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# ***JPRS Report***

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## **Near East & South Asia**

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23 NOVEMBER 1987

## NEAR EAST & SOUTH ASIA

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## TRADE WITH INDIA EXPANDING

Haifa ISRAEL BUSINESS in English No 434, Sep 87 p 5

[Text]

Trade between Israel and India has been expanding steadily, even though its level still is far below the potential of both countries. That is the conclusion of an extensive report, recently distributed by the Agence France Press news agency.

Although forty years ago it allowed an Israel consulate to be set up in Bombay, India has consistently refused to establish diplomatic ties with this country. Considerations of an international political nature, and the Indian leadership's long standing aspiration to lead the Third World, have motivated them to take a consistently – at times a stridently – pro-Arab position in the Middle East conflict.

That attitude has been carried to illogical extremes, to the point where last month's admission of Israel's tennis team for a Davis Cup match was deemed a newsworthy "concession" on the part of New Delhi. However, life seems to be stronger than prejudice: in spite of that official attitude, the volume of commerce between the two countries has been growing.

Exports from India to Israel amounted to only \$ 2,400 in 1963/64, but approached the \$ 9m. mark in 1985/86, and since then the volume of shipments seems to have increased even further. Virtually all such sales are by small and medium sized privately owned Indian firms.

The Arab boycott, which is very active in India, is the reason why almost no information is available

on Israel's sales to that country. In order to avoid that opposition, importers interested in buying Israel products do so through third country agents. That practice allows them to disguise the original source of their goods from potential critics and even from their own customers.

However, that procedure has its limitations. Most importantly, it prevents the acquisition of Israel knowhow – for instance, in agriculture and irrigation, denying Indian farmers considerable potential benefits. Recent news reports suggest that this may be changing: Indian investors were reported to be negotiating with Luz, of Jerusalem, concerning the possible erection of one of the Israel firms solar powered electricity generating plants.

The development of trade with the Indian subcontinent would be in line with Israel's ambition to intensify commercial relations with many East Asian countries. Significant progress already has been made and Israel exports to Singapore and Japan are reaching respectable proportions. In recent years reports have also appeared frequently in the world press, concerning alleged merchandise and knowhow sales from Israel to the People's Republic of China.

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CSO: 44000007



## DESALINATION PLANTS SOLD TO CANARY ISLANDS

Haifa INNOVATION in English No 143, Oct 87 p 2

[Text]

Herzlia — Orders for the construction and supply of eight sea water desalination plants have been received from customers in the Canary Islands. The systems will be built and delivered by Israel Desalination Engineering Ltd. (IDE), a member firm of the Israel Chemicals Group and a world leader in its field of specialization.

The equipment now ordered is of the newly developed "low energy" type, which produces potable water from saline feed, but uses only a minimal amount of energy to do so. The water to be converted is only heated to a moderate degree; distillation actually is performed under reduced pressure, at a temperature only slightly above ambient.

This energy economical desalination technology avoids scaling, corrosion and related problems that trouble other desalination systems. That approach also makes it possible to use internal coatings and inexpensive materials, such as plastics and aluminum, for the construction of distillation units. This alone leads to substantially lower equipment costs; alternatively, transfer surfaces can be made larger at no additional outlay, to reduce operating expenses.

Each of three of the units now to be delivered will have a rated output of up to 1,200 cubic meters (about 300,000 gallons) per day; the other three will

be somewhat smaller. Some will also be equipped with innovative monitoring and control programs, utilizing personal computers; these systems constantly review all operating parameters, to assure efficient performance with a minimum of human supervision.

All six of the desalinators now to be delivered were designed and built as skid mounted packages, which are completely assembled, wired and tested before they leave the IDE plant. Once they arrive at their destinations, at Canary Island tourist resorts with chronic shortages of potable water, they can be installed and put to work within days. Their on site activation is expected to take place early in 1988.

Israel Desalination Engineering is known internationally for its development of exceptionally economical desalination plants. More than 200 such systems, sold to customers all over the world, are operating satisfactorily.

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CSO: 44000007

## REBUILT SUPER PHANTOM UNVEILED

Haifa INNOVATION in English No 143, Oct 87 pp 5, 6

[Text]

Tel Aviv — The maiden flight of a radically rebuilt and updated F-4 Phantom recently took place at an air base south of this city. According to reports in the local press, the model now demonstrated was developed by Israel Air Force (IAF) experts, although its serial production undoubtedly will be entrusted to Israel Aircraft Industries (IAI).

Phantoms were first built about thirty years ago, and since then they performed as the work horses of many countries's air defense. Now, however, most experts think these planes are nearing the end of their usefulness, as more and more sophisticated craft are introduced.

Israelis apparently do not accept that judgment blindly. The military aircraft built in this day and age admittedly are more capable than the Phantom was, but they also carry price tags likely to bankrupt all but the wealthiest nations. The way around that problem, armament experts here hold, is to keep on using as many old weapon systems as possible, while endowing them with capabilities not available when they were first built.

In their efforts to update the Phantom, IAF engineers completely revamped its wiring and installed new navigation, communication, radar and weapon delivery systems. At least some of those capabilities are believed to be on a par with those of the F-16 and similar craft, in terms of sophistication, versatility, reliability and speed of response.

The craft's airframe has also been modified, to strengthen weak spots and improve stability and maneuverability. Innovative functions — presumably computer controlled — have been added to reduce the pilot's work load and enhance his effectiveness in combat. Unlike the rebuilt Phantom recently shown by IAI at the Le Bourget Aviation Salon (see *INNOVATION* 141, August 1987), that developed by the Air Force does not presuppose replacement of the original General Electric J-79 engine with the new Pratt and Whitney 1120, mainly in order to keep down the cost of conversion.

With the first prototype completed, several months will now be devoted to flight tests. Press reports here quote Tat Aluf (Brig. Gen.) Avner Raz, head of the IAF's equipment group, as saying that a second prototype will be ready next spring, and that a production line is expected to begin working some time in the summer of 1988. The cost of converting each Phantom has been estimated at between \$ 5 and \$ 6m. — a daunting sum in its own right, but only one third or less of the cost of a completely new combat plane.

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CSO: 44000007

## FUNDAMENTALIST NEWSPAPER CALLS FOR UPROOTING 'PUPPET REGIMES'

44000006 Beirut AL-'AHD in Arabic 4 Oct 87 p 1

[Text] What new insight into their systems of government can our people gain from the book which has been published by the assistant editor of THE WASHINGTON POST and which contains information of vital importance? The book reveals that:

1. Most of the rulers allied with the United States are agents of the CIA who receive monthly salaries in return for conspiracies and projects they carry out.
2. Most of those rulers are morally and socially degenerate, their personal lives being a series of scandals.
3. Most of those rulers act in accordance with instructions from the CIA to further CIA projects, ignoring the interests of their own people.
4. Those rulers do not hesitate to commit the most heinous crimes against their own people--to say nothing of their daily endeavor to belittle the aspirations of their people.
5. We are still unable to control our own political, economic, and social affairs; indeed, we are colonized--enslaved to the arrogant nations, thanks to the efforts of local agents.

The facts must be unveiled: In the Arab World there is no political leadership which is sincerely devoted to the goals and aspirations of its people; instead, there are political agents and high commissioners who speak the local tongues while carrying out the wishes of arrogant powers.

When such is the case, and when imperialism rules, does it not behoov the nation to rise up and uproot such leaders, confining them to the fold of their arrogant masters? Does it not behoov the nation to select for itself a political regime which can achieve its hopes and aspirations?

How can a nation hold its peace when robbed of its will? How can it remain silent when crimes are perpetuated against it on a daily basis? Is it not the right of such a nation to say, "Enough is enough!"

In Lebanon and around the world, the Islamic Condition--which became aware of this grievous reality at an early stage--is promptly deploying its mujahidin and its freedom fighters to end the era of imperialistic guardianship by freeing the political will of nations.

It is the right--indeed the duty--of the Islamic Condition to confront the puppet regimes, employing whatever means is appropriate, and to bring about their downfall.

It is incumbent upon all sincere individuals and all freedom fighters to join efforts for the purpose of overthrowing puppet regimes and freeing the people's will.

In the Arab World and the Islamic World, the most urgent task facing sincere individuals today is to free the people's will from the confines of puppet regimes.

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## GOVERNMENT ASSISTING IN ECONOMIC, SOCIAL GROWTH OF BASIC NEEDS

46650025a Kabul HEYWAD in Dari 28 Jul 87 P 2

[Text] Under the present desting-making circumstances when the significant social and economic growth issues and the realization of the development plans of Afghanistan enjoy particular importance in advancing the national policy, the party and the government of the Democratic Republic of Afghanistan in order to realize the needs of our hard-working people, practically make every effort to ensure the realization of wide-ranging social and economic programs with an untiring fortitude with the participation of the people. These programs are carried out at a time when the imperialism and the reaction of the irreconcilable enemies of our peace and tranquility, through various disguises and stratagems try to disturb the continuity of our progressive and peaceful society. The major part of the activities of the party and the government of the DRA focuses on improving the backwardness inherited from centuries ago, reviving and expediting the growth of our national economy, carrying out certain other significant social transformations, enhancing the material and cultural living status of our people and involving them in every aspect of the management and running of the affairs. The periodic meeting of the Council of Ministers of the DRA at its recent session investigated the plans pertaining to the realization of social and economic developments during the last three months and it further studied the new phase of social growth with regard to the national reconciliation circumstances where the foundation for the unity of people from all walks of life are duly based. The outcome of the decisions made during the first three months of the current year and the particular measures taken toward improving the living condition of our people all bespeak of the depth and penetration of the roots of the revolution in the lives of our people.

The untiring pursuit and realization of the goals and decisions of the party and the government towards the growth of farming and improving the status of land management have all resulted in an increase in the volume of production and re-sale of agricultural products during a rather short period of time. With due consideration to a reasonable rate of growth of our agricultural industry, the popular government has focused its efforts on enhancing the quality of productive forces parallel with the increase in agricultural productivity. Furthermore, in an effort to support the private sector with regard to the economic growth of the country, new establishments have been planned to go into operation in this specific sector. The new phase of reconstruction necessitates the need for participation of all the active sectors in the growth of our industry, particularly the private sector.

Politically, this phenomenon also holds a significant importance for strengthening the foundations of our popular government, and at the same time it increases the potential of active forces of our society. As a result of government support for the private sector, it is predicted that the production increase of the aforementioned sector during the first quarter of the current year will reach 1.66 million afghanis or about 98 percent of total production. The growth of our industries, as a moving force of our national economy, occupies particular attention of our popular party and government. An increase of capital investment in the industry sector and its further development will create better opportunities for the working class, expediting the socio-economic growth and lay the industrial foundation of our economy. The joint Russo-Afghan projects are very significant in strengthening the economic growth of our nation. During the period in question an equivalent amount of 1.3 billion afghanis have been spent on the relevant projects. Moreover, further planning with regard to the growth of our provinces, which has been proposed for the first time by the Government Planning Committee, enhances the chance of eliminating the socio-cultural differences between any two provinces. As it has been noted by comrade Soltanali Keshtmand, there is a need for the selection of economic cadres for leading this grave and complex task, further expediting the creation of planning commissions throughout all the villages and coordinating the efforts between various provinces of the Soviet Union and those of Afghanistan.

As it has been pointed out by comrade Keshtmand, alongside these successful achievements during the three months in question there have also been some negative factors such as a lack of proper organization of the private sector's production issues, non-coordination of plans in some of the ministries and other pertinent establishments during the first quarter of the current year which in turn has caused a reduction in the total production output.

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## BRIEFS

AGRICULTURAL COOPERATIVES GROWING--In an effort to gradually change the agricultural service cooperatives into communal cooperatives, of about 544 such agricultural cooperatives so far 51 have been changed into communal ones. BAKHTAR News Agency's correspondent while quoting a source from the Agricultural Development Cooperatives of the Ministry of Agriculture and Land Reform reports: In order to create model cooperatives, so far an equivalent amount of 18 million afghanis from the government's development budget have been spent on building facilities and 6,000 hectares of land has been utilized accordingly. The achievements and experiments on such model cooperatives as the Martyr Zekrollah of Jowzjan and those of Afe-Malak and Qarieh-Qal Mohammad of Balkh Province which are operating communally, have further proven the effectiveness of such cooperatives. At present about 544 agricultural cooperatives with a capital investment of over 43 million afghanis are active on about 127,000 hectares of land throughout the country. More than 82,000 farm families have attained membership in these cooperatives. [Text] [Kabul HEYWAD in Dari 28 Jul 87 P 2] 12719

CSO: 46650025b

## CHOWDURY ADDRESSES UN MEETING OF ISLAMIC MINISTERS

46001066 Dhaka THE BANGLADESH OBSERVER in English 3 Oct 87 p 10

[Text]

UNITED NATIONS. Oct. 2:-- Bangladesh yesterday renewed its fervent appeal to both Iran and Iraq to end their long fratricidal war, reports BSS.

Expressing Bangladesh's concern at the annual coordination meeting of the Islamic foreign ministers at the United Nations, Bangladesh Foreign Minister Humayun Rasheed Chowdhury reiterated that enemies of Islam would come out victorious if the conflict continued.

Presided over by Deputy Prime Minister and Foreign Minister of Kuwait, Sheikh Sabah Al Ahmad Al Jaber Al-Sabah. The meeting was addressed, among others, by the UN Secretary General, Javier Perez de Cuellar, Secretary General of the Organization of Islamic Conference (OIC) Syed Sharifuddin Pirzada, Foreign Ministers of Pakistan, Malaysia, Turkey, Jordan and representatives of Somalia, Morocco, Iraq and Iran and Sierra Leon.

Describing how the prolonged war had been destroying the glorious civilizations of the two Muslim countries, Mr. Chowdhury pointed out that Bangladesh wholeheartedly endorsed the current endeavours of the United Nations Secretary General to bring the war to an end.

Foreign Minister expressed his shock and distress at the recent desecration of the Holy Kaba, which, he said, must not be used for political ends.

Speaking about deteriorating global economic situation which was adversely affecting the developing countries, Mr. Chowdhury called for international cooperation, specially efforts within the Muslim ummah to redress the situation. He referred to the proposal made by President Ershad at OIC summit in Kuwait for integrating national programme into a master plan of OIC.

MR Chowdhury praised the relentless struggle of the Palestinian people for their homeland and saluted the leadership being given by Palestinian Liberation Organization (PLO).

He called upon the world community to compel Israel to withdraw from all illegally occupied Palestinian and Arab territories.

The Bangladesh Foreign Minister condemned the racist regime of Pretoria for practicing apartheid and lent full support to the struggle of the people of Namibia for their freedom and independence.

Referring to the tragic plight of the people of Afghanistan, he reiterated Bangladesh's demand for early withdrawal of all foreign forces from the

soil of Afghanistan.

Mr. Chowdhury reaffirmed his country's total commitment to the independence, sovereignty and territorial integrity of Cyprus and wished success of the Secretary General's efforts for the establishment of bi-communal binational federated state of Cyprus guaranteeing full protection to the interests of "our brothers in Islam".

Mr. Humayun Rasheed Chowdhury gave an account of the magnitude of destruction wrought by recent devastating floods and expressed the gratitude of the Government and the people of Bangladesh for the support given to us through massive relief and resources by the Islamic ummah to alleviate the sufferings of our affected people.

In his speech, the UN Secretary General underlined the urgency for promoting settlements of the problems which particularly affected the Muslims of the Organizations of Islamic Conference.

In his speech the OIC Secretary General Syed Sharifuddin Pirzada described the efforts of his organization to end the war between Iran and Iraq, withdrawal of foreign forces from all occupied Arab territories and Afghanistan, establish the rights of the Palestinian people and also the people of Namibia.

/13046



## FINANCE MINISTER ATTENDS WORLD BANK, IMF MEETING

## Meeting With World Bank President

46001064 Dhaka THE NEW NATION in English 1 Oct 87 pp 1, 8

[Text]

Minister for Finance Mr M Syeduzzaman, who is in Washington in connection with World Bank, IMF annual meetings, met President of the World Bank Mr Barber B Conable on Sunday last, reports BSS.

The Finance Minister apprised Mr Conable of the damages caused to crops, property and infrastructures by the recent floods, the suffering of the people and the rehabilitation measures being undertaken by the government.

Mr Syeduzzaman mentioned that though Bangladesh is prone to natural disasters, damage this time was colossal and not experienced for many decades.

He thanked the president of the World Bank for their message to donor countries and also for their generous response received so far in terms of food aid and other materials while additional food aid from donors is expected.

Mr Syeduzzaman mentioned that government had already purchased substantial quantity

of foodgrains with its own resources, and if necessary would purchase more to overcome any food shortage.

Regarding IDA lending programme for financial year 1988 indications are that a programme of about US dollar 450 million could be reached this year, and a part of this would be issued for rehabilitation of infrastructures damaged by the floods, the Finance Minister said.

Mr Conable expressed his sympathy for the sufferings of the people and for loss of assets, and assured the Minister that the World Bank would do its best to help the Bangladesh government in its rehabilitation efforts by incorporating rehabilitation of infrastructures in the on-going and new IDA projects. He hoped that the projects will be implemented promptly along with increased disbursement from on going projects. He further stated that he was looking forward to visiting Bangladesh in early November, 1987.

## Speech to Meeting

Dhaka THE BANGLADESH OBSERVER in English 2 Oct 87 p 10

[Text]

Finance Minister M. Syeduzzaman has called upon the World Bank and the International Monetary Fund (IMF) to flexibly treat the Bangladesh targets set for adjustment and reforms under programmes supported by Structural Adjustment Facilities (SAF), reports BSS.

Addressing the 42nd bank-fund annual meeting in Washington on Wednesday, the Finance Minister said Bangladesh had "a strong adjustment programme in place"....unfortunately, he said, this summer the country's economy was hit by one of the worst floods of the century, leading to a loss

of property and assets equivalent to 7-8 per cent of the GDP.

It was almost certain that there would be a decline in Bangladesh's per capita income this year. Mr. Syeduzzaman said adding it was under such circumstances the targets needed to be flexibly treated.

In this context, the Finance Minister said the G-24 recommendations for a contingency mechanism for sudden and unexpected changes in economic conditions to be a part of the SAF was highly relevant.

He also called for enhancement of the SAF resources to nine billion SDR as proposed by the Managing Director of the fund preferably by January 1988.

The Finance Minister put forward a package of suggestions before the meeting for what he said "reactivating the process of growth of low income countries if there is a collective goodwill and a sense of urgency among all member countries".

The suggestions include:—renewed priority to aid targets and their fulfilment.

—Follow up of the recommendations of the task force on concessional assistance.

—Early implementation of the joint bank-fund programme of action for increasing concessional flow to low income countries with exceptional difficulties.

—Conversion of loans into grants for low income countries that face exceptional difficulties.

—Action on the report of the task force on poverty.

—The need to ensure that fund supported programmes incorporate specific growth objectives including investment levels and flexible targets.

—Consideration of ways in which bank-fund collaboration could be more helpful to SAF countries while avoiding cross conditionality.

—Re-affirmation of the role of the bank in tackling and financing economically and politically sustainable structural and sectoral adjustment programmes without jeopardising long-term development growth objectives.

In his lengthy speech, the Finance Minister said the hardening of protectionist tendencies, mainly through non tariff barriers in the developed countries was a major contributor to the deteriorating external accounts of the developing countries making their adjustment efforts more difficult.

This was all the more frustrating as many developing countries were liberalising their trade and industrial policies as part of their adjustment programmes to reallocate resources to the external sector, he said.

When Bangladesh was trying to diversify exports, Mr. Syeduzzaman said, many industrialised countries imposed quota restrictions on our products though Bangladesh was a minuscule supplier of such products to these countries.

Quota agreements were complex in nature and difficult to administer, he said adding: all these had the effect of discouraging investment in an area where Bangladesh clearly enjoyed comparative advantage.

The Minister pointed out that this came at a time when our major commodity exports including jute, jute goods and tea were facing declining price like many other primary commodity exports of developing countries thus aggravating the problem further.

We look forward to the forthcoming multilateral trade negotiations under the GATT later this year for a new liberal trading environment covering manufactured and agricultural products from developing countries, he said.

## REPORT ON FINANCE MINISTER'S SPEECH TO COMMONWEALTH MEETING

46001067 Dhaka THE NEW NATION in English 3 Oct 87 pp 1, 8

[Text]

Finance Minister M Syeduzzaman, in a statement at the Commonwealth Finance Minister's meeting at Barbados last week, said that all indicators showed a declining trend in the world economy reports BSS.

Mr Syeduzzaman said that growth rates were decreasing because of low demand in developed countries, trade was stagnating as protectionism grew and low commodity prices had led to deteriorating terms of trade for developing countries thus reducing the effectiveness of their adjustment efforts. Fiscal imbalances persisted in developed countries, he said and feared that the world was moving toward the 1987 World Development Report's 'low case' scenario.

The Bangladesh Finance Minister observed that the net transfers of resources from the IMF, the IRRD and the developing countries as a group were negative. He also observed that resistance to further reforms was hardening in many developing countries and the risk was that growth could decline further.

Though a number of low-income countries had adopted structural adjustment measures,

these had been impaired due to trade restrictions and inadequate flow of resources rendering the countries to uncertainty about their task.

Mr Syeduzzaman said, adjustment programmes have been mostly geared to market-oriented policies at a time when such opportunities were shrinking in the field of exports, capital flows and private investments.

Adjustment was desirable but it could only take place in an environment of growth and with adequate financial support. The architects of the structural adjustment facility have visualised a parallel growth in private flows, which had not been forthcoming, he added. The efforts being made by Japan to recycle its surpluses are praiseworthy but modest, he observed.

The Finance Minister further held that there were, however, some positive developments which should not be underestimated. He listed the agreement on IDA-8 (though it was less in real terms than IDA-7 or IDA-6), support for a general capital increase for the World Bank, the new World Bank role in poverty alleviation, the Venice summit reaffirmation of the 0.7 per cent

target for ODA by the developed countries, support for structural adjustment efforts by the Bank and the Fund and the proposed expansion of the Structural Adjustment Facility.

Mr Syeduzzaman however, said that there were some signs of relaxation of tension both east and west and north south UNCTAD-VII has started late but had made some progress on debt rescheduling on the review of SNPA in 1990 and on the common fund as a result of the Soviet Union's signature. The Lawson initiative was also welcome, he said. The United Kingdom being the second largest creditor country (after Japan and having the largest invisible receipts, has yet to encourage greater direct foreign investment in developing Commonwealth countries he observed.

Mr Syeduzzaman then identified some issues on which progress should be looked for in the forthcoming Bank and Fund meetings. He said, they included a reaffirmation of policy coordination in developed countries, an advance on the general capital increase, increased flows of ODA an expansion in the structural adjustment facility and greater flexibility in its programmes.

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## REPORT ON FOREIGN SECRETARY'S 13 SEPTEMBER PRESS CONFERENCE

46001056 Dhaka THE BANGLADESH OBSERVER in English 14 Sep 87 pp 1, 8

## [Text]

Foreign Secretary Nazrul Islam on Sunday expressed his ignorance about President Ershad having proposed an "action plan" to Indian Prime Minister Rajiv Gandhi for resolving the issue of repatriation of Chakma tribals from Indian territory to Chittagong Hill Tracts.

It may be mentioned here that Mr. Gandhi's special envoy, Mr. Narashima Rao who visited Dhaka in July last told newsmen that he was carrying the "action plan" proposed by President Ershad for the Indian Prime Minister to resolve the Chakma tribal issue.

The Foreign Secretary said that Mr. Rao had himself chosen the phrase of "action plan" and "I am not aware of any such plan". He, however, asserted that Bangladesh was very "keen and serious" on an early solution to the Chakma issue.

Asked whether the formation of a committee headed by Planning Minister Air Vice Marshal (Retd) A.K. Khondokar to deal with the return of the Chakma tribals had made his ministry and himself ignorant about the President's "action plan" the Foreign Secretary replied "you are hundred per cent correct."

Contradicting a news report on the visit of an Afghan delegation to Dhaka last month to discuss the entry of Afghanistan to SAARC and the OIC the Foreign Secretary said that there was no visit by any Afghan delegation. He also ruled out the possibility of Afghan entry in the SAARC under the charter of the seven-nation regional cooperation.

An Afghan delegation did visit Dhaka at the end of last month and met a Director at the Ministry of Foreign Affairs. Foreign Secretary's denial notwithstanding

Turning to the relief and rehabilitation programme the Foreign Secretary said that Bangladesh had so far received 97,400 tons of rice, and 71,440 tons of wheat from friendly countries, international bodies and non-governmental organisations for the flood affected people. He also informed that so far Bangladesh received 2.484 million dollars in cash and relief materials worth 9.237 million dollars from these sources.

He said that the UN Secretary-General was fully apprised of the flood situation in Bangladesh by Mr. Essafi, Coordinator of UN Relief and Disaster who visited the flood affected areas last week. The World Bank was also waiting for a detailed report on the assessment of damage by the flood for adopting a post-flood rehabilitation programme in Bangladesh, he added. The Foreign Secretary claimed that the world media appreciated the relief and rehabilitation programme undertaken by the Bangladesh Government.

He refuted a news item published by a section of foreign Press that 6000 people died of starvation in Bangladesh. He asserted that the foreign emissaries who visited the flood affected areas observed that there was no death due to starvation. He said that the total figure of deaths due to flood was now 709 of whom mostly died of drowning, snake bite and diarrhoea.

The Foreign Secretary informed that a ten-member delegation headed by Foreign Minister Humayun Rashid Chowdhury from Bangladesh would participate in the 42nd UN General Assembly Session

beginning on September 15. He said that the number of the delegation was reduced this year as per the austerity policy now being pursued by the Government due to devastating flood. He, however, did not disclose the names of the delegation members though there is only one day left to start the UNGA session.

When his attention was drawn to a report about detention and searching of the Turkish plane carrying relief materials for Bangladesh at Calcutta airport the Foreign Secretary said he had no information about the searching of the plane. He, however informed that the Turkish plane was delayed at Calcutta airport by six hours and the plane was allowed to take off after paying a minimum service charge of 3000 dollars. In reply to a question he informed that the Kuwaiti plane carrying Relief materials for Bangladesh was delayed due to non-receipt of overflying permission from India.

/13046

## HUMAN RIGHTS PANEL REFUTES AMNESTY REPORT

46001071 Dhaka THE NEW NATION in English 7 Oct 87 pp 1, 8

[Text]

Bangladesh Human Rights Commission has welcomed the government decision to permit a delegation from the Amnesty International to visit the Chittagong Hill Tracts. It also urged the Amnesty team to make an impartial assessment of the situation there.

A press release of the commission yesterday said that Amnesty International's recent report alleging violation of human rights in Chittagong Hill Tracts was not based on facts. We consider the Hill Tracts problem as nothing but creation of an international political game. India had been involved in this game to undermine its small neighbour, the commission said and added that if the tribal refugees were not "forcibly confined in the refugee camps in Tripura, all of them would have returned home".

According to its preliminary findings, the Commission observed, the security forces were not

involved in repressive operation but the Chakma miscreants for the so called Shanti Bahini members were terrorising the people including the Chakmas and killed hundreds of Bangladeshis during their raids from across the border.

The press release further said that according to a number of refugees who returned home had complained to the district administration of Khagrachari that they were detained at the camps and were subjected to torture when they tried to escape.

Commission Secretary General Saiful Islam Dildar during a recent visit to the Hill Tracts he learned from responsible officials of the security forces that almost all the members of 'Shanti Bahini' who were arrested, were found to be in possession of luxury items like colour television and tape recorders. They were mostly involved in extortion of money from both the Chakmas and the settlers, he added.

/13046

## INDIA TO NEGOTIATE FOR NEW TRANSIT PROTOCOL

46001061 Dhaka THE NEW NATION in English 29 Sep 87 pp 1, 8

[Article by Monowar Hossain]

[Text]

Negotiation between Bangladesh and India for signing a new protocol on inland trade and transit is likely to begin in Dhaka in the later part of October.

The last talks on the issue were held in New Delhi in January this year. Indian vessels are now plying through Bangladesh under the extended tenure of the protocol signed in 1984.

The inland transit and trade protocol allowing Indian vessels to pass through Bangladesh was signed in November, 1972. Later the protocol was renewed or extended from time to time. In 1984, a new protocol was signed for a two-year term. Upon its expiry in October 1986, the protocol has been extended first on monthly basis and then on quarterly basis.

Under the protocol the Indian vessels enter Bangladesh through Sheikhbaria point in Satkhira, Chilmari in

Kurigram and Zakiganj in Sylhet districts for their destinations in Assam. They use the same points for their exit transit. The vessels ply through the routes of Chalna-Barisal-Chandpur-Aricha-Sirajganj and Chalna-Barisal-Chandpur-Narayanganj-Bhairab Ajmeriganj-Fenchuganj-Zakiganj.

Bangladesh Inland Water Transport Authority regularly maintains and conserves three segments of the routes, Sheikhbaria-Chalna, Sirajganj-Chilmari and Zakiganj-Kurigram, spending millions of taka every year. These segments are primarily used by Indian vessels.

According to the protocol Indians pay all charges and port fees in addition to annual transit fees for plying across Bangladesh. According to 1985 agreement Indians pay Tk 75 lakh as annual transit fees. But the amount is considered too small to meet the expenses

for dredging and conservation of the routes, it is gathered.

From 1983-84 till today there has been a steady increase in the movement of Indian vessels through Bangladesh. It is gathered that the number of voyages of Indian vessels through Bangladesh has gone up to over 300 in the past years as against 200 in 1983-84. The volume of cargo carried by Indian vessels last year was over 100,000 tons compared to 60,000 tons in 1983-84.

Informed sources said importance of transit through Bangladesh is increasingly felt in New Delhi in view of growing violent movement for a separate Gorkhaland on the strategic corridor between Assam and the rest of India. The roads and railways passing through this corridor link seven eastern states with the rest of India.

/13046

PRC GREETED ON NATIONAL DAY, DHAKA CELEBRATION

Message to Li

46001062 Dhaka THE BANGLADESH OBSERVER in English 1 Oct 87 p 3

[Text]

President Hussain Muhammed Ershad has greeted Chinese President Li Xiannian on the 38th anniversary of the founding of the People's Republic of China, reports BSS.

In a message in Dhaka President Ershad said, he is happy to see China continue to make great advancement in various fields. He is convinced that the friendly Chinese people will achieve greater success in their earnest endeavours to attain progress and prosperity at home and to sustain peace and security in the world.

He said "I am happy that the

friendly relations between China and Bangladesh are developing in various fields in greater depth and dimension every day for the benefit of both our peoples. He expressed his firm belief that the mutually rewarding cooperation would continue to be widened and strengthened in the interest of peoples and of the world at large.

He said "I wish your excellency long life, good health and happiness and the continued wellbeing, happiness and prosperity of the friendly people of China.

Message to Zhao

Dhaka THE BANGLADESH OBSERVER in English 1 Oct 87 p 3

[Text]

Another report adds: President Hussain Muhammad Ershad has felicitated the Chinese Premier, Mr. Zhao Ziyang, on the 38th founding anniversary of China.

In a message to Mr. Zhao, President Ershad expressed his confidence that China would continue to march ahead on the road to greater progress and prosperity in the years to come.

He said "it is my firm belief that the bonds of close friendship, deep understanding and positive cooperation that so happily exist between our two friendly countries will be further expanded and strengthened in the years to come to the mutual benefit of our two peoples."

President Ershad also conveyed his best wishes for Mr. Zhao's good health, happiness and long life and for the continued peace, progress and prosperity of the friendly people of China.



