

July 6, 1976
**Report, Embassy of Hungary in India to the
Hungarian Foreign Ministry**

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Summary:

A lengthy report on the results of India Gandhi's visit to the Soviet Union drawn from news sources and conversations with Indian officials. The response is described as highly positive with an expectation of closer political and economic cooperation between the two countries in the future.

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Indira Gandhi's visit [in the Soviet Union], and its multidimensional significance, is valued highly in India, both in terms of bilateral relations and the [visit's] international impact.

This is the conclusion one can draw from the news and commentaries of the news services and propaganda organs as well as from the opinions of our conversation partners. On the basis of the communiqués published about the negotiations, they regard both the current situation of the political and economic relations and their planned development as outstanding.

As early as before the visit, personalities belonging to government circles and important political, scientific and economic institutions, in their conversations with us, repeatedly referred to the significance of the mutual visits which took place in this period. Among these, they mention the visits of Soviet Deputy Foreign Minister Firiubin and Deputy Premier Arkhipov to India as well as the visits of Indian economic and military leaders in the Soviet Union. At that time, the Indian information service confined itself to publishing merely the occurrence of the visits in a laconic way.

At the same time, we received information about the most important questions discussed during the negotiations from persons close to the Indian Foreign Ministry and the Premier's Secretariat. According to this [information], Comrade Firiubin, during his private talks with Indira Gandhi which lasted for over two hours, raised such issues as India's standpoint on the new endeavors in the Non-Aligned Movement, the development of Indian-Chinese and Indian-Pakistani relations, the situation in Bangladesh, and the questions related to Asian security.

Constructive attitudes notwithstanding, their views were not wholly in accordance (e.g., concerning the Soviet efforts related to Asian security), but in many other questions (basic principles of belonging to the Non-Aligned Movement; development of relations with China) the Indian standpoint was reassuring. We received similarly positive information about the visit of Comrade Arkhipov.

On the negotiations of the Indian military, economic and scientific delegations which visited the Soviet Union, we had received remarkable information as early as during [the visits], but only now, with full knowledge of the joint communiqué and in possession of the data we received in the course of the conversations we had after [Gandhi's] visit, are we able to evaluate them.

Certain reactionary circles attached great hopes to the alleged problem that in the supply of arms and military equipment, the Soviet Union is still reluctant to provide [India] with its latest products. According to the information available for us, the negotiations have disproven these [allegations], and the Indian government is most satisfied with the helpful and understanding behavior of the Soviet government and with the concrete agreement reached in this question. Taking India's long-term ambitions into consideration, this is undoubtedly a factor that reinforces both the internal and external position of the government.

Our contact persons in the Ministry of Trade attribute similar importance to the latest visit that Professor D.P. Chattopadhyaya, the Minister of Trade, paid to Moscow, and they are of the opinion that the Indian requests he had elaborated were fulfilled in the joint communiqué.

In this report, we cover the joint communiqué only in that respect that from diplomatic circles and in the course of our conversations with the leaders of the CPI, the functionaries of the Congress Party, leading university professors, the leaders of political and social organizations, economists and journalists, we received pieces of information, evaluations and opinions related to its various points.

The Indian evaluation of the Moscow negotiations can be summed up in the unanimous opinion according to which they resulted in the elevation of relations to a level that is qualitatively higher than the previous one.

This has been achieved in that the level of economic, technological and cultural cooperation between the two countries continues to rise, and the scope of such [cooperation] is broadening. However, they consider it even more important that such an advance has taken place in the mutual agreement of the two nations, on the basis of their full confidence in each other, which will ensure the success of the international efforts aimed at stabilizing world peace as well as a greater agreement and cooperation for this purpose, not only in one or two regions of the world but in all of them.

In this way the government dashed the hopes of certain powers whose interests lay elsewhere. The significance of cooperation was expressed by the special correspondent of the weekly *National Solidarity* in the following simple words: India and the Soviet Union advance shoulder to shoulder toward their common goals.

