnover is also planned to be increased to Rs. 1500 million in 1974 as compared to Rs. 300 million in 1973.

Sir, I would now like to say a few words about our relations with the United States of America. You will recall that a little over a year ago, on the 30th November, 1972, I had stated in the Rajya Sabha that we would do everything in our power to normalise and strengthen our relations with the United States on the basis of equality, reciprocity and mutual respect.

SHRI JAGANNATHRAO JOSHI :  
What about the Indian Ocean?

SHRI SWARAN SINGH : I am coming to that. Is it Shri Joshi? I am glad his reactions are now more healthy. (*Interruptions*).

I am glad to be able to say that in the post-1971 period both India and the United States have made conscious and deliberate efforts to ensure that our mutual relations improve. I was able in the month of October to have discussions with the new Secretary of State, Dr. Henry Kissinger, in Washington. We have also noted that in his testimony before the Senate Foreign Relations Committee, in September, 1973, Dr. Kissinger recognised India's role as of special importance in the developing world, whose growth and stability is essential to peace and stability in south Asia. We are glad that negotiations for a settlement on the question of PL 480 funds have concluded satisfactorily, and this question has been resolved to the mutual satisfaction of the two countries. We are happy that the US administration showed understanding of our point of view in resolving this problem.

It is our assessment that Indo-US relations have entered a phase where a constructive, co-operative, mature relationship can be built up between the two countries. On two recent occasions, we have reiterated that durable peace in this region continues to be the prime objective of our policy not only in the sub-continent, not only with Pakistan, but peace generally in the region.

We are gratified to note that our American friends have a better appreciation of this policy including the fact that the supply of arms to Pakistan, whether directly or indirectly, can be a major element impeding the process of normalisation. It is our earnest hope that keeping in view the steady improvement in the situation in the sub-continent, the US Government will take all steps to help the process and not take measures which may affect this adversely.

Sir, while on this subject, I would like to mention one point which Mr. Unnikrishnan had raised, and that is about the statement made by our ambassador to the United States, Mr. T. N. Kaul. I am thankful to Mr. Krishna Menon, who is not here today, who was good enough to defend our heads of missions abroad. I would like to fully support every word that Mr. Krishna Menon had said; that our ambassadors abroad have been doing excellent work and whatever they do, we as Government are responsible for all that they do. It is better to direct any citizen against us rather than to direct it against individual ambassadors.

We have made further enquiries, and this is what Mr. T. N. Kaul stated in the United States. This is what he has reported to me; because he now happens to be in India, we made enquiries from him as to what he said; this is what he has stated, I quote :

"India is willing to have foreign investments in India in selected fields on the basis of mutual respect and mutual benefit. Such investments would be desirable particularly in fields which are export-oriented, import substitution oriented, or where they provide advanced and sophisticated science and technology which India does not possess at present. Each case will be considered on its merits."

I would like to say that there is nothing objectionable in this statement of our policy which is well known. We are interested in foreign investment in sectors over which we may have control and where the objective is as mentioned in the statement of ambassador Kaul.

We may have differences in the political field with many countries, but we have always endeavoured to keep

[Shri Swaran Singh]

wherever we can our economic relationship somewhat on a different level compared to our political relationship. Even when the political relations may be somewhat indifferent, we have never hesitated to strengthen the economic relations which, I believe, are in the mutual interest of the countries concerned. This policy continues.

Hon. Members raised the question of our relationship with Prince Sihanouk and the PRG of South Vietnam. As I have informed the House earlier, these matters have continued to engage Government's attention. Recently the President of PRG, Mr. Tho, with a high level delegation including their Foreign Minister, Madame Binh transited through Delhi. I had the opportunity of receiving them and having an extremely interesting discussion on the situation in South Vietnam in particular and in Indochina in general. We have maintained contact with PRG all throughout and we are considering what further steps we can take in this matter.

As far as Cambodia is concerned, we have similarly developed increasingly close contact with Prince Sihanouk. The Prime Minister has spoken to him over the telephone during her visit to Yugoslavia. I have had the opportunity of meeting him and the leaders of his Government during the nonaligned conference in Algiers. The Prime Minister had also met Prince Sihanouk at Algiers. Our permanent delegation in New York has continuously remained in touch with other nonaligned delegations with a view to coordinating their approach during the discussion on the item concerning the recognition of Prince Sihanouk's Government and the question of credential. The General Assembly has now decided to postpone the matter by one year. Our delegation voted in favour of the delegation of Prince Sihanouk. These are our clear views about the PRG as well as Cambodia.