## Embassy Celebration

Dhaka THE BANGLADESH OBSERVER in English 1 Oct 87 p 3

[Text]

The Ambassador of the People's Republic of China in Bangladesh and Mrs. Zheng Jianying held a reception on Wednesday on the occasion of the National Day of China at the Chancery at Maghbazar.

The reception was attended by Vice-President Justice Nurul Islam, Speaker Mr. Samsul Huda Chowdhury, former President Khandaker Mustaque Ahmed, former Prime Minister Mr. Ataur Rahman Khan, BNP Chief Begum Khaleda Zia, Dr. Kamal Hussain, BNP Secretary General Mr. Obaidur Rahman, CPB leader Mr. Saifuddin Ahmed Manik, Workers Party leader Mr. Rashed Khan Menon, JSD leader A.S.M. Abdur Rab, high civil and military officers, journalists and elite city.

/13046

## VISITING FRENCH AGRICULTURAL MINISTER MEETS PRESS

46001057 Dhaka THE NEW NATION in English 14 Sep 87 pp 1, 8

[Text]

French Agriculture Minister Francois Guillaume yesterday said he had fruitful talks with Bangladesh leaders towards closer cooperation particularly in the field of agriculture.

Addressing a press conference here at the end of his three day visit Mr Guillaume said his country would double the food aid to Bangladesh to 28 thousand tons this year to help overcome the problems caused by the flood.

He said they would also give 200 tons of butter oil, 500 tons of potato seeds and would consider giving wheat seeds in aid of the flood affected people.

A farmer Mr Guillaume who visited some of the flood affected areas around Dhaka city said he was moved to see the plight of the farmers whose crops were damaged. I have looked at the situation with my farmer's eyes, he said.

He said his country was willing to cooperate with Bangladesh under mid term and longterm plans in the fields of agriculture, agro-based industry, development of dairy and exchange of

technical hands and farmers to forge a closer relation.

Delegates of our two countries will shortly meet to find out areas of cooperation, he added.

The French minister strongly advocated the increase in agricultural products of the crops growing countries like France and said the higher amount received from export of foodgrains by them could be utilised for the benefit of the developing countries.

He favoured higher prices for agricultural products-rice, wheat, jute, tea etc and opposed US selling foodgrains at subsidised rates to countries including Soviet Union and Japan. Prices should be at least at the level of cost of production, he said.

Agriculture Minister Mahbubuzzaman and French ambassador in Dhaka Stanislas Fillol were present at the press conference.

Later, officials of the two countries signed a protocol for extending scientific assistance from France.

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## SOURCES DENY REPORTED CHANGE IN AFGHAN POLICY

46001063 Dhaka THE BANGLADESH OBSERVER in English 2 Oct 87 p 1

## [Text]

There has been no change in Bangladesh's Afghan policy and the country remains committed to the position taken by the United Nations on the issue of presence of foreign troops in embattled Afghanistan, informed sources in Dhaka said, reports BSS.

The sources nailed recent reports in a section of the Press suggesting a marked shift in Dhaka's Afghan policy and made it clear that there was no question whatsoever, of any change in the principled stance of the country on the issue.

The reports sought to establish a linkage between the invitation to Afghanistan to join the Centre for Integrated Rural Development for Asia and the Pacific (CIRDAP) and what they called a discernible change in Dhaka's position in the Afghan issue.

A ministerial level meeting of the CIRDAP here early this year had decided to invite all the countries of the region still outside the CIRDAP to join the organisation and Afghanistan was among the 13 nations to receive blanket invitation to join the CIRDAP, said the sources pointing out that this, not necessarily confers, the membership to any country. The

membership of the CIRDAP goes through further procedures, including the consideration of eligibility.

Kabul remains a member of the United Nations and also of regional organisation like the ESCAP and the invitation to Kabul along with other countries to join the CIRDAP could only be seen within the broad framework of policy towards Afghanistan. This broad policy does not preclude the specific United Nations resolution about the Kabul regime on the presence of foreign troops in that country, the sources said adding that other international forums like OIC have distinct stand on the issue.

About the reports of a visit to Dhaka by the Afghan Ambassador in New Delhi to discuss with Bangladesh side bilateral matters, the sources discounted such reports as mere figment of the imagination and reiterated that no talks were held with Afghan side on any subject. "The Afghan envoy in New Delhi was here almost unannounced and Bangladesh Government took no official cognizance of his visit", said the sources adding that Dhaka's opposition on the Afghan issue remains wellknown and was clearly spelt out without any ambiguity.

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## ERSHAD SPEAKS AT MEETING OF JATIYA FRONT ORGANIZATION

46001058 Dhaka THE BANGLADESH OBSERVER in English 23 Sep 87 pp 1, 10

## [Text]

President Hussain Muhammad Ershad on Tuesday dispelled the possibilities of declaring emergency in the country, holding of mid-term polls and dissolution of Parliament, reports BSS.

President Ershad, who is the Chairman of Jatiya Party, (JP), was addressing the extended meeting of Jatiya Sechchasebak Party, a front organisation of the JP at the party central office here.

The President said the Government had successfully faced the situation arising out of the unprecedented devastating floods and hence the question of declaring emergency did not arise at all.

President Ershad said the people of the country had given their verdict to Jatiya Party to rule the country for five years. In this context, he made it clear that there was no necessity of mid-term polls and dissolution of parliament.

He said during the last six years the present Government had proved that it was strong enough to face any political challenge and natural calamities, he said. We do not need emergency or mid-term poll to face such situation.

The President noted with happiness that Jatiya Party had emerged as the biggest party in the country and said we shall face the political challenges politically. He said the objective of our politics is to bring about welfare of the people, he said.

The President referred to the call of gherao given by some opposition political parties and said the people of the country had already rejected the politics of gherao, hartals and destructions as they had realised that these anti-people activities would never deliver any good to the country. Rather, he pointed out that these kinds of

politics would only bring miseries for the people.

He said the people would not allow any quarter to hinder the democratic system already established in the country. To come to power they must go to people and seek their verdict and only that way they can come to power, he said.

In this connection, President Ershad said, none will be allowed to destroy the democratic system to achieve their political ends. This political system, he said has been established with the mandate of the people.

### JSP concern over Dhaka siege plan

Jatiya Sechchasebak Party has condemned the activities of a section of political parties for distabilising the political atmosphere in the country with a view to subverting the process of development being carried out by President Ershad's government.

The party which adopted a number of resolution at its just concluded extended meeting expressed serious concern over the calculative move by a section of political parties in the name of movement.

The resolution described the movement programme of the Opposition as destructive and anti-people and remarked that some of the political parties, being instigated by the local and foreign conspirators, are now out to create law and order situation for their selfish ends.

Describing the November 10 "Dhaka Siege" programme of the Opposition, the party observed that the programme was aimed at keeping the 40 lakh people of Dhaka as hostage. It also strongly criticised the Opposition parties for not taken into consideration the plights of the flood victims

and observed that their programme would only increase the sufferings of the people. The Sechchasebak Party meeting also called upon the Opposition parties to withdraw their programme.

The meeting also called upon all leaders and workers of the organisation to extend all possible help to the Government's post-flood rehabilitation programme. The party will observe "rehabilitation day" from October 1 to October 15 to express their solidarity with the Government's programme.

It also decided to hold councillors meeting in all the four divisional headquarters from October 1 to October 7.

Jatiya Sechchasebak Party also expressed its condolence for those who died during the recent floods. It also condoled the death of former President Mr. Justice Abu Sayeed Chowdhury and Prof. Munsuruddin Ahmed.

### **Call to help flood victims**

Another report adds:—The Jatiya Party Secretary-General and Minister for LGRD and Cooperatives, Shah Moazzem Hossain, Tuesday urged the members of the Jatiya Sechchasebak Party to play a pioneering role in the reconstruction and rehabilitation of the flood ravaged economy.

Addressing an extended meeting of the Jatiya Sechchasebak Party, he asked them to put in their efforts, for rebuilding the damaged houses, schools, madrasas, mosques, temples, roads and bridges in the flood affected areas with voluntary labour.

Minister of State for Agriculture, Prof. Abdus Salam, Deputy Minister for Commerce, Lt. Col. (Retd.) H.M.A. Gaffar, former Minister of State Mesbahuddin Ahmed also spoke on the occasion.

Presided over by Munshi Abdul Latif, President of the Sechchasebak Party, the inaugural session of the meeting was also addressed by the Vice-President Kazi Lutfar Rahman Faruque, MP, General Secretary Ali Imam, Additional Secretary, Shah Mostain Billah and Organising Secretary Abdur Rouf Sikder.

Delegates from about 50 districts participated in the meeting.

## REPORT ON MEETING OF BNP NATIONAL EXECUTIVE COMMITTEE

46001068 Dhaka THE NEW NATION in English 4 Oct 87 p 1

[Text]

At the end of its three-day meeting yesterday the central executive committee of BNP painted a rather gloomy picture of the prevailing economic situation in the country.

Presided over by party chief Begum Khaleda Zia, the meeting expressed anguish at the price spurt and the diminishing purchasing capacity of the common people.

BNP claimed that agricultural production has become stagnant and farmers are a frustrated lot because they are not getting a fair price for their produce.

The party said the Government has turned over the import of rice to private sector as its coffer is empty now due to unabated corruption in the administration.

BNP said the common people are confronted with the twin problems of price spiral and unemployment. It said the government has turned Bangladesh into a vast market for the multinationals and international cartels.

Alleging that the Government has ruined the economy of the country it restated its earlier stand on the present parliament and on the office of the President. It appealed to the people to come forward for unseating the present government by launching a relentless movement from November 10 onwards.

The party noted with satisfaction the response from the people to the opposition call for laying siege around the capital on November 10.

/13046

## COMMUNISTS URGE INSTITUTION OF FOOD FOR WORK PROGRAM

46001059 Dhaka THE BANGLADESH OBSERVER in English 24 Sep 87 pp 1, 8

[Text]

The Communist Party of Bangladesh on Wednesday called upon the Government to undertake Food for Work Programme throughout the country to save the people from famine-like situation. It also called for waiving land tax, interest on farm loan and give interest free loan to the farmers for apicultural rehabilitation in the flood affected areas of the country.

Addressing a Press conference at its office Mr. Saifuddin Ahmed Manik, Assistant Secretary of the party suggested among other measures supply of seeds, fertilizer, pesticides and other inputs among the farmers of the affected areas.

Mr. Saifuddin Ahmed Manik said that the availability of food in the country would not mean anything to the people if they had no purchasing power. Narrating his experience during the tour of the flood affected areas and quoting newspaper reports that the people were still dying of starvation.

Mr. Saifuddin Ahmed said relief operation of the Government in the flood-hit areas were inadequate as compared to the need. He said there were no jobs for the people in the affected areas and acute scarcity of food, medicine was prevailing there.

He said that the non-Government relief operation could not be alternative to the government relief when the multitude of devastation is extensive.

He urged the Government to undertake flood control programme effectively. He said flood control programme should not be made localised rather it should be taken in the total perspective.

Communist Party leader also called upon the Government to amicably settle the problems on sharing of water of the common river with India. He did not single out Farakka the only cause of recurring floods in the country.

Replying to a question Mr. Saifuddin Ahmed Manik said nothing short of the resignation of the present Government would solve the political crisis in the country. Mr. Manik did not give straight reply when asked if they CPB members would join the Parliament if summoned.

He dismissed the allegation that the Eight-party Alliance were helping the Government through their participation in the Parliament.

Mr. Manik called upon the leaders of both Eight-party and Seven-party Alliances to refrain from mudslinging to each other for the greater interest of the movement.

/13046

## PAPER REPORTS REOPENING OF DHAKA UNIVERSITY

46001060 Dhaka THE NEW NATION in English 28 Sep 87 pp 1, 8

[Text]

The Dhaka University reopened yesterday after 73 days of closure with the Vice-Chancellor calling upon all concerned to help resist violence on the campus, maintain a congenial academic atmosphere and uphold the sanctity of this highest seat of learning.

The University was closed since July 15 following armed clashes between the workers of BNP backed Jatiyatabadi Chhatra Dal and Pro-JSD (Inu) Chhatra League (M-N) in which three persons including two students were killed.

On the reopening day yesterday Vice-Chancellor of the University Prof. Abdul Mannan addressed two rallies before and after a silent procession of the teachers, students, officers and employees of the institution was brought out.

The processionists paid homage to the memory of the mid-July victims of violence and pledged to free the campus from terrorist activities and restore a congenial atmosphere there.

Speaking at the rally before the procession was brought out Vice-Chancellor Prof. Abdul Mannan urged students, teachers, employees, guardians, intellectuals, journalists and people from all strata to cooperate with the university authorities in maintaining a congenial academic atmosphere on the campus.

"We have to maintain peaceful atmosphere at any cost to produce worthy citizen for the country and facilitate the pursuance of knowledge," he said.

As Prof. Mannan was speaking, a group of youths were raising slogans demanding withdrawal of the DU Syndicate decision regarding expulsion of eleven students, and release of

Sanaul Haq Niru, a leader of the BNP backed JCD. At one stage, the youths marched towards the dias and Prof. Mannan had to cut short his speech.

The silent procession then started from in front of Aparajeya Bangla.

The youths, most of whom were not students of the university, then forced the front part of the procession to divert to the left when it reached near Surja Sen Hall and the rest of the procession marched forward.

According to eyewitnesses, the Vice-Chancellor was forced to march with the youths who were raising various slogans. Prof. Emajuddin, Pro-Vice-Chancellor and DU Teachers Association chief Prof. Saad Uddin, however, could avoid them. This part of the procession was followed by a riot police squad. As it reached near Salimullah Hall, the pro-vc, the DUTA president and some other senior teachers again joined it.

The other part of the procession participated by about three thousand students, teachers and employees paraded different areas of the campus peacefully. The processionists maintained silence. They were blackbadges and carried banners with demands of violence-free campus.

The Vice Chancellor again spoke to the silent processionists while they dispersed at the Administrative Building. Here, he said "we don't want to punish any student of the university. We want to establish rule of law on the campus". Efforts to resist violence would continue, he said emphatically.

Meanwhile, a DU press release said that the trouble makers of yesterday would be



identified and punished according to the university rules.

Besides, a joint statement of 15 students organisations condemned yesterday's incident and demanded punishment to those responsible.

/13046

## ENERGY MINISTER DISCUSSES OIL PRODUCTION SHARING

46001070 Dhaka THE BANGLADESH OBSERVER in English 5 Oct 87 pp 1, 8

[Text]

Energy and Mineral Resources Minister Anwar Hossain said in Dhaka on Sunday the Government had never thought of giving lease of Hari-pur Oil Field to any foreign company.

Talking to BSS, he said the committee constituted by the Government had recommended production sharing arrangements with Scimitar Oil Company for exploiting an exploring oil in the Surma basin other than Well Number-7 where oil had already been struck.

The Minister, however, said that no contract has been signed as yet with the company.

Mr. Hossain said, according to the committee's recommendations, if upto 5000 barrels of oil was lifted a day Bangladesh would get 70 per cent of it and 30 per cent would go to the company.

From 5001 barrels to 10,000 barrels, Bangladesh share would go to 75 per cent and the company would get 25 per cent. If the production of a day is between 10001 and 25000 barrels, then Bangladesh would get 80 per cent and the rest would go to the company, he added. He said if the production is 25001 barrels to 50,000

barrels a day, Bangladesh share would again increase to 45 per cent while the company would get 15 per cent.

For production starting from 5001 onward, Bangladesh will get 90 per cent while 10 per cent will go to the company.

Mr. Anwar Hossain said apart from the production sharing, the company would be bound to sell 25 per cent of its share of oil to Bangladesh at the rate of 15 per cent less than the international market price.

He said, he thought production sharing arrangements were better than borrowing money from financial institution for exploiting and exploring oil as it involved "no risk."

But if money is borrowed from financial institution then principal amount and profit had to be paid even if oil is struck or not, he pointed out.

The Minister said the recommendations had been made on the basis of the principle production sharing agreements made in 1974 and 1981 with foreign companies.

Mr. Anwar Hossain said a survey was being effectively conducted to search oil in Mymensingh and Bogra.

/13046

## PANEL TO FACE PROBLEMS OF INDUSTRIAL DEVELOPMENT

46001065 Dhaka THE NEW NATION in English 1 Oct 87 pp 1, 8

[Text]

The National Council for Industrial Development meets in the city today after a gap of about 10 months.

The council comprising ministers and senior officials concerned and representatives of different chambers of commerce and industries and associations, has been primarily concerned with promotion of industrial investment from within and without the country.

The meeting is likely to take stock of the outcome of the last investment forum and discuss preparations for the third one proposed to be held in the city next year in collaboration with the EEC.

It comes at a time when most of the industries in the country are facing problems due to market constraints, low productivity and debt burden.

According to sources, 10 to 15 percent of the manufacturing units have gone out of operation due to financial constraints while the rest are running at about 40 percent of the capacity on an average.

Industrial circles said they anticipated a further fall in the demand for manufactured goods in the wake of severe damages caused by the floods, particularly in rural areas. They pleaded diverting enough funds to rural areas in the form of agricultural loans through and works programme to raise purchasing power of the people.

Meanwhile, a senior official in the Labour Ministry agreed with the World Bank report which said labour productivity in Bangladesh has declined by about 23 per cent since independence.

The official who preferred to remain anonymous said, "We have not figured out in percentage but our study indicates the decline is more than 23 percent from the 1969-70 benchmark". He attributed mainly to poor management the decline in labour productivity. "It is certainly not the workers who have proved hardworking, he said referring to the record of good performance of Bangladeshi workers abroad.

The official also referred to flaws in labour law which allowed non-workers to become labour leaders and thereby involve the poor workers too much in politics.

An industrialist said the growth of efficient management was obstructed by largescale nationalisation of industries after the independence. The management of industries suddenly went into the hands of the bureaucrats who had no experience in dealing with workers, production and marketing. Managerial and production experts were completely overshadowed by civil servants and the process was still continuing, he said.

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## BRIEFS

CONDOLENCES FROM CPSU--The Central Committee of the Communist Party of the Soviet Union has expressed its "deep condolence" at the untimely demise of Mr. Mohammad Farhad, General Secretary of the Communist Party of Bangladesh, reports BSS. According to a Press release of the USSR Embassy in Dhaka. The CPSU in a message of condolence to the CPB, described Mohammad Farhad as a "prominent figure of Bangladesh and international community and workers' movement" [Text] [Dhaka THE BANGLADESH OBSERVER in English 12 Oct 87 p 1] /13046

BELGIAN AMBASSADOR DESIGNATE--Baron Olivier Gilles dePelichy has been appointed Ambassador of Belgium to Bangladesh, an official Press Release said in Dhaka on Saturday, reports BSS. Born on August 20, 1945 Baron Olivier joined diplomatic service in 1971 and held various important positions at home and abroad. [Text] [Dhaka THE BANGLADESH OBSERVER in English 11 Oct 87 p 3] /13046

SRI LANKAN ENVOY--Mr. Alfred Kulendran David has been appointed High Commissioner of the Democratic Socialist Republic of Sri Lanka to Bangladesh, says a PID handout. Born on June 21, 1940, Mr. David joined the diplomatic service in 1965 and held various important positions at home and abroad. He is married and has three children. [Text] [Dhaka THE BANGLADESH OBSERVER in English 6 Oct 87 p 8] /13046

SOVIET FAIR PARTICIPATION--The first ever solo exhibition on Bangladesh products in Soviet Union was inaugurated on Monday at Moscow, an official message received in Dhaka said, reports BSS. The Soviet Deputy Minister of Trade, Mr. H.E.S.E. Sarukhanov, inaugurated the exhibition. Over a dozen Bangladeshi commercial firms displayed their products of garments, handicrafts, jute goods and carpets, ceramics and other manufactured items. High Soviet officials and many foreigners visited the exhibition. The Bangladesh Ambassador to USSR, Mr. M. Rezaul Karim, the Director General of Export Promotion Bureau, Mr. Habibur Rahman and Bangladeshi entrepreneurs have also addressed a Press conference to highlight various aspects of Bangladeshi products. [Text] [Dhaka THE BANGLADESH OBSERVER in English 6 Oct 87 p 8] /13046

SOVIET NAVAL AID--Chittagong, Sept. 28:--Speakers at a meeting here on Saturday recalled the contributions of Soviet Union in clearing Chittagong Port of mines

and wreckages by the USSR salvage team immediately after the independence of Bangladesh, reports BSS. They observed that the clearing of the Bay of Bengal from mine-fields and the aquatorium of Chittagong Port from the sunken ships by the Soviet salvage team was a dynamic and vital step in the economic and commercial growth of the post-independent Bangladesh. The discussion was arranged by Chittagong Chapter of World Peace and Solidarity and Friendship Society on the occasion of observance of the 15th anniversary of the clearing of Chittagong Port by the Soviet naval team. Inaugurated by the Divisional Commissioner, Ali Haider Khan the function was chaired by society President Dr. Rashid-Al-Faruqui while USSR Consul General here K.K. Chemokhenenko was the chief guest. Mr. Chemokhenenko hoped that the Soviet-Bangladesh cooperation in the political, economic, technical and all other national spheres would be strengthened in the years to come. [Excerpts] [Dhaka THE BANGLADESH OBSERVER in English 30 Sep 87 p 11] /13046

BARTER WITH POLAND--The seventh barter protocol between Bangladesh and Poland envisaging exchange of goods worth U.S. dollar 40 million was signed in the Polish capital last Thursday, according to a delayed message received in Dhaka on Sunday, reports BSS. Dr. Shah Mohamad Farid, Joint Secretary, Ministry of Commerce, signed the agreement on behalf of the Bangladesh government. Under the protocol, Poland would import from Bangladesh among different items a large quantity of jute goods and jute carpets, tea and packet tea against export of jute and textile mills machinery and ex-ray films. [Text] [Dhaka THE BANGLADESH OBSERVER in English 30 Sep 87 p 3] /13046

NEW SPANISH AMBASSADOR--Ambassador designate of Spain to Bangladesh Carlos Fernandez Espeso presented his credentials to President Hussain Muhammad Ershad at Bangabhaban Tuesday morning, reports BSS. Presenting his letter of credence Carlos Fernandez Espeso expressed the hope that friendly relations between Spain and Bangladesh will grow further to the mutual benefit of the two peoples. [Text] [Dhaka THE BANGLADESH OBSERVER in English 30 Sep 87 p 3] /13046

INVITATION TO SAUDI--King Fahd Bin Abdul Aziz Al-Saud of the Kingdom of Saudi Arabia has accepted an invitation of President Ershad to visit Bangladesh, reports BSS. In a personal letter to Bangladesh President, the Saudi monarch said 'as we hold for your excellency and your brotherly people a good sense of love and respect, it would be a pleasure for me to have an opportunity to visit Bangladesh at an appropriate time'. He emphasized on Saudi Arabia's deep interest in developing relations 'between the two countries' with a view to strengthening the historic bonds emanating from common belief and common desired for, increasing solidarity and cooperation among the Islamic ummah. King Fahd also appreciated the brotherly feelings of Bangladesh for the Kingdom of Saudi Arabia. [Text] [Dhaka THE BANGLADESH OBSERVER in English 27 Sep 87 p 1] /13046

SCIENTIFIC INFORMATION PANEL--A fourteen-member committee headed by Mr. Ahmed Farid, Secretary, Science and Technology Division, has been formed on Tuesday for formulating a policy for collection and dissemination of scientific and technological information, reports BSS. Dr. A.K.M. Ahsanullah, Director, Bangladesh Scientific and Technical Documentation Centre (BANS-DOC) is the Member Secretary of the committee. [Text] [Dhaka THE BANGLADESH OBSERVER in English 23 Sep 87 p 3] /13046

VISITING LIBYANS--The visiting six-member delegation of the General Peoples' Congress of Libya led by Dr. El Mabruk Ali El-Gayed called on the Jatiya Party Secretary General and the Minister of IGRD and Cooperatives, Shah Moazzem Hossain at the party's Dhanmondi office, in Dhaka on Sunday, reports BSS. During the meeting they discussed matters of mutual interest and hoped that the existing bond of brotherly relation and friendship between the two countries would grow further in the coming years. Shah Moazzem thanked the Libyan General Peoples' Congress and brother Gaddafi for sending the delegation at the time of our national distress. Dr. El-Mabruk Ali El-Gayed told the JP Secretary General that they would present a report to the General People's Congress on their visit to different flood affected areas of Bangladesh. The Congress on the basis of the report, is expected to send relief materials for the rehabilitation of the flood victims, he added. [Text] [Dhaka THE BANGLADESH OBSERVER in English 22 Sep 87 p 3] /13046

MP'S TO PRC--An 11-member parliamentary delegation led by Mr. Mohabbat Jan Chowdhury, MP, left Dhaka on Sunday for China to attend a three-day conference on "Asian forum of parliamentarians on population and development" beginning in the Chinese capital, Beijing on September 23, reports BSS. Other members on the delegation are: Mr. A B.M. Shahjahan, MP, Bogra, Dr. Moin Uddin Ahmed, MP, Nawabganj, Major (Retd) Hafizuddin MP, Bhola, Begum Laila Siddiqui, MP, Tangail, Amanullah Chowdhury, MP, Mymensingh, Hasanuddin Sarkar, MP, Tongi, Mahmudur Raman Belayet, MP, Noakhali, Sayed Haifzur Rahman, MP, Narail, Begum Parvin Sultana, MP, Jamalpur and Begum Farida Bano, MP, Kushtia. [Text] [Dhaka THE BANGLADESH OBSERVER in English 21 Sep 87 p 3] /13046

PRC INVITES MOAZZEM--The Communist Party of China has invited the Jatiya Party Secretary General and Minister for LGRD and Cooperatives Shah Moazzem Hossain to visit China, reports BSS. The invitation was extended on Wednesday by the Chinese Ambassador in Bangladesh, Mr Zheng Xianing when he called on the JP Secretary General at the Dhanmondi party office here. Accepting the invitation Shah Moazzem thanked the people of China and leaders of the Chinese Communist Party for their cooperation in the development of Bangladesh. He particularly mentioned about the Chinese help for the construction of the friendship bridge over the river Buriganga. The Chinese Ambassador congratulated Shah Moazzem on his appointment as the Secretary General of Jatiya Party on behalf of the people and government of China, and hoped that the existing bond of friendship and cooperation between two countries would grow stronger in the coming days. Political Secretary to the JP Secretary General Mr Farid Ahmed, JP leader and Chief Editor of Dainik Patrika and International Affairs Secretary of Jatiya Party were present during the meeting. The First Secretary in the Chinese embassy Mr Liu Young hua was also present on the occasion. [Text] [Dhaka THE BANGLADESH OBSERVER in English 19 Sep 87 p 3] /13046

TRADE WITH CAIRO--Bangladesh and Egypt have agreed to increase bilateral trade between the two countries and hoped that total turnover in the coming year should reach US dollar 50 million both ways, reports BSS. This was agreed upon at the four-day joint trade commission meeting of the two

countries held at the Egyptian capital which concluded last Wednesday. Sources close to the Bangladesh delegation told BSS that the Egyptian side at the meeting agreed to import more from Bangladesh, particularly raw jute, jute goods, and tea. The meeting also discussed the ways and means for increasing trade and economic cooperation between the two countries. Commerce Secretary ABM Ghulam Mostafa led the Bangladesh side at the meeting while the Egyptian side was led by First Under Secretary of State, Ministry of Economy and Foreign Trade, Abdel Mohammed al Garhi. [Text] [Dhaka THE NEW NATION in English 4 Oct 87 p 1] /13046

**TIES WITH ALGERIA**--The Algerian Foreign Minister's special envoy, Mr Tahar Debagha, called on the Deputy Foreign Minister, Mr Wajid Ali Khan Panni, in Dhaka Saturday and handed over to him a letter from the Foreign Minister, Mr Ahmed Taleb Ibrahim, reports BSS. During the meeting, the envoy conveyed the greetings of the Algerian Foreign Minister and expressed sympathy for the flood stricken people of Bangladesh. Mr. Panni thanked the Algerian government for the assurance of assistance for the flood-hit people of Bangladesh. Earlier, Algerian government has indicated that it would provide assistance to Bangladesh in commodity worth US dollar 100,000. The Deputy Foreign Minister expressed satisfaction at the existing bilateral relations between the two brotherly Muslim countries. He also hoped that these relations would be expanded 'both in depth and dimension' to the mutual benefit of the two peoples. The visiting envoy also discussed bilateral issues which included award of scholarships by the Algerian government exchange of trade delegations and Algerian assistance in gas and petroleum sector. [Text] [Dhaka THE NEW NATION in English 8 Oct 87 p 3] /13046

**NEW BRAZILIAN AMBASSADOR**--The Ambassador-designate of Brazil, Mr Enaldo Camaz de Magalhaes, presented his credentials to President Hussein Muhammad Ershad at Bangladesh on Sunday, reports BSS. Presenting his letter of credence, the envoy expressed the hope that friendly relations between Bangladesh and Brazil would grow and further strengthened in the years to come. Reciprocating the sentiment, President Ershad assured the envoy of all possible help and assistance in the discharge of his duty during his tenure in Bangladesh. Earlier, on his arrival at Bangabhaban, the Brazilian envoy was given a guard of honour by the President's Guard Regiment. He took salute and inspected the guard. [Text] [Dhaka THE NEW NATION in English 7 Oct 87 p 3] /13046

**WORKERS PARTY APPEAL**--The politburo of Bangladesh Workers Party has said the unity of all political alliances and parties and their collective move were the need of the hour for making the November 10 'Dhaka siege' programme and the movement a success. The politburo which reviewed the latest political situation at a meeting chaired by Mr. Habibur Rahman yesterday said allegations and counter allegations by the chiefs of the Seven and Eight-Party alliances against each other were giving rise to doubts in the minds of the people about the movement. The meeting further said the movement could not be intensified and carried forward in the past too because of the conflicts and lack of confidence and doubt among the leaders of BNP and Awami League. On

the other hand, it said, the government took advantage of the situation. The Workers Party has called upon the Seven, Eight and Five Party alliances to announce the guidelines of the 'Dhaka siege' programme. Party general secretary Mr. Rashed Khan Menon placed political and organisational reports at the meeting. Politburo members Haidar Akbar Khan Rano, Saiful Haque and Shah Alam took part in the discussion. [Text] [Dhaka THE NEW NATION in English 2 Oct 87 p 8] /13046

AMBASSADOR TO SWEDEN--The Government of the People's Republic of Bangladesh have decided to appoint Dr SHK Eusufzai, Member, Planning Commission as Ambassador of Bangladesh to Sweden, say a handout. Dr SHK Eusufazai was born in 1928. He obtained BSc from Calcutta University in 1947, BSc in Civil Engineering from Texas A&M University in 1956, and PhD in Civil Engineering from Texas A&M University, USA in 1965. He has been a Member National Planning Commission in Bangladesh from 1977 to date. He was Dean of Engineering and Professor and Head of Civil Engineering (BUET) Dhaka. While he was a Member of Planning Commission he represented Bangladesh to many countries. He has more than 40 publications, about 20 on Development issues and the remaining ones on professional Subjects. He was awarded membership of Sigma Chi Honour Society of USA in 1964 on results of PhD Programmes. He is married and has three sons and one daughter. [Text] [Dhaka THE NEW NATION in English 29 Sep 87 p 3] /13046

46001075



## RESULTS OF BURMESE FOREIGN MINISTER'S VISIT

46001051 Madras THE HINDU in English 17 Sep 87 p 6

[Text]

NEW DELHI, Sept. 16.

There is a promise of a new consolidation in India-Burma bilateral relations as a result of the talks here of the Burmese Foreign Minister, Mr. Ye Goung. He is due to leave for home tomorrow at the conclusion of his four-day visit.

