

Government Business	Time allotted
1. Discussion on the present international situation and the policy of the Government of India in relation thereto	7.00 hrs.
2. The Wakf (Amendment) Bill, 1964, as passed by the Lok Sabha (Further consideration and passing)	1 hr.—5 mts. (in addition to the time already taken.)
3. The Slum Areas (Improvement and Clearance) Amendment Bill 1964.	1 hr. 30 mts
4. The State Bank of India (Amendment) Bill, 1964	1 hr. 30 mts.

Private Members' resolutions

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| 1. Resolution regarding Agricultural Co-operatives by Shri Sri Rama Reddy (Further discussion) | 1 hr. 30 mts.
(in addition to the time already taken.) |
| 2. Resolution regarding export of groundnut oil etc. by Shri J. H. Joshi | 1 hr. 30 mts. |
| 3. Resolution regarding nationalisation of the import-export trade by Shri Niren Ghosh | 3 hrs. 30 mts. |

STATEMENT BY THE MINISTER OF DEFENCE RE. HIS VISITS TO THE U.S.A. AND THE U.S.S.R

THE MINISTER OF DEFENCE (SHRI Y. B. CHAVAN): Madam Deputy Chairman, this statement is a brief report for the information of Parliament on my visits to the United States of America in May, 1964 and the U.S.S.R. during August/September, 1964.

The object of my visit to the United States of America was to secure material and financial assistance for the implementation of India's five-year Defence Plan covering the period April 1964 to March 1969 to which I had made a reference during the debate on the demands for grants of the Defence Ministry in March 1964. There was also a long standing invitation from Hon'ble Robert S. McNamara, the United States Defence Secretary, to visit the United States to discuss problems of mutual interest.

I also received, later, an invitation from Marshal Melinovsky, Defence Minister of U.S.S.R. I took this opportunity to discuss with the Soviet Government various matters connected with the implementation of our Defence Plan.

The task of re-equipping and modernising our Armed Forces is a stupendous one. In order to ensure systematic development of our defence potential in the light of the threat facing the country, earlier this year we prepared a five-year Defence Plan. Briefly the Plan envisages:

(a) the maintenance of a well equipped army with a strength of 825,000 men.

(b) maintenance of a 45-squadron Air Force including programmes of re-equipment and replacement of the older aircraft like Vampire, Toofani and Mystere by more modern aircraft and improvement of the air defence radar and communication facilities;

(c) a phased programme for replacement of over-age ships of the Navy;

(d) improvement of road communications in the border areas;

(e) strengthening the defence production base to eventually meet the requirements of arms and ammunition of our armed forces; and

(f) improving the organisational arrangements in the fields of provisioning and procurement, storage, training, etc. to ensure most economical utilisation of funds allotted for Defence.

The above programmes of modernisation of the Defence forces and improvement of facilities for logistic support of the Armed Forces would call for additional outlays on defence. The increase, in terms of internal resources, will be of the order of about 10 to 12 per cent over the current level of defence expenditure. But the total requirements of foreign exchange for the Defence Plan has been assessed at about three times the normal allocations which can be made to Defence from our own export earnings. The major constraint, therefore, which would affect the implementation of the Defence Plan is the availability of foreign exchange, in time, to meet the import requirements of the various constituents of the Plan. As the economic development plans also require heavy investments of foreign exchange, in order to ensure that the progress of India's economic development is not affected, it is necessary to secure assistance from friendly foreign countries for the implementation of the Defence Plan.

I reached Washington on 18th May, 1964 and had discussions with the U.S. Secretary of Defence Hon'ble Report S. McNamara and other officials of the Administration. I also had discussions with Secretary of State Mr. Dean Rusk and Mr. Averell Harriman. I had the opportunity to meet

important members of the U.S. Senate and the House of Representatives.