About the Indian Ocean, there is not much I can add to what I have been saying from time to time. This matter is now before the UN and the General Assembly has adopted a resolution favouring the keeping of the Indian Ocean as an area of peace and tranquillity, free from the rivalry of big naval powers and subsequent steps are now being taken in order to implement

this general direction given by the General Assembly. I noted with a great deal of interest the observation of Shri Krishna Menon, who appears to have given a great deal of thought to this subject, not only its political aspect but also its juridical aspect I agree with him fully when he said that in order to keep away outside forces from the Indian Ocean, the countries in region including India have to strengthen their navy. I fully subscribe to that idea. I would like to add that his assessment about our present naval strength is somewhat out of date, because he has been away from this for 11 years. I think the last war which was forced on us by Pakistan demonstrated the effectiveness of our navy, not only in Chittagong and Khulna but also in Karachi. So, we have travelled a great deal now towards strengthening our navy after 1962.

I would like to say that our naval strength will always be used for strengthening peace in this region and it will never be used to the detriment of any other country so that there will be peace and tranquillity in this area.

Mention has been made about the presence of the US task force. On that our view is quite clear. We have told the Americans that this show of force and bringing in of naval units, including aircraft carriers, in this region without any ostensible objective, backed up by statements which are varied from time to time, is naturally something which has caused concern to all littoral countries, including India. We have told the Americans quite clearly that this type of show of force will never be relished by any country in this region. This is our clear and categorical position.

**SHRI SHYAMNANDAN MISHRA :** What is the proportion of the naval strength of the two super powers in the Indian Ocean ?

**SHRI SWARAN SINGH :** The naval presence in the matter of counting of ships is something about which no ratio can be given at any time because what I try to state today may be completely altered in ten days because the ships continue coming and going. Any assessment of this nature would be unrealistic and would not be a fair assessment at all. We are not in favour of any large-scale presence of any outside naval powers, to whatever country it belong.

whether to the United States, or the Soviet Union, or France, or China or Britain, or any other country. Our position in this respect is quite clear. Under the present convention, to which we have subscribed and to which Shri Krishna Menon alluded to, the naval ships of any country are entitled to go about in the high seas. At the same time, whatever may be flaws in the present law, the presence of any naval ships, even though it may be juridical justifiable or based on any such convention and as such, something to which we cannot legally object, if it creates tension in the region, then the littoral countries in the region are perfectly entitled to raise their voice. We will continue to raise our voice to ensure that the Indian Ocean region is maintained an area of peace and tranquillity.

**SHRI SHASHI BHUSHAN** (South Dehli): I referred in my speech to the Portuguese Bishop's domination over Goa.

**SHRI SWARAN SINGH**: Shri Shashi Bhushan mentioned yesterday that the Catholic Bishop in Goa today is in their hierarchy under some Cardinal in Portugal. I must confess that this is a thing which came to my notice only yesterday. I think, on the face of it, this is something undesirable. We will see whatever we can, in consultation with the Christian community in Goa, to ensure that this type of thing is replaced by something which is more palatable to the people in that region.

14.19 hrs.

#### INCOME-TAX (AMENDMENT) BILL

**MR. DEPUTY-SPEAKER**: The House will now take up consideration of the Bill further to amend the Income-tax Act, 1961.

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH)**: Mr. Deputy-Speaker, I move:

"That the Bill further to amend the Income-tax Act, 1961 be taken into consideration."

This short Bill seeks to amend the Income-tax Act with a view to removing certain practical difficulties experienced in the administration of the provisions relating to acquisition of

immovable properties. As the hon. Members are aware, the Income-tax Act was amended last year to empower the Central Government to acquire immovable properties in cases where the consideration declared in the instrument of transfer is less than the fair market value of the property. The Central Government is required to pay compensation of an amount equal to the consideration stated in the instrument of transfer plus fifteen per cent of such consideration. The power can be invoked only where the fair market value of the property exceeds twenty-five thousand rupees and there is reason to believe that the consideration agreed to between the parties has not been truly stated in the instrument of transfer with a view to facilitating tax evasion by the transferor or the transferee. These provisions represent an important step taken by us in recent years to combat tax evasion and check the circulation of black money. The implementation of these provisions has, however, brought to light certain practical difficulties in their administration.

The power to initiate proceedings for acquisition is vested in the Assistant Commissioner of Income-tax, who is designated as the 'competent authority' for the purpose. Under a specific provision in the law, no registering officer can register any document for the sale or exchange of any immovable property, unless a prescribed statement in respect of the transfer is furnished to him. The registering officer is required to forward these statements to the 'competent authority' in fortnightly batches, along with a return in the prescribed form. On receiving these statements, the competent authority has to make preliminary enquiries and collect relevant material in order to come to a *prima facie* conclusion whether any property has been transferred for a consideration which is less than its fair market value. For this purpose, he has to often obtain the expert opinion of the Valuation Officer regarding the market value of the property in question. If, on the evidence collected by him, the competent authority comes to the conclusion that the estimated fair market value of the property exceeds its apparent consideration by more than fifteen per cent, he can initiate the acquisition proceedings in respect of property by publication of a notice in this behalf in the Official Gazette. The notice is required