This has been possible even though there is no change in the self-imposed isolation of the Burmese Government—and no chance of its joining the Third World mainstream through the non-aligned movement, or of its entry into the South Asian Association of Regional Cooperation. Interestingly, Mr. Goung called the Burmese ambassadors in South Asia—Pakistan, Bangladesh, Sri Lanka, for consultations, obviously to get a total picture of the situation in the region. The visiting Foreign Minister and the Indian representatives wanted frequent high-level exchanges between the two countries to nourish the present relationship and to invest it with greater substance.

The tone for the bilateral talks was set by the ceremonial exchange of instruments of ratification of the maritime boundary agreement, signed by the two countries nine months ago. With that agreement, the process of the delimitation of the boundaries, both land and sea, was smoothly completed.

In the absence of irritants on this score, Mr. Goung and his hosts were able to address themselves to substantive issues—expansion of trade, coordination between their agencies on steps to deal with insurrectionary groups on both sides of the border, pending issues of the grant of Burmese citizenship to about 2,00,000

persons of Indian origin and the pensionary claims of Indians who had worked in Burma.

The instruments of ratification were exchanged by Mr. Goung and the Finance Minister, Mr. N. D. Tiwari, who went to Rangoon in December last year in his capacity as External Affairs Minister to sign the agreement. The main talking on bilateral issues was done by the Minister of State for External Affairs, Mr. Natwar Singh. They recognised that there is considerable potential for expanding trade—now totalling a paltry Rs.35 crores—in view of the complementarities in the economies of the two countries. In Burma, the export trade is conducted by State agencies but in India, it is the concern of the private sector and this creates difficulties in the dealings between the two sides. Any plan for expansion, it is felt, would have to get over such constraints.

At present, India imports timber, pulses and minerals while exports are confined to light engineering items. The balance is heavily weighted against India—Rs.30 crores against Rs.5 crores—but it does not mind this imbalance, the main concern being to step up trade.

As regards insurrectionary groups on the border, there is a standing mechanism for exchanging intelligence, which, it is felt, needs to be made more effective.

During his visit, Mr. Goung met several other Ministers, Mr. P. V. Narasimha Rao, Mr. K. C. Pant, Mr. G. S. Dhillon and Mr. H. K. L. Bhagat. Also he called on the President, Mr. R. Venkataraman, the Vice-President, Dr. S. D. Sharma and the Prime Minister, Mr. Gandhi.

/12379

## OFFICIAL MEETS WITH VISITING UK DELEGATION

46001052 Calcutta THE STATESMAN in English 3 Sep 87 p 9

[Text]

NEW DELHI, Sept. 4.—India has told Britain that while it appreciated some of the steps taken by the British Government recently to check terrorist activities directed against India from British soil, it would like to see further steps taken in this direction.

The details of the steps suggested by India at a meeting here today with a visiting British delegation were not disclosed but it is understood that India stressed that Britain was expected to act more forcefully in expelling those in Britain who continued to encourage violent activities in India.

Britain was also requested that it treat requests for visa by spouses wishing to join their newly-married husbands in Britain with

a lot more sympathy than has been displayed so far. Specifically, the application of "the primary purpose rule" (which stipulates that the couple should have met and courted a while before marriage) was considered a hardship. The different cultural backgrounds of the two countries ought to be appreciated, Britain was told.

Another matter taken up pertained to the problems of British passport holders of Indian origin. Of the 30,000 families of there who had been given temporary residency in India after their forcible exit from countries in Africa in the seventies, on the understanding that Britain would take them back, as many as 15,000 families were still awaiting British visas. This was because of British restrictions

on the entry of such passport holders from India to 600 a year.

The question of British visa fees (Rs 400 for single entry and Rs 800 for multiple entry) which India considered rather high, was also raised. It was pointed out that 200,000 Indians visited the United Kingdom every year and 160,000 British citizens visited India. The high visa fees were clearly a deterrent to travel between the two countries, India said.

Leading the British side was Mr Timothy Renton, Minister of State in the British Home Office, who had a 30-minute meeting with the Minister of State for External Affairs, Mr Eduardo Faleiro, before the talks.

There will be further talks on the extradition treaty and the issue of Indians in Gibraltar.

/12379

## BOFORS CONTRACT, POSSIBLE CANCELLATION DISCUSSED

## Italian Company's Denial

46001054 Madras THE HINDU in English 4 Sep 87 p 1

[Text]

STOCKHOLM, Sept. 3.

The Italian Company Simmel SpA is not involved as a sub-supplier in the production of ammunition in the Bofors-India howitzer contract, Mr. Bertil Bredin, Vice-President of the Swedish arms manufacturing company told THE HINDU today. In an interview dealing with a series of specific enquiries regarding sub-suppliers in the deal and the ammunition provided to India by Bofors, Mr. Bredin also said that there were no Italian sub-suppliers at all in the deal.

Responding to a specific question from THE HINDU about whether Mr. Walter Vinci was involved in the deal in any capacity whatever, Mr. Bredin said that he had never heard the name before.

Mr. Bredin said that the high explosive extended range (Heer) shell supplied by Bofors to India was developed by Bofors specifically for the contract with India for the sale of FH-77-B field howitzers.

Asked whether the Italian Company Simmel was involved with the deal, as has been suggested in the Indian press, Mr. Bredin who is Bofors' project coordinator for its contract with India, said, "No, it is not correct that Simmel is a sub-supplier, I can guarantee you that. The long range ammunition is produced by us in our own workshops."

*Jane's Armour and Artillery* lists three types of 155mm projectiles manufactured by Simmel for the FH 70 howitzer, an international howitzer manufactured by the United Kingdom, West Germany and the U.S. These are the P3 HE, with a range of 24 kilometres, the P3 HE LT, with a range of 27.5 kilometres and the P3 RAP, which is a high explosive shell with a motor and a range of 30 kilometres.

Referring to the Belgian ammunition manufacturers PRB SA, Mr. Bredin said that although Bofors "did have discussions with them in connection with the supply of a part of the ammunition," PRB is not involved as a supplier of long range ammunition as part of Bofors' supply contract with India. The discussions concerned "a special propellant used for assisting the projectile in the air," Mr. Bredin said. The propellant, referred to as the "base bleed", is now

being manufactured by Raufoss of Norway.

Mr. Bredin also confirmed that the three explosive rounds described below are being provided to India. The first is a high explosive round designated M 77 B, a round that is made by Bofors and was first designed, according to Mr. Bredin, for use in the Swedish Army. While Mr. Bredin was unwilling to give further details about the specifications of the round, according to *Jane's Armour and Artillery*, it weighs 42.5 kg and contains 8 kg of TNT and has a maximum range of 24 km. The second is an illuminating shell "Mira" manufactured by Bofors. *Jane's* says that the shell weighs 43 kg and has a range of up to 19 km. The third is a smoke shell manufactured by FFV Ordnance division of Sweden, which has again according to *Jane's*, a range of up to 18.6 km and provides a smokescreen of 150 metres by 200 metres for a duration of 6 minutes.

This list leaves out two types of explosive rounds which, according to *Jane's Armour and*

*Artillery*, are generally used by AB Bofors with the FH 77 B, the field howitzer that Bofors is supplying to India. These are an extended range full bore long range artillery shell designated ERFB Mark 10 BB made by PRB SA of Belgium (that weighs 47.6 kg and contains 8.16 kg of explosive) and the Luchaire high explosive round manufactured by Luchaire SA of Bourges France and developed in conjunction with PRB. Mr. Bredin said that neither of these were part of the supply contract to India.

A longer list of sub-suppliers used by Bofors in connection with its contract for the supply of field howitzers to India is now available. This includes the names of companies obtained through interviews at Karlskoga, the Bofors company town, and from various company publications (this list was published in FRONTLINE, May 16 — 29, 1987) as well as from another list provided recently to THE HINDU by Mr. Bredin.

Marconi of England delivers fire control computers; Ferranti of Scotland manufactures navigational systems; Fairey of Australia supplies muzzle velocity indicators; and Wild of Switzerland provides surveying equipment.

Among the sub-suppliers of gun parts and components are Kongsberg of Norway and, from Sweden, Bofors Aerotronics, Philips Elektronik AB (which is delivering sights), Uddecomb, Motala Verkstad, Norden Engineering and Gotaverken Motor.

Saab-Scania will deliver 600-700 trucks; according to *Jane's Armour and Artillery*, the trucks generally used with the Bofors FH 77 B are designated SBAT 3 S. India has requested that the motor for the auxiliary power unit be produced by Mercedes Benz, given prior experience with Mercedes Benz motors in the country. Michelin makes tyres for the howitzer; Baracuda is manufacturing safety nets and some of the hydraulic parts are made by Vaggeryd Hydraulics in southern Sweden.

In respect of ammunition parts and com-

ponents, the sub-suppliers include Nobel Kemil of Sweden, which produces propellants and explosives; FFV of Sweden, which manufactures the smoke shell; Raufoss, which supplies the "base bleed" component; and Dynamit Nobel AG of the Federal Republic of Germany, which provides primer for all the explosives. The electronic part of the fuse is being produced by Philips Elektronik AB, which is also involved in the production of pyrotechnic equipment.

Asked whether Mr. Walter Vinci, about whose role in this deal there has been speculation in India, was involved in the Bofors-India deal in any capacity whatever, Mr. Bredin said "I have never heard the name before—would you spell it for me?" He said that his answer to the question was simply that he had never heard the name before.

### Study of Cancellation

Calcutta THE TELEGRAPH in English 12 Sep 87 p 1

[Article by Saeed Naqvi]

[Text]

**New Delhi, Sept. 11:** The Government of India has compiled a top secret exhaustive study on the consequences of a possible cancellation of the contract with Bofors for the 155 mm field guns.

A detailed 80-page note was prepared by the ministry of defence based on inputs from the Army and other experts. While the defence ministry report was ready in July, an eight-page digest of the findings was furnished to the Prime Minister's secretariat on August 8.

The study appears to have been initiated soon after the defence secretary, Mr S.K. Bhatnagar, wrote to Mr Peter Ove Borberg, president of AB Bofors, on July 16, reiterating his request that Bofors shed light on the questions opened by the Swedish national audit bureau report on June 1.

Mr Bhatnagar sought clarifications on the following specific points established by the Bureau:

- (A) That an agreement exists between Bofors and an unidentified entity concerning the settlement of commission subsequent to the Howitzer deal.
- (B) That considerable amounts have been paid subsequently to, among others, Bofors' previous agents in India.
- (C) That to wind up previous arrangements, costs of two to

three per cent of the order sum that is Swedish kroners 170-250 million were incurred and the final payments were made during 1986.

In the letter, Mr Bhatnagar alleges that "Bofors have not only gone against our explicit wishes, but have also violated the solemn assurances given to us by your company."

The tone of Mr Bhatnagar's various letters gets progressively tougher until in his letter of August 6, he issues a virtual ultimatum. "We would like to make it clear that nothing short of clear-cut and cogent answers to the various points and directions raised would satisfy us."

This is about the time when the pros and cons of cancellation of the order, in the event of Bofors not furnishing the re-

quired details, was debated among officials of the defence ministry and the Prime Minister's secretariat.

The excessive secrecy surrounding this report is explained in terms of the fact that financial losses would be far greater if cancellation became absolutely necessary: exposure would strengthen the hands of Bofors to drive a harder bargain.

Advice for caution in taking the "ultimate" decision appears to have come from all quarters,

particularly the Army, which feels it would be exposed in vital sectors if the delivery of field guns is further delayed by re-negotiations

Moreover, the report takes the view that cancellation could

only be considered if there were several competitors in the world market capable of providing a comparable gun. If the alternative is only a solitary French manufacturer, then the ministry of defence will have little leverage to bargain. If the second alternative is even considered, then the Army will have to live with two distinct systems and all the attendant complications.

The report also dwells on a peripheral political question. The Rs 1,700-crore purchase is the biggest contract signed with a manufacturer which is neither a part of the Warsaw Pact nor Nato. A cancellation would limit the choice between the two Blocs.

(World Report)

Questions to Bofors President

Calcutta THE TELEGRAPH in English 16 Sep 87 p 4

[Text]

Bombay, Sept. 15: The Supreme Court advocate, Mr Ram Jethmalani, today posed 27 questions to the president of AB Bofors, Mr Per Ove Mosberg. Mr Mosberg and the vice-president and chief jurist of the parent company, Nobel Industries, Mr Gofhlin, arrived in New Delhi yesterday. The following is the set of questions Mr Jethmalani released to the press:

(1) Are you willing to release the correspondence between your company and Anatronics General Corporation relating to the termination of their subsisting arrangement with you and the determination of the quantum of final payment? (Obviously, this must have started some time in 1985 and continued at least up to December 1986)?

(2) Have you at any time been asked by the Government of India to show them this correspondence and have you voluntarily or otherwise disclosed it to them?

(3) When did you for the first time inform the Indian Prime

Minister that you were contemplating the payment of millions of Swedish kroners to this corporation merely to satisfy the Prime Minister's alleged whim that middlemen should be excluded?

(4) Did you at any time tell the Prime Minister of India that Mr Win Chadha was only rendering clerical services and there was no need to insist on terminating such innocuous employment?

(5) When the Swedish Radio announced the payment of kickbacks to key defence ministry officials and ruling party politicians when did you for the first time deny the allegation?

(6) Is it true that instead of straightforward denial, you made a written confession of the truth of the Swedish Radio's allegations in a letter of April 24 delivered to the Indian ambassador in Stockholm?

(7) When did the Government of India for the first time ask you to disclose the names of the persons to whom the payments had been made?

(8) If the payments were made as winding up charges to Anatronics General Corporation, why did it at all become necessary for you to make public statements that you were keeping back information, because, the customer, namely the Government of India, was insisting on confidentiality?

(9) Why did you after some time come out with a further statement that you were keeping back information, because the persons who received the payments were insisting on confidentiality?

(10) Does it not follow from your last two statements that your customer and the persons who had received the payments, were one and the same?

(11) Does it not follow that the person who received the payment was the purchaser and in this case, the Prime Minister of India or his nominee?

(12) If you have been observing some code of confidentiality, why have you issued good character certificates first to the Hindujas and then to the Bachchans? If you are prepared to state who did not receive the bribes, why are you not prepared to say who received them?

(13) After having made a confession to the Indian ambassador, why did you not produce your books and other relevant documents before the Swedish audit bureau? Is it not because your books and other documents would have clearly disclosed that what the Swedish Radio had discovered was only a small part of the payments?

(14) Even when you had decided to admit the veracity of the Swedish Radio allegations, why did you not make the figure precise instead of admitting that you had paid between 170 million and 250 million Swedish kroners?

(15) Is it or is it not true that after the statement of Andres Carlberg, managing director of Nobel Industries, that the company would give the names of the persons involved Bofors have given up as deliberately false the original stand taken that the payments in question were only a winding-up com-

pensation to Anatronics General Corporation?

(16) Are you prepared to produce before the people of India or even the parliamentary committee (which incidentally inspires no confidence in an overwhelming majority of the people of India) the books and other documents which hitherto you have refused to produce or disclose?

(17) (You are aware that the controversy over the disclosure of information by you is now five months old, giving you enough time to make up your mind whether to disclose it or not).

Can you explain why you have taken the trouble of coming to India and indulging in extensive parleys with the parliamentary committee when all that you have to do is to declare whether or not you have decided to tell the truth?

(18) Have you explained to the parliamentary committee the purpose of your visit and the nature of discussions you wish to hold with them and the kind of evidence that you have brought and the volume of evidence that you have left behind at home?

(19) With whom did you fix the name "Operation Lotus" for the payments to Anatronics General Corporation? Do you have any sensible explanation as to why such a smokescreen had to be devised for paying straightforward winding-up compensation to your agent?

(20) Is it true that Sweden has more than once publicly requested you to make the disclosure demanded by the people of India? Why have you not followed the advice despite the fact that the foreign minister obviously considers that the disclosure will further the Swedish national interests?

(21) Have you received any contrary advice from the Swedish ambassador in India or your Prime Minister?

(22) Will you kindly tell the people of India as to what proportion of the agreed price of 15.00 billion Swedish kroners has already been paid by the Government of India against delivery of merely 50 out of the 400 guns sold?

(23) Is it true that the government of Sweden has advanced a loan of 600 billion Swedish kroners to the government of India to enable the latter to make this purchase? Has this amount been already appropriated by Bofors?

(24) Is it true that the specifications prescribed by the Army authorities in India relating to the range of the guns cannot be met because, the proper ammunition is not being purchased? Who is manufacturing the necessary ammunition for these guns? Is it true that a sub-contract for the ammunition has been given to an Italian company?

(25) Have you by now seen the technical report of the Nasik

artillery school showing the defects in the guns supplied? (A copy of the report was available in Sweden). How vital are these defects and what steps have you taken so far to rectify them?

(26) Have the guns been tried in Indian conditions and found completely satisfactory, or, have they proved to be sub-standard?

(27) (In early July 1987, your vice-president was here in India). Did you through him offer to make a full disclosure? Was the disclosure prevented by the Prime Minister of India? Why did your vice-president go back without making a disclosure and what the hell are you doing here now?

### Payments to Non-Indian Firms

Madras THE HINDU in English 20 Sep 87 p 1

[Text]

NEW DELHI, Sept. 19.

A. B. Bofors has disclosed to both the Government of India and the Joint Parliamentary Committee that an all-inclusive total of 319 million Swedish crowns (SEK) was paid to three non-Indian companies domiciled outside India to terminate international consultancy agreements relevant to the sale of howitzers to India.

Three specific payments were mentioned in terms of three agreements not limited to India—these were 188 million SEK related to an agreement entered into in 1978, 81 million SEK for an agreement signed in 1979, and 50 million SEK for a third agreement.

Mr. Per Ove Morberg, President of Bofors and Mr. Lars Gothlin, senior Vice-President and General Counsel for Bofors' parent company, Nobel Industries, have given the names of the three recipient companies to the Government of India, but not to the joint parliamentary committee.

The Swedish arms manufacturing company has claimed that no "winding up" payments were made to Mr. Win Chaddha's Anatron Corporation which was Bofors' agent in India until the original contract was terminated in late 1985 in the wake of the Prime Minister, Mr. Rajiv Gandhi's insistence that there be no middlemen or agents in defence deals.

In the meeting with the joint parliamentary committee, Mr. Morberg and Mr. Gothlin were repeatedly questioned on why the staggeringly huge payments had to be made to these three non-Indian companies and what connection these recipient companies had to the Bofors-India deal. They refused to explain the specifics of these payoffs and took shelter behind the claim of business confidentiality. They repeated the line they have taken in the earlier communication with the Government of India—that no payments had been made to either Indian companies or Indian citizens. They also claimed that as far as their knowledge went, Mr. Win Chaddha had "no connection" with the three recipient non-Indian companies.

### Significant cost benefit

The Bofors representatives argued that the total payments represented a considerably lower amount than what would have been payable had the international consultancy agreements not been terminated following the Government of India's no-middleman stipulation. They revealed that what would have been under the old scheme of things to the three non-Indian companies represented 11 per cent of the total contract value while Anatron would have picked up 0.25 per cent of the total value. They contended that the actual payments as a result of the "ban" on middlemen represented a significant cost benefit to India.

Asked whether the names of the three recipient companies had been passed on to the Government of India orally or in writing, Bofors' high-level representatives had no comment to offer. They responded in the same vein to a question relating to the revelations by the Swedish National Radio Company that Bofors had made clandestine payments into Swiss bank accounts using the letter box or code names, "Lotus" and "Svenska Incorporated".

Mr. Morberg and Mr. Gothlin frontally challenged the substance of the National Audit Bureau's conclusions on the character of the payments, arguing that the Bureau did not have full access to the facts and had based its report on incomplete information.

They remarked that it was strange that the Chief Prosecutor of Stockholm, Mr. Lars Ringberg, should have asked "other people" about the payments but had not asked them yet. They also expressed confidence that the Prosecutor would not find it necessary to launch a prosecution after he concluded his preliminary investigation. They maintained that Bofors had by now provided "far more" information to the Indian Government than to either the Swedish National Audit Bureau or the Chief Prosecutor of Stockholm. In addition, the Bofors representatives stated that the remark attributed to Mr. Lars-Erik Thunholm, Chairman of the Board of Directors of Nobel Industries—that as far

as he knew there were "Indians and others" behind the recipient companies—was a "misquote".

#### **Surprise**

The posture that no "winding up" or "termination" payments had been made to Mr. Win Chaddha, who was Bofors' former agent in India, has caused surprise. But it is in line with the Swedish arms manufacturer's claim, in the communication with the Indian Government, that no Indian companies or citizens had been paid. Mr. Morberg and Mr. Gothlin revealed, in response to questions, that the "minimum" payable to Mr. Chaddha under the original contract (for the 1978-85 period) was 100,000 SEK per year. However, they would not provide any figures for the actual payments made over that period.

The Bofors' representatives stated that while a fresh contract for the provision of administrative services, involving a payment of some 100,000 SEK per month, had been concluded with Mr. Chaddha in January 1986, no new agreements had been entered into with the three recipient non-Indian companies whose international consultancy agreements had been terminated. They added that these recipient non-Indian companies had no offices in India. Asked what proportion of the termination costs related to the Indian end of the "international" activity of the recipient companies, they declined to break it up in these terms.

#### **'Not the same'**

Asked how "termination costs" arrived at in negotiations that took place very close to the time of signing the Bofors India contract could be said to be unrelated to the winning of the deal, and whether the huge payments could not be considered pretty much part of the old arrangement, Mr. Morberg and Mr. Gothlin responded that they were not the same thing at all. They claimed that the "decision" to terminate the pre-1985 agreements had come much before the clinching of the Bofors-India contract, but the "negotiations" took time. They also maintained that a certain "compensation for loss of profit" was not at all the same thing as the payment of commission to an agent or middleman.

Asked whether Bofors was not liable to reimburse India for the 319 million SEK payoff, the Swedish company's representatives insisted that there had been no violation of the Bofors India contract and there was consequently no question of any reimbursement. They maintained that India had driven a hard bargain, got a very good price for the howitzers and related items and was treated in a virtually unique way as the "most favoured customer".

In response to a specific question whether Bofors had violated any clause in the licence contract with India, Mr. Morberg and Mr. Gothlin revealed that a letter had been received from the Defence Ministry relating to this point and they would be replying to the letter. They expressed confidence that India would under the provision made for technology transfer, be able to produce its "first gun" (howitzer) by 1989-90.

Asked whether the payments to the three recipient non-Indian companies were not "excessive" in the light of the explanation provided by Bofors, Mr. Morberg and Mr. Gothlin remarked that obviously the persons who negotiated for Bofors the winding up arrangements did not consider the payments excessive.

Asked whether Indians might not be involved behind some of the recipient non-Indian companies, they responded ironically, "how would we know?"

The Bofors' representatives specifically ruled out, in response to questions, any payments made to Mr. Rajiv Gandhi, his family, and the Bachchans.

Asked why, in the light of its position, Bofors had not proceeded legally against the Swedish National Radio Company for "defamation", Mr. Morberg and Mr. Gothlin maintained that Swedish laws were not conducive to this course. They promised to return to India in case this became necessary for the work of the joint parliamentary committee.

The point is this: the lengthy discussion in New Delhi over the last few days have provided fresh details and an elaboration of a stance, that no credible explanation has been provided on why payoffs of the order of Rs. 60 crores had to be made under any legitimate set of obligations to those whose connection with the Bofors-India deal has not been clarified.

/12379



## STRATEGIC DATA REPORTEDLY SMUGGLED OUT OF COUNTRY

46001030 Madras THE HINDU in English 6 Sep 87 p 4

[Article by Dehra Dun]

[Text]

**T**HE Central Government has ordered a high level probe into the reported smuggling out of 82 strategic data pamphlets pertaining to the country's Western, Northern and Eastern borders from the Survey of India headquarters at Dehra Dun.

"Physical counting of all secret maps and data pamphlets and other documents in all Survey of India establishments has begun and action will be taken against persons found responsible for what may be the worst ever data leak," a senior official at the office of the Surveyor-General of India (SGO) in Dehra Dun said.

**Military grid**

Among the 82 missing data pamphlets 44 are military grid data pamphlets pertaining to areas of the Actual Line of Control or just inside it on the Pakistan and Bangladesh borders. There are also 28 top secret supplementary topo data pamphlets of forward areas on the Pakistan, China and Tibet borders and coastal Gujarat and Maharashtra.

Referring to alleged espionage activities at the Survey of India Headquarters Mr. Madhu Dandawate, Janata leader, demanded in the Lok Sabha on August 13 a statement from the Home Minister regarding the smuggling of the strategic pamphlets. The Speaker, Mr. Balram Jakhar, assured the member that he would have the matter enquired.

Military grids are imaginary lines dividing the topography of any area into specific segments. The Army deploys its command positions on the basis of these grids. For a vast country like India the setting up of a new grids network besides the huge amounts of funds and manpower required will take several years to be accomplished, top mapping experts at the Survey of India say.

**Strategic**

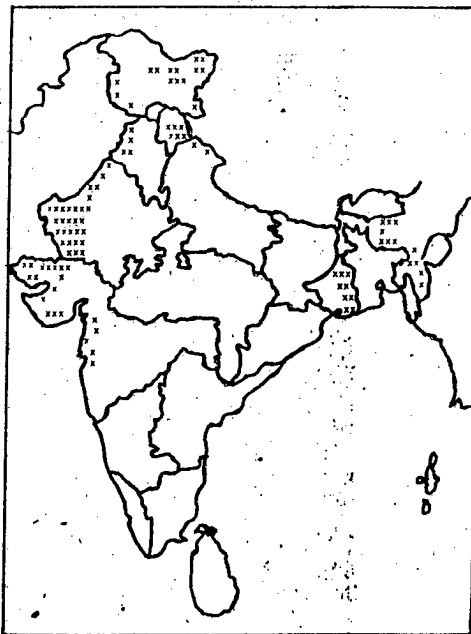
Grid data pamphlets contain longitude, latitude, altitude, atmospheric pressure, gravity, climate and minute topographic detail which are 'not' available on maps. "Anyone having grid data pamphlets can use the data for high precision

striking of targets by long range projectiles. The enemy can also calculate our possible military movements if it has these data pamphlets", the experts say. These pamphlets are published by the Survey of India for military use only.

As grid data cannot be collected by artificial intelligence, that is by updating old maps with satellite imageries, espionage cannot be ruled out in this case, they feel.

**Pamphlets with Khosla**

According to sources in the Directorate of Northern Circle at the Karanpur Campus of the Survey of India in Dehra Dun the 82 restricted publications are outstanding in the name of Lt.



xx Indicates the approximate areas concerning which strategic pamphlets are said to have been smuggled out

General (Retired) Kishori Lal Khosla, former Surveyor-General of India (1976-81). Gen. Khosla had requisitioned the pamphlets through his Staff Officer in 1974 when he (Khosla) was Director Northern Circle, (DNC) in the rank of a Colonel. Gen. Khosla who retired as Surveyor-General in 1981, according to the officials, "retained" the said pamphlets. He is reported to be living in the United States now.

On receipt of the said publications Mr. C. S. Ojha, Gen. Khosla's Staff Officer, gave a note "R.K." (Record Keeper). All books are with DNC, please get entries checked on stock ledger by Shri M. L. Sharma—Sd/- C. S. Ojha on invoice No. PF.-151-M dated March 21, 1974.

The issue of 82 restricted publications to Gen. Khosla was first raised in the 100 per cent physical verification of records report in 1975. This report was formally put on record in March 1976 and the Officer Commanding Headquarters (OC HQ) was informed about it. By then Gen. Khosla had been transferred out of the Directorate of the Northern Circle.

#### **Separate list**

Five years later on June 25, 1981, Mr. D. S. Negi who carried out another 100 per cent physical verification of the secret records of the Northern Circle sent up a "separate" list of the 82 restricted publications still pending in Gen. Khosla's name. The OCHQ also made a noting which was approved by the then Deputy Director of the Circle.

Discreet enquiries however reveal that no written request for the return of the pamphlets was made to Gen. Khosla who was due to retire as the Surveyor-General in December that year.

Several registered letters written by the department to Gen. Khosla after his retirement to his New Delhi address requesting him to return the pamphlets were either not acknowledged by him or were returned by the postal department with a note "addressee not living in this address".

#### **Some questions**

Whatever the mystery behind the missing pamphlets several questions remain unanswered:

Is it really the former Surveyor-General or someone else who took possession of the secret publications?

Can the secret data pamphlets be 'written off' from the records stock register as was being done vide Northern Circle Letter No. Ta-502/37-G.10 dated April 30, 1987, without informing the Central Government and the Defence Ministry as required in case of loss of such secret data having national security implications?

A senior officer at the Surveyor-General's office when contacted said the present probe would be followed by a revamping of the security system in the Department to avoid similar incidents in the future.

## CORRESPONDENT DETAILS SOVIET HELP FOR BOKARO PLANT

46001046 New Delhi PATRIOT In English 17 Sep 87 p 9

[Text] The Soviets are extending full support and cooperation in the form of technical know-how for the modernisation of Bokaro steel plant in Bihar, as per the Indo-Soviet agreement of November last.

The Soviet V/O Tiazhpromexport, in fact, has sent a team of its steel experts under the leadership of its chief engineer Boris V Sindin to the Bokaro plant to study the needs of the plant in accordance with the wishes of the plant authorities.

The team which was at Bokaro between 4 August and 12 September 1987 collected initial data and other relevant materials for the modernisation of the plant.

Addressing a press conference in the Capital on Wednesday, Mr Sindin said his team agreed with their Indian counterpart on the main concept of the techno-economic offer on reconstruction of converter shops with the con-

struction of continuous casting departments and modernisation of hot strip mill of the plant. The agreement, he said, called for implementation of the projection on the turn-key basis. And for this, he added, the services of the Indian construction firms had to be enlisted.

The preliminary study shows that the period of reconstruction of the converter shops of the plant would take minimum of five years. As a result of the works envisaged, the capacity of the plant in terms of liquid steel would rise to 500,000 tonnes per year and by one million tonne in terms of the finished rolled products, he said.

The basic assets of the plant would grow by 30 per cent, production of hot rolled coils by 25 per cent and amount of sales realisation as much as by 40 per cent through the modernisation, he said.

The Bokaro plant was originally set up with the Soviet assis-

tance under an agreement arrived between Indian and the Soviet Union in January 1965.

It was to be the biggest and modern steel plant incorporating the latest developments in steel technology. At first stage, the annual capacity was to be 1.7 million tonnes, later to be raised to 4 million tonnes in stages.

The USSR had even then gave to Bokaro the most advanced and sophisticated know-how. It was something marvellous for the Soviet Union to give India everything that was latest in the field of steel then. Advanced method of oxygen blowing in converters and hot and cold rolling of heavy ingots into coils have been used. The plant's modern slabbing mill has an hourly capacity of 600 to 850 tonnes. Bokaro has emerged as the biggest supplier of pig iron and plates.

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## INDIA, ROK FORM BODY TO PROMOTE TRADE

46001038 New Delhi PATRIOT in English 9 Sep 87 p 9

## [Text]

The Federation of Korean Industries has agreed to set up with the Confederation of Engineering Industry, a mechanism to promote the export of 17 thrust items to Korea, identified in recent official talks in New Delhi.

This was one of the decisions that emerged at the official discussions at the sixth meeting of the Korea-India Economic Cooperation Committee (KIECC) which concluded in the Capital on Tuesday.

Specifically in regard to third country projects, both the Federation of Korean Industries and the CEI are to act as coordinating agencies in both countries for specific bids.