The discussions held with the U.S. Government were very friendly and disclosed large areas of agreement in respect of our assessment of the Chinese threat and the measures required to meet it. There is considerable understanding in the U.S. Administration of the special problems we are faced with and a desire to assist in building up the defence potential without adversely affecting our economic development plans. As a result of these discussions the U.S. Government have agreed to provide to the Government of India the following assistance:

(i) Immediate credit of \$10 million for the purchase of defence articles and services. The main items to be financed from this credit relate to replacement and modernisation of plant and equipment in Ordnance Factories;

(ii) The military grant assistance will be continued by the U.S. Government during their fiscal year 1965 (July 1964 to June 1965) at the same level as during the fiscal year 1964. This assistance includes such items as continued support for Indian mountain divisions, air defence communication equipment, transport aircraft support and road building equipment for the Border Roads Organisation. As this assistance would be in kind, it is not possible to assess its value financially.

(iii) In addition, further credit to the extent of \$50 million, during fiscal year 1965, would be available. Among other things, the Artillery Shell Plant to be set up at Ambajhari will be financed from this credit.

Successful implementation of the Defence Plan would require continued assistance from U.S.A. at the current levels in respect of both grant assistance and credit assistance. The U.S. authorities have agreed that

[Shri Y. B. Chavan]
periodical discussions should be held between our two countries to determine further U.S. assistance in relation to India's defence effort

I also discussed the question of supply of high-performance fighter aircraft for the Indian Air Force, the need for which was established in the Exercise SHIKSHA held last year. The U.S. authorities, while discussing supply of such aircraft under the Military Assistance Programme, pointed out that as we had already plans for introducing in the I. A. F. MIGs and the HF 24, the question of introducing another type of super-sonic aircraft may have to be studied further

In the circumstances, no final decision was taken. The U.S. authorities offered to send a team of experts to determine whether they could be of assistance in the further development of this aircraft and in its production. The team has since visited India and has submitted a report which is under examination.

On the question of supply of Naval vessels for replacing the over-age ships in our fleet, it was agreed that our requirements in this field should first be discussed with the British Government

Apart from the grant assistance and credit assistance which the U.S. Government have agreed to provide during the fiscal year 1965 and which they are willing to consider for the subsequent years, I attach considerable importance to the fact that the need for strengthening the Defence Production Base in India has been fully recognised by the U.S. authorities and a substantial portion of the credits already offered will be utilised for modernisation of the Indian Ordnance Factories and for setting up the Artillery Shell Plant at Ambajhari

During my stay I visited a number of Defence installations and training establishments in the U.S.

On hearing of the sudden passing away of Jawaharlalji I cut short my visit in the United States and returned to India on 28th May, 1964. A meeting with President Johnson scheduled for 28th May 1964 could not take place

As hon Members are aware, we had concluded an agreement in August 1962 with the Soviet Union for establishing production of MIG-21 fighter aircraft. While we have proceeded with civil works and preparation of project reports, it was found that there were several important fields not covered by the original agreement in which without additional Soviet assistance it would not be possible to establish early production of the aircraft. It was also our intention to explore possibilities of securing assistance in respect of certain other equipments included in the Plan.

I reached Moscow on 28th August, 1964. I had discussions with Defence Minister Marshal Malinovsky and senior members of the State Committee for Foreign Economic Relations. I had also discussions with Chairman Mr. Krushchev.

These discussions were most cordial. The Soviet Government fully appreciated our policy of non-alignment. They recognised our need for the strengthening of our defence potential and also our economic difficulties. It was explained that we attached considerable importance to the early establishment of the MIG complex of factories and production of MIG aircraft and associated equipment. Our requirement for supply of a certain number of MIG-21 aircraft to meet the needs of the Air Force until the production of the aircraft starts in the country and the requirement for light tanks was also discussed. As a result following agreements have been concluded with the Soviet Government —

(1) As an extension of the agreement concluded in August, 1962 the Soviet Government have now

agreed to provide plant and machinery, jigs and tools etc, of Soviet manufacture to facilitate the early establishment of the MIG complex of factories. They have also agreed that Soviet technical teams will be more closely associated in the preparation of detailed working projects and production schedules. Arrangements for the supply of major assemblies sub-assemblies, and raw material from the Soviet Union for the production of initial batches of MIG-21 aircraft have also been finalised.

