

[Secretary]

8. Shri Lokanath Misra.
9. Shri B. Yella Reddy.
10. Shri B. D. Khobaragade.
11. Shri Sundar Singh Bhandari."

#### PRESIDENT'S ASSENT TO BILLS

SECRETARY: I lay on the Table following four Bills passed by the Houses of Parliament during the current session and assented to by the President:

- (1) The Haryana Appropriation Bill, 1968.
- (2) The Haryana Appropriation (Vote on Account) Bill, 1968.
- (3) The West Bengal Appropriation Bill, 1968.
- (4) The West Bengal Appropriation (Vote on Account) Bill, 1968.

18.25 hrs.

#### \* JOHN SMITH'S BOOK

"I was A. C. I. A. AGENT"

MR. DEPUTY-SPEAKER: We shall now take up the Half-an-Hour Discussion. I will have to fix time-limit. Shri Chakrapani may take 10 minutes.

SHRI C. K. CHAKRAPANI (Ponnani): 15 minutes.

MR. DEPUTY-SPEAKER: The Home Minister will also take about 10 minutes. I have to finish in half-an hour.

THE MINISTER OF HOME AFFAIRS (SHRI Y. B. CHAVAN): It depends upon what he says in the 15 minutes.

SHRI C. K. CHAKRAPANI: Mr. Deputy-Speaker, Sir, this is not the first time that we are discussing this vital issue. On a number of occasions, we have raised this issue and

\*Half-an-hour discussion.

this House has expressed its concern over the growing ramifications of CIA in India. In this connection, I would like to point out that during the debate on CIA, prominent army officials, Ministers and Government officials were brought in and several Members of Parliament had demanded a thorough probe into the matter.

I would like to recall the debate which took place on 23rd March, 1967. Mr. Chagla who was the former Foreign Minister, in his reply on a Half-an-Hour Discussion, had said:

"We will continue with our inquiry. We will go to the bottom, to the root of this. If we find they have knowingly done it, we will take such action as is necessary."

One thing which Mr. Chagla said is this:

"I myself gave the names of some organisations which were directly financed by CIA."

He further assured the House saying:

"Now that we know, I promise that we will endeavour to make a thorough enquiry into this."

One year has passed since then. Over and above, when these questions were discussed on the floor of the House, some sort of stereotyped replies were given by the Home Minister.

Now, the Home Minister has asked the Asia Foundation to wind up its activities in Delhi. The Home Minister said in the Rajya Sabha that the Asia Foundation admitted receiving money from CIA and from other organisations to carry on some other activity. The point is that it is the Asia Foundation that has admitted its linking with CIA and not that the Home Ministry discovered its nature. The Asia Foundation has paid millions of rupees to various organisations in

this country. The Indian Institute of Public Administration, the Foundation for New Education and the Gandhian Institute of Studies, Varanasi, are some of the institutions that were given money from the Asia Foundation. The organisations like the Indian Society of International Law and Indian Institute of Constitutional and Parliamentary Studies have received huge amounts of money through the Asia Foundation.

I want to know from the Home Minister how much amount has been spent by the Asia Foundation on these organisations and to what extent CIA activities were carried by these organisations. This is one aspect of the picture.

The Home Minister has admitted in the Rajya Sabha, some three or four days back, that he has given orders to ban the Asia Foundation. In this connection, I would like to say that I telephoned Mr. Gurbachan Singh who is the so-called Administrative Officer in the Asia Foundation. When I telephoned, I got the reply that he had gone to office. When enquired which office, I was told that he had gone to the Asia Foundation office. Then, I contacted him in the Asia Foundation office on phone—I got the number from the Telephone Directory—and I got Mr. Gurbachan Singh. He is the Administrative Officer in the Asia Foundation. I just wanted to know whether Mr. Heggi was there or he had left India. The Home Minister has said that he has banned the Asia Foundation and so I wanted to know whether the Asia Foundation was functioning or not. The Asia Foundation is functioning in Delhi under the very nose of Mr. Chavan. Mr. Chavan says one thing but the Asia Foundation is, normally, functioning in India. This a reality; this is a fact. So, the Government has not asked Mr. Heggi and his other friends to quit our country. But Mr. Chavan says that he has asked them to quit the country. This is one instance to show the complexity of the

Government with regard to the CIA activities.