According to the CEI, both sides urged that India and Korea should make every possible effort to explore cooperation possibilities in promoting bilateral trade, joint ventures and technical collaboration.

The Korean side has recognised the importance of a long term strategy in the Indian market. This is to be pursued not only for cooperative arrangements with

Indian companies for projects in India and third countries but also for joint ventures catering to the Indian market.

Noting the great potential for collaboration in third countries both sides agreed to continuously research the prospective areas for cooperation and encourage the relationship between those firms of the two countries which sought mutually advantageous cooperation in third countries.

The two sides reaffirmed that each country's skilled manpower capital and technology, if properly combined could further contribute to the international competitiveness of both nations.

Both the sides decided to conduct a joint survey of new trade opportunities while indicating their willingness to take measures that would help diversify the trade items.

The two sides also laid emphasis on the potential for technology transfer and joint venture opportunities particularly in the fields of electronics, auto-parts, machinery, telecommunication equipment and textiles.

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## DEAL TO PURCHASE CZECH PISTOLS INVESTIGATED

Purchase Approved by Nehru

46001053 Calcutta THE STATESMAN in English 4 Sep 87 p 1

[Article by D. P. Kumar]

[Text.]

NEW DELHI, Sept. 3.—The Government has ordered a CBI inquiry into a deal of purchase of 55,000 nine mm pistols from Czechoslovakia costing more than Rs 6.20 crores, stated to have been approved by the former Minister of State for Internal Security, Mr Arun Nehru.

Simultaneously the Government has cancelled the entire deal since the pistols approved in the deal "proved to be defective and not up to the mark", it is said.

The CBI is understood to have already taken possession of the entire records concerning the deal and has started investigations.

The Union Home Minister, Mr Buta Singh, has informed the Rajya Sabha member, Mr A. G. Kulkarni, in a letter (bearing number DO No. 4-13012/11/86 GMQ dated September 2, 1987) that an examination showed that the pistols were defective. Mr Kulkarni had made a special mention of the subject in the Rajya Sabha on April 26 last.

The letter written by Mr Buta Singh says that in order to equip the police forces of the States and Union Territories and also the Central police organizations, with the latest weapons, it was decided to purchase nine mm pistols. "The level of production of nine mm pistols in the country is not adequate for meeting the total requirements. Hence after due consultations with the Ministry of Defence a decision was taken to import these pistols.

"An evaluating committee recommended Czech pistols and approval was granted to import the pistols. The decision to import nine mm pistols and the decision in favour of Czech pistols was taken at the level of the Minister of State for Internal Security between May and July 1986."

Interestingly, Mr Arun Nehru was the Minister, for Internal Security during this period, and it is the first time that a CBI inquiry has ever been ordered into a deal approved by a Minister in the Home Ministry.

Mr Buta Singh's letter said: "A contract was signed with a Czech firm on September 30, 1986 and the first consignment of pistols arrived in or about November, 1986. Four samples were evaluated by the Bureau of Research and Development and it was found that the supplies were defective. Then it was decided to draw samples from all consignments and have the same tested by the evaluation committee. The samples were drawn from consignments which had arrived and were tested in January, 1987. The conclusion of the committee was that the pistols were defective and hence not acceptable.

"This was followed by the Czech firm offering to replace the consignments arriving in April and May 1987. It was at this stage that a decision was taken to constitute a special technical committee to evaluate the pistols and the Government decided that further action will be taken based on the report of the special committee. In its report submitted on August 17 last, the special technical committee has concluded that pistols are defective and hence not acceptable."

Mr Buta Singh's letter said : "A decision was taken to accept the report of the special technical committee and reject the consignments and to take all other consequential actions."

"In the light of the facts brought to notice, the question was referred to the CBI for investigation", the letter concluded.

It is stated that a number of States have been pressing the Centre for small weapons for use by their police forces, and yet the official contention seems to be that the order given to the Czechoslovak firm was more than the requirement.

It is said that after the deal was struck and the information reached the Prime Minister's Secretariat, Mr Rajiv Gandhi himself put a question mark on the deal, indicating that he wanted to have a report on it from the Home Ministry.

Another "intriguing" point made is that a former Additional Secretary in the Home Ministry belonging to the IPS cadre had pressed the Police Research Bureau to send in its report "immediately" about the suitability of the weapon, soon after the contract was signed. The authorities in the Bureau of Police Research were not prepared to succumb to the pressure, it is said. An allegation made is that phone calls were made on behalf of the Additional Home Secretary to the Police Research Bureau to expedite a response. An issue is also being now made about the price of the nine mm pistols ordered from Czechoslovakia. The price is said to be "exorbitant" and much more compared to that of similar weapons available elsewhere. Moreover, the same pistol was sold by the Czechoslovak firm at the same time to another country at a price 25 per cent cheaper.

#### Bigger than Expected

Calcutta THE STATESMAN in English 16 Sep 87 p 1

[Article by D. P. Kumar]

[Text]

NEW DELHI, Sept. 15.—The Czech pistol deal negotiated during Mr Arun Nehru's regime as the Union Minister of State for Home Affairs (Internal Security), which the CBI has already taken up for investigation, would appear to be of much bigger dimensions than was originally indicated.

The deal has already been cancelled by the Government, but with the investigations proceeding, it is revealed that the total order was not for Rs 6.2 crores, as was stated earlier, but Rs 22 crores. It is also being alleged that the Czech pistol-manufacturing company had sold the pistols to a private U.S. dealer at a much lower price than India had contracted.

Apparently, the allegations are aimed at Mr Nehru, who is now out of the Government and is expelled from the ruling party—with an indirect hint as if he had committed

an indiscretion in approving a deal that is patently unjustifiable, and the investigation has been ordered at a time when the national focus is almost entirely on another armaments deal. And though the two are not exactly comparable, the pistol deal might have been calculated to detract some of the national focus from the other armaments transaction. So far, Mr Nehru has chosen to ignore the suggestions or insinuations that are being made against him.

In course of the investigation, the CBI is reported to have found more incriminating aspects than it had originally. For instance, the price settled by the then Union Minister of State for Home Affairs was "more than three times" the price at which the Czech company had sold the pistols to a private concern in the USA. An order for the purchase of 55,000 CZ 75 pistols was placed

by India on the Czech pistol manufacturing company. The price was \$305.11 or about Rs 3,318 per pistol, and the total cost of the order was around Rs 22 crores.

At the same time that India had placed the order with the Czech firm, it had sold 400 CZ 75 pistols to a private U.S. dealer at the rate of \$129.48 a piece.

"It is not understood why the Government should have purchased the pistols at three times the price, particularly because India's order was for a far larger number of pistols than the order of the U.S. private dealer. India should indeed have secured a far more economic price than offered to the U.S. private dealer. Even if the payment was to be made in rupees—since Indo-Czech transactions are done on rupee payments—the rate could have been higher by 30% at the maximum", the investigators say.

Further, it is stated that a committee consisting of the Director-General of the Border Security Force, the Director-General of the Bureau of Police Research and Development, the Director-General of the Central Reserve Police Force and the Additional Secretary of the Ministry of Home Affairs which met on June 18, 1986, and tested the Czech pistol, had pointed out some defects in it. The pistols were not re-tested after the removal of the defects, and these were cleared for purchase by the Ministry of State for Home Affairs (Internal Security).

Later, as the first consignment was received and tested by a technical committee under the supervision of the Director-General of the Bureau of Police Research and Development, it was found that some of the pistols could not even fire properly, according to a report submitted to the Ministry by the Directorate of the Bureau of Police Research and Development.

Another committee headed by the Director-General of the National Security Guard and two senior superintendents of police was later appointed to test the weapon. But this committee too endorsed the findings of the earlier committee. The order for the Czech pistols was then cancelled.

Yet another testing of the Czech pistol was done by another committee composed of experts from the Bureau of Police Research and Development and the National Security Guards and the Army where representatives were also present and it was found that "on the tenth round, the pistol started missing and it was rejected. The Czech companies had put their signatures on the report".

It is said that the same Czech company had a better and more efficient model—the CZ 84—when the deal was struck. But this model was not offered to India. The CZ 75 model was offered which was inferior in quality. It is alleged that the company had stopped the production of CZ 75 model pistols and was keen on clearing out large stocks of the inferior pistols.

## GANDHI SPEAKS AT TRADE UNION BUILDING CEREMONY

46001050 New Delhi PATRIOT in English 20 Sep 87 p 3

[Text]

Prime Minister Rajiv Gandhi on Saturday deprecated the growing economism in the trade union movement and, said it should instead work for the real upliftment of the workers through their technical upgradation, report agencies.

Laying the foundation-stone of 'Shramik Bhavan', the Indian National Trade Union Congress (INTUC) building in Delhi, he said the trade unions had worked only for some 'cash benefits' of the workers and not for their overall material well-being.

However, much more important was the technical upgradation which would help them in their career, he added.

Mr Gandhi praised INTUC's known stand to resolve industrial disputes through non-violence and negotiations which had helped it win higher membership. It should propagate these principles among other unions as well, he said.

The Prime Minister wanted the unions to attend to the hitherto neglected areas which included: welfare of women, child labour, the handicapped and those engaged in the unorganised sector.

Defence Minister K C Pant, Labour Minister P A Sangma and top INTUC leaders were present on the occasion.

INTUC president G Ramanujam, auctioned the silver

spade used by Mr Gandhi for the foundation-stone ceremony for Rs 45,000 and contributed the amount towards the Prime Minister's Relief Fund.

The Colliery Mazdoor Union of Asansol, the highest bidder, received the spade in the open auction which began with a bid of Rs 5,000.

Mr Gandhi favoured a joint collaboration between the management and workers — a prerequisite for higher productivity.

He pointed out that the new technology required for higher productivity did not mean retrenchment of workers. A good mix of the new and the old was necessary to avoid such a predicament, he added.

The whole exercise, he pointed out, was to move from the outdated machines to those of today, and preferably tomorrow, and prepare the workers for the 21st century.

He said that INTUC should also ensure that safety measures in the industry were properly implemented, since it was not just the responsibility of the Government, but that of the trade unions to pin-point areas of weakness in industry.

The INTUC should also arrange for better training facilities to workers and ameliorate their difficulties, he said.

The Prime Minister said that the Government was aware of

weaknesses in legislation concerning child labour but it was not possible to impose a total ban on child labour. However, INTUC could step in where the health and safety of the child was concerned, Mr Gandhi said.

**Unorganised sector:** Mr Gandhi called on the INTUC to take more interest in the unorganised labour sector, as it covered one of the largest work force. More needed to be done in this sector, the Prime Minister said. The Government had set up the National Commission on Rural Labour and said that INTUC could give suggestions to this commission on how to improve the condition of the rural labour, he said.

He said that women and children constituted a large section of the unorganised labour and therefore it was essential for INTUC to go into the various aspects of this sector and see how it could be improved.

The Prime Minister also called on the INTUC to see that quotas fixed for the handicapped persons were not allowed to lapse. In a large number of cases, the handicapped were overlooked by the employer, Mr Gandhi said.

Mr Gandhi stressed that while technology was being upgraded, the interest of the worker should always be kept in view as it should not lead to unemployment.

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## PAPERS REPORT CONGRESS-I LEADERSHIP REORGANIZATION

## Secretaries Replaced

46001035 Calcutta THE STATESMAN in English 8 Sep 87 p 1

[Text] NEW DELHI, Sept. 7.--Mr Rajiv Gandhi, Congress (I) president, today reshuffled the AICC (I) by retaining Mr G. K. Moopnar, as general secretary and Mr Sitaram Kesari as treasurer, but replacing all the other five general secretaries. The newly-appointed general secretaries are Mr Naresh Chandra Chaturvedi, Mr K. N. Singh, Mr Ghulam Nabi Azad, Mr Oscar Fernandes and Mr Ram Ratan Ram, all MPs.

Those dropped as AICC(I) office-bearers are Mr Naval Kishore Sharma, Mr Bhagwat Jha Azad, Mr R. L. Bhatia, Mrs Najma Heptulla and Mr A. K. Antony.

Mr Antony was, however, promptly appointed president of the Kerala Pradesh Congress (I) Committee. He was assigned the task of reorganizing Kerala PCC(I), bruised badly in the last Assembly elections. He replaces Mr Padmarajan.

Announcing the changes ordered by the Congress (I) president, at a Press conference this evening, Mr Moopnar said Mr Janardhan Poojary, Minister of State for Finance, had been appointed president of the Karnataka PCC(I), replacing Mr Oscar Fernandes. Mr Poojary will continue as a Minister at the Centre.

The changes made were obviously a prelude to the Cabinet reshuffle Mr Gandhi has in mind. As has been indicated before, the changes will be interlinked. There seems to be a good chance that some of the AICC(I) general secretaries dropped today will be included in the Union Council of Ministers when it is reconstituted presumably in the third week of this month.

The "total restructuring" of the AICC(I) was accomplished after all the office-bearers resigned to enable Mr Gandhi to change it wholesale, if he liked.

The restructuring, it has been said for a long time, will infuse new life into the organization and make it a fit instrument to undertake the tasks ahead.

The changes, however, came as a "disappointment" to a large number of party members, because from the time these were advertised, they had aroused "great expectations." It was thought the president "will select a better team."

Without wanting to be quoted, even senior party leaders said that they were "shocked and flabbergasted" after knowing about the names of the new general secretaries that had been brought in. People who command respect in the rank and file of the organization and who could "call off the bluff of the dissidents" were not there in the reorganized AICC(I). Some even went to the extent of saying that "the B team has been replaced by C team."

It also looks that Mr Gandhi has chosen to give an anti-V.P. Singh slant to the changes he has made. Both Mr Chaturvedi and Mr K. N. Singh have been known critics of the expelled leader. Also, Mr K. N. Singh appears to represent the newly-revived Congress Socialist Forum whose inauguration recently was blessed by Mr Gandhi.

Interestingly, both members are from Uttar Pradesh, which now seems to have an weightage in the highest Congress (I) body. The majority of the dissidents expelled or suspended are also from U.P., so that the leadership's concern to safeguard the party's interests, in that most crucial State is understandable.

Mr Azad and Mr Fernandes, from among the younger generation, are known to be the closest to Mr Gandhi and will probably act as his eyes and ears in the organization. Mr Azad had resigned on Saturday as the Union Minister of State for Food and Civil Supplies. While quitting, Mr Azad had offered his services to the party leader. His resignation was today accepted by the President, Mr R. Venkataraman, on the advice of the Prime Minister.

Mr Moopanar announced today that Mr Mahavir Prasad would continue as the president of the Uttar Pradesh Congress (I) Committee. When reporters pointed out that he had already resigned, Mr Moopanar said: "It is a half-hearted resignation."

He said three general secretaries had been added in the UPCC(I) set-up. They are: Mr Gulab Sehra, Mr Rambir Singh, M.P. and Mr Bachcha Pathak.

Further announcements of changes are expected after Mr Gandhi's return to the capital from Andhra Pradesh.

## Reshuffle Surprises Principles

Calcutta THE TELEGRAPH in English 8 Sep 87 p 14

[Text]

New Delhi, Sept. 7: The outgoing general secretaries of the AIC-C(I) were taken aback by Mr G.K. Moopanar's suggestion at last night's marathon five-four-long session of the party executive that they tender their resignation en masse "to strengthen the hands of Mr Rajiv Gandhi," and to enable the Congress(I) president to have a new team of his choice to improve the party's functioning.

However, convinced that Mr Moopanar was speaking on Mr Gandhi's behalf, they submitted their resignations on the spot, and were given a vague assurance by the party president himself that their services would be utilised at an "appropriate place" in the future.

The reaction to the changes from Congress(I) circles was generally lacklustre, probably as the new team comprised lesser-known political personalities. Mr N.C. Chaturvedi, Lok Sabha member from Kanpur, is better known as a poet and a writer but is not a political heavyweight. A dissident till last year, now turned loyalist, he was probably chosen because of the caste he belongs to. To balance

the emergence of Brahmins, another MP from the state, Mr K.N. Singh, belonging to the second-most dominant caste in the state, the thakurs, was also included. Mr Singh was one of the nine co-sponsors for the revival of the Congress Socialist Forum recently, which raised a spate of protests from senior party leaders, including Prof. N.G. Ranga, deputy leader of the parliamentary party. Mr Singh, who is considered a leftist in party circles, is also not a heavy weight in state politics.

Mr Ram Ratan Ram was probably inducted for being a Harijan. There was speculation that Mrs Meera Kumar, daughter of the late Babu Jagjivan Ram, would be the choice from among the Harijans, but her representing Bijnor, a Lok Sabha constituency in Uttar Pradesh, came in the way since the state already had two out of the six party posts. Mr Ram Ratan Ram, Mr Moopanar said, was a giant-killer as he had defeated Mr Ram Bilas Paswan, then in the Lok Dal, in the 1984 December general elections from Hajipur constituency in Bihar.

Mr Oscar Fernandes comes back to the Centre after a not very successful two-year-long stewardship as PCC(I) chief in Janata-ruled Karnataka, while Mr Ghulam Nabi Azad, who was Youth Congress(I) president for two years from 1980, had failed to show any exemplary organising capability during his last stint in party work.

Party leaders are also surprised over the extension given to Mr Sitaram Kesari as treasurer. Mr Kesari, who was denied renomination to the Rajya Sabha last year, was believed to be on his way out following the

exit of Mr Arun Nehru from the party and Mr M.L. Fotedar from his post in the Prime Minister's office. Both Mr Nehru and Mr Fotedar were considered Mr Kesari's patrons.

The party has also taken the V.P. Singh factor into consideration in nominating the three general secretaries in Uttar Pradesh. Mr Ranabir Singh is a V.P. Singh clan man, but is opposed to him politically, while Mr Bachcha Pathak was rehabilitated since he was denied a ticket in the 1985 Assembly elections.

### Party Duties Reallocated

Bombay THE TIMES OF INDIA in English 15 Sep 87 p 9

[Text]

NEW DELHI, September 14 (PTI): In the reallocation of work among the newly-appointed general secretaries the Congress President, Mr Rajiv Gandhi, today entrusted the key states of Uttar Pradesh and Punjab to Mr Ghulam Nabi Azad and asked Mr G. K. Mooppanar to look after the party affairs in the southern states except Tamil Nadu.

While Mr Azad will hold the charge of the Union territory of Delhi and be the spokesman of the AICC, Mr Mooppanar retain charge of the parliamentary board, working committee and trusts.

Mr Mooppanar, who was the only general secretary retired in the re-organisation of the AICC has been

given charge of Kerala, Andhra Pradesh, Karnataka and Lakshadweep.

Mr K. N. Singh, who hails from Uttar Pradesh has been entrusted with the task of looking after the party affairs in Maharashtra, Jammu and Kashmir, Tamil Nadu, Pondicherry and Daman and Diu.

Mr Nareesh Chandra Chaturvedi, another AICC general secretary from U.P. is incharge of Bihar, Haryana, Rajasthan, Himachal Pradesh, AICC meetings and plenary sessions.

Mr Oscar Fernandes, who relinquished the post of the Karnataka Pradesh Congress President, and inducted in the AICC as general secretary, will look after West Bengal, Delhi, Andaman and Nicobar, Assam and North-Eastern states.

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## CPI-M ORGAN SCORES CONGRESS SOCIALIST FORUM

46001036 Calcutta THE STATESMAN in English 9 Sep 87 p 7

[Text]

NEW DELHI, Sept. 8. — The CPI(M) has described as "sheer irresponsibility" the statement of the recently-revived Congress Socialist Forum criticizing the economic policy formulated by the Government when Mr Vishwanath Pratap Singh was the Finance Minister, reports UNI.

The editorial of the CPI(M)'s official organ, the People's Democracy, said the lengthy economic statement of the forum, which was inaugurated by Mr Rajiv Gandhi, gave the impression that for two years Mr Singh was so powerful in the establishment that he could carry out individual policies and that the Prime Minister was "helpless" to "intervene and correct the wrong policies."

Under the parliamentary system of democracy, policies were laid down by the Cabinet as a whole in which "the leader of the Cabinet has special powers and responsibility and no other Minister could frame and implement policies on his own as all major policies were cleared by the head of the Government," it added.

The editorial said the Prime Minister himself was earlier credited with the new economic policy of liberalization which was

hailed by the monopoly private sector in the country and abroad as "path-breaking." Mr Singh was given credit "for efficiently carrying out the policies initiated by his leader," it added.

"For Mr Gandhi and his supporters now to claim that it was not he but Mr Vishwanath Pratap Singh who had initiated the economic policy, is to put very mildly, the height of irresponsibility," the editorial said.

The CPI(M) and other left and democratic parties had been fighting the economic policy. Those presently associated with the Congress Socialist Forum had at that time defended the policy claiming that it would boost economic activities in the country. Mr Singh was only the executor of the Government's policy, it added.

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## SIX MORE MINISTERS ADDED TO HARYANA CABINET

46001027 New Delhi PATRIOT in English 3 Sep 87 p 1

[Text]

**Chandigarh, Sept 2** — Six more Ministers were inducted today to the ten-week-old 16-member Devi Lal Ministry. The oath of office and secrecy to two Cabinet Ministers and four Ministers of State was administered by Governor S M H Burney amidst shouting of 'Devi Lal zindabad' slogans.

Those inducted today were Mr Khurshid Ahmed and Mrs Kamla Verma — both Cabinet rank and Mr Narsingh Dhanda, Dr Maha Singh, Mr Balbir Singh Saini and Mr Rao Narvir Singh — all Ministers of State.

With the latest expansion — the third during the past about seven weeks — the strength of the Ministry has risen to 23 including the chief parliamentary secretary. "This is the final expansion. You know 23 is a lucky number for us", Chief Minister Devi Lal told his Cabinet colleagues after the expansion.

With the latest expansion, the Chief Minister has given representation to all districts and practically all sections of population, a senior Cabinet Minister said. There were nine Jats including the chief parliamentary secretary, three members of Scheduled Castes, two each of backward classes, Ahir, Muslim, Brahmin one each and Bania, Saini and Punjabi also one each. Mrs Kamla Verma was the only woman Minister in the Cabinet.

In the Lok Dal (B)-BJP coalition, the dominant Lok Dal has 20 seats against the BJP's three. The Lok Dal (B) has a strength of 59 and the BJP 15 in the 90-member Assembly where election to three seats was yet to be held.

Among those administered the oath of office and secrecy today the duo Mr Khurshid Ahmed and Dr Kamla Verma had been Ministers earlier too.

All others are new faces. Dr Maha Singh, Mr Balbir Singh Saini and Mr Rao Narvir Singh have been elected to the Assembly for the first time.

As soon as Mr Khurshid Ahmed walked towards the stage for taking the oath of office, someone from the huge crowd raised slogans reminding the Chief Minister of his vow to finish corruption. He stood up and shouted "brahshhtachar band karo, apna vayda pooru karo".

Mr Ahmed took the oath in English and all others in Hindi.

While some BJP legislators and party office-bearers were present on the occasion among those absent were party chief Dr Mangal Sein and Public Health Minister Ram Bilas Sharma. Dr Mangal Sein was here today but he did not attend the swearing-in. The party sources said Dr Sein might not be happy with the 'treatment' meted out to his party by the Chief Minister.

Soon after the swearing-in, Chief Minister Devi Lal left for Bhiwani for a scheduled visit to drought-hit areas. The new Ministers may be allocated portfolios tomorrow.

**Figure 23:** Elaborating on the importance of the figure of 23, Mr Devi Lal said it was on 23 January last year that the Sangharsh Samiti of the opposition parties in Haryana had launched its "rasta roko" agitation in protest against the Punjab accord.

The Samiti had organised a "Samast Haryana sammelan" at Jind on 23 March last year.

Again on 23 June last year another 'rasto roko' agitation was successfully accomplished.

On 23 January this year the Samiti had organised the "shahidi sammelan", Mr Devi Lal said.

## MAJORITY OF CITY DWELLERS FAVOR ELECTORAL REFORM

46001042 Bombay THE TIMES OF INDIA in English 9 Sep 87 p 9

[Article by Dr N. Bhaskara Rao]

[Text]

**A**N overwhelming majority of urban people across the country are in favour of electoral reforms, including the banning of communal parties. They also feel that the country is less integrated and less nationalistic today than 20-30 years ago.

These findings have emerged in an opinion poll on electoral reforms conducted by the Operations Research Group for "The Times" group in the end of July, 1987, in 37 urban locations, including Madras, Calcutta, Bombay and Delhi, from all the four zones of the country.

On the subject of overall electoral reforms, close to two-thirds of the respondents felt it was high time that radical and thorough-going reforms were initiated so as to contain corruption, a phenomenon so integral to the present electoral system.

Responses were invited to two other questions: Whether or not Indians are more nationalistic now than a couple of decades back, and whether or not India is a more united and integrated nation than before. The response turned out to be overwhelmingly negative, particularly in the case of the second question.

The Times-ORG poll covered 2,015 adults selected systematically and interviewed at their place of residence. The findings of the survey, conducted by ORG's full-time investigators, are subject to a margin of error of seven per cent either way.

Here are the details of the survey:

Considering that communalism has been one of the issues bothering the country, respondents were asked whether in their view communal parties should be banned from taking part in politics and elections or should be allowed as at present.

**Ban communal parties**

Zone	Allowed	Banned	DK*
North	13.9	81.1	5.0
East	14.2	78.9	6.8
West	29.3	62.4	8.3
South	13.8	76.8	9.6
Average	18.2	74.1	7.7

(\*) Do not know

Three out of every four urban adults feel that communal parties should be

**Times-ORG Poll**

banned except in the west where more respondents felt that communal parties should be allowed to function as at present. Overall, only around seven per cent did not express a view on this.

Even in the west zone one out of every three respondents, against 81 per cent in the north and 79 per cent in the east, felt that communal parties should be banned. Thus, it is clear that there is no ambiguity in people's view about the need to ban communal parties.

All respondents were asked whether radical electoral reforms are needed towards controlling corruption in the country.

# Electoral reforms needed

Region	Needed	Not Needed	DK*
North	77.8	12.0	10.2
East	69.0	23.3	7.7
West	59.1	29.5	11.4
South	61.6	26.0	12.4
Average	65.8	23.5	10.7

(\*) Do not know

Thus, nearly two-thirds of the respondents (65.8 per cent) expressed the view that radical electoral reforms are essential in the battle against corruption in public life. Significantly, the north, which happens to be the power centre, has recorded a 77.8 per cent public response in favour of reforms. This is the highest among the regions. West, with a 59.1 per cent response, is at the bottom of the table.

Hardly one out of every four felt that there is no need for electoral reform. The percentage of those who have no view on the subject is about 10 per cent.

Are Indians more nationalistic or less than were say, 20-30 years ago?

How nationalistic are we?

Region	Less	More	Same	DK*
North	68.0	16.8	12.7	2.5
East	56.1	26.9	12.9	4.1
West	60.5	15.4	17.0	7.1
South	44.1	25.3	26.2	4.4
Average	56.4	21.2	17.7	4.7

(\*) Do not know

As much as 56.4 per cent of the respondents are inclined to believe that we are less nationalistic now. Only 21.2 per cent think we are more nationalistic. More people in the north (68 per cent) think we are less nationalistic than is the case in the other regions. It is a different perception in the south, where 44.1 per cent think we

are less nationalistic whereas 51.5 per cent think we are either more nationalistic or as nationalistic as 20-30 years ago. Only about 5 per cent have no view on the subject.

Is India more united and integrated as a nation today than ever before?

Are we more integrated?

Region	Yes	No	DK*
North	18.3	78.0	3.8
East	21.2	72.9	5.9
West	23.2	66.4	10.4
South	37.2	55.7	7.1
Average	25.7	67.3	7.0

(\*) Do not know

The answer to this question is a more emphatic 'no'. As much as 67.3 per cent do not feel that we are more united and integrated as a nation now than before. Here again, north leads. While 78 per cent on the urbanites in the north feel that we are not more united and integrated now, this percentage is 55.7 in the south where far more respondents (37.2 per cent) than elsewhere feel that India today is a more integrated nation.

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## REACTION TO STATEMENT BY SIKH HIGH PRIESTS REPORTED

46001043 Bombay THE TIMES OF INDIA in English 11 Sep 87 p 1

[Text]

NEW DELHI, Sept. 10.

**T**HE BJP and the CPM today described the statement of the four high priests controlling historical gurdwaras and Sikh shrines as an attack on the unity and integrity of the country.

While Mr L. K. Advani, the BJP president, called the statement a "formal declaration of war on national unity and integrity", the CPM politburo referred to it as a "direct threat" to the country's unity and integrity.

Anyone who had illusions that the terrorists were on an accelerated killing spree only because of demands like transfer of Chandigarh to Punjab and a greater share of the river waters for the state should have their illusions dispelled by now, Mr Advani told newsmen.

The CPM statement noted that the loss of credibility for not implementing the Punjab accord was being used by the extremists to neutralise the masses.

The BJP leader called on the enlightened sections of the Sikh leadership to denounce the declaration of the high priests.

The CPM appealed to the people of Punjab to stand unitedly to oppose these "anti-national activities", and not allow the use of gurdwaras for "nefarious activities." It urged the political parties to play "an active part in arousing the patriotic sentiments of the Punjabi people."

The declaration of the high priests was a clear warning to both the Akali Dals that the initiative was passing into the hands of the extremists because of the mixing of politics and religion, the CPM said. Even the Shiromani Gurdwara Prabandhak Committee (SGPC) had become a spectator without authority or control, it noted.

Blaming the Centre for the continuous deterioration in the Punjab situation, the politburo said the lesson was

clear that only administrative measures would not succeed in fighting the extremists. A political initiative

was imperative, it underlined.

Mr Advani once again pleaded for army assistance to deal with the terrorist menace. The police and the paramilitary forces had become ineffective in Punjab, he added.

PTI adds:

Two prominent Sikh leaders of Delhi, Jathedar Rachpal Singh of Akali Dal (Master Tara Singh) and Mr Tejwant Singh of the Panthic Party urged the head priests to review their move since Sikhs all over the country were opposed to their decision.

Speaking at a function in Faridkot, the Punjab governor, Mr S. S. Ray, said the call by the head priests was "irreligious" and against the high traditions of Sikhism.

The Rashtriya Suraksha Samiti has expressed concern over the statement and called upon the people of Punjab to join hands to meet the challenges of anti-national forces in the country.

The national executive of the All-India Shiromani Akal Dal (Master Tara Singh) has urged the high priests not to interfere in political issues, a Kanpur report said.

**DARSHAN'S CAUTION** (PTI from Chandigarh): The Akal Takht head priest, Prof Darshan Singh, said that no responsible person should do anything in the Golden Temple complex which could give an excuse to the government for sending police forces inside the complex.

He was reacting to the joint statement of the four head priests in which they called upon the Sikhs to lend to the militant youth their support and dubbing his (Prof Darshan Singh's) 'retreat' from the Sikh scene in favour of the militants as a 'foolish act'.

Prof Darshan Singh, who speaking to pressmen at his Kirtan villa at Zirakpur near here said that he did not run away from the fight against the government, "I had only made way on



this front for those soldiers who wanted me to fight under their command. When you accept anybody as your general, you should also accept his order. It is not good when everybody starts commanding the general".

A high-level meeting of officials of Punjab police and security forces assessed the situation arising out of the support extended to the militants by the Sikh head priests.

Most of the officials were reported to have expressed the view that the statement of head priests should not be given undue importance since it has failed to evoke any response from the Sikh masses.

Meanwhile, Bagel Singh Bagel self-styled 'general' of the so-called 'Khalistan Reserve Force' and two other terrorists were among six persons killed in Punjab today.

Security forces nabbed an equal number of ultras and seized weapons from them at different places.