During a conversation about that part of the Joint Communiqué which dealt with the synchronization of plans, S.C. Chaudry, the Chief Executive Officer of the Planning Commission, highlighted the importance of the September 1972 session of the Indian-Soviet Intergovernmental Joint Committee, which he also [described as] one of the antecedents of the present success. At that session, measures were taken for the first time to coordinate the plans of the Soviet Union and India, and [the plans] of India and the socialist countries. This was followed by further consultations between Soviet and Indian planning experts. In his view, the idea of coordination in planning created an opportunity for the exchange of expertise, and enabled Indian planning experts to gain knowledge about the making of short-, medium- and long-term plans. He also mentioned the multi-annual cooperation in the planning and realization of joint projects in this context.

His conclusion was that the cooperation between the planning organs of the two countries meant the intensification of relations in the future, not only in the principles of planning but also in concrete cooperation in production.

The Indian side highlights the political significance of the visit in a very definite way. On the basis of the analyses published in the various Indian newspapers and of our personal conversations, this may be summarized as follows:

- 1.) It is clear to all from the speeches made by the leaders of the Soviet Union and from the Joint Communiqué that the Soviet Union regards the role that India, led by Indira Gandhi, occupies in world politics as [a role] of historical importance.
- 2.) The Soviet Union approves and supports the aims set by the Indian government, because it has recognized that these [policies] will promote India's social and economic development.
- 3.) The Soviet leaders fully agree with India's foreign policy activities, because this way India actively facilitates the gradual relaxation of tension in the world. They agree with the policies which the Indian government pursues with the aim of establishing neighborly relations with the countries of the subcontinent and the Southeast Asian region.
- 4.) The Soviet Union attributes particular importance to the Indian policy that provides consistent support to the liberation movements against colonialism and to the struggle against racial discrimination, because this way India makes a contribution to the new economic system to be established in the world.

In political circles, the declared standpoint on transforming the region of the Indian Ocean into a zone of peace is considered an important part of the Joint Communiqué. With regard to this question, they highlight, as a new element, that the two sides did not merely outline some kind of vague intentions but concretely expressed the Soviet Union's clear standpoint that the Indian Ocean should be free from military bases.

For India, this is a security question of vital importance, since they very definitely consider the American base built on Diego Garcia the most serious threat to India.

They also attribute great importance to the agreement according to which the governments of both the Soviet Union and India considered it necessary that in the future, they should discuss questions related to the strengthening of peace, and to international security and cooperation, at regular and systematic meetings held at the highest level, on the basis of the equality of the [two] states.

To offset the concord that was reached during the negotiations, certain journalists and commentators highlighted the fact that on two significant issues, the two sides adopted different standpoints:

The first was the question of the Nuclear Non-Proliferation Treaty.

The second was that the Indian side adopted a reserved attitude with regard to the issue of establishing an Asian Collective Security System.

To concrete questions about what sort of standpoint India eventually adopted on this very important issue, the sum of the answers was that India could support such a system only if the whole of Asia participated in it, and, of course, it should not be akin to a military bloc in any sense, not the least because that would interfere with India's non-aligned status.

At the same time, they also highlighted the issue's Chinese aspects, which, they said, constituted a concrete, practical problem. Namely, China is not only fiercely opposed to any such idea and step, but it has also declared that it was nothing else but a "Soviet conspiracy" aimed at isolating China and posing a threat to its security. For this reason, they most emphatically denied the idea that such a system would increase the security of the whole of Asia and strengthen the Asian peoples' struggle against colonialism and imperialist conspiracies. Our contact persons who spoke about this question added that, in any case, other Asian countries also disapproved of the idea. For this reason, they concluded, India should follow another road. To the question about what sort of road it was, they replied that it should be [a road] that would lead to an increase of détente in Asia, contribute to the solving of the problems which currently aggravated relations between the Asian countries, and enabled the peoples of the continent to achieve joint security through the growth of the idea of solidarity.

Concerning the Sino-Indian relationship, the political circles – primarily the Sinologist university professors with whom we maintain contacts – made only cautious statements. They analyzed the fact that the Joint Communiqué had not mentioned this subject from various points of view.

Those who are less inclined to sympathize with the socialist countries linked this with the Pakistani question, and claimed that in Moscow, following an intense debate, the Soviet government had complied with India's request to discontinue the supply of certain types of Soviet arms (primarily modern tanks) to Pakistan.