I want to know from the Home Minister whether he has seriously thought over this issue. The Home Minister, it appears, has undertaken some sort of investigation into the matter. I have lost complete faith in the Home Ministry. There is every reason to believe that some officials have some sort of a relationship with CIA because, if Mr. Chaven and his Home Ministry had taken serious note of the ramifications of the CIA activities in India, some better result would have come out by this time which has not come out so far. This is another aspect of the matter.

Now, coming to the revelations of Mr. John Smith, the Government has yet to give us a satisfactory answer. He has named Gen. Thimayya, as the top-most Indian official, who was working as a CIA agent. When John Smith himself confessed that he could obtain important military documents on payment of money. Mr. Kaul admitted in his book that army secrets were transferred to foreigners during private discussions between foreigner and army officers. Gen. Choudhury also admitted private links between top Indian military officials and foreign business interests.

Mr. Smith has revealed the links between Dr. Ram Subhag Singh and CIA.

SHRI M. R. KRISHNA (Peddapalli): That is an old story.

SHRI C. K. CHAKRAPANI: Even though it is an old story, it has to be explained. In this connection, I quote from the book, "I was a CIA Agent in India" by Mr. John Smith. It says:

"The CIA and US Military Intelligence gained entry to the high ranking military circles of India, and tried to influence them. They did not begrudge funds, time or personnel for this purpose.

[Shri C. K. Chakrapani]

Washington constantly stressed the need for a pro-American group in the Indian Army that could take over at the opportune moment. With this goal in mind, the American Intelligence did not confine its activities to the Indian capital. They set up a network that covered the entire country and planted their agents in both the lower and higher echelons of the military. I recall a secret document that arrived from Washington indicating that all military personnel that had close ties with us should be promoted to more influential positions and place an officer at the head of the Indian General Staff who could direct an Indian policy that would be advantageous to us."

This is a revelation that Mr. Smith has made. This is about the army. Mr. Smith has given an account of the CIA activities in our economy. I quote:

"The CIA exerted great influence on India's economy and politics through one of Indian ministers. India has a great potential market for US agricultural products. The market was threatened when the Indian Government decided to develop the national production of grain and other products. The best way to achieve this was the organisation of cooperatives made up of the numerous unproductive small farm holdings. The Cooperative farm societies became part of the Congress Party's and government's programme...."

(Interruption). Where are you getting agitated?

In this connection, the names of the Ministers, specially of Dr. Ram Subhag Singh, were mentioned by Mr. John Smith. I would like to draw the attention of the House to

the findings of Mr. Pearson, a veteran journalist, in his article in *Washington Post* mentioning that much CIA money is channeled through the Posts, Telegraph and Telephone International to various labour organisations throughout the world. According to Mr. Pearson, 100 million dollars are distributed by CIA every year.

I want to state here that the National Federation of Posts and Telegraphs workers in India is affiliated to this P.T.T.I. and its Indian affiliate is working under Dr. Ram Subhag Singh. I want to know whether the Minister will go into this matter.

Now, I would like to say something about CIA activities in India. The American agencies working in Trivandrum are trying to topple the Kerala Ministry. (Interruption). These CIA agents in Trivandrum are financing organisations that are controlled by Congress in Kerala. They tried to topple the Kerala Ministry. In this connection, I would like to point out that two papers, *Kerala Dhvani* and *Malayala Manorama*, are being financed by CIA.

MR. DEPUTY-SPEAKER: Try to conclude now.

SHRI C. K. CHAKRAPANI: I would like to ask the Minister whether he is prepared to constitute a Parliamentary Committee to enquire into these affairs. The police probe will be a farce. Our experience is this. The Home Minister said that he has gone into the matter but nothing has come out so far. I would like to know whether the Minister is prepared to constitute a parliamentary committee into this affair. Since this involves all major political issues relating to the Independence and the sovereignty of this country, the probe by a mere police official will be a farce. The Government is either afraid of the political reactions in the USA arising out of the government's economic dependence on the

USA or the Home Ministry's officials are themselves in link with the CIA agents in India.