Bagel Singh was wanted in connection with the Lalru bus massacre in which 40 persons were killed.

Two other terrorists fell to the bullets of the security forces in encounters in Amritsar and Ludhiana districts.

Terrorists in police uniforms freed one of their colleagues who was being taken in a jeep to Patiala from Sirhind and escaped with him.

The security forces launched a massive offensive against terrorists in Amritsar district in the wake of the gunning down of three CRPF personnel, including a DSP, and injuring four others in an ambush earlier this week.

A Punjab police spokesman said here this evening that two armed men, while proceeding towards the Pakistan border near village Vera under Lopoke police station (Amritsar), opened fire on being challenged by a patrol. Security forces returned the fire killing one on the spot. The other managed to escape.

Tajinder Singh alias Bagga, a hardcore extremist and two others were arrested from different places, after they escaped during the encounter in which Bagel Singh was killed.

According to the SSP of Gurdaspur, Bagel was killed in an encounter with security forces near village Chaduriwal near Batala. In the encounter, Bagel and his colleagues lobbed grenades on a BSF and Punjab police naka party and opened fire at them.

Security forces retaliated and the ensuing exchange of fire, which lasted 45 minutes, left Bagel dead. The others managed to escape, he said.

The police recovered one live hand grenade, a 12-bore gun, empty cartridges of 303, 38 and nine mm bore weapons.

Another suspected terrorist was killed in an encounter, Mr Rupinder Singh, a student of the Punjab Agricultural University, was arrested there in connection with the killing of the district Youth Congress president, Mr Radhey Sham Malhotra, on August 24.

The police seized an HE-36 hand grenade and two crude bombs from Rupinder Singh. Two others involved in the killing were absconding, he said.

Dara Singh, an aged father of a wanted suspected terrorist was shot dead by some persons in village Fott under Patti police station (Amritsar) last night. A father was arrested after a brief encounter with security forces near village Khojewal in Gurdaspur district.

Villagers of Narangwal Khurd in Ludhiana district, showing exemplary courage, captured a terrorist while two others fled after they had attacked two brothers.

The captured terrorist has been identified as Inderjit Singh, brother of Dr Gurmail Singh of Hawalra, facing trial in assassination of Sant Harchand Singh Longowal.

Lucknow (TOINS): The UP government has further tightened the security measures in Pilibhit, Shahjahanpur and some other areas in the wake of the killing of four persons in Pilibhit by suspected terrorists on Tuesday.

Though a massive search was launched, it has not yet yielded any encouraging clue.

## TECHNICAL SPINOFFS FROM MAIN BATTLE TANK PROJECT

46001028 Calcutta THE STATESMAN in English 5 Sep 87 p 11

[Text]

NEW DELHI, Sept. 4.—While the Main Battle Tank project has been delayed, and somewhat bogged down as well, for want of a breakthrough in the indigenous development of a suitable power pack, significant achievements have been made as far as several sub-systems are concerned. Scientists working on the project feel that such accomplishments cannot be slighted, since they have a relevance to the military and civilian heavy vehicle industry.

One of the major developments has been the hydro-gas suspension system, that has been essentially a domestic effort—though a certain number of imported components are used. Field trials of prototypes of the MBT—called Arjun—have been very successful. "It runs as smooth as a Rolls-Royce", to quote a senior scientist.

A feature of the suspension system is that it has elbow-shaped shock absorbers, which reduce the overall height of the tank itself. This is a vital aspect of design, for the taller the tank the easier a target it becomes.

**RELIABILITY**

The suspension system is at the demonstration stage, and the main effort now is to ensure reliability. The scientists at the Combat Vehicles Research Development Establishment, Avadi, near Madras, have involved engineers of the public sector Bharat Earth Movers and the private firm of Kirloskars in ironing out snags that might arise at the manufacturing stage.

The scientists are confident that such snags will be removed when regular production is taken up,

for, when some faults have been noted during the trials, an analysis has shown the cause to be manufacturing defects, rather than design shortcomings.

The suspension system, as well as the automatic transmission and gear box developments, can have a wide range of applications in non combat vehicles. It is felt that manufacturers of trucks and buses could use these systems since they have been developed to satisfy Indian conditions. A spin-off of the gear box development is that scientists of the CVRDE have been asked to work on an accessory gear box for the Light Combat Aircraft project.

**USER TRIALS**

User trials of the Arjun have also shown that the indigenously designed and developed 120 mm gun is a very good weapon. Perhaps even more important are the electronic systems that ensure very accurate target acquisition and gun laying capabilities. Using laser range finding and thermal imaging equipment, the Arjun will be able to fire at a moving target while on the move itself.

The gun has a rifled barrel—although some recently developed tanks in other parts of the world have a smooth bore which offer a slightly longer range. Stabilized ammunition ensures a fair deal of accuracy. The decision to opt for a rifled barrel was taken mainly because of the secondary ammunition which the tank will be expected to use, according to Indian battle doctrines. High explosive squash-head ammunition is only effective

when fired through a rifled barrel. Another calculated decision was that of having a fabricated turret—unlike several tanks of Soviet design which have a cast turret. A fabricated system makes for adding on more armour plating should the need be felt. The Kanchen armour being used for the Arjun rates along with the best anywhere.

The engine still remains a problem—mainly because the design of the tank—to withstand attack by

modern armour-piercing ammunition—has made it heavy. The Arjun will weight upward of 50 tons and thus requires a power pack of some 1,500 H.P. While the scientists are confident that the development of a power pack is not far away, imported engines are being used on the next series of prototypes so that other aspects of development can continue to advice.

Defence scientists are confident that they will meet the revised target of 1990. Production capabilities have got a boost with the licensed production of the Soviet-designed T-72 tanks in the country. While the MBT might not be produced at the same factory, the skills generated and experience gained would prove useful. The T-72 is a quantum technological jump over the Vijananta tanks, which were being produced till recently. The Arjun is yet another generation ahead.

PROTOTYPE FIGHTER PLANE TO FLY IN 1990-91

46001034 Bombay THE TIMES OF INDIA in English 8 Sep 87 p 23

[Text]

BANGALORE, September 7:  
(UNI).

**T**HE first prototype of the advanced multi-role tactical fighter, the Light Combat Aircraft (LCA), will make its flight in 1990-91.

Five more prototypes would be built and test-flown after the first model and one of these would be used as a trainer.

These prototypes would be used for tasks like handling, flight controls, power plant integration, systems evaluation, vibration and flutter and weaponry. A substantial part of the flight test expenditure would be earmarked for testing weapon systems.

The aircraft would be manufactured in 1995, the LCA programme director, Dr Kota Harinarayana, said.

He said, various advanced systems like the multi-mode radar would be tested on a hack aircraft and integrated with other systems before being used on the LCA. A low-speed aircraft like Avro would be chosen to perform the role of a test bed for these systems, he added.

Dr Harinarayana said the LCA's project definition phase would be completed later this year. The General Electric's F-404 engine would be used on the prototypes and would be replaced by the Gas Turbine Research Establishment (GTRE)'s engine.

He said the LCA would incorporate some of the most advanced technologies, including a weapon management system, digital bus control and fly by wire. It would be fitted with an advanced cockpit and aluminium-lithium alloy would be used for the fuselage. The aircraft would be highly agile at subsonic speeds and would possess supersonic manoeuvrability. It would be light and a good two meters short in length than the other fighter aircraft used in the world today.

He said the LCA would be able to fulfil the role of an advanced tactical fighter in air combat and offensive air support operations like patrolling the territory and in reconnoiter missions.

A number of scientific research organisations are being involved in the programme to utilise the best talent available for this prestigious Rs 1,000-crore project. Various facilities are being set up or upgraded for the LCA project.

These include a flight test Centre at Hindustan Aeronautics Limited (HAL). A development cockpit for simulation, a combat simulator for pilots, a fatigue testing facility at the National Aeronautical Laboratory (NAL), here and a new LCA complex to house about 700 engineers.

The government has decided to set up a separate corporation in Bangalore to develop and manufacture mission computers for the LCA programme.

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## GOVERNMENT INSTALLS PANEL TO COMBAT SMUGGLING

46001048 New Delhi PATRIOT in English 19 Sep 87 p 9

[Text]

The Government has decided to set up a central committee to combat smuggling, reports UNI.

The committee will be composed of representatives of the Central Board of Excise and Customs, the Coast Guard, the Border Security Force and the Ministry of Home Affairs.

A decision to this effect was taken on Thursday at an all-India conference of collectors of Customs and Central Excise (anti-smuggling), presided over by the Union Finance Minister N D Tiwari.

Senior officers of the Coast Guard, the Border Security Force, Directorate General of Revenue Intelligence and the Enforcement Directorate also participated in the conference, an official release said in Delhi on Friday.

The committee will encourage gathering, analysis and exchange of information among the agencies concerned and establish cooperation and coordination

among them to make optimal use of their combined resources in fighting smuggling.

It was also decided that the committee, from time to time, would select certain vulnerable areas and conduct joint anti-smuggling operations in order to deliver a strong blow to anti-social elements and foreign exchange racketeers.

The conference also decided that the anti-smuggling organisations will be provided with firearms and other sophisticated equipment to effectively eliminate the menace of smuggling. The Finance Minister assured full support and protection to the officers and staff involved in anti-smuggling operations.

To strengthen anti-smuggling operations it was decided to have a regular network of informers in all sensitive areas for collection of intelligence. More preventive collectorates along with Indo-Pakistan, Indo-Nepal and Indo-Burma borders will also be set up.

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## RESERVE BANK OF INDIA ISSUES ANNUAL REPORT FOR 1987

## Caution on Monetary, Credit Policy

46001041 Bombay TIMES OF INDIA in English 9 Sep 87 pp 1, 11

[Text]

BOMBAY, September 8.

**T**HE monetary and credit policy this year will continue to be one of caution so as to check inflation.

Indicating this in its annual report for the year ended June 1987, the Reserve Bank of India has said that continuous monitoring of the financial front is necessary for monetary and credit growth.

In view of the likely fall in power generation and agricultural and industrial production, the price situation must be under constant watch.

The report points out that the growth path envisaged in the seventh plan is being maintained. Despite bad weather, the real growth rate of the economy in 1986-87 is expected to be not much lower than in 1985-86 when the growth rate of GNP was 5.1 per cent.

While the stagnation in agricultural output and a poor growth rate in industrial production cause concern, a modest rise in the savings rate of the household sector and an improved export performance are encouraging signs.

Despite a fall in the price of crude oil, and so in the oil import bill, the decline in the trade deficit was small. This calls for continued vigilance on the balance of payments front.

The report cautions that the performance of the industrial sector may not be encouraging owing to poor rains. Besides, poor agricultural performance will also have its impact on the industrial sector.

The RBI points out that while growth in the tertiary sector is a sign of the growing diversification of the economy, a strong and vibrant commodity-producing sector is essential for achieving a sustained economic growth.

The performance of the agricultural sector depends largely on food crops which account for about three-fourths

of the area under cultivation. Despite the expansion of the area under irrigation and the increased use of inputs like better seed varieties, fertilisers, pesticides and provision of institutional credit, the trends in production and yields show considerable regional disparities. Supply-demand imbalances also persist in some commercial crops, especially in oilseeds, where substantial imports have become necessary.

In the industrial sector, a growth of 7.7 per cent was recorded during the first 10 months of 1986-87 against 8.7 per cent in 1985-86 and 8.6 per cent in 1984-85. There is some improvement in the productivity of capital. The capital-output ratio in manufacturing has declined but the total factor productivity a rise. However, there is need for greater efficiency in the use of capital and a reduction in the unit cost of production to widen the demand base for industrial goods.

During 1986-87, several industries have accumulated stocks, indicating a mis-match between production and offtake, especially in fertilisers, coal, saleable steel and jeeps. More attention therefore, needs to be paid to adjust imports and production so that availability is in line with demand.

Industry is passing through a stage of transition from a protected to a more competitive environment. The RBI has cautioned that this stage must be managed with care. The role of the financial institutions could be crucial in this regard.

The capital market in 1986-87 exhibited mixed trends. While sharp and persistent downtrend in the capital market is a matter of concern, recent developments need to be looked at in

the proper perspective, the report states.

There is a scarcity of blue chips and the unsteady performance of a few companies has affected the market sentiment. This can be corrected only gradually as more good performers gain a place in the market. Ultimately, the strength of the capital market rests on the performance of the capital sector. The RBI observes that excessive speculation by insiders and other operators needs to be discouraged.

The resource imbalance between revenue and expenditure has led to increased borrowings by the government. During 1987-88, interest payments alone will account for 27.1 per cent of the total non-plan expenditure. Three years back, this ratio was 23.8 per cent. The debt servicing of the Centre and the states taken together will account for 4.1 per cent of the GDP

in 1987-88 against 3.4 per cent in 1984-85.

The main task ahead is to overcome the resource imbalance and generate adequate resources for the plan. The scope for raising the overall ratio of tax to the GDP from its present level of 20 per cent needs to be explored.

In 1986-87, for the second year in succession, the balance of payments

remained under pressure. India must be cautious about commercial borrowings, as the debt servicing ratio had already reached 17 per cent in 1985-86.

#### EXCHANGE FUNDS

The level of foreign exchange reserves at the end of June 1987 was equivalent to more than four months of imports and comfortable. The RBI has cautioned that there is not much room for drawing down these reserves for financing the deficits. For this, a vigorous export drive and careful planning of imports are needed.

The report points out that banks have done commendable work in achieving the prescribed target for lending to the priority sectors. However, the recovery of dues in these areas remains inadequate. Banks are implementing comprehensive time-bound plan for improving their performance.

In 1986-87, the objective of monetary policy was to keep the growth of M3 below the average level of the previous three years. The RBI took measures during January-March to curtail the pace of monetary expansion. Its growth in 1986-87 was in excess of the desired growth. But for the RBI measures it would have been even larger, the report says.

#### Concern Over 'Sick' Units

Calcutta THE TELEGRAPH in English 10 Sep 87 p 6

[Text] **Bombay, Sept. 9 (PTI):** The Reserve Bank of India has expressed serious concern over the economic repercussions of mounting industrial sickness and reiterated its advice to commercial banks and term-lending institutions to make a time-bound coordinated move to arrest the trend.

The RBI annual report for 1986-87 says the total number of large, medium and small units identified by banks as sick rose to 1,30,606 by June-end last year, with outstanding bank credit of Rs 4665 crores accounting for 8.5 per cent of total bank credit or 17.1 per cent of bank credit to industry.

"This is causing concern due to its repercussions on the entire economy," the RBI report says.

Emphasising the need for detection of sickness at the incipient stage as also the requirement of proper coordination be-

tween commercial banks and term-lending institutions in the formulation, implementation and rehabilitation packages, the Reserve Bank asked these finance bodies to draw up a time-bound plan for rescuing expeditiously the sick units that were potentially viable.

The RBI report explains that in terms of the Sick Industrial Companies (Special Provisions) Act, 1985, the government has set up the Board for Industrial and Financial Reconstruction (BIFR) in January this year to determine preventive, ameliorative, remedial and other measures, required to be taken in respect of sick industrial com-

panies and for expeditious enforcement of the measures so determined.

The Industrial Reconstruction Bank of India has initiated various steps for arresting the

growth of industrial sickness and in helping the revival of sick units. Out of 333 units assisted by IRBI till the end of June 1986, 136 units were revived and 131 are under nursing programme.

The rest are either continuing to incur losses or have been denotified with measures initiated for legal proceedings and recall of advance.

Furthermore, in order to provide refinance assistance for the development, expansion, modernisation and rehabilitation of small-scale industries, a small industries development fund (SIDF) was set up in the IDBI last year. In addition, the government has set up the Textile Modernisation Fund and Jute Modernisation Fund for funding modernisation in these two sectors.

## STUDY TELLS WIDE-RANGING IMPACT OF DROUGHT

46001032 Calcutta THE STATESMAN in English 7 Sep 87 p 9

[Text]

NEW DELHI, Sept. 6.—The current drought in the country will have wide-ranging impact on agricultural income, rural demand for agricultural and industrial goods and manufacturing output, says a study prepared by the Federation of Indian Chambers of Commerce and Industry entitled "economic Impact of Drought".

The study says the fall in agricultural production will trigger off a host of problems ranging from upset of the profile of income distribution to widening the trade gap due to import of essential commodities. The erosion of real income, in view of an estimated increase in the consumer index by 14-15%, will cause serious demand constraints for agricultural and manufacturing industries.

The study tries to quantify the impact of drought using certain economic indicators. Based on a model which envisaged three scenarios of fall in agricultural production, namely, 10%, 15% and 20%, study estimates that the fall in agricultural income will be Rs 8,400 crores for a 10% fall, Rs 13,600 crores for a 15% fall and Rs 16,800 crores for a 20% fall. The fall in rural demand for the current year on account of drought will be Rs 7,022 crores, Rs 9,279 crores and Rs 14,043 crores respectively for a 10%, 15% and 20% fall in agricultural production. The study sounds the warning that unless urgent remedial steps are taken, 25% of the existing small farmers and two thirds of landless labourers would go below the poverty line.

Talking of rural demand for industrial goods which is quite significant, it says for every Rs 100 of agricultural income, expenditure on industrial goods is of the order of Rs 24.08. In terms of 1985-86 prices, the fall in demand for industrial goods, on account of the

present drought can thus be anywhere between Rs 2,023 crores to Rs 4,045 crores, depending on the extent of shortfall, which is estimated to be between 10-20%. Needless to say, this will have a grave impact on industrial output, the study points out. The reduction in agricultural income would adversely affect the offtake of items, such as cotton, electronic products, tractors, leather footwear, diesel engines, power driven pumps, electric fans and radios.

Another disturbing feature of the drought is its impact on the agro-based manufacturing output. The study indicates that the shortfall in agro-based manufacturing output could be about Rs 2,113 crores for 10% fall in agricultural production, Rs 3,169 crores for 15% fall and Rs 5,915 crores for 20% fall in 1986-86 prices.

The other dimension of the drought, the study points out, is the shortfall in hydel power availability. In a given year, hydel power generation constitutes about 30% of the commercial energy generated by the thermal and hydel stations together. In the southern States, hydel power accounts 31% of the energy consumed, in the western States 16% and the northern States 13%. This means that the industrial production will be crippled unless hydel energy is compensated through alternative sources, which is very unlikely in the immediate future.

The study observes that whether it is on account of shortages of agricultural raw materials or on account of the transfer of the lack of demand from the rural to the urban sector, the impact of drought will be progressively felt during 1987-88 and more in the next year. Going by the earlier experience, the study points out that the 1965 drought led to a fall in industrial production of 0.4% in 1966 and

1.3% in 1967. The fall in industrial production in 1987-88 due to the present drought is estimated to be between 1.8% and 3.5%.

Another problem area is the trade deficit. With the sharp reduction in the production of edible oils, coupled with the heavy import of cotton, sugar, viscose and petroleum products, the Import Bill will get inflated. At the same time surplus available for exports will be drastically reduced.

The paper suggests various measures to tide over the effects of drought. "Food for work programmes" should be strengthened by creating employment to the extent of 2,700-3,600 million mandays during 1987-88. The labour should be deployed to create capital assets such as strengthening the irrigation system, drought-proofing the canals and wells. Central and State Governments should take an all India view of supply of essential goods.

The marginally surplus States should not be allowed to impose restrictions on the movement of essential commodities to other States as this will only introduce more problems than it will solve. In the same manner, there should be coordination between the rail authorities and trade and industry so that transportation is arranged and no hardship is created on account of the absence of provision for quick movement of goods.

Railway freight for essential commodities and items like fodder should be reduced and priority given to their movement. Industry and trade should play a constructive role. Besides liberally donating to programmes initiated by the Government under the P.M.'s relief fund, they should on their own adopt areas for providing employment. There is at the same time a need to maintain the price line of all essential commodities.

## DELHI ANNOUNCES STEPS TO FINANCE DROUGHT RELIEF

46001040 Madras THE HINDU in English 12 Sep 87 p 1

[Text]

NEW DELHI, Sept. 11.

The Union Finance Ministry after a quick review of the budget allocations has come out with a series of austerity measures, which seeks to find resources to the tune of Rs. 650 crores for drought relief work.

The measures, *inter alia*, envisage reduction in travel budget of Ministries, avoidance of official receptions, postponement of fairs, festivals and international conferences, restrictions on expenditure on publicity, temporary ban on purchase of fixtures and furnishings by Ministries and economy on purchase and maintenance of staff cars.

Domestic travel budget of Ministries has been cut by 10 per cent and on foreign travel by 20 per cent. All foreign trips of Ministers will be deferred barring exceptional cases. Even those already approved are being reviewed.

**Fairs put off**

Ministries have been advised to avoid hosting of official lunches, dinners and receptions unless required in terms of international reciprocity. All festivals, fairs and exhibitions for which firm commitments have not been made have been put off till the end of the current financial year. Similarly, international conferences in respect of which firm commitments have not been made, are to be deferred to next year.

Training programmes, seminars and conferences scheduled for the rest of the year are to be reviewed and deferred to next year. Publicity expenditure, barring those relating to drought and development work of the Government, should not be incurred without reference to their cost-effectiveness and their relevance in the current situation.

For the next six months, there should be no purchase of new fixtures and furnishings solely because of a change in the incumbents, the Ministries have been told.

It has also been decided that the budget approved for the various Ministries should not be increased because of commitments arising from payment of additional dearness allowance instalments or bonus to Government employees. The priorities would have to be reordered and expenditure rephased to find savings to meet this liability.

**Schemes deferred**

The budget provisions for various programmes have been reviewed and decision taken to defer some of them without affecting the development of these sectors or the economy.

Similarly, schemes for which provision has been made in the budget but which do not relate to agriculture and on which work has not physically started by August 1 would be deferred to next year.

**UNI reports:**

The austerity measures are to be observed by all departments and offices and will equally apply to all autonomous bodies founded or controlled by the Government.

These measures will enable diversion of about Rs. 650 crores to meet relief expenditure necessitated by drought.

The State Governments have been requested to expedite proposals for Central assistance for drought relief.

The Centre has already released Rs. 231.6 crores to States affected by drought. This includes Rs. 68.8 crores for providing drinking water in affected areas. The assistance also covers employment in rural areas, fodder, inputs to farmers for taking up alternative crops, public health measures and nutrition programmes for women and children.

The Centre has released 8.7 lakh tonnes of additional foodgrains costing Rs. 186.7 crores to States for payment of wages to labourers on drought relief works.



## SUMMARY OF NATIONAL WATER POLICY DOCUMENT

46001039 Calcutta THE STATESMAN in English 17 Sep 87 p 7

## [Text]

NEW DELHI, Sept. 16. — The 13-page National Water Policy document, released yesterday has identified diverse competing claims to the prime national resource. The document was adopted by the National Water Resources Council last week.

Of the 400-million hectare metres of rainfall or precipitation in the country, less than 90 million hectare metres of surface water is available for use. Topographical and other difficulties come in the way of utilizing more water. Another 42 million hectares of groundwater can be tapped.

The policy document says: "The availability of water is highly uneven in both space and time. Precipitation is confined to only about three or four months in the year and varies from 10 cm in the western parts of Rajasthan to over 1,000 cm at Cherrapunji in Meghalaya.

"Further, water does not respect state boundaries. Not only rivers, but even underground aquifers often cut across State boundaries.

"Water as a resource is one and indivisible. Rainfall, river water, surface ponds and lakes and ground water are all part of one system. Water is also a part of a larger ecological system.

"Floods and drought affect vast areas of the country, transcending State boundaries. A third of the country is drought-prone. Floods affect about nine million hectares each year. According to the National Commission on Floods, the area

susceptible to floods is around 40 million hectares. The approach to the management of drought and floods has to be coordinated and guided at the national level."

The expansion of economic activities has led to increasing demand for water for domestic, industrial and agricultural purposes, besides hydro-power, navigation, reception etc. So far, the principal use of water has been for irrigation, whose potential has increased from 19.5 million hectares in 1947 to about 68 million hectares at the end of the Sixth plan.

Further development is proposed to meet the food and needs of a billion Indians by the turn of the century. Grain production has increased from around 50 million tons in the 1950s to about 150 million tons, but this will have to be raised to about 240 million tons by 2000.

Drinking water needs of people and livestock have also to be met. In keeping with the objectives of the International Drinking Water Supply and Sanitation Decade programme (1981-1991), adequate drinking water facilities have to be provided to the entire population in both urban and rural areas and sanitation facilities to 80% of the urban population and 25% of the rural population by the end of the decade.

Domestic and industrial water needs have largely been concentrated in or near the principal

cities, but the demand from rural areas is expected to increase sharply. Hydro and thermal power generation and industries will also need much more water. Water will thus become even scarcer than now.

"This underscored the need for the utmost efficiency in water utilization and public awareness of the importance of its conservation", according to the policy makers.

New techniques to eliminate the pollution of surface and groundwater, to improve water quality and to step up recycling and refuse of water will be called for.

Water is regarded as one of most crucial elements in developmental planning. Efforts to develop, conserve, utilize and manage this important resource have to be guided by the national perspective, keeping in view the needs of the States concerned.

The prime requisite for planning is a well developed national information system with a network of data banks. Apart from data on water availability and actual water use, the system should include comprehensive and reasonably reliable projections of future demands for water for diverse purposes.

The resources should be conserved and the availability augmented by measures for increased retention and reduced losses.

Special attention to tribal areas and scheduled castes has been called for.

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## NEW TAXES IMPOSED TO FINANCE FLOOD, DROUGHT RELIEF

46001049 Calcutta THE TELEGRAPH in English 20 Sep 87 p 1

[Text]

**New Delhi, Sept. 19 (PTI):** The Centre today imposed new taxes of Rs 550 crores on the rich to provide relief to victims of the worst-ever drought and floods in the country.

The new levies, announced at an unprecedented finance ministry press conference, were a one-year surcharge on income tax, corporate tax and wealth tax in the upper brackets to yield Rs 220 crores, a hike in Customs duties to fetch Rs 250 crores and a 10 per cent surcharge on domestic air fares and upper class rail travel.

The finance secretary, Mr S. Venkitaramanan, said together with the finance minister's directive to raise Rs 1,000 crores, each direct and indirect tax at the existing levels of taxation, a total of Rs 2,550 crores would be available to finance additional relief expenditure.

The Union Cabinet had met yesterday to finalise the tax proposals. Earlier, the economic affairs committee of the Cabinet had held extensive discussions on them.

The Prime Minister, Mr Rajiv Gandhi, called on the President, Mr R. Venkataraman, at Rashtrapati Bhavan today to apprise him of the government's decisions on drought relief.

The taxation measures announced were:

- Five per cent surcharge on income tax payers whose total income is over Rs 50,000 per annum, for assessment in the year 1988/89.

- A similar surcharge on corporate profits of above Rs 50,000 income for a one year period.

- A surcharge of 10 per cent on wealth tax for assessment in the

year 1988/89.

- A surcharge of five per cent ad valorem by way of increase in auxiliary duty on all imports except crude petroleum and currently exempted items like edible oils, fertilisers, life-saving drugs and some chemicals.

- A 10 per cent surcharge on domestic air fares and a similar increase in airconditioned and first class railway fares.

Mr Venkitaramanan said in working out the resource raising measures to meet the additional expenditure for natural calamities, it was ensured that the burden fell on the richer sections of society who have the ability to pay. "The poor, the low and middle income groups will not be affected," he said.

Mr Venkitaramanan said the exemption of incomes upto Rs 50,000 for the levy of surcharge on corporate profits would mean that almost all small scale units would not be subjected to the additional surcharge.

The finance secretary said the middle and low income tax payers would not be affected by the levy of surcharge. "It is estimated that roughly 80 per cent of tax payers will be exempt from surcharge."

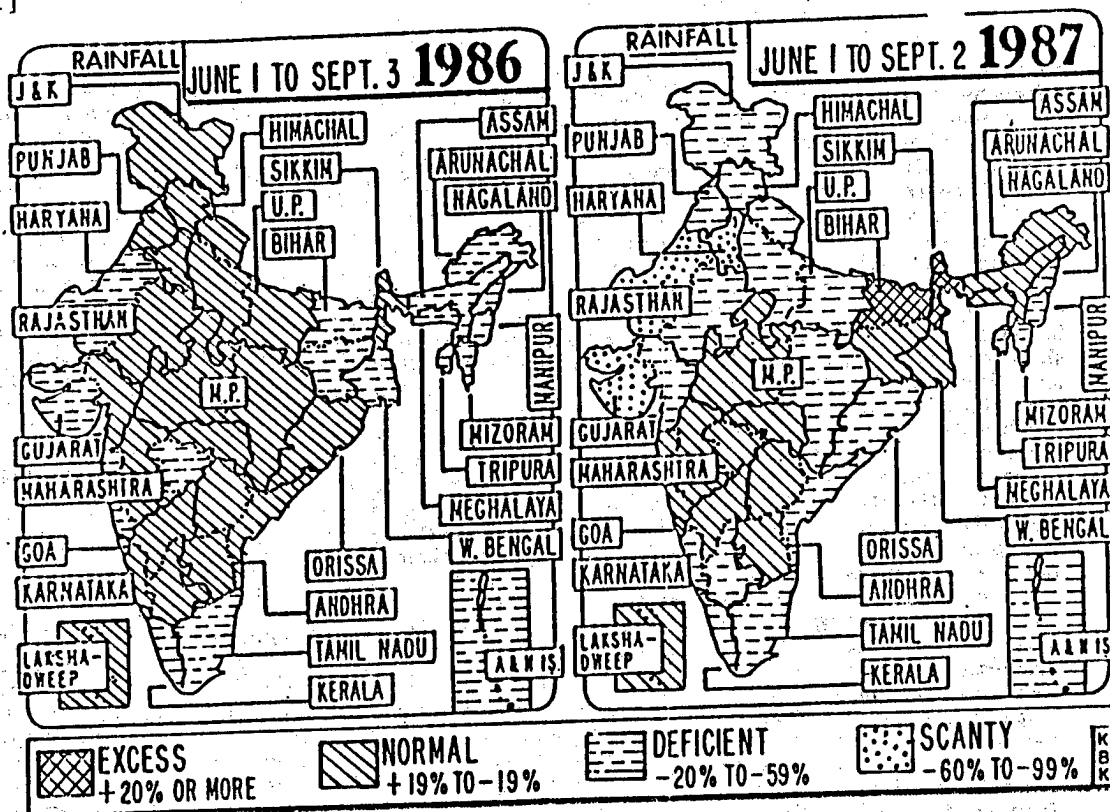
The proposed income tax and corporate tax surcharges were being given effect through an ordinance.

The finance secretary pointed out that a meeting of chief ministers called by the Prime Minister, Mr Rajiv Gandhi, earlier this month had examined the recommendations of central teams sent to various states to assess the damage caused by drought and floods.

MAPS COMPARE RAINFALL IN 1986, 1987 MONSOONS

46001037 Calcutta THE TELEGRAPH in English 9 Sep 87 p 4

[Text]



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## SUBSTANTIAL DROP IN AUTUMN HARVEST FORESEEN

46001044 Calcutta THE TELEGRAPH in English 12 Sep 87 p 5

[Article by K.K. Sharma]

[Text]

New Delhi, Sept. 11: Despite efforts by some official economists to paint a rosy picture, the agriculture ministry and the Planning Commission are seriously concerned over the impact of this year's severe drought on the economy.

Some official economists claim that the drought will not materially affect the economy because preliminary estimates show that only eight per cent of agricultural production will be lost. However, the projections are based on reports of sowing and rainfall as long ago as June. Since then, there have been reports from the drought-affected states that suggest that damage to the kharif crop could be as much as 50 per cent.