Others regarded the Soviet Union's flexible standpoint on the development of

Sino-Indian relations as its acceptance of India's positive foreign policy. They added that the Indian government, of course, assured the Soviet government that India would not fall into any trap set by Beijing, and it would not submit to [China] on the pretext of normalizing relations. All that India is doing on this issue is merely the elevation of relations to a qualitatively higher level.

Concerning India's [efforts] to improve its relations with its neighbors, the political circles hold a very positive opinion of the Joint Communiqué. They highlight, primarily in the question of normalizing Indian-Pakistani relations, the importance of a concurring Soviet opinion. Nor do they consider it accidental that the Joint Communiqué also draws attention to the dangerous character of [certain] externally inspired anti-Indian steps.

The Soviet standpoint on this question is of vital importance for India. Its identical approach, they say, constitutes a serious warning addressed to Washington and some other capitals which continue to shower arms upon Pakistan, with an obviously anti-Indian aim. They add that this is also a warning to Beijing, which once again provides open support to Pakistan's aggressive plans, and also to Islamabad itself, which is engaged in a double game: on the one hand, it keeps making preparations for war, but on the other hand, it seeks to find opportunities for normalization.

As far as the United States is concerned, the Indians do not consider it accidental that Washington announced its massive new arms shipments to Pakistan right on the eve of Indira Gandhi's visit, and that Bhutto promptly traveled to Beijing in order to conclude various military agreements with China and, adopting the role of China's parrot, screech anew about the Kashmiri question.

Economic experts highlight the significance of the resolutions which were passed at the second and third sessions of the Intergovernmental Joint Committee, held in Moscow in September 1974 and April 1976, respectively. During these negotiations, agreements were reached on the permanent cooperation between the planning organs of the two countries. They expect that this coordination will play a great role in the finalization of India's fifth five-year plan, which is still being prepared. They also agreed that for the sake of making preparations for the next session of the Joint Committee, the Soviet-Indian joint study group would be constantly in operation.

Evaluating the visit and the Joint Communiqué, O.P. Sangal, editor-in-chief of *Indian Left Review*, expounded that this constituted evidence of that the Indian-Soviet friendship was not merely a concord between two governments but a friendship of two peoples. Although the visit was an official one, he expressed its deeper content by quoting the words which Indira Gandhi had said after her return: "neither the eyes can be arranged nor what I saw in them nor the smiles." O.P. Sangal also said that certain journalists tried to claim that the debate and non-agreement over the rupee-ruble exchange rate constituted the essence of the negotiations. He contrasted that with the opinion of Indira Gandhi, who declared in a very unambiguous way that the discussions and agreements about economic issues provided great advantages and development opportunities for India.

Namely, the agreement that the two governments reached covered not simply the development of foreign trade but also the multilateral expansion of economic cooperation, in which they explored such new opportunities as non-ferrous metallurgy, textile industry, copper procession, electronics, the manufacture of fancy-leather goods and color TV sets, agriculture, the provision of car service stations with equipment, and other sectors of the economic sphere.

The leaders and middle-level functionaries of the Congress Party also have extremely positive views about the visit. We recently discussed this with Congress deputy Nawal Kishore Sharma, who is a member of the Lower House, the Joint Secretary of AICC,

the person in charge of the party's propaganda section, and a member of the Peace Council, and with Member of Parliament Shrikant Varma, a member of the Upper House (who is otherwise a writer).

While expressing their opinion, they noted the outstanding political importance of the visit, but in describing its practical, concrete [results], they switched to the subject of economic issues. They mentioned, as the antecedents of the current results, that in India, the Bhilai Steelworks has been regarded, for about two decades, as the first symbol of the Soviet Union's helpfulness, which was followed by the Bokaro Steelworks and later by the Malanjkhand copper plant. This is regarded as the nucleus from which the current cooperation in steel industry, energy generation, engineering, coal mining, oil and gas production, and the related training of technical experts has evolved.