In this connection I wish to state that there must be a total ban on the relatives of either Ministers or officials of the Government, having any contact, direct or indirect, or being employed in organisations which are either CIA conduits or purport to be financed by the CIA in any form.

It is with this idea that I strongly object to the employment of Home Secretary, Shri L. P. Singh's daughter, Vinitha Singh, at the Education Resources Centre at Delhi which is well known to be a CIA conduit and which is headed by one Mr. Ferguson who is known to be a notorious CIA agent.

I would like the Minister to reply to all these points, and I would also like to know whether he is prepared to constitute a Parliamentary Committee to go into these affairs.

**MR. DEPUTY-SPEAKER:** According to rules, a number of members have written in time, but in the ballot, only four names have come. Since then, I have received a bundle of slips. It is impossible to accommodate any one of them because if I accommodate one, then it would be difficult for me to refuse the others. Another thing is that those who had given notices in time and who lost in the ballot, would be at a disadvantage. Therefore, I will permit only those whose names have come in the ballot to ask questions, just questions.

**श्री मन्त्रालय (मुन्नेर) :** इस सम्बन्ध में कई दफा बहस हो चुकी है। मैं गृह मंत्री जी से जानना चाहता हूँ कि जिस तरह नक्सों के बारे में मैंने उनसे पूछा था कि क्या इस समय कोई कानून है और बाद में कल या परसों उन्होंने जवाब में कहा और क्रिमिनल ला प्रमैडमेट ऐक्ट या किसी से उन्होंने कुछ

निकाला तो मैं यह जानना चाहता हूँ कि क्या इस वक्त भी कोई कानून है या बनाया जायेगा कि जिसके तहत विदेशों से किसी भी रूप में महायत्ना प्राप्त करने वाली गैर-सरकारी या अर्द्ध-सरकारी संस्थाओं के लिए यह अनिवार्य किया जाएगा कि वह सरकार को इसकी इत्तिला दें ? क्या ऐसा कानून है? यदि नहीं है तो क्या इस तरह का कानून बनाया जायेगा ? और क्या सरकार इस सदन को जानकारी देगी कि केन्द्रीय जांच ब्यूरो की रपट के अनुसार किन किन राजनैतिक दलों को चौथे ग्राम चुनाव में चन्दा मिला था ? इसकी तफसील या कम से कम नाम क्या वह सदन में बताएंगे और इन दलों को अपनी सफाई देने का मौका दोगे क्योंकि बार बार अखबारों में खबरें निकलती हैं। सदन चाहता है और जनता भी चाहती है कि इसका पता चले।

**SHRI S. M. BANERJEE (Kanpur):** I would like to know whether the attention of the hon. Minister has been drawn to the news-item that has appeared in *The Statesman* of 21st March:

"CIA Influence on Indians Doubtful Intelligence Report on Smith's Charges"

New Delhi, Wednesday—Meetings between suspected CIA agents and senior officials of the Defence Services and some political leaders have come to the notice of the Government of India's Intelligence Bureau. But it has 'no information' whether they have been influenced by the agents."

It says that the report which was promised that there would be a thorough probe has been submitted to the Ministry of Home Affairs. I want to know whether, because this report contains the names of important political leaders, including some

[Shri S. M. Banerjee]

of the Ministers, Government officials and officials of Defence Services, this report is still kept secret; if not why is this hesitation on the part of the hon. Minister to place it on the Table of the House? I want to know whether these charges are correct that some of the officials of Defence Services and top political leaders, including leaders of very big parties like the party of Mr. Lobo Prabhu, have been mentioned. Here it is said:

"Ties between the CIA and the Swatantra Party leaders, Mr. N. G. Ranga and Mr. M. R. Masani are likewise denied. The bureau notes, however, that senior officials of the U.S. Embassy have come to notice for meeting the two."

SHRI LOBO PRABHU (Udipi): I am very happy that my name has not been included in that list.... (Interruptions). I have only a few questions to ask. First, if an inquiry into public funds coming from abroad is to be made, is it to be restricted only to CIA?

SOME HON. MEMBERS: No, no. All.

SHRI UMANATH (Pudukkottai): All foreign money.