If this assessment—made at confidential meetings of the agriculture ministry and the Planning Commission—is correct, there will be a drop of a staggering 35 to 40 million tonnes in kharif production. Even assuming that the rabi output is normal, this will cause a fall in food production in 1987-88 by around 20 per cent over last year's 151 million tonnes.

Present food stocks with the government stand at around 23

million tonnes, so there is no immediate danger of any famine or scarcities. But official sources point out that the stocks are meant to cater to the demands of the public distribution system which serves just the urban population.

Grain will be needed now to meet rural demands as well. Additional quantities will be required to arrange relief programmes, including the "food-for-work" schemes already being implemented in many of the gravely-affected states. Since these are in progress mainly in states which have been in the grip of drought for two or three years, the pressure on the stocks will grow when the schemes are extended to other states affected this year.

Inevitably, this would mean increasingly heavy pressure on the food stocks in the next year or so. Though procurement prices have been announced for the kharif crop, no targets have been set since purchases by official agencies are bound to be poor after the drought. In fact, it will be surprising if there is any procurement of rice at all and it is likely that stocks of this grain at least will be totally wiped out in the coming few months.

Though no mention has yet been made of food imports as this will be embarrassing after claims of grain self-sufficiency in the last few years, officials are said to be studying the world grain markets to make purchases at the cheapest possible prices if these become necessary.

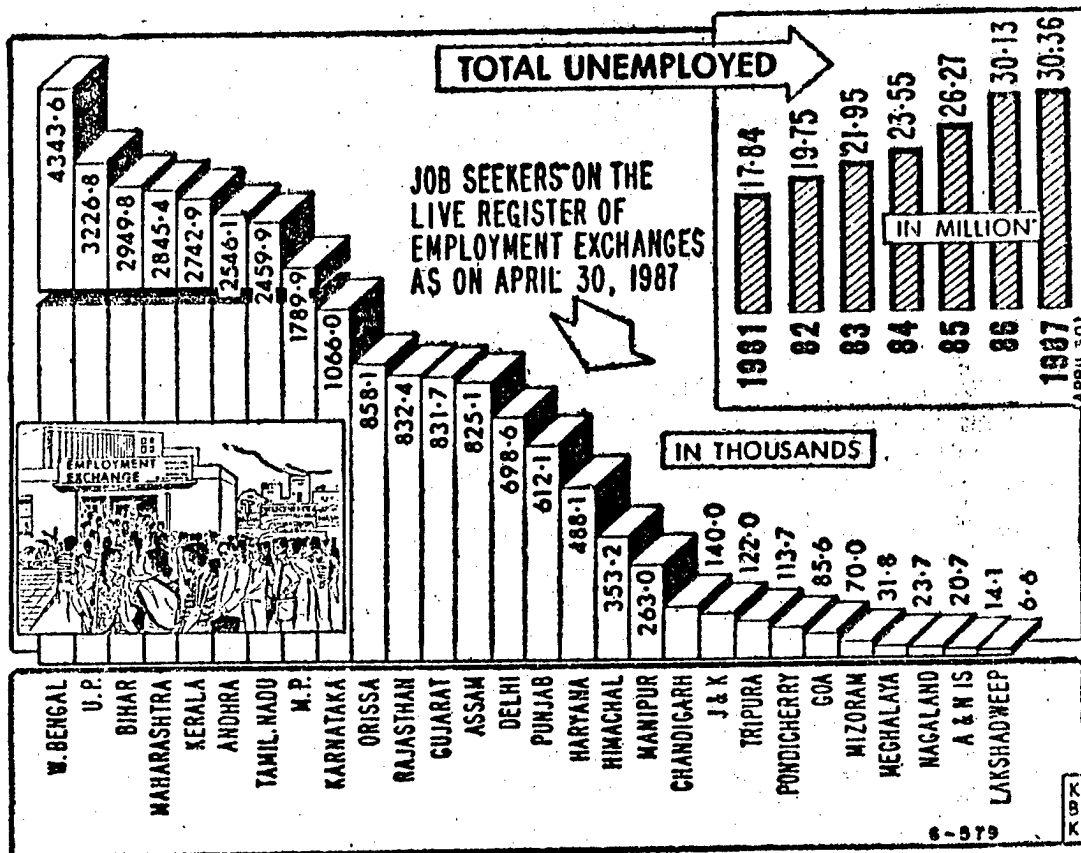
Much will depend on the next rabi. If there is sufficient winter rain in the surplus wheat growing states of Punjab, Haryana and Uttar Pradesh and rabi production in the other states is normal, at least wheat stocks will be replenished when the grain is harvested next spring. This could obviate the need for imports.

Since the kharif crop has been irretrievably damaged and the late rains have not helped production—they will only alleviate the drinking water problem—official efforts are now concentrated on achieving maximum rabi production. The states have been told to ensure that the farmers' needs of electricity, diesel and other inputs are met fully even though this means cuts in supplies to industries and urban areas. (Economic News Service.)

CHART SHOWS GROWTH IN UNEMPLOYMENT

46001045 Bombay THE TIMES OF INDIA in English 17 Sep 87 p 7

[Text]



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## RAILWAYS ADOPT CORPORATION PLAN THROUGH 2000

46001047 Madras THE HINDU in English 19 Sep 87 p 7

[Text]

NEW DELHI, Sept. 18

The Railways have finally adopted a Corporate Plan for the period 1985-2000 after a year's delay following objections by certain sections to some segments of the plan prepared by the Planning Department. The current plan has received approval from all the authorities concerned in the Railways including the Minister, Mr. Madhavrao Scindia.

The basic issue concerning the plan is the forecast that both freight and passenger traffic will double in the period 1985-2000 A.D. This will require an enhancement of the infrastructure to some degree, but given the scarce resources, the thrust will be to improve the efficiency and reduce the cost of operations of the existing system by upgrading the technology and improving the per man output of labour.

The Railways currently operate a multi-gauge network of 61,850 route kilometres with some 10,000 locomotives, 35,000 passenger coaches and 3,65,000 freight wagons. The Railways have four production units under their control manufacturing locos, coaches and wheels and axles. In the period 1950-51 to 1984-85, passenger traffic increased by 240 per cent and the freight traffic by 310 per cent. In this period the route length increased by some 15 per cent.

The transport output in 1984-85 was 182 billion Net Tonne Kilometres (NTKM) of freight traffic and 227 billion passenger kilometres. The Corporate Plan envisages that the system ought to carry 370-400 billion NTKMs of freight traffic and 310-330 billion passenger kilometres of non-suburban passenger traffic. The plan sets a goal for reducing the cost of transport by 15 per cent in real terms and generate additional capacity with minimum capital investment and after making adequate provision for depreciation, maintain a reasonable surplus to cover the dividend liability and development expenditure.

The task is to be achieved by an altered service profile such as the use of extended unit-train operations, special purpose wagons with matching terminal facilities for bulk cargo, setting up a network of Inland Container Depots, and better asset management. Passenger traffic would be carried on 160-200 km. high speed corridors. The broad-gauge passenger trains

would travel at 160 kph and have 26 coaches and metre gauge trains would travel at 120 kph with 24 coaches. The plan also proposes the setting up of special parcel trains between major commercial centres with premium rates for movement of documents, business samples and urgent consignments. Refrigerated parcel vans would be used for perishables between fixed points.

The corporate strategy would be (a) For freight traffic: Create capacity ahead of demand, concentrate on bulk movement and container traffic, reduce transit time and improve reliability of service; (b) For passenger business: Create adequate capacity, reduce travel time, concentrate on medium and long-haul traffic, improve on-board service and computerise passenger reservation and information systems; (c) Cost reduction: Contain manpower growth, reduce fuel consumption through changes in traction policy, use new technology for motive power and rolling stock and improved operations, reduce materials cost by using improved materials and application of techniques of materials management and increase 'cost consciousness' through better responsibility accounting.

The Corporate Plan strategy also envisages better investment and asset utilisation goals. Towards this end the broad-gauge system will certainly benefit, but the plan, and this is a recent innovation, views a modernised and upgraded metre-gauge system as an important asset. Hitherto, the broad strategy was to convert from metre-gauge to broad-gauge but awareness has grown in Rail Bhavan that the conversion of metre-gauge which comprises one third of the network is an unattainable target. It is a far better strategy to enhance the productivity of this network through modernisation. Currently the Railways are attempting to draw up a plan for this.

The Railways envisage an investment of a total of Rs. 46,150 crores for their 15-year plan. This would be almost evenly split between new investment and funds for replacement of over-used assets. The bulk of the investment would naturally be for rolling stock like locos, coaches and wagons. Electrification, track conver-

sion and signalling and telecommunications would take a significant chunk of the money for new investment. The Freight Operations Information Systems would account for Rs. 950 crores of the new investment.

Half the investment would be raised from General revenues and another half from internal resources of the Railways.

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## PREPARATIONS TO EXPLOIT INDIAN OCEAN MINERAL WEALTH

46001031 New Delhi PATRIOT in English 6 Sep 87 p 5

[Text]

Nearly 30 institutions involved in ocean research are gearing themselves to commercially exploit the 150,000 sq km area in the Indian Ocean recently allocated to India by the International Seabed Authority, reports UNI.

The area was allocated by the United Nations body for exploration and mining of mineral wealth like polymetallic nodules.

"Polymetallic nodules contain an abundant source of important metals such as manganese, nickel, copper, cobalt and to a lesser extent metals like molybdenum, vanadium, zinc, lead and cadmium", says Dr S Z Qasim, a pioneer of the Indian expedition to Antarctica and secretary in the department of ocean development.

"These nodules are known to be scattered on the ocean floor at a depth of 3,500 to 6,000 metres and are estimated to cover an area ranging from 10 to 15 million sq km in the Indian Ocean as against an area of 47 million sq km in all the oceans", adds Dr Qasim.

According to Dr T K S Murthy, head of the uranium extraction division at the Bhabha Atomic Research Centre, Bombay, "the richest site discovered has a density of 21 kg of nodules per square metre".

The first survey work has been completed covering an area of more than four million sq km in the Central Indian Ocean. More than 1,200 locations have been sampled as a result, two mine sites each of approximately 150,000 sq km of commercial values have been identified.

A pilot plant for extracting two tonnes of metals per day is to be set up. The cost of dredging works out to Rs 60 per kg.

The economic potential of the metals found in the nodules is so great that even if only 10 per cent of estimated nodules deposits turn out to be economic, sufficient supplies of many metals will be available from the sea for thousands of years at our present rate of consumption.

According to experts, the polymetallic nodules are found at depths of 3,000 to 6,000 metres in all oceans of the world.

The total reserves of the nodules in the world oceans has been estimated at 3,000 billion tonnes. Nodules are widely distributed through out the three major oceans of the world. Unlike fossil fuels, they are renewable.

The Pacific Ocean contains the richest known deposits of polymetallic nodules.

India made her entry into the exclusive preserve of developed countries when the first haul of nodules from the sea bed dropped on board of Indian research vessel 'R V Gangesani'. This vessel is owned by the Council of Scientific and Industrial Research (CSIR) and run by the National Institute of Oceanography. Later, more ships 'MV Shandi', 'MV Funella', 'Sagarkanya' and 'Sagar Sampda' joined the fleet.

The department of ocean development is planning to extend the survey of nodules to other areas in the Indian Ocean, especially in the Bay of Bengal. CSIR has identified the exploration of deep polymetallic nodules as a major thrust area in oceanography and designated this work under the all India coordinated project.

India is short of many metals that nodules can provide. A large part of our demand for copper is met by imports.



We also have to import more than half of our zinc and lead and import all our nickel, cobalt and vanadium requirements. All this can be met by nodules exploitation.

"A great variety of mineral deposits have been reported to occur in Antarctica which include those of copper, zinc, silver. The cost of exploiting and transporting them seems too far exceed their potential economic value", reports Indian Journal of Marine Sciences editor K Satyanarayana.

There are a number of hurdles to be crossed. Nodules mining will involve massive investment. The estimated capital cost of processing, transport, exploration for one million tonne of nodules per year will be between Rs 200 and 800 crore.

Multinational companies have already sunk about Rs 2,400 crore in developing capacity to mine the nodules. The United States, the Soviet Union, the FRG, France and Japan have already developed enough expertise. The deep sea mining would soon become a boon for developed countries.

"However large-scale nodule mining would create environmental problem (by way of sagarmanthan) in the sea, the consequences of which are not easily predictable", says Dr Murthy.

Seaweeds are another important living resource exploited by man for food, fertiliser, chemicals and pharmaceutical products. The demand for agarphytes and alginophytes by the industry in India and abroad is increasing very rapidly. Unfortunately, India has not yet fully utilised its seaweed industries.

## IIS SCIENTIST MAKES STRUCTURAL DNA DISCOVERY

46001033 Bombay THE TIMES OF INDIA in English 8 Sep 87 p 6

[Text]

BANGALORE, September 7  
(UNI).

**A**N exciting discovery on molecular variations in deoxyribose nucleic acid (DNA), that could provide new insight into its structure and interactions, has been made at the Indian Institute of Science (IISc) here.

Prof M. A. Viswamitra, the chairman of the physics department, IISc, said that crystal structure studies carried out by him at the university of Cambridge and at IISc, revealed these variations in DNA, the basic genetic material. Called base dependent structural variations, they showed that the earlier picture of DNA as a uniform double helix was deceptively simple.

He said the findings could have considerable implications for understanding at the molecular level the intrigues of protein binding at specific sequences of DNA, a central problem in molecular biology today. It could also throw new light on ac-

tion of certain classes of enzymes on particular sequences of the DNA.

Prof Viswamitra has bagged the prestigious "Prize in Biology", instituted by the Italy-based Third World Academy of Sciences, for his contribution in this research project. The prize, the highest in the third world, would be conferred on him at Beijing on September 14 during the ceremonial session of the academy's second general conference.

He said even the sugar-phosphate backbone of the DNA molecules exhibited these variations. A knowledge of how the DNA structure was influenced by its sequence would offer

the exciting prospect of understanding the way in which the DNA function was governed by its secondary structure.

He said he and his colleagues were continuing work on variations and were looking at the crystal structures of oligonucleotides complexed with anti-cancer drugs. Such studies could aid in the design of sequence-specific anti-cancer drugs, he added.

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## 'INDIAN EXPRESS' CHAIRMAN'S STATEMENT ON RAIDS

46001029 Calcutta THE TELEGRAPH in English 5 Sep 87 p 4

[Text]

The following is the text of the Indian Express chairman, Mr Ramnath Goenka's statement condemning Tuesday's raids on the newspaper group's offices:

"The campaign against Indian Express orchestrated by the government goes beyond the legitimate limits of its law enforcement function. The repeated press briefings of the director of revenue intelligence and the daily bulletins issued through the press information bureau lavishly quoted by AIR and Doordarshan are not for the instruction of the public, but are designed ham-handedly, to discredit the Indian Express and question its credentials to expose corruption in high places.

"The Indian Express does not look for soft options from the government or any of its officials. Even as it is ready to face any kind of scrutiny, including the present one, the paper owes it to its readers and the people of the country to nail the patent lies that are being retailed under official auspices through the government media even before the investigators have had a good look at the papers seized.

"The government is anxious to show the Indian Express in the same light as the corrupt it has sought to expose. Leaving my own case apart, the Indian Express, as a public institution with obligations to the community is duty-bound to reply to the charges against it, however dishonestly pressed.

"An official press release issued simultaneously on behalf of the Indian Express meets the

requirements of the duty the paper owes to the public. But I must take it upon myself to answer the charge that the Indian Express has funds abroad.

"The charge of foreign account flows from a payment of \$2,00,000 made by Dr Briner, an international jurist of eminence, to keep alive the machinery supply contract that would have lapsed because of the delay in government sanctions of import licence and permission for foreign loans. I had requested Dr Briner, to use his influence to keep alive the contract. Dr Briner and the supplier had agreed, that Dr Briner would keep a deposit of \$2,00,000 with the supplier till the LC was opened by the Indian Express. The supplier had undertaken to repay Dr Briner after the LC was opened. A letter to this effect given by the company was sent by Dr Briner to the Indian Express. This generous accommodation placed at our disposal by Dr Briner helped the Indian Express to keep alive the contract failing which the offer would have lapsed and renegotiation would have meant higher prices and greater outgo of foreign exchange.

"Dr Briner has been my friend for over three decades. He has helped me in many a crisis in the past. This was an open arrangement and was not intended to be a secret affair at all. To allege on this basis that the Indian Express has a foreign account is scandalous and dishonest. The accusation is contrived to secure a self-serving argument against

the insistence of the Indian Express to act against persons who stash away funds abroad.

Indian Express, for its part, has the courage to risk and submit itself to the most hostile investigation that the government machinery is capable of. It was not a risk undertaken without forethought. State aggression of this kind was only to be expected when the corrupt officials of the state have no answer to the serious charges against them.

"In its five decades of vigorous life, the Indian Express has seen many rulers, Indian and alien, who have come and gone, a few of them known for their domineering ways. Persecution at the hands of rulers who have need to conceal their actions is not new to the free press and certainly not to the Indian Express.

The paper has suffered more under the indigenous dispensation, to usher which it came into being. The official attempt to liquidate the Express during the emergency, and even earlier, is part of the nation's history and would require a volume by itself. But with every such setback the Indian Express became mightier and better qualified to perform its mission.

The present attempt of the government will lead to the same result, strengthening and sharpening the paper, as every such effort has in the past. Its fight against corruption in high places and against the bucaners in business will continue even if the full might of the state comes in the way. For to guard the people's right to know is our commitment."

/12379

## BRIEFS

OIL PROFITS FALL--New Delhi, 13 Sep--The public sector Oil India Limited (OIL) has earned a profit after tax of Rs 50.60 crores in 1986-87 against Rs 68.23 crores in 1985-86, according to an OIL press release. The fall in profits was due to higher provisions for amortisation and depreciation, increase in other production costs due to the ageing nature of oilfields in Assam and higher transportation cost of crude oil. Oil also suffered a complete stoppage of work on five occasions during November 1986 to March 1987 on account of a students' agitation in Duliajan. This resulted in a production shortfall of 1.63 lakh tonnes of crude oil and other related shortages in drilling, LPG production etc, which meant a loss of Rs 15.50 crores to OIL besides the loss to the state and Central governments on account of loss in cess, royalty and sales tax. [Text] [46001055a Calcutta THE TELEGRAPH in English 14 Sep 87 p 1] /9274

CPI-M LEADER DIES--Calcutta, 8 Sep--Mr Bhola Basu, convenor of the Calcutta district committee of the Left Front and CPI(M) state committee member, died in Moscow this morning. He had undergone brain surgery there a few days back. He was 57 and is survived by his wife and two daughters. He was ailing for the last few months due to a brain tumour. Arrangements are being made to bring his body to Calcutta by tomorrow. [Text] [46001055b Calcutta THE TELEGRAPH in English 9 Sep 87 p 1] /9274

ANTARCTIC EXPEDITION PLANS--Hyderabad, 13 Sep (UNI)--The Seventh Indian scientific expedition to Antarctica will sail from Goa on 26 November, Dr S. Z. Qasim, Union Secretary, Department of Ocean Development said here today. Dr Sen Gupta of the National Institute of Oceanography will be the leader of the 91-member team and Dr G. S. Mittal, scientist of the National Geophysical Research Institute will be the deputy leader. This would be Dr Mittal's fourth trip to the icy continent. The team will sail on the chartered Swedish ship "Thuleland". Dr Qasim said so far more than 400 Indian scientists and technical personnel had visited the frozen continent during the earlier six trips. The purpose of the seventh expedition, among other things, was to continue the earlier scientific work, to repair and maintain infrastructure, undertake new construction and to take up serving of communication system from India's permanent station "Dakshin Gangotri" there. Earlier delivering the third Dr Balakrishna memorial lecture at NGRI, Dr Qasim said that 17 Indians lived at 'Dakshin Gangotri', which had all the facilities including recreational and a well-equipped hospital. [Text] [46001055c New Delhi PATRIOT in English 14 Sep 87 p 5] /9274

**INDO-NORWEGIAN TAXATION PACT**--India and Norway have entered into a convention for avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income and on capital, report agencies. Under the convention, business profits, derived by an Indian or Norwegian enterprise will be taxed only in the country of its residence, unless the enterprise carries on business in the other country through a "permanent establishment" situated therein. The convention restricts allowance of head office administrative expenses of Norwegian enterprises in India to limits laid down in our domestic law, says an official release. Gross income from fees for technical services, dividends and interest will be taxed at concessional rates. The convention determines the respective taxing rights of the two countries on income from profession, pension and salaries as well as profits from off-shore activities in connection with the exploration or exploitation of the seabed and subsoil and their natural resources. Under the convention double taxation on income shall be avoided generally by the credit method. [Text] [46001055d New Delhi PATRIOT in English 12 Sep 87 p 10] /9274

**RESIGNATIONS IN MANIPUR**--Imphal, 10 Sep (PTI)--Two ministers of state, two parliamentary secretaries, chairman of Manipur Khadi Board and deputy chairman of the state planning board and all Congress MLAs of Manipur today tendered their resignations from their respective posts. The party sources said that the joint resignation letter was submitted to Chief Minister Rishang Keishing this evening. The sources said Minister of State for Electricity Amujao Singh, Minister of State for Irrigation and Flood Control Babu Singh, Mr Y. Kerani Singh and Mr Kh Leirijao, both parliamentary secretaries, chairman Khadi Board O Ibobi Singh deputy chairman State Planning Board Paokhosei submitted their joint resignation letter this evening. All the six Congress MLAs are among the nine Congress MLAs, who called on the Governor K. V. Krishna Rao last Tuesday and expressed in writing their 'unwillingness' to work under Chief Minister Rishang Keishing. [Text] [46001055e New Delhi PATRIOT in English 11 Sep 87 p 1] /9274

**ILMENITE DEPOSITS DISCOVERED**--Bombay, 3 Sep (UNI)--The National Institute of Oceanography (NIO) has discovered the biggest ilmenite deposits in the country off the Konkan coast in Western Maharashtra, conservatively estimated at 12.5 million tonnes. NIO marine scientist Dr C. M. Rao said the estimates of ilmenite deposits, reserves of which could amount to as much as 160 million tonnes, were based on studies of material extracted from boreholes in three days off the Konkan coast, Kalbadevi, Mirya and Ratnagiri. The ilmenite reserves in the three bays alone were estimated at two million tonnes and the total reserves were inferred from a survey of 13 bays by NIO and the Geological Survey of India (GSI). India currently produces only 0.177 million tonnes of ilmenite annually. [Excerpts] [46001055f New Delhi PATRIOT in English 4 Sep 87 p 1] /9274

**ALLEGED SPIES HELD**--New Delhi, 11 Sep--Two Union Finance Ministry officials were today remanded to police custody till September 21 by the Additional Chief Metropolitan Magistrate, Mr Bharat Bhushan, for supplying classified information to Pakistan. Sitaram Rathee, an assistant, and Lachman Das Meena, a senior operator, were arrested yesterday. According to the police, the two

accused were passing secret documents about the deployment of the Army to Pakistan. [Thxt] [46001055g Madras THE HINDU in English 12 Sep 87 p 7] /9274

OIL IN ARUNACHAL--New Delhi, 7 Sep--Oil India Ltd. (OIL) has struck oil at Kumchai well No 2 in the nearly inaccessible area north of the river Noa Dihing in Arunachal Pradesh. Tentative estimates suggest that the geological reserves of oil in the structure may be around 30 million tonnes, the recoverable reserves being 10 million tonnes. The oil find at Kumchai is considered to be quite significant since its proper development may yield half a million tonnes a year. High quality: Drilled to a depth of 4,200 metres, OIL technologists have encountered 12 hydrocarbon bearing zones with a total hydrocarbon pay of 60 metres. The lowermost horizon at 4,018 metres has just been tested for production, and the flow rate has been 40 kilolitres a day of high quality oil of 36.5 degree API (American Petroleum Institute) gravity. The geological structure at Kumchai is unique. Hard and solid boulder beds--rarely encountered elsewhere in the world--make for slow and difficult drilling at shallow depths. Down below in the miocene formations, abnormally high pressure and high temperature conditions are encountered. The first exploratory well was spudded at Kumchai in September 1977 but had to be abandoned 2 years later after it had been drilled to a depth of 5,500 metres because of a severe blowout with the simultaneous collapse of the open hole section. [Text] [46001055h Madras THE HINDU in English 6 Sep 87 p 1] /9274

VACCINE PACT CONDEMNED--New Delhi, 4 Sep--The Central Secretariat of the Communist Party of India today called for the immediate scrapping of the Indo-U.S. Agreement for field tests of genetically-engineered vaccines. The CPI(M) Politburo had made a similar demand on Thursday. In a statement the CPI said the agreement had been signed overruling the objection of the scientific community, bypassing the norms laid down for processing such agreements, and disregarding past experience with such experiments carried out by the U.S. on non U.S. citizens. The tests envisaged constitute a grave hazard to the health of our people, said the CPI. The agreement is a threat to our security, and its unequal terms offend our sovereignty. The CPI condemns the Government for entering into such an agreement, and demands that it is forthwith scrapped. Anti-national act: The CPI(M) Politburo on Thursday registered its strong protest against the recently concluded Indo-U.S. vaccine action programme. It described the pact as a blatantly anti-national act, which would have profoundly negative consequences for India's position against the Paris Convention on Patent Laws. The CPI(M) felt that knowledge of the immunity patterns of Indians will expose our country to the diabolical biological warfare designs of the U.S. [Text] [46001055i Madras THE HINDU in English 5 Sep 87 p 6] /9274

BORDER FORCE ENLARGED--New Delhi, 3 Sep--The Union Government has decided to enhance the strength of the Indo-Tibetan Border Police (ITBP) by 12 more battalions to meet the emerging demands on Central police forces. This was disclosed by the Minister of State for Home, Mr P. Chidambaram here today. He said the augmentation which would be more than double the force's present level was necessitated by the requirement of bank security in Punjab and other disturbed areas and the need for more effective border security in UP, Himachal

and Jammu and Kashmir, the primary function of this crack police force. The force would be raised in the next one or two years. In response to a question the Minister said the force for bank security was being raised under the ITBP due to the fact that training facilities were available with it and not the other Central Police Organisations (CPO) like the BSF and the CRPF. He said the banks would contribute to the stationing of the force to guard their premises. Mr Chidambaram also announced the Government's decision to enhance the ration money allowance of all the CPOs viz, the BSF, the CRPF, Assam Rifles and the ITBP from the maximum ceiling of Rs 167 per month, to a uniform Rs 240. The Minister said that the distinction between qualifying and non-qualifying areas which created great variations between different personnel stationed in various places, had been abolished. [Text] [46001055j Madras THE HINDU in English 4 Sep 87 p 9] /9274

NEW NAVY EQUIPMENT--Bangalore, 3 Sep--A modern sophisticated underwater electronic equipment was handed over by the Bharat Electronics Ltd., to the Indian Navy, on Wednesday. Documents for the equipment were handed over by the BEL Chairman and Managing Director, Capt. S. Prabhala, to Admiral R. H. Tahiliani, chief of the naval staff, at a simple function during the latter's visit to BEL's Bangalore factory. Called Toted, the equipment has been developed indigenously and will replace the imported systems used by the Navy at present. Designed by the National Physical Oceanographic Laboratory (NPOL), Cochin and engineered and productionised by BEL, it incorporates many novel features for greater effectiveness in underwater warfare. BEL said that in the trials carried out with the prototype, the system proved better in performance compared to what is present available to the Indian Navy from abroad. [Text] [46001055k Madras THE HINDU in English 4 Sep 87 p 4] /9274



## WORLDWIDE ARMS FLOW TO REGION REVEALED

46400172a London KEYHAN in Persian 6 Aug 87 pp 5, 15

[London KEYHAN in Persian; founder and publisher Dr Mesbahzadeh]

[Text] The Western nations have actually become an arms pipeline for Tehran. In this piece you will read about this startling and fully documented reality.

The Iran-Iraq war has opened the largest arms market in history. There are 33 countries continuously selling weapons to Iraq or the Islamic republic. Some of them sell to both countries simultaneously!

Research conducted in most of the European countries last year has shown that extensive conspiracies have developed among arms merchants, arms manufacturers and governments to circumvent laws prohibiting the sale of arms to the two antagonists in the Persian Gulf, by whatever means necessary, whether legal or illegal, and to find a way to export the products of their factories to Iran and Iraq.

Karl Eric Schmitz, a driving force in the operation of a large Scandinavian mining company, who is now one of the largest operators on the international arms black market, says: These days there are only two nations who buy weapons and ammunition at good prices: Iran and Iraq.

Some of the secret multi-billion-dollar transactions are being conducted by a large international cartel, in which there are 13 nations who manufacture munitions and explosives. They have agreed on prices for their products, and they make astounding profits by keeping the flames of the war alive.

France and England are the cartel's leading nations. After America withdrew from the Middle East and the Persian Gulf, these two nations immediately filled the vacuum. They not only sold the weapons and munitions they produce at unbelievable prices, but they have established themselves a firm foothold for the future.

This cartel acknowledges that Iran is much more generous than Iraq, especially since it almost always pays for its orders in cash. Sometimes this dear customer has purchased materials for which it has an immediate need at ten times the market price. America's embargo on the sale of arms and ammunition to Iran has produced profits for this cartel. America first established this embargo in 1979 (during the time the American diplomats were being held hostage in Tehran), and then it renewed it again in January of 1981.

## 500 Million Dollars Annually from Israel

In order to break the embargo and make a show of force to America, the Islamic republic sent numerous groups to the various nations of the world to find and purchase new munitions and American-made weapons parts. Their activities were quite fruitful, especially in Israel. The Israelis welcomed the Islamic republic's proposals with open arms, first to protect the lives and security of Jews living in Iran, also due to security considerations, and finally to keep their factories intact and prosperous. They were able to sell \$500 million in weapons to Iran annually. The Islamic republic's search for markets in Europe was also remarkably successful. A great many European nations have concessions to build American arms. America became deeply concerned about this, and in 1983 the White House sent Richard Fairbanks to friendly European nations as a special envoy. He asked them to refrain from exporting arms to the Islamic republic and threatened that if they did not stop doing this their concessions to build American arms would be withdrawn.

Fairbanks and his colleagues had no problem meeting with the governments and factories, but when they tried to cut off the underground arms pipeline they encountered many difficulties. When it became evident that America's allies themselves have a hand in this, the United States special envoy was up against a brick wall. Hamilton Spence, acting director of the private British factory Inter Arm, said: There are many ways to conduct transactions so quietly that no one will know. Very few people conduct transactions of this type solely on their own accounts. They all carry them out on behalf of their governments. For example, in our own country there are several established groups of Islamic republic officials in London who have established an office to purchase weapons for Iran. Some of these groups claim that they are buying military equipment from England, rather than weapons. The truth is miles away from these claims, however. The situation became quite clear at one point when the British government claimed that motors and spare parts for chieftain tanks and landing craft are war materiel, but that they are non-lethal!

## America Itself Breaks Embargo

In August 1985, after his encounter with the aforementioned brick wall, Fairbanks resigned. With his departure the arms embargo against Iran crumbled, and America itself authorized the first shipment of American arms to Iran by way of Israel. This shipment was taken out of Israel on 30 August and 14 September 1985. You can see that the first shipment went to Iran a few days after Fairbanks' resignation. Concerning this, he himself says: I had not even cleaned out my desk before I heard about that shipment!

Today all members of the NATO alliance, along with Switzerland and Sweden, either sell arms and munitions directly to the Islamic republic or make the necessary facilities available to ship them and pay for them. Although several days ago in Paris U.S. State Department Middle East and South Asia specialist Marion Craigmore said that work to prevent the sale of weapons to Iran has intensified since the Irangate disclosures, all indications are that the arms pipeline to Iran gets bigger every day.