During our conversations with the leaders and journalists of the CPI, they also pointed out primarily the political importance of the visit. From the perspective of the CPI's policy of supporting the positive goals of the government, they considered it very important. During our latest meeting, Comrades Lahiri and Mazumder spoke about that. At the same time, Sadham Mukherjee, a leading official of the CPI's news agency, highlighted the concrete economic achievements. He said that apart from the general importance of Soviet assistance, one should highlight as a concrete case the cooperation in the textile industry, in whose framework the Soviet Union would export cotton to India, which would be then re-exported to the Soviet Union in the form of finished products to be manufactured here. This, he said, would render possible the modernization of state-owned textile industry in India. On the part of the CPI, two issues are still subjected to criticism. For one thing, they voiced a complaint over the alleged Soviet praise for the positive policy of the Indian Congress Party, rather than the Indian government. Nor do they understand why it had been necessary to invite Sanjay Gandhi and to give him such a reception and program that he received from the Soviet government.

Concerning agriculture, he said that long-term production cooperation would be realized in such new fields as, for instance, the production of natural rubber and castor oil. The Soviet assistance that India is to receive for processing the immense quantities of bauxite mined in Northern India into aluminum will be also of outstanding importance. With this assistance, it will be possible to fulfill the objective of producing 500,000 metric tons of aluminum [per year].

During a conversation with P.P. Johar, who works in the Ministry of Agriculture, he said that they regarded the meeting as very significant for the development of Indian agriculture. He attributed outstanding value to two discussed subjects. One was the joint river control program to prevent the water of Indian monsoon rains from causing floods; the other was to prepare a joint program to increase the generation of cheap electricity. In this field, they will work out the practical methods of harnessing natural resources.

Those contact persons of ours who can be regarded as economic experts attributed outstanding importance to the agreements aimed at developing the Indian-Soviet joint ventures, and in this context, to the cooperation to be realized in the supply of industrial complexes to third countries. They cited as an example the Ranchi Heavy Machine Building Plant, which will supply mechanical and electronic facilities and equipment to an aluminum works in Yugoslavia that is being built with Soviet assistance.

From what they said, it is also worth highlighting that Soviet-Indian bilateral cooperation also contributes to the development of India's multilateral economic relations. During my conversation with Virendra Mohan, a journalist for *The Economic Times*, he emphasized in this respect that, for instance, on the basis of the

Indian-Iranian oil agreement, India provides Iran with iron ore, which will be processed in the blast furnace that the Soviet Union is going to build in Isfahan. To facilitate the procession, Iran is making substantial capital investments to develop the Indian iron ore combine in Kudremukh.

Those conversation partners of ours who maintain contacts with scientific circles pointed out that in addition to the previous fields of economic cooperation between the two countries, other spheres were also discussed during the negotiations. They highlighted the agreement that had been concluded on atomic energy, including the increased Soviet assistance in this field.

They pointed out that this issue was given special importance by the fact that recently Canada had unilaterally abrogated its contract with India, and refused to continue supplying the nuclear fuel and equipment that is indispensable for India. According to the information available for them, now the Soviet Union offered to provide the basic materials and equipment which had been hitherto supplied by Canada, and to supplement them on a continuous basis. They added, however, that the final agreement had not signed yet, because nuclear technologies vary from country to country. For this reason, further activity of the experts is necessary to assess which equipment would suit the Indian [nuclear] plants. Of course, this does not mean that the Soviet Union will also provide the know-how, which is carefully guarded by every nuclear power.

The Indians also greatly appreciate that supposed agreement on maritime transport which they cite as an example of the Soviet Union's flexibility and helpfulness. Namely, according to our informants an agreement was reached and that the principle of 50:50 would be accepted. Taking into consideration that the volume of Soviet exports to India is far greater, it is obvious that this should be regarded doubtlessly as a manifestation of the selfless generosity of the Soviet government.

In sum, Indira Gandhi's visit to the Soviet Union has been regarded as very successful and extremely important by the competent Indian political and economic forums alike.

The Indian press, radio and television provided great publicity to the visit, and increased the number of writings and films depicting the life of the Soviet people. All this enhanced the popularity of the Soviet Union and the reputation of the socialist systems in Delhi, but presumably also all over India.

Dr. Ferenc Turi
ambassador