SHRI LOBO PRABHU: The Communists are so jubilant about this. We will begin with an inquiry about the 10 per cent commission which is allowed to importers of Communist or Russian machinery in this country.... (Interruptions) Government will have to find out if there are instructions....

AN HON. MEMBER: China Bank also.

SHRI LOBO PRABHU: Government will have to verify if there are instructions to these agents that a major part of the commission should be given to the Communist Party...

SHRI S. M. BANERJEE: Both major and minor.

SHRI LOBO PRABHU: The second question is this. Foreign contributions are welcome; they are a kind of unspecified loans. What is relevant is their misuse against the interests of the State. I would challenge my hon. friends to give one instance of CIA funds being used to subvert this country, to foment strikes, to disrupt the unity of the country. Then we may object; otherwise.... (Interruptions).

SHRI UMANATH: His organisation is getting CIA money.... (Interruptions).

SHRI LOBO PRABHU: I am saying that this country should welcome C.I.A. funds....

SOME HON. MEMBERS: Shame, shame.

MR. DEPUTY-SPEAKER: Order, order.

SHRI LOBO PRABHU: Any funds, so long as they are used in the interests of the country, should be welcomed....

MR. DEPUTY-SPEAKER: No observations please. He may ask the question.

SHRI LOBO PRABHU: Mr. Madhu Limaye has suggested that all funds coming into this country should be notified to the Government. It is a very good suggestion, but there are many people who are modest, who do not want to advertise their generosity. Is it the intention of Mr. Madhu Limaye that we should stifle this generosity? (Interruptions).

SHRI BEDABRATA BARUA (Kallabor): First of all, I protest against the allegation that has been made by some members against the people who have a long record of patriotic service that they are connected with the CIA, for example, an allegation

was made against the Minister for Parliamentary Affairs. The secret agents do not come with a visiting card that they are the secret agents. India is a happy hunting ground for secret agents. Everywhere they are moving about underground. We should guard ourselves against this.

I want to know whether there is any truth in this that a meeting took place between the CIA agents and the Naga hostiles in 1956 or so and they supported the line of the Nagas. By their performance now it appears quite likely that the Americans, in order to weaken India, have planted this type of troubles and are supporting them.

Secondly, I want to ask this (Interruptions). Our armies do not have much secrecy. We do not believe so much in secrecy. There is not much secrecy. I want to know whether the CIA is being used by the USA to spoil our relations with the other countries, with Soviet Union, as was evident from the Svetlana episode. So, it is necessary that the country should be on guard. So, I would like to know what action Government propose to take in future, and what drastic steps they are going to take to see that this type of activity is not repeated by the CIA, in regard to which sometimes it is declared even by the U.S. Government, and even by the US Press and even by President Johnson also that they were unaware of these things. There was also a report that the CIA agents were out to sabotage our food drive, and they did not want the food zones to go because it was American policy probably that India would continue to be a market for them. I had asked a question about it here also, and even John Freeman had said certain things in this regard.

So, I would like an answer to my questions from the hon. Minister.

**THE MINISTER OF HOME AFFAIRS (SHRI Y. B. CHAVAN):** This question of CIA money and the John Smith report and everything that is related to it has been discussed

either in the form of question and answer or in general discussions many times on the floor of this House. I had some occasions to make statements in the other House also, so that our reactions to these problems have been made public and the country knows about it. Certainly, this is another occasion which has been taken for the purpose. So, I would like to deal with it in a brief span of five to ten minutes if I can do so within that short time.

First of all, I shall take this question of the report which the IB had prepared on the role of foreign money in the last general elections. I may explain here that the report of the Intelligence Bureau is based on certain source information which just cannot be a basis for any reliable conclusions. That is my main difficulty about this matter. But certainly it gives a broader idea as to what the whole thing was about and what the nature of the problem was. Therefore, it is taking a little more time. I know the concern of the House that they should come forward with some definite conclusions which I should share with the House if I can or with the leaders of the Opposition parties, if I can and with certain leading Members of my party as well. I am afraid it is still taking time and it will take some time.

**SHRI S. M. BANERJEE:** But the CIA has leaked it out.

**SHRI Y. B. CHAVAN:** How does he know that it has leaked out?

**SHRI S. M. BANERJEE:** It is there.

**SHRI Y. B. CHAVAN:** Whatever is printed has not leaked out from there. Some people can certainly manufacture some ideas also. That is my difficulty. I do not want to go into that.