Karl Eric Schmitz, one of the arms wholesalers to the Islamic republic, has sold \$60 million in munitions and weapons to Iran. Before the Islamic republic Iran was a customer of his factory for 20 years (in south Sweden), but never in all that time did this factory make such profits. The flood of big profits began four years ago, when the Islamic republic's Ministry of War turned to him. The Swedish investigator who questioned Schmitz for a lengthy period of time says that he

has never appeared to be a man with the sensitive arms black market in his hands. He is a handsome, very polite man who believes in family life. He shows all the characteristics of a truly civilized man, and this is very different from the image one usually has of an arms smuggler.

A reporter asked Schmitz: Don't you feel any sense of discomfort, shame or wrongdoing because of selling arms to the Islamic republic? He answered in a natural and quite simple manner: Arms factories must operate. If they don't, what will their workers do?

Ships belonging to Schmitz operate under the Danish flag with Danish concessions. In order to keep these arms-laden ships bound for Iran from being stopped in the Suez Canal by the Egyptians, Schmitz has prepared false papers for them stating that their destination is Kenya. For this purpose he has sold large quantities of gunpowder to Yugoslavia from Sweden, Holland and West Germany, which he buys back and resells to Iran. In order to keep the final destination of the shipments from being known, he issues counterfeit papers to Pakistani ports. One of Schmitz's shipments, seen by the aforementioned reporter, showed a figure of \$150 million.

### Islamic Republic a Glutton for Arms

In order to satisfy the Islamic republic's insatiable appetite for artillery shells, Schmitz went to South Africa. South African munitions factories sell his factories 3,700 tons of gunpowder per year. In June of 1984, however, South Africa suddenly and without explanation cut off gunpowder exports to his factories. At the same time it became apparent that that nation's arms factories had signed a very secret \$400 million contract for arms sales to Iraq. The major part of this contract had to do with long-range artillery parts. One of Iraq's conditions was that South Africa immediately stop all direct and indirect shipments of arms and munitions to the Islamic republic.

Schmitz, who was faced with a shortage as the result of South Africa's decision, contacted the European arms procurement cartel, which shipped all of his contracts to Iran and Iraq after 1975. There are 13 major gunpowder-producing nations with membership in this cartel. They include Nobel Chemi (Sweden), PRB (Belgium), SNPE (France), Nobel Explosives (Scotland), Sweden Chemi (Holland), Forsythe and Chemira (Finland), Rayutinto (Italy), Esnia BP (Italy), Vi Ni Nes (Switzerland), and SAG (West Germany). The leaders of this cartel set the monthly prices for gunpowder and other substances to be sold to Iran and Iraq at luncheon meetings in Paris, Madrid, Geneva and Bruges (Belgium).

In November of 1984 Swedish customs officials raided the Nobel Chemi factory in Sweden. At that time documentation fell into the hands of the Swedish government that ships bearing products from that factory had sailed a month earlier from West German ports bound for Iran and Syria. Customs officials told reporters: We found a great many letters which had been exchanged between Nobel Chemi and the Islamic republic. In our raid on that factory we obtained important secrets. This was the first blow against the aforementioned cartel. The second came in December of 1985 when Swedish customs officials discovered a 26-ton shipment of gunpowder bound for Iran. Schmitz's role in these dealings was such that Swedish officials found no evidence that could be used to arrest him. Schmitz, who was caught in a tight squeeze as the result of measures taken by Swedish customs, desperately traveled to every corner of Europe and everywhere else to find other sources for the Islamic republic's needs. He went to Holland, Belgium, Spain, Italy, Greece, and several times to Israel, because he was obligated to fulfill the contracts he had signed with the Islamic republic, otherwise he would lose ten percent of the amount of the contract.

In an interview recently with the Swedish newspaper EXPRESSEN he announced that if he were unable someday to send arms and ammunition to Iran, he would not lose this prime customer. By way of explanation, he said: Anything you can think of can be sold to the Iranians at a good price!

Another large Swedish factory named BOFORCE has feelings like Schmitz's concerning Iran. This large arms factory recently began producing RBS-70 surface to air missiles, which are very accurate, along with its old products. It was with these missiles that Iran was able to shoot down 45 Iraqi aircraft in its January and February offensives.

Sweden is portrayed as a peace-loving nation which does everything it can to prevent arms from being exported to Iran and Iraq. However, since 1978 huge quantities of arms have been sent to the two warring nations from that country. Factory owners say that these have been exported with the government's explicit permission. Government officials deny this, however, and they began a broad investigation of this some time ago. It has recently become known that some government officials accepted bribes for the signing of an exceptionally heavy contract for the export of arms to India. Swedish peace activists have given the name 'Irangate' to this episode. Likewise, the study of arms smuggling to Iran and Iraq has produced evidence related to the murder of Olof Palme, that nation's late prime minister.

One unusual exporter of arms to Iran is Belgium. At the same time, lenient Belgian customs regulations allow exporting nations to use this country's customs facilities to send their shipments to Iran. For several years the port city of Zeebrugge has been the origin of arms shipments from Sweden and France to Iran. Evidence has recently come to hand showing that American TOW missiles (stolen from NATO warehouses in America and Europe) have also gone to Iran through Zaventem Airport in Brussels.

According to French and West German security officials, NATO European forces commander General Bernard Rogers, also commander of American forces in Europe, ordered an extensive investigation of the theft of the missiles in late 1986. It became known that a number of them were stolen in 1985 and 1986 from American warehouses in West Germany. When the investigation reached this stage, the Pentagon ordered it stopped. General Rogers was quite angry that the missiles were taken out of the warehouse and sold to Iran without his knowledge. Since it was possible that it could produce other reactions, he resigned from his position after holding it eight years.

Charter planes carrying the warheads for these missiles from America landed at Zaventem airport and were held in the customs compound. Several minutes later other aircraft which had been loaded in Bavaria (West Germany) with the missiles stolen from American warehouses stopped nearby. Since they were not technically within the Belgian customs compound they did not need any documents, especially since the German aircraft carrying the missiles had mounted insignia showing that they were apparently carrying industrial parts and automobile motors. For this reason they did not arouse the suspicions of Belgian customs officials. In practice, however, the missiles were taken out of these aircraft and moved to the American air transport planes, then flown to Iran. It is not yet known whether the delivery of these missiles to Iran was part of the program of Colonel North and General Secord or not, but important evidence obtained by the Belgian newspaper LUSVAR shows that all of these operations were approved by the Pentagon.

After these secrets were disclosed the governments of Belgium and Sweden intensified their crackdown. However, no iron-clad laws or regulations can stop the arms smuggling to the extent required by policy.

Last year, prior to the elections in that country, the French press disclosed evidence showing that the French Lucher company has exported more than \$100 million in artillery shells to Iran, and this was at a time when the French government has established quite stringent regulations for the control of arms exports. This factory forged documents, giving Brazil, Portugal and Thailand as destinations for the shipments. Serious investigations were conducted for several days, but due to secret intervention by the French defense ministry and its minister Andre Girot, the commotion subsided and the not only was the chief of the Lucher factory not summoned to court, he was awarded the Legion of Honor medal. In addition to Lucher, another large French electronics manufacturer called Tamun SSF sold extremely advanced radar to Iran. French security officials have also disclosed that a retired American colonel formerly assigned to the American embassy in Paris has been repeatedly sighted at the Paris military airport Chateauroux supervising the loading of TOW missiles onto an Iranian military transport aircraft. This is the same airport from which billions of franks in arms have been exported to Iraq in recent years.

What the French have done secretly the British do as a matter of policy. Although Margaret Thatcher told parliament in November that "Britain will sell no war materiel to Iran and Iraq that could intensify the war," in practice the government has removed all obstacles to the export of weapons to Iran. One month after her speech to Parliament, six anti-aircraft radar units made by the Plesser factory valued at 343 million pounds were sent to Iran. The pretext for sending these units was that they would be used for surveillance along Iran's borders with the Soviet Union and Afghanistan, but they were actually used against Iraq.

Last December the London weekly OBSERVER quoted a government official who said that important contracts had been signed with the Iranian arms purchasing office. One month prior to this disclosure, the British government sent 50 million pounds in motors and spare parts for Chieftain tanks to Tehran. The pretext for this was that these had been promised under contracts signed before the establishment of the Islamic republic. Since 1984 Iranian trainees have been learning the use of Swiss Orlikon Borle anti-aircraft guns on British soil under British instructors.

For years America deprived Europe of the lucrative Iranian market. The establishment of the Islamic republic gave the Europeans an opportunity to take revenge from America for those years. In this regard Sweden exports more than 50 percent of the weapons it manufactures to Iran and Iraq. France more than 40 percent, and about the same percentages apply to other NATO nations. These sales not only bring large amounts of money into the exporting nations, but they are a significant contribution to the defense of Europe itself. An official from the French factory Tamun SSF said: Adherence to regulations prohibiting the sale of arms destroys our arms factories. The question that arises in response to this remark is:

What would happen if Iran and Iraq suddenly stopped fighting?

That official's dispirited answer is:

We will lose a big customer like Iran forever.

This is truly impossible.

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## COMMENTARY VIEWS, CRITICIZES SUSPENSION OF U.S. AID

Islamabad THE MUSLIM in English 28 Sep 87 pp 4, 5

[Article by Air Chief Marshal (Retd) Zulfiqar Ali Khan]

[Text]

THE RECENT suspension of American military and economic assistance to Pakistan has once again heightened the sense of betrayal and underlined the hypocrisy of Washington's non-proliferation policy. The reason advanced for the suspension of aid is that a Canadian national of Pakistani origin tried to export 25 tons of steel alloy from the United States to Pakistan, and that Pakistan intended to use this alloy towards its nuclear programme. Yet not a single voice was raised in protest when the same steel alloy was exported from the US by the same company to India, Israel, Brazil and Argentina, all of which have far more advanced nuclear programmes than Pakistan.

**SUSPENDED**

Despite the government of Pakistan's denial, the American government has gone ahead and suspended aid for 105 days during which they seek categorical assurances from Islamabad that it is not engaged in the manufacture of nuclear weapons. The kind of assurance sought includes the inspection by American experts of our Kahuta plant. The government of Pakistan has rightly rejected this as selective, and a gross interference in our country's affairs. One wonders how long and how frequently Pakistan must endure such

torments. It is important for us therefore to analyse the real reasons of this aid in an attempt to understand its true nature.

It will be recalled that in 1979 the Americans suspended all economic and military assistance to Pakistan to put strong pressure to stop Pakistan from engaging in efforts to further its programme to acquire nuclear technology. This was done under the Symington amendment. However, this military and economic assistance was resumed in the wake of Soviet military intervention in Afghanistan in December, 1979.

But what were those strategic considerations which made the U.S. resume the suspended assistance without any perceptible change in Pakistan's nuclear programme? The Soviet military intervention in Afghanistan created a rare opportunity to further American interests in the area which they aridly seized. Some of the American policy makers were also of the view that the Russian military move in Afghanistan brought the vital areas of the Persian Gulf within the range of tactical air force of the Soviet Union, thereby, threatening their vital interests. The Russian military presence in Afghanistan also outflanked Iran and Pakistan thus opening the possibility of the threat by land as well.

**BENEFITS**

There was, of course, the Vietnam syndrome at the back of the American policy makers mind. Thus they came to the conclusion that Pakistan was

the only country in the region from which they could project their influence northward into Afghanistan and westward in the Persian Gulf. Therefore, Pakistan once again became important in the perception of U.S. policy makers. The military regime in Pakistan was willing to cooperate provided the Americans made adequate provisions for its security. Because it was realised that in such an undertaking Pakistan would be severely threatened by the Soviet Union if it became a conduit of arms for the Afghan resistance.

There were several obvious benefits which were to accrue to the United States by such an arrangement with Pakistan. First and foremost, by giving military and economic assistance to Pakistan they could prevent it from getting close to the Soviet Union. In such an event the Soviets could have had access to Karachi or a port in Baluchistan such as Gwadar which lies at the head of the Persian Gulf. In this situation the U.S. would have been denied the entire South Asian coastline. The Soviets could have used this area for direct operations in the Persian Gulf. This would have been a totally unacceptable situation for the Americans, since this would have seriously eroded their commanding position in the Persian Gulf. For the United States, the Persian Gulf is as important as the defence of Central Europe. One-third of the proven oil reserves of the world are in this region. The economies of Western Europe and Japan are dependent upon it. It was for this reason that the Americans created the Central Command, whose sole function is to defend American interests in the Persian Gulf.

The second advantage of closer U.S. ties with Pakistan was to make it possible to assist the Afghan resistance. This was only possible if Pakistan fully cooperated and allowed the use of its territory as a conduit for arms for the Afghan resistance. Of course, Pakistan had to be defended against any Soviet retaliation.

The assistance to the Afghan Resistance had several benefits for the United States. First and foremost by giving them relatively sophisticated arms like surface-to-air shoulder fired missiles, anti-tank missiles and rocket launchers etc., the Russians could be involved in a protracted and messy conflict inside Afghanistan. The next advantage was that it provided an opportunity to the Americans to settle old scores and pay back the Russians for what they had done in Vietnam to the Americans in the not too distant past. They also felt that the Afghan conflict could be used as a bargaining chip with the Russians resolving other issues confronting East-West relations. Of course, the American involvement in Afghanistan was such that they could have walked out of it without any embarrassment whenever it suited them.

The third advantage which American policy makers saw for themselves derived from Pakistan's geo-political situation at the mouth of the Persian Gulf. The Americans had raised the Central Command which comprised 9 army divisions, 36 tactical air force squadrons and 2 naval task groups which included 2 aircraft carriers and about 70 ships. The purpose of Central Command, as is well known was to intervene militarily in the Gulf should such a situation arise.

In such an event Pakistan could be useful for the transit of ships, aircraft and other logistic material. Besides, Pakistan could be persuaded to send a division or two to Saudi Arabia to bolster the regime which had come under severe pressure after the Islamic revolution in Iran and the occupation of the Grand Mosque in Makkah in 1979. American policy makers also hoped that in such an event they could use the Pakistan army as a proxy force.

## EFFECT

First and foremost was the effect military assistance to Pakistan would have on Washington's relations with India. These fears were to a certain degree allayed by promising the Indians that the quantum of military assistance to Pakistan would be such as would not threaten India's security. And India was to be further assured that the U.S.

having reasserted influence over Pakistani policy makers, would be in a position to persuade Pakistan to accept Indian pre-eminence in the region. Hence SAARC, which came into being immediately after the first instalment of the package was released.

The second liability was that resumption of military assistance to Pakistan would reduce the credibility of the U.S. commitment to non-proliferation. According to the Americans, Pakistan was seeking the technology, if not the bomb itself. However, on balance it was realised that the strategic advantages outweighed the non-proliferation policy.

Added to all this was the question of cost. Given Pakistan's economic situation it was felt that Islamabad may not be able to pay back the billions of dollars that the Americans would have to dish out to Pakistan over the years. However according to U.S. policy makers the price was not too high in view of the strategic gains.

## APPREHENSION

Perhaps the most important consideration that was worrying American policy makers was that given the unstable political conditions inside Pakistan the next regime coming to power could cancel the strategic relationship, as had happened to them recently in Iran. Some of them thus thought that it would be unwise to give military and economic assistance. It was also realised that with the passage of time, the popular pressure on the military regime to hold elections would increase. This, they felt, could be overcome by arranging elections in such a manner as to ensure a smooth transition from military to civilian rule. This would save Pakistan from an upheaval and also ensure that the civil regime that came into power as a result of such elections, would follow the policy of the military regime. They did not discount the possibility that a weak civil arrangement could be followed by another martial law.

Having considered all these pros and cons American policy makers concluded that for hard-headed strategic reasons it was in their overall interest to give military and economic assistance to Pakistan.

While Pakistan did become a conduit of American arms for the Afghan Resistance, it was not prepared to go along with the American policy of confrontation with Iran. In this connection it is relevant to point out that Pakistan's Prime Minister made a categorical assurance that Pakistani soil would not be allowed to be used against Iran. Perhaps the

policy makers of Pakistan realised that a resolute national consensus cutting across ethno-sectarian grooves would not stomach any Pakistani involvement against Muslim Iran, a neighbour which has come to be regarded as a strategic friend along with China.

Regardless of the pressures, Pakistan must remain very firm in its profession of friendship to Iran not only in words but deeds as well. We must remember that Americans are not going to be here permanently. But Pakistan will have to continue to co-exist with its neighbours. Given the regional ambitions of India we can do very little for the time being to decrease the military threat from the East. However, it will be an unmitigated folly on the part of our policy makers to embitter our relations with our two Muslim neighbours, Afghanistan and Iran, with whom we have such close ethnic, religious, cultural and regional ties. Together they form our Western frontiers and in the event of a threat emanating from the East, we should feel secure from this side.

Whatever the reasons for the suspension of American aid, whether it is our nuclear programme or an American effort to involve us in the Gulf region, we must be quite clear that already our disastrous Afghan policy has landed us in a quagmire from which we have not so far been able to extricate ourselves. And the price that Pakistan is paying for this policy is high, in the form of millions of refugees, gun running, drug trafficking and bomb blasts. Added to this, is, for the first time in the history of Pakistan, a military threat from the West.

All this adds up to the fact that Pakistan has paid a terrible price for upholding American interests in the region and it looks as if

though we are condemned to persist in this folly. The United States still has the same compulsions for which it started giving aid to Pakistan. The Afghan problem remains unresolved and Americans are not prepared to let the Russians off the hook as yet. Only recently they announced, not only an increase in assistance but have also promised long-range mortars which is bound to further escalate the fighting inside Afghanistan with obvious repercussions on Pakistan.

The situation in the Gulf is deteriorating with little prospects of improvement in the near future particularly with the recent attack on an Iranian boat by an American helicopter gunship. Our policy makers have to take a fresh look at our internal and external policies even at the cost of a stoppage of American aid, and must not give in what is "arm-twisting" policy of U.S.A.

Unfortunately some of our past and present leaders are so badly "hooked" on American aid that they cannot think of life without it. Washington knows this and is trying to take advantage of it. If a bold and resolute leadership confronts them, they are bound to back down. Under no circumstances can they be permitted to play with the destiny of the nation in order to serve their own regional interests.

/8309

CSO: 4600/03



## U.S. TAKEN TO TASK FOR SUSPENSION OF AID OVER ATOMIC ISSUE

46560103a Karachi AMN in Urdu 1 Aug 87 p 3

[Column "From Jumma Khan's Pen"]

[Excerpt] America has suspended aid to Pakistan for 105 days based on the suspicion that Pakistan is engaged in making an atomic bomb and that it is secretly importing equipment used for making such a bomb. This action was taken following the arrest of a person for attempting to send a shipment of special steel to Pakistan. Now the American aid will be restored only if President Reagan gives assurance that the Pakistan Government is rendering full cooperation in the special steel case.

The person who was trying to send special steel to Pakistan is Arshad Parvez, a resident of Canada. The person who wanted to import the special steel into Pakistan is a former brigadier, Inamul Haq, and his company's office is in Lahore. Arshad Parvez has been arrested in America, and arrest warrants have been issued for Brigadier Inamul Haq but reportedly he has disappeared and his whereabouts are unknown.

The importation into Pakistan of special steel from America is a matter that concerns the Ministry of Commerce. But since according to the U.S. government this steel is used for making an atomic bomb, in principle it could not be imported without the permission of the Ministry of Defense. And since the attempt to import special steel led to fear of a halt in aid to Pakistan, this scandal also involves the Ministry of Foreign Affairs.

It can be assumed that the Pakistani Government did not need special steel and that it is not interested in making an atomic bomb, but no one has been able to say why a former brigadier of the Pakistani Army was importing this special steel and for whom.

If the concerned ministries had been paying attention and if they had kept the interests of the country and the nation uppermost, would the American aid have been suspended? And would Pakistan have been branded as unreliable in the eyes of the entire world?

The present rulers claim that America is Pakistan's best friend and that the aid Pakistan receives from it is unconditional. It is also claimed that between the two countries there is not only a relationship of mutual respect

but that they also accord each other a status of equality. Does the American decision to suspend aid to Pakistan show that America accords Pakistan a status of equality, that it respects Pakistan and that there are no strings attached to its aid? We have been living in a fool's paradise; we have put too much trust in America. The result is that America has now put us in the dock in the eyes of the entire world and we have been ordered to arrest and produce one of our former brigadiers, who has reportedly disappeared. If the Pakistani Government does not obey this order and Brigadier Inamul Haq is not recovered, then there is no guarantee that after 105 days American aid to Pakistan will be resumed.

12286

## MINISTER DENIES DEAL WITH U.S. ON HEALTH PROJECTS

Islamabad THE MUSLIM in English 28 Sep 87 p 8

[Text] ISLAMABAD, Sept. 27: The Government of Pakistan has not signed any secret agreement with the U.S. Government for grant of aid or fund for health care projects.

This was stated by Begum Afsar Raza Qizilbash, Minister of State for Special Education and Social Welfare while replying to a privilege motion in the Senate today.

The Minister categorically stated that there were no special conditions attached to the grant/fund made available to Pakistan for various projects including U.S. aided primary health care projects.

The motion was sought to be moved by Javed Jabbar in which he stated that privilege of the House as the supreme law making institution of the country has been breached by the failure of the Government to prevent the enforcement of laws and regulations of the United States of America on the soil of Pakistan as evidenced in the implementation by the U.S. Agency for International Development of a project to construct medical technician training institutions in Baluchistan.

The member based his motion on a Press report and contended that an independent and sovereign country should not allow any other country to enforce its laws and regulations on our soil.

Begum Afsar Raza Qizilbash opposed the motion and said the member was misinformed about the facts of the matter.

She told the House that the Government of Pakistan and US Government signed a grant agreement on Sept. 25 1982 for primary health care project. The goal of the

project was to improve the health status of the rural population in Pakistan.

The main components of the projects were: medical technicians and community health workers training, construction of 13 medical technicians schools, immunization of 15 million children against six preventable diseases to achieve 20 per cent reduction in infant and child mortality, planning and management of integrated rural health complexes, health promotion and education campaign and overseas short-term training for programme managers and technicians.

The Minister said the donor country had a standard procedure for the utilisation of the grant as applicable to all countries of the world.

Begum Afsar Raza Qizilbash further said that under the primary health care projects construction of 13 medical technician schools were financed from the US aid grant fund. The total expenditure was Rs. 130 million, she said adding the USA Government had agreed to provide 20 million dollars.

The Minister questioned that how a foreign country could be allowed to enforce its law on our soil.

Javed Jabbar pressed and argued for the admission of the motion.

The Chairman Ghulam Ishaq Khan ruled the motion out of order, stating nothing unusual was done in the agreement referred to in the motion.

He said each donor country attached certain conditions with any aid agreement in accordance with its economic interests and universally accepted principles. He added that it was up to recipient country to accept or reject any aid offer or agreement.—APP.

## POLICY ON AFGHANISTAN, AFGHAN REFUGEE ACTIVITY CRITICIZED

46560103b Karachi AMN in Urdu 1 Aug 87 p 3

[Column "From Jumma Khan's Pen"]

[Excerpt] Foreign Minister General Yaqub Khan has said that even if Pakistan had not taken a tough stand against Soviet intervention in Afghanistan, it would have had to face the same situation it is facing today. The honorable minister is welcome to produce any kind of arguments he likes in support of his Afghan policy, but no one will concede his point that others would keep throwing bricks at us regardless of whether we threw stones at them or not.

Pakistan's present Afghan policy is not of its own making: it is American made and its purpose is the protection of American interests. The best proof of this is the fact that when the Soviet forces first arrived in Afghanistan, Pakistan flatly refused to embrace this policy. Then America offered Pakistan some 6 billion rupees in aid, but General Zia did not take the bite and rejected the aid, calling it insignificant. Many months later, when America expressed its willingness to give more than 50 billion rupees in aid, the deal was struck, and Pakistan began to act on the American-made Afghan policy, which the foreign minister describes as a "tough stand."

The question is why Pakistan is the only country to take such a tough stand. Afghan refugees did not come to Pakistan alone. Hundreds of thousands of Afghan refugees went to Iran, too, but Iran refused to become America's tool, and Iran is safe not only from Afghan attacks but it is also immune from the sabotage activities of Afghan spies. Iran and other neighboring countries have not taken a stand; they have not considered it to be in their interest to adopt a policy like the one pursued by Pakistan. If Pakistan had adopted a policy like that of Iran, there is no reason why armed Afghan forces should repeatedly raid the Pakistani borders or why sabotage activities should increase in all four Pakistani provinces, resulting in the death of hundreds of our citizens and property losses of billions of rupees. This policy made the early return of Soviet forces impossible, and it opened the floodgates of large-scale killings in Afghanistan. Our own citizens are dying and the prospect of an immediate return of millions of Afghan refugees is rapidly receding.

The arms are Soviet or American.

The blood is Muslim,

Afghani,

and Pakistani.

It can be argued that the Afghan mujahedeen are fighting a war of liberation, but does history provide any parallel to such a war of liberation? Has it ever happened that the mujahedeen of any nation fought a war of liberation while residing in another country and achieved success? What does the history of India, Bangladesh, Kashmir, Vietnam, Algeria, Zimbabwe and other countries teach us?

In a television news report on the situation in East Punjab, it was stated that the Sikhs are fighting for the freedom of their motherland. If this is true, they are fighting on their own soil; they are not indulging in arson and destruction while residing in another country. On the other hand, in Parachinar, Afghan mujahedeen have started attacking our citizens. Is this the way to fight a war of liberation?

12286

## GOVERNMENT DISINFORMATION ALLEGED ON ASGHAR KHAN'S KABUL TRIP

46000001a Lahore VIEWPOINT in English 17 Sep 87 p 8

[Text]

**THE DAY** Air Marshal (Retd) Asghar Khan returned from Kabul, a news agency circulated a long story designed to counter any positive impact of his impressions and thereby exposed its role as a tool of disinformation.

Of course, this particular agency is known for its extraordinary contribution to the projection of the Afghan conflict. It has had no qualms about distributing the fictional reports of Mujahideen's exploits, prepared by rebel camps in Peshawar, as hard news gathered by its diligent sources. But, perhaps, the agency can justify its right to spread false reports by referring to some holy cause or its dependence on Government grants. A question of ethics certainly does arise but one can leave that to be considered by the managers of the agency.

**Slanderous**

What provokes one to take notice of the mischievous report on Asghar Khan's Kabul visit is that it quotes "political observers" as the authors of the denunciatory gibberish. Declaring flatly that Mr. Asghar Khan enjoyed no support in Pakistan,

the report alleged that his meeting with Afghanistan's rulers amounted not only to denigrating the Afghan rebels' cause and compromising Pakistan's principled stand but also constituted an act "prejudicial to national interest". Now, the agency is perfectly entitled to release its own comments on Asghar Khan's activities and also to circulate the views expressed by identifiable critics. But it is certainly time the obnoxious tactic of using 'political observers', 'informed circles', etc., to subject political leaders to calumny was abandoned. No doubt there are occasions when it is necessary to shield the source of information but this practice can be justified only in respect of news. Where opinions are expressed about political events and personalities the tendency to shroud the commentators in anonymity works contrary to the news media's ideals of truth and fairness.

**Disclose identity**

Unfortunately, successive regimes in this country have used their information paraphernalia to plant, through the controlled news agencies, stories attributed to 'political

observers'. As a result, the Government is accused of indulging in disinformation even when an attempt to mislead public opinion may simply be the figment of the overwrought mind of a news agency's underpaid apprentice. The story under reference could also have been supplied by any of the vested interests opposed to an Afghan settlement, but the Information Ministry will figure among the prime suspects. In order to safeguard the people's right to receive truth and nothing but the truth and also to restore the credibility of the media, it is necessary that the Government and the representatives of the Press came to a mutual agreement that ghosts like 'political observers' will not be used for crude propaganda. Whoever wishes to express an opinion should be named so that people know what importance to attach to it.

It should not be impossible to include such an accord on the agenda of the next meeting between the Information Ministry and the Press representatives. The country will certainly be better off with less disinformation.

/9274

## COMMENTARY VIEWS KARACHI SITUATION

46000001b Lahore VIEWPOINT in English 17 Sep 87 pp 15-16

[Text] The Curfew which was imposed as a collective punishment on a majority of Karachi's seven million population continued (Sept. 10) for the third week, although with lessened rigour. The ruthlessness with which it was enforced is evident from a picture published in the local Press showing a man in his mid-thirties, alleged to be a miscreant, being taken to the police station on a truck with two children, aged 6 and 8, on either side. How a man with children of those ages could go out to create disturbance or break public peace, the policy of Karachi alone can explain.

Violence and terrorism once again returned to Karachi last week, leaving at least five people dead. On September 9, one man was hurt when Landhi Police opened fire on an angry mob. Twenty shops were looted in North Nazimabad and the Buffer Zone.

The trouble arose when unknown assailants attacked the Landhi residence of one Bashir Ahmad and riddled his body with bullets. He died on the spot. An angry crowd soon came out on the streets throwing stones on a police party which opened fire injuring one person.

On September 11, two persons were reportedly murdered in Quaidabad in Landhi, while two others, including a woman, were killed in separate incidents.

According to details, Najeeb Shah and Ali Bahadur were running narcotics business in Quaidabad area. Najeeb Shah reportedly challenged Ali Bahadur that he would not allow him to run his business. This created tension between the two gangs and on Friday night, both groups started firing on each other which resulted in the death of the two gang leaders, Ali Bahadur and Najeeb Shah.

Though belated, public leaders called citizens' meetings to discuss

the situation, police atrocities, indiscriminate arrests, torturing of relatives of wanted men and general distress created by prolonged curfew. The biggest such gathering was held in the central secretariat of the NPP under the chairmanship of Mr. Ghulam Mustafa Jatoi. Of the major parties only PPP was absent. Except for passing a resolution sympathising with the victims and blaming the Government for the ethnic divide, these meetings could not come up with any concrete plan of action to heal the wounds and assuage the feelings of hatred between the hostile sections of the people.

The JUP leaders reacted with evident anger to a suggestion that leaders should stage peace marches in areas of tension or where there is apprehension of disturbance breaking out. The reaction that this was a suggestion to offer themselves as easy targets for snipers is symptomatic of complete lack of confidence in themselves, in law-enforcing agencies, as

well as in the good sense of the citizens. People seem to have been totally demoralised by the agents of the drug, arms and transport mafia that are widely believed to enjoy the support of powerful sections of law-enforcing agencies and high-ups in the administration. The mafia is supreme in the city and can do anything with impunity to sustain its deadly trades. This is the reason that three-week long curfew, including the continuous one of three days, did not help in recovery of arms, visible all over, or the white powder.

The Government seems to have resigned itself to the existing situation. Previously prompt promises were made for the assessment of damage caused in riots and payment of compensation to the victims. Now the practice has been abandoned and it has been made known that Government carries no obligation. Thousands of poor families have been rendered homeless, deprived of means of livelihood and the small assets they

had. But the Government has absolved itself of any responsibility for their rehabilitation.

### City's plight

During the last two-and-a-half years of the military-cum-civilian Government, the city has gone through fire, destruction and death seven times. Even at a conservative estimate, well over a thousand people have been killed and the city has suffered a damage of over five billion rupees in destruction and lost production. Until now, businesses and factories have remained closed for over 40 days due to disturbances. Lack of civic amenities and growing unemployment which fueled the ethnic divide are aggravating tensions. The situation is getting explosive and the leadership, both in power and Opposition, is complacent and ignorant of consequences. The PPP, which is still a major force, is inactive as far as restoration of peace and harmony in the city is concerned. When the day of reckoning comes the people are unlikely to forget who stood by them in their days of distress and who did not.

### Situation in Sind

The situation in the interior of Sind is also fast deteriorating. Dacoities and kidnappings for ransom are on the increase. The city of Dadu was the scene of plunder and looting for several hours by a gang of 50 dacoits who took away with them

20 people into the forest. According to a Government Press release, 12 of them were later released. The law-enforcing agencies appeared only when the dacoits had completed their job, to console the victims. People are totally at the mercy of anti-social elements, police are becoming irrelevant, having created an image of partisanship in all types of crimes.

Politically, efforts of the nationalist Sindhis to create a united front seem to be making a very slow headway. The 12-points on which a consensus is reported to have emerged are:

1. To counter the conspiracy to turn Sindhi-speaking people into a minority in their own province.
2. To oppose the establishment of cantonments at Pano Aqil-Nawabshah, Badin and Dadu for stationing a "foreign" army.
3. To find a permanent solution of drought in Thar.
4. To oppose the construction of Kalabagh Dam.
5. To ensure productive employment for Sindhi youth and oppose employment of non-Sindhis in Sind.
6. To accept only those people in Sind who came here upto 1951 when there was no visa and to reject all migration from other provinces since the establishment of One Unit in 1956.
7. To cancel all allotments of lands to army personnel and civil bureaucrats and distribute that land among Sindhi land-

less Haris.

8. To work for recognition of Sindhi as national/official language of Sind.
9. To ensure water distribution in accordance with the 1940 agreement.
10. To provide employment only to Sindhis in Nooriabad and other Sind industrial estates.
11. To oppose army operations in Sindhi villages in the name of anti-dacoit campaign.
12. To demand the release of all Sindhi nationalist detenus.

Meanwhile, the Government of Syed Ghaus Ali Shah feels shaky because of behind-the-scenes threats of Governor's rule. It now lacks the power to take any bold decisions on sensitive issues which are agitating the minds of the people. Things are just drifting.

On the subject of population influx, the Sind Government experts are reported to have prepared a paper which will soon be discussed in the Provincial Cabinet and possibly later in the Provincial Assembly. According to knowledgeable sources, the paper suggests introduction of work permit system to reduce the burden of outside labour on the economy of the province. The work permit system will not allow non-locals the right of permanent residence and they will live in the province on permission for a particular job and for a specific period. The system can be introduced only with the approval of the Federal Government and probably under a federal law.



## INDIAN MOVE TO BUILD DAM ON JHELUM CONDEMNED

46000007d Karachi DAWN in English 4 Oct 87 p 3

[Text]

KARACHI, Oct 3: Mir Hazar Khan Bijarani, President, Sind PPP, has condemned the move by the Indian Government to construct Wallur Dam on river Jhelum in occupied Kashmir and said that the move would be resisted by the people of Pakistan.

In a statement on Saturday he said: "The planned Dam is a clear violation of the internationally-accepted rights of the countries situated downstream as well as the clauses of the Indus Basin Treaty of 1960 between India and Pakistan".

The Dam, when constructed,

would threaten our irrigation system and the power generation capacity of the Mangla reservoir", he pointed out.

He said the Sind PPP has taken a principled stand on the 'desertification of Sind' through the Kalabagh Dam. However, he assured the people that 'our approach on Kalabagh Dam issue will not be parochial or narrowminded'.

"The waters of river Jhelum are as dear to us as the waters of Mehran, and we will not allow a single drop of river Jhelum to be bartered away", he added.

/13046

## JUNEJO TALKS ABOUT LOCAL BODIES ELECTIONS, OTHER ISSUES

46000007b Karachi DAWN in English 4 Oct 87 pp 1, 10

[Text]

**OCTOBER 3:** Prime Minister Mohammad Khan Junejo said here on Saturday his Government had not taken any decision under which candidates contesting the forthcoming local bodies election would be officially required to recognise the Parliament and provincial assemblies.

The Prime Minister's attention was drawn to a Press report suggesting that candidates intending to participate in the local bodies polls would have to fill a form through which they would be asked to recognise the assemblies. He replied "This is news to me. The Government has not taken any such decision."

He was talking to the newsmen at Lahore Airport before returning to Islamabad after a day's stay in the provincial capital. He was seen off by Governor Makhdoom Sajjad Qureshi, Chief Minister Nawaz Sharif and some ministers and officials.

In response to a question he indicated that the local bodies election schedule might be delayed a little because of the problems being faced by landlords.

He noted that the paddy crop was being harvested, cotton crop was almost ready, while wheat sowing was about to begin. "The Government has to consider these factors but the schedule will not be delayed for a long period," he said.

**ML CONVICTS:** Replying to a question as to what had been the fate of the Senate Committee's report on the question of giving right

of appeal to the martial law convicts, he said that some legal points were involved in the matter.

Various decisions of martial law administration and courts had been given constitutional cover under the Eighth Amendment Bill.

A report had been submitted to him by the Senate Committee to study the problem and he was shortly going to take a decision on the issue, he explained.

**AFGHAN ISSUE:** Asked to elaborate his remarks about the stationing of United Nations forces in Afghanistan, he said the position was that in an interview to a representative of *New York Times* he had suggested that once the Soviet forces had withdrawn from Afghanistan, UN troops could be sent there to tackle the law and order situation. "That stage is yet to come."

It would, however, be appropriate if following the withdrawal of Soviet forces, an independent force was set up which could be acceptable to all the parties, including the Afghan people.

At this stage it could not be visualised as to how long the withdrawal process would take, he said.

Agencies add:

Addressing members of the Parliamentary Group of the Pakistan Muslim League, Punjab, here at the Governor House, the Prime Minister, who is also president of the Pakistan Muslim League, asked his party workers to actively participate in the forthcoming local bodies election.

The meeting was also attended by the Punjab Governor Makhdoom Mohammad Sajjad Husain Qureshi and Chief Minister Mohammad Nawaz Sharif.

**FAIR & FREE:** The Prime Minister said elaborate arrangements had been made to hold the next local bodies elections in a fair and impartial manner.

He expressed satisfaction over the organisation of PML in Punjab and lauded the efforts of the Provincial Chief, Mr Nawaz Sharif, and the General Secretary, Mr Ghulam Haider Wyne, toward strengthening the roots of the party in the Punjab.

Mr Junejo congratulated the Punjab PML on winning the National Assembly byelection on the Mian Chhunu constituency. He said workers of the PML "really deserved appreciation as they had participated in those election with discipline, unity and full devotion."

**MANIFESTO:** Mr Junejo said encouraging results had been achieved during the last two years of the Muslim League government in the process of implementation of the party manifesto.

**LAW AND ORDER:** The Prime Minister presided over a law and order meeting at the Governor's House here on Saturday morning.

He reviewed law and order situation in terms of combating ter-

rorism and efforts of the Punjab government in effecting detection of terrorist elements.

The meeting was attended by Makhdoom Sajjad Husain Qureshi, Federal Minister for Interior, Minister of State for Interior and Federal Interior Secretary, besides some high-ranking officials of the federal and provincial governments.

**VERDAG:** Mr Asif Fasihuddin Verdag, former Central Vice-President, Tehrik-i-Istiqlal, along with a six-member delegation, called on Prime Minister Mohammad Khan Junejo at the Governor's House here on Saturday.

They remained with the Prime Minister for some time.

Besides, Mr Verdag, other members of the delegation, all formerly of the Tehrik-i-Istiqlal, were: Malik Haider Usman, former chairman, Punjab; Rana Mohammad Arshad Khan, former Central Joint Secretary; Mr Azhar Husain Zaidi, former Central Joint Secretary; Mehr Mohammad Rafiq, former acting chairman, Punjab; Mr Khizar Hayat Sanpal, former member, Central Council; and Mr Munir Ahmad Khan, former incharge, Central Information Cell.

/13046

## PUNJAB LOCAL BODIES ELECTIONS MAY BE DELAYED

46000007c Karachi DAWN in English 4 Oct 87 p 1

[Article by Mahmood Zaman]

[Text]

OCTOBER 3: The local bodies elections in the Punjab may be delayed till the end of February or beginning of March next year. As such, the term of present local councils is likely to be extended beyond 1987.

An indication to that effect was given at a meeting of the PML legislators held here on Saturday.

The meeting was chaired by Prime Minister Mohammad Khan Junejo at the Governor's House and attended by members of the National and Punjab assemblies and the Senate.

A majority of the legislators, who hail from rural areas, are reported to have pleaded that the harvest of the paddy crop is at hand and the sowing of wheat is expected by the mid-October to the mid-December. As such, holding of local council elections during this period will become difficult because the rural population will be occupied with their farm activity.

There were also views about holding of elections in December, but the opinion that the elections be further delayed seemed to have held ground. It was argued that under the law the term of the local councils in the Punjab could be extended upto March 1988.

However, it was stated that efforts should be made to hold local bodies elections "as early as possible within the stipulated time."

According to a legislator the "stipulated time can be extended to March, as the law provides that a six-month grace period can be given to the present councils."

It is reliably learnt that a decision about the local bodies election schedule was finalised at a meeting late on Friday night. The meeting was attended by Prime Minister Junejo, Chief Minister Nawaz Sharif, Federal Local Bodies Minister Iqbal Ahmad Khan, Punjab PML General Secretary, Ghulam Haider Wyne, and certain other top leaders of the Punjab PML.

An announcement to the effect would be made by the Chief Minister who had been given the mandate, which was further authenticated at Saturday's meeting.

It is also learnt that the meeting has decided not to change the delimitation of local councils completed recently in consultation with the MNAs, MPAs and certain councillors.

A schedule of the delimitation process is most likely to be announced by the Punjab Local Councils Election Authority on Sunday. This will include dates from preliminary announcement of the local councils to making public a final list after going through the process of objections and their disposal.

The determination of local councils on the basis of population of 22,500 with a room of adjustment of 20 per cent population on either side, as decided in the policy, has been retained.

The delimitation process was suspended on Sept 15 last on complaints by MNAs and councillors, who had charged the MPAs of manipulating local councils to suit their requirements.

## MINISTER SAYS BAN ON ETHNIC PARTIES UNDER CONSIDERATION

Islamabad THE MUSLIM in English 26 Sep 87 p 8

[Text] QUETTA, Sept 25: The Federal Minister for Justice and Parliamentary Affairs Waseem Sajjad said here today that the matter of banning the political parties floated on ethnic grounds was under active consideration of the government. However, a decision would be taken in the light of the recommendations and suggestions of the provincial governments, he added.

On his arrival from Islamabad on a short visit, he said that no hasty decision would be taken in this regard and the matter would thoroughly be examined before taking final step.

In response to a question about appointment of Provincial Ombudsman, the Justice Minister said that he had a meeting with all the Chief Secretaries of the provinces to discuss the issue, but the Provincial Governments had some reservations over the proposal. The Provincial Governments were of the opinion that they were already accountable to the assemblies and hence felt no need to have this office for the present. He said that since the appointment of Ombudsman in the province was exclusively provincial aff-

airs the Federal Government would not impose its decision on them. However, he said, the Federal Government was always ready to provide them with guidance on this matter.

The Justice Minister disclosed that the Federal Government was considering to appoint judicial ombudsman and one of the purposes of his present visit was to have consultation with the Chief Justice, judges and lawyers on this proposal.

To a question about separating judiciary from the executive, the Justice Minister said that headway had already been made in this direction. Cases under Hudood Ordinance were being heard by Sessions Judges and appeals against their decision were taken up by the Shariat Court, while judicial magistrates were being appointed in the provinces who would exclusively hold courts.

Answering a question regarding enforcement of uniform laws in Baluchistan he said that, he would like to discuss the issue with Baluchistan Government, elected representatives, judges and members of the Bar to seek their view on the subject.—APP

/8309

CSO: 4600/03

## BHUTTO REITERATES STAND ON POLITICAL PRISONERS, OTHER ISSUES

Islamabad THE MUSLIM in English 29 Sep 87 pp 1, 8

[Text]

LAHORE, Sept. 28: Ms. Benazir Bhutto, Co-Chairperson of the Pakistan People's Party, today reiterated her demand for a general amnesty for political prisoners or a judicial review of their cases. She, however, expressed apprehension that the record relating to the cases of political workers decided by the military courts during Martial Law might have been destroyed to eliminate traces of gross injustice done to the unfortunate prisoners.

Addressing a press conference Ms Bhutto said that the reason for her apprehension was that the current government, which has been making commitments since its induction into power by Gen. Ziaul Haq, to review the martial law cases has so far failed to proceed in that direction. Its claims of restoring fundamental rights also made little sense as hundreds of political workers were denied access to the said rights. She said the only case so far sent up for a review was that of a drug smuggler and that perhaps for his high connections. She alleged that Gen. Zia in his capacity as Chief Martial Law Administrator was directly involved in awarding capital punishment to the prisoners, as in the case of Nasir Baloch. There was, therefore, a genuine apprehension that the record of martial law cases may have been destroyed to eliminate the traces of gross injustice and victimisation committed against innocent workers of the People's Party and other democratic forces.

She said that another issue of

national importance being pressed by her party was that of corruption which was rampant on a large-scale in the higher circles of the current government. Demanding disclosure of the names of the beneficiaries in the alleged corruption, she said that plots abandoned by the repatriated Bengalis were later distributed among the influential people, including the President and his relatives. She also mentioned large loans from nationalised banks which were written off. She wanted to know the names of the recipients of the loans released by the Asian Development Bank and similar monetary agencies alongwith the names of persons who had purchased huge properties abroad, including California, Texas, and West Germany. She charged that the nation's resources had been grabbed by a handful of the ruling elite as happened during the Ayub Government and the people should know all the facts.

Referring to the spate of bomb blasts in the country Ms. Bhutto said that the government has failed to arrest even a single culprit or to check the fury. Gen. Zia, however, asked the people to be prepared to experience more blasts as if he had connections with the said blasts. A poor worker of the PPP, she said, was promptly held by the administration in Karachi for slapping the Sind Chief Minister, Ghous Ali Shah.

Talking about the situation around Pakistan the PPP Co-chair-

person mentioned deployment of Indian forces in Sri Lanka, the stalemate on the Afghan issue and the situation in the Gulf area. She said the current government in Pakistan has failed to take the people into confidence about their country's role in the said situation which she felt has taken the shape of a superpower confrontation affecting the security of Pakistan. India's regional ambitions, she added, were also a source of serious concern for Pakistan.

Talking of the internal scene, Ms. Bhutto said that the country which needs unity more than ever was facing conditions of sharp polarisation and alienation. She said that the PPP was the only political force in the country which had directly confronted the government, Gen. Zia in particular, considering him the real source of trouble. Similarly, Gen. Zia, taking PPP as the only formidable opponent, had been trying every method to disintegrate the party. She said the democratic forces in the country, in spite of all their differences, had a national duty to support each other by forging stronger unity and should not allow themselves to be exploited by the rulers. The only answer to the current situation, she stressed, was the holding of immediate elections in the country to restore complete democracy.

Ms Bhutto vehemently denied her party's participation in the National Assembly by-election in Mian Channu. She said there were, however, reports about party's local organisation's involvement. An inquiry committee has been formed to conduct a thorough probe in the said affair.

She said that her party neither fielded a candidate nor went in for the polls in Mian Channu as "we know that in Punjab and Sind victory in by-elections generally goes to the ruling party". She further claimed that winning candidate Aslam Bodla and his rival Khalid Mujib Pervaiz both had indirect connections with the People's Party.

Aslam Bodla, till the recent party elections, had remained connected with the PPP. He also came to the Punjab party office to seek support in the elections which was refused. The localworkers of the PPP thus remained involved on both sides.

She said the election in Mian Channu was in fact a major defeat for the ruling Muslim League which failed to find its own candidate in the constituency. She claimed that there had been great concern in the ruling party, beginning from the level of Gen. Zia, to see that the official candidate gets through the election. She said, "Our victory was on the very day when Chief Minister Nawaz Sharif landed in Mian Channu". She alleged that the Chief Minister was commanded by Gen. Zia to ensure the success of the official candidate. On that account alone the official candidate should be disqualified and a re-election ordered. She further said that only a single polling booth if left unattended by the agents of the opposing candidate can upset the entire election result. In the case of Mian Channu by-election, 40 polling booths were left unattended. In spite of all the rigging, the rival candidate, who came from D.I. Khan, secured 20 per cent of the total votes which was a big rebuff to the ruling party. She said the PPP has, however, accepted the challenge thrown by the ruling party for a direct contest in Mian Channu. It was now for the ruling party to get the constituency vacated by its man.

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CSO: 4600/04

## ASSEMBLY QUESTION HOUR PROCEEDINGS REPORTED

Islamabad THE MUSLIM in English 28 Sep 87 p 8

[Text]

ISLAMABAD, Sept. 27: Minister for Defence, Rana Naeem Mehmud today assured the National Assembly that no string contrary to Pakistan's dignity and interest would ever be accepted regarding the acquisition of frigates.

He was responding to a question raised by Maulana Shah Turabul Haq during the question hour. In response to a supplementary raised by Mr. Liaquat Baluch the Minister said that the matter regarding acquisition of naval equipment was under the consideration of the Cabinet. The sub committee of the Cabinet, he added, had consulted with the Standing Committees on Defence of the National Assembly and Senate to involve the elected representatives in this crucial decision.

The sub committee, Rana Naeem told the House, had formulated its recommendations. However, he added that these could not be divulged at this stage. The sub committee will submit its recommendations to the Cabinet for final decision. To a supplementary asked by Syed Fakhar Imam about spending of the major portion of assistance to the tune of 1.7 billion dollars on the purchase of naval frigates, the Minister said that this was the issue which was discussed and reviewed by the standing committees of the two Houses.

On a supplementary asked by Syed Nusrat Ali Shah, the Minister said that no final position had been taken so far regarding the purchase of the frigates. The decision if taken would be in the supreme national interest, he said.

Responding to a question asked by Raja Shahid Zafar, the Minister said that the frigates which were under consideration for purchase were not that type of frigates which had failed in the Falkland War.

Rana Naeem Mehmud told the questioner that the matter regarding the purchase of frigates was not concluded so far. Pakistan, he said, was however, keen to develop the technology for naval ship building and at this point, he added, was of prime consideration in taking the decision.

Responding to a question asked by Sahibzada Noor Hassan, the Minister of State for Defence said that out of the initial list of 11 shipmakers, the Ministry of Defence has been engaged in negotiations with the three short listed shipbuilders including M/s Yarrow of United Kingdom for the purchase of 2 frigates to be built in UK and kit of material for one ship to be constructed at Karachi Shipyard and Engineering Works. These negotiations are still continuing.

Besides the offer of M/s Yarrow of UK, M/s Bremer Vulkan of West Germany and Royal Schedule of Netherlands have also submitted offers for F-122 and the M-type frigates respectively. It is not considered advisable at this stage to disclose the details of these bids as the whole question is under consideration of the committees of the National Assembly and the Senate at present.

To another question posed by Mr. Muhammad Usman Ramz, the Minister said that the Government of Pakistan has so far not taken a final decision on the purchase of the frigates. The exact price of Type 23 or other ships under negotiation had not been arrived at so far as the negotiations have not been concluded.

The Minister explained that an advance undertaking is taken from the parties at the time of negotiations that no local or foreign

agents for commission will be involved by the shipbuilders in this matter.

The comparison in prices of the different types of frigates offered by different countries is made keeping in view the operational efficiency and the latest weapon system and other equipment to be installed on the ships. The prices of the three short listed competitors are nearly comparable. However, the final prices will be determined as a result of negotiations currently in progress, he added.

**INDUS HIGHWAY:** Shahzada Mohyuddin, Parliamentary Secretary for Communication said that the government was planning to improve and construct the National Highway N-55 (Indus Highway) on the west bank of the River Indus from Peshawar to Kotri. The project is likely to commence during the financial year 1987-88 and is expected to be completed in phases, in about 10 years provided necessary funds are made available.

**OGDC PERFORMANCE:** Mr. Wasim Sajjad, Minister for Justice and Parliamentary Affairs, responding to a question on behalf of the Minister for Petroleum and Natural Resources, told the House that the performance of Oil and Gas Development Corporation (OGDC) had included the drilling of 21 exploratory wells resulting in discovery of four oil, three gas and two condensate fields.

The average oil production of OGDC he said from September 1 to September 15, 1987, was 10,692 barrels per day. During the current fiscal year, the average requirement of oil is estimated about 14,031 barrels per day, he added.



**NAI ROSHNI SCHOOLS:** Syed Sajjad Haider, Minister for Education, answering a number of supplementaries regarding Nai Roshni schools, said there were 2124 schools opened in the NWFP since March 1987 with an enrolment of 45138 students.

He said that there will be no new appointments until the performance of the present schools satisfies the Government.

**URDU TRANSLATION OF HOLY QURAN:** Answering a question asked by Mrs. Nisar Fatima Zahra, the Education Minister said a 12 member committee of Ulema from various schools of thought was working to have a unanimous Urdu translation of the Holy Quran. A student, he said, will have to complete recitation of the Holy Quran with translation by the time he graduates.

**OIL IMPORT:** The Minister told another questioner that the crude oil worth 600.839 million dollars was imported during 1985-86 from Saudi Arabia, Abu Dhabi, Iran and Oman. During 1986-87, the Minister said that crude oil worth 410.568 dollar was imported from Saudi Arabia, Abu Dhabi and Iran.

**SALE OF RANGAMATI:** In his written answer to Shah Baleegh-uddin, the Communication Minister Mr. Aslam Khattak, said MV Rangamati had been sold by the PNSC. Ten bids were received, the lowest bid was Rs. 19,921,500 while the highest was Rs. 21,692,30 offered by Messrs Talha and Harron's which was accepted.

**PCOs:** The Parliamentary Secretary Communication answering about installation of PCO's said that recommendations of the MNA's and MPA's will be given due consideration in this connection.

**HIGH COURT JUDGES:** The Minister for Justice, Mr. Wasim Sajjad, said the number of judges of the Lahore High Court had been increased from 35 to 50, Sind High Court 18 to 28, Peshawar High Court from 11 to 15, while the number of judges of Baluchistan High Court has been increased from five to six —APP

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CSO: 4600/04

## NEW TI VICE PRESIDENT APPOINTED

46000007e Karachi DAWN in English 4 Oct 87 p 3

[Text]

OCTOBER, 3: The President of the Tehrik-i-Istiqlal, Air Marshal (retd) Asghar Khan, has appointed Malik Wazir Ali as the new Vice President of the party in place of Mr Asif Fasih Uddin Verdag. Malik Wazir Ali, a member of the national working committee of the TIP also heads a TIP's committee on socio-economic issues.

The Secretary General of the Tehrik Mian Khurshid Mahmood Kasuri, in a statement, has welcomed the appointment of Malik Wazir Ali and expressed the hope that his vast experience in the field of economics and politics would be of immense benefit to the party.

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## DACOITY: DECISIVE ACTION URGED

46000007a Karachi DAWN in English 2 Oct 87 p 19

[Editorial: "Battle Against Dacoits"]

[Text]

HARDLY a day passes without a fresh and terrifying reminder of the active presence of dacoits and highwaymen in the interior of Sind. In the latest incident, one police inspector and two of the four persons kidnapped by a gang of dacoits were killed in an armed encounter near Sakrand on the National Highway. Dacoits have also been operating in the urban areas of the province, mainly in Karachi where security arrangements are visibly very extensive. Armed robberies have a way of surging like waves. In the same manner, the police at times announce their successes and an impression is fostered that the dacoits may finally be on the run or are at best fighting a losing battle. But the cruel see-saw goes on indefinitely. The real battle, of course, is raging in the interior of Sind where the dacoits have their hideouts and make their surprise attacks not only to loot but also to kidnap people for ransom. What happened near Sakrand presents a typical example of hide-and-seek between the dacoits and the law enforcement agencies. According to official sources, dacoits kidnapped six persons from Rin Shakh, a place between Kazi Ahmad and Sakrand on Sunday-Monday night. After law enforcement agencies were

mobilised to assist the local police, an encounter took place near the mountainous range in Dadu district. In this encounter, the SHO of Sakrand, who was leading his police party, was injured. Dacoits also left behind four of their injured hostages. The police officer and two of the hostages succumbed to their injuries. And, as the official Press note said, the chase continued. A day later, on Tuesday, three persons, including a woman, were gunned down by a gang of dacoits in Mehar town of Dadu district. Significantly, these incidents have taken place only days after the second biggest operation against dacoits in the interior of Sind. The action was prompted by an unprecedented assault on an entire locality in Dadu city by more than forty armed dacoits, who looted the residents and also took a number of hostages. A couple of days later, the dacoits attacked Hala. The operation was conducted mainly in Noor Ketji jungle near Hala where the dacoits are believed to have established their hideouts. Before this, a massive operation involving troops was conducted in October last year and it had all the appearances of a decisive strike against dacoits in large areas along riverine forests.

Faced with a gangland-like situation, the ordinary citizens are constrained to ask if dacoits have become invincible in Sind. Initially, it was argued that they were better armed than the police, thanks to the induction of automatic weapons home-delivered by a flourishing underworld. But hopes were raised that better armed and more mobile law enforcement agencies would be able to subdue the gangs of dacoits and other criminal bands. In some major operations, helicopters were also said to have been used. For short periods, the dacoits were seen to be on the run, suffering heavy casualties. But they appear to be getting new recruits or they already were more numerous than was anticipated. In April this year, the then-IG, Police, Sind, claimed that in the previous seven months, 53 policemen had died in the anti-dacoit campaign. It was also revealed that 123 dacoits were killed in 307 encounters and as many as 822 were arrested, while 104 automatic weapons and more than two thousand non-automatic weapons were captured. These were astonishing figures. After all, how many dacoits can be or are there in a single province if nearly a thousand have been killed and apprehended as claimed? In the same interview, the IGP was quoted as saying that the law and order situation in Sind "remains satisfactory". Recent happenings, of course, have given the lie to this assertion and this self-serving claim. Kidnapings for ransom have continued to be frequent and two leading businessmen of Karachi created big headlines when they disappeared — one of them from a crowded locality in the city.

A consideration of social, economic and political factors which may have contributed to the alarming surge of violent crime in the province is beyond the scope of this comment.

While the authorities would do well to undertake this study and contemplate the lingering socio-political consequences of the large-scale disturbances in the province in the autumn of 1983, the urgent task is to deal with the mounting threat that dacoits are posing to the very fabric of our society. It is easy to imagine what scars an encounter with dacoits leaves on the psyche of an increasing number of citizens. The consequent scare and insecurity can have the deepest conceivable impact. As it is, the very life style of the people in the interior has been affected by the activities of the dacoits. Even in urban areas, people feel deeply insecure in their own houses. The responsibility of the authorities to enforce security and order cannot be over-emphasised. Sometimes, obvious lapses on the part of the security agencies embolden the criminals — such as the Sukkur jail break of March 23, 1986. Some notorious dacoits were among those who escaped and they obviously returned to their criminal activities with a vengeance. There is no reason to believe that in terms of manpower and logistical support, the dacoits have an edge over the law enforcement agencies. This leads to the conclusion that operations against dacoits have not in all cases been properly planned and carried out with the desired level of efficiency.

It is generally believed that dacoits often find sanctuaries because of the support and protection they have of some influential people of the area. The officials concerned cannot be unaware of this fact. At times, some landlords were reported to have been taken into custody on suspicion of harbouring criminals. But one does not know whether any of these patrons and protectors of criminal elements has been proceeded against or punished. Another important factor is the element of harassment of ordinary villagers in campaigns

against dacoits. There have even been accusations that drives against dacoits have on occasions been used as a cover to round up political activists. The authorities must ensure that there is no undue harassment of the village folk during operations against dacoits. It is vital to win the sympathy and cooperation of the populace if action against criminals is to produce results. If people, who have obviously no vested interest in protecting ruthless dacoits, are provided effective protection against threats to their life and property, they should be ready and willing to assist the law enforcement agencies. But then a whole lot depends on whether the law enforcement agencies are adequately equipped, motivated and poised to carry on and win the crucial battle against dacoits. Whatever it might take, this battle has got to be won — and won decisively and soon.

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## COMMENTARY ON SIND VIEWS ETHNIC VIOLENCE, DACOITIES

Islamabad THE MUSLIM in English 29 Sep 87 p 6

[Commentary by Dastagir Bhatti]

[Text]

HYDERABAD, Sept. 28: The dust raised by series of ethnic riots in urban Sind and the terror created by dacoits in the interior appears to be settling down, albeit temporarily. We call it a temporary lull because the government, deliberately or otherwise, has not been able to identify the root causes of the two problems which have been intermittently rocking the province. Adhocism and the government's covert liking for status quo to continue in power, can be two other theories why a permanent solution has still not been found. The monster of ethnicism, and the resurfacing of dacoits in the not too distant future, cannot be altogether ruled out.

During the latest anti-dacoit operation, although not a single notorious bandit could be tracked down by the police and other law enforcing agencies which besieged the dense forests on both banks of the Indus, the criminals, however, seem to have been pushed out of the jungles towards hilly track in the northern Sind, fairly distanced from the towns, there, where until the other day, the dare devils terrorised the people through frequent kidnappings, loot and plunder.

The government may have started with a determination to liquidate the desperadoes, but the mission does not seem to have been met with any measure of success. How come, the bewildered people ask, the bandits were able to break the strong siege. "The criminals are likely to stage a comeback with a bang once the force is withdrawn from the forests", the people express open apprehension.

In fact the dacoit problem first surfaced in 1983 and it has continued 'unabated' since then. It may be recalled that initially, the upper Sind district of Sukkur division were the worst hit areas, but thereafter, the terror spread to Hyderabad division where hundreds of persons were kidnapped during a few months. The police cannot be proud of making the modest claim that it was able to recover even 5 per cent of the hostages. The fact remains that about 90 per cent of the kidnapped people got freedom only after payment of ransom to their captors. Interesting though, that some 'influential' landlords did play their role in rescuing the hostages. These feudal aristocrats mostly belonged to official Muslim League or the Sindhi nationalist parties. However, these feudal lords have now been shying away from lending a helping hand to the administration mainly because of the arrest of Dr. Rizvi, a renowned eye specialist, Malik Safdar and Malik Allauddin of Thano Bula Khan, a hilly tehsil of Dadu district, in connection with the kidnapping incident of a Karachi Seth, Sulaiman Daud. Although, Dr. Rizvi has been bailed out, the other two are still in jail. These two persons appeared before a court on September 25, with their advocate, Hafeez Pirzada, but the hearing of their bail application was adjourned to the first week of October. It may be of interest to mention here that Malik Allauddin, who is the uncle of Malik Assad Sikandar, a Muslim League MPA, told newsmen on the hearing date, that he would make sensational disclosures about the kidnapping and recovery of Seth Daud, once he got out to jail.

Malik Allauddin, (presently lodged in Hyderabad jail), it may be added, is a local leader of Sindhi-Baloch, Pashtoon Front. He and his associates were the main characters who are said to have played 'a major role' in the release of the Seth after they were formally approached by the authorities. The then I.G. police of Sind, Mr. Salaman, known for his love for the classical music, lay fast asleep in the Hyderabad circuit house, while Seth Daud had already returned home safe and sound. The facts which later came to light through the press believed the claim of the outgoing Inspector General that police had also done something.

There is no gainsaying the fact that the police in urban areas as well as in interior Sind has failed in its performance. Except for a few rare exceptions, the law enforcers have been rather instrumental in the aggravation of the law and order situation by a strange paradox. However, bouquets for them that they have been showing extraordinary ability to round-up political dissidents. Even the senior

police officials have been brazenly flouting the law and with impunity. To