(ii) Agreement has been concluded for the purchase of a certain number of MIG-21 aircraft and associated equipment. The supplies under the August, 1962 agreement and the present agreement would enable us to re-equip three of our fighter squadrons with MIG-21 aircraft.

(iii) Soviet Government have also agreed to the supply of a certain number of light tanks and associated equipment.

The above purchases will be paid for in rupees which can be used by the Soviet Government for purchases of goods and articles in India according to existing arrangements.

A contract has also been concluded with the Soviet export organisation for the supply of 20 Mi-4 helicopters.

The Soviet authorities provided facilities to me and to the Naval Officers who accompanied me to see the performance of the Naval craft including submarine which they are in a position to supply to India. The technical details made available during this visit are under study. It may take some time before a decision is reached in the matter as apart from technical evaluation the financial feasibility of making additional purchases would require review.

I had planned to spend a few days in the U. K at the invitation of the British Government on my return journey from the United States. I could not do so. If convenient to the British Government I hope to visit the United Kingdom some time in November/December, 1964.

As I have mentioned earlier I intended to discuss with the British Government particularly our requirement for destroyers. As hon Members are aware, the Indian Navy is at present equipped with British-built ships. Several of our destroyers are over-age and are due for replacement. We are intending that some of the ships required for such replacement should be built in this country itself and we have been exploring ways and means of securing the necessary financial assistance and foreign collaboration. I am happy to be able to say that the British Government have agreed to provide financial assistance towards the reconstruction of the Mazagaon Docks in Bombay and the subsequent construction there of three Leander-class frigates. We have accepted this offer in principle and negotiations for a loan agreement, as also for a collaboration agreement with Vickers Limited are progressing.

I wish to conclude my statement by restating certain basic facts underlying our Defence Plan and the programme to secure foreign assistance. Our policy in meeting requirements of our Defence is necessarily guided by our Foreign policy of non-alignment which will continue to govern our actions in the field of defence procurement. In both the US and the USSR there was a complete recognition of this policy. Our Defence Plan identifies the requirements of the Defence forces to enable them to discharge the task assigned to them. These carefully worked out requirements guide us in seeking assistance from friendly sources where it is available. Apart from the US the USSR and the UK other countries such as Australia, Canada, Yugoslavia have come to our help in our

time of need, I would like to emphasise that we have not the slightest intention of playing military assistance from one country against military assistance from another. It was heartening for me to find that in both the great countries that I visited, there was full appreciation of our point of view and desire to assist.

SHRI A. B. VAJPAYEE (Uttar Pradesh) Madam Deputy Chairman, I should like to have two clarifications. Is it a fact that the equipment which has been promised for our mountain divisions has not been received in full so far and may I know whether this question was referred to in his talks at Washington?

SHRI Y. B. CHAVAN Well, Madam, the supply of the mountain division equipment is a continuous process. I cannot say that it has been fully received, but it is in the process of being received. Certainly, this was one of the points that we discussed there.

SHRI A. B. VAJPAYEE The attention of the hon. Minister must have been drawn to reports going round the country that Soviet Russia has offered a MIG squadron and some submarines to strengthen our defences against China. Would he like to comment on this report?

SHRI Y. B. CHAVAN: Well, my comments are included in the statement that I have made just now. Besides the statement I do not want to add anything. It is specific and clear.

SHRI C. D. PANDE (Uttar Pradesh) May I know from the hon. Defence Minister whether it is the latest version of MIG, because MIG-21 has been in the field for the last five or six years? There must have been continuous researches going on and there will be a version which might come up this year or the next year. May I know whether that version would be adopted here so that

we can be abreast of most modern aircraft?

SHRI Y. B. CHAVAN. I must say that the improvements they have introduced in MIG-21 are included in the plan of production. Even the new MIGs that are being supplied to us will have the improvements.