श्री मधु सिन्हा: यह पिछली बार भी नया साहब के बारे में हुआ था।

**SHRI Y. B. CHAVAN:** Why compare things unnecessarily? I am talking about myself. And this is what I have said. Let him not start comparing people. I do not want any such comparisons.

श्री मधु लिमये : लीकेज के बारे में ।  
सब चीजों के बारे में नहीं ।

**SHRI Y. B. CHAVAN:** We are studying this problem. I have assured this House before and I would like to repeat again that when I reach at least some broader conclusions about it, I would like to share these conclusions with the Members or the leaders of groups in this House. My main point is this. We saw the picture here that within five minutes people started making allegations against each other. I do not want to indulge in that kind of thing. I do not like it. I do not like the idea of some people making allegations against this party or that party, and people from this or that party making allegations against other parties. What is the ultimate picture that emerges from such a thing? The picture that is emerging is a picture of suspicions against all political parties. Does it not really speaking weaken our faith in the foundations of the democratic political life of this country? Therefore, in regard to whatever we do and whatever we say we shall have to say or do it with a certain sense of responsibility. Therefore, I do not want to rush into these things. We shall have to be very careful about it.

This is my brief answer to the problem of the IB report on CIA. Now, what is our attitude about the CIA? As regards what Shri Lobo Prabhu said, was he rather excited to make that statement that he did?

**SHRI LOBO PRABHU:** I said it with a sense of responsibility.

**SHRI MADHU LIMAYE:** He said it in self-justification.

**SHRI Y. B. CHAVAN:** Foreign money coming through governmental

agencies for accepted plan projects is one thing, but saying that we would certainly welcome CIA money is not to understand what the CIA is.

**SHRI LOBO PRABHU:** On a point of explanation. I said that money which is not misused and which is not used against the interests of this country, whatever source it may come from, should be welcomed.

**SHRI Y. B. CHAVAN:** CIA money has gone to various foundations which have been of service to the country.

**SHRI S. M. BANERJEE:** They have shaken our foundation.

**SHRI Y. B. CHAVAN:** Certainly, I am not speaking for my party now; I am not speaking merely for the Government; on these matters, I have to speak for the country. I would like to stress the point that the CIA is basically a secret service. How can we be sure that even if it is given for good purposes, it would ultimately be used for good purposes only? So, our position must be very clear that money of any secret service in any form must be treated as poison. I have no doubt about that. That is why I would still request Shri Lobo Prabhu to correct his attitude on this matter.

**SHRI LOBO PRABHU:** I stand by my interpretation and I would still like to maintain it that unless there is evidence that the money has been misused, we should welcome it.

**SHRI SHASHI BHUSHAN BAJPAI (Khargon):** That is the policy of the Swatantra Party.

**SHRI Y. B. CHAVAN:** I am sure that if the leader of the Swatantra Party were here, possibly he would not have made that statement.

**SHRI LOBO PRABHU:** I have not said that as the leader of my party, but as a Member of the House.

**SHRI Y. B. CHAVAN:** I do not want to hold Shri Lobo Prabhu as a representative of the party.

Now, let us go ahead on this question. Whenever or wherever we have known that the money of the CIA was used by any organisation, if there was evidence about it, we have decided about it that we shall completely discontinue that activity. In the case of the Asia Foundation, on their own admissions, it was found that even unknowingly they had received some money from the CIA which was likely to be used here. We said that that money was like poison, and we have asked the Asia Foundation to discontinue their activity from this country.

An hon. Member had asked me whether I was aware that their office was still functioning here. Yes. If an organisation functions here for some time, it takes certain time to wind up its activities. They have got certainly some American staff which I learn are leaving some time in the month of May this year.

**SHRI S. M. BANERJEE:** Declare them an unlawful assembly.

**SHRI Y. B. CHAVAN:** It is a good joke but not a very wise counsel.

**SHRI S. M. BANERJEE:** Then, nobody will go there.

**SHRI Y. B. CHAVAN:** They are leaving in the month of May. This is my information now. Thereafter, I am sure this office will have to be closed.