شری پیارے لال کرپل دوطالبہ

(اثر پردیش) : میں یہ جاننا چاہوں

کا کہ جو امداد دوسرے ملکوں سے

امریکہ اور روس سے ملی ہے اس کے

پیچھے کوئی شرائط تو نہیں رکھیں گئی

ہیں۔

†[श्री पारेलाल कुरील 'ताल्लिब'

(उत्तर प्रदेश) मैं यह जानना चाहता कि

यह जो इमदाद दूसरे मुल्कों से अमरीका और

रूस से मिली है, उस के पीछे कोई शरायत तो

नहीं रखी गई है ?

श्री सी० डी० पण्डे नहीं, कोई शरायत नहीं रखी गई ।

THE DEPUTY CHAIRMAN: I think the Minister has made it clear.

SHRI Y. B. CHAVAN No conditions attached, no strings attached.

SHRI BHUPESH GUPTA (West Bengal) It appears that when he dealt with the question of the Soviet Union, he noted there was appreciation of the policy of non-alignment in the USSR, and when he came to the USA, there was no such mention.

SHRI A. B. VAJPAYEE There was

SHRI BHUPESH GUPTA No. Please let him answer. If he says, it is all right, I will be satisfied. Do I understand that in the joint communiqué or whatever it was issued after the visit and so on or at that

time in both countries mention was made of the appreciation by these countries concerned of the policy of non-alignment?

SHRI Y. B. CHAVAN: Well, no communique as such was issued after my discussion there because the conditions under which I left America were quite different and are quite well known. As I said, there was recognition and appreciation of the conditions of the Indian policy even in the U.S.A. There was understanding of it.

شری عبدالغنی - (پنجاب): میں

ٹیلیس منسٹر صاحب سے یہ پوچھنا چاہتا ہوں کہ جو ایڈ ہمیں رشیا سے مل رہی ہے اس کو ہم چائنا کے خلاف استعمال کر سکیں گے - وہ یہ بتائیں -

†[श्री अब्दुल गनी (पंजाब) : मैं डिफेंस मिनिस्टर साहब से यह पूछना चाहता हूँ कि जो एड हमें रशिया से मिल रही है उसको हम चाइना के खिलाफ इस्तेमाल कर सकेंगे—वह यह बतायें।]

श्री बाई० बी० चव्हाण : फिर उसको लेते क्यों ? इसी लिये लेते हैं कि उस को इस्तेमाल करना है। क्या मजाक के लिए लेते हैं अगर उस को चाइना के खिलाफ नहीं करना है ?

شری عبدالغنی : پہلے ایسا تھا کہ

چین کے خلاف نہیں ہوئی اس لئے میں نے پوچھا -

†[श्री अब्दुल गनी : पहले ऐसा था कि चीन के खिलाफ नहीं होगी इसलिये मैंने पूछा।]

†[] Hindi transliteration.

SHRI B. T. KULKARNI (Maharashtra): I would like to know this. Apart from the traditionally helpful countries like the U.S.S.R., the U.K., the U.S.A., etc., it was reported in the papers that Britain had also offered our country to build frigates for us and we had not given a complete, responsive answer. Is that true?

SHRI Y. B. CHAVAN: I have made a very clear reference to it that they have made an offer. I have been able to make an announcement of it and make a reference to it for the first time that they have made an offer and we have been able to accept it in principle. Further detailed negotiations will have to be carried on on this.

PAPER LAID ON THE TABLE

SUMMARY OF THE REPORT OF THE GOVERNOR OF KERALA TO THE PRESIDENT

THE DEPUTY MINISTER IN THE MINISTRY OF HOME AFFAIRS (SHRI L. N. MISHRA): Madam, I beg to lay on the Table a copy of the summary of the Report of the Governor of Kerala dated the 8th September, 1954, to the President. [Placed in Library. See No. LT-3198/64.]

MOTION RE FOOD SITUATION— continued.

SHRI C. M. POONACHA (Mysore): Madam Deputy Chairman, coming as I do at this stage of the discussions on the food problem after several speakers who have with great thoroughness dealt with the various aspects of the food position as well as the agricultural production programmes, I am afraid, I cannot help a certain amount of repetition. The Food Minister's assessment of the situation as regards the present food position in the country and his various solutions, both short term and long term, should merit all the support from every corner of this House