The Asia Foundation and other foundations which are working here had undertaken certain projects in consultation with our Government. For example, the Asia Foundation itself had undertaken certainly some good projects in consultation with the Education Ministry. Most of these projects may be good; whenever the

projects are good, we shall have to help these projects to continue further and we shall certainly do that. But we have categorically told them that they are not to undertake any projects in the process of winding up. This is about the Asia Foundation.

Now, I come to this fellow John Smith. John Smith is a self-confessed spy. He is a spy. He was working in the CIA, was working also in the American Embassy here. Sometimes, these spies become double-crossers; they sometimes work for both the sides. Then he made a decision and jumped on the other side. Now, he is a self-confessed Soviet spy.

Now, I would like hon. Members to consider one thing. When they are depending on certain statements that he has made in that document, can they make that document the basis for making allegations against good people? May I ask them this in all seriousness? If a man of established character makes certain allegations certainly we shall have to think about it twice. But here is a spy and he makes allegations against the public men, outstanding public men of long standing in this country, as for instance, my colleague Dr. Ram Subhag Singh who is sitting here, or Professor Ranga or Shri M. R. Masani. I may have many differences with them. But I have absolutely no doubt about their integrity and their loyalty to this country. Here is Dr. Ram Subhag Singh whose whole life is before us like an open book; he is working hard every day and night before us. So, if we just take a certain extract from some book which some fellow has written in Russia—it may be that he is a Russian spy; that does not make him a good person—would it be proper? Any spy of any country must absolutely be treated also as poison. I have studied the book and analysed it very carefully. It is propaganda material. He has mentioned certain known facts. For example, that the Kashmir Princess was sabotaged. It is a known fact.



[Shri Y. B. Chavan]

Then he added some *mal masala* to it and said something. He has added certain fictitious things of his own, certain spices, trying to involve some fellow here, some person there. This whole book, I find, is a clever bundle of lies.

19 hrs.

SHRI SHASHI BHUSHAN BAJPAI:  
Why not ban it?

SHRI Y. B. CHAVAN: Therefore, I really wonder why the Communist Party of India undertook the publication of this book on their own behalf.

SHRI SAMAR GUHA (Contail):  
Thousands and thousands are being published.

SHRI Y. B. CHAVAN: I can understand it if they publish the writings of Lenin or any other like person because they are known theoreticians, known politicians known for their revolutionary ideas.

SHRI NAMBIAR (Tiruchirappalli):  
If somebody else has given some information which benefits our country, are we not to take advantage of it? I think it is of service to the country.

SHRI Y. B. CHAVAN: I really wonder why they have wasted so much of paper, ink, money, and time in publishing such statements of lies. I would, therefore, request this hon. House not to treat this book as of any value because it is not worth the paper on which it is written. I have absolutely no doubt about it.

Let us judge our own public men on the evidence known to us by their own public life. Let us not be misled by statements of other people.

This is my whole answer to this question.

Shri Limaye raised another question, whether there is any law about foreign money. We have got a law pertaining to foreign exchange. Naturally, any money that comes in the form of aid is also subject to certain laws, agreements etc.

श्री मधु लिमये : गैर सरकारी या धन सरकारी ?

SHRI Y. B. CHAVAN: Even voluntary money which comes through known sources is subject to the foreign exchange regulations. The difficulty arises this way. I know that foreign money does come in espionage activities. I do not want to be blind to this. But please do not ask me further questions on this.

The more important question is of finding the *modus operandi* of it, getting the money, spending and distributing it. Sometimes, it is in an illegal way...

SHRI J. B. KRIPALANI (Guna):  
पैसा लेने में क्या है ? सरकार इतना पैसा लेती है।

Lakshmi is always sacred. Even a Brahman can accept money from a pariah without losing his caste. Why should he bother to reply to this?

SHRI Y. B. CHAVAN: That is a very holy thing that Acharyaji has said. I have nothing to say about it.

So there is no point in saying there is no law. There is a known law on the subject.

19.05 hrs.

The Lok Sabha then adjourned till eleven of the clock on Monday, April 1, 1968/Chaitra 12, 1890 (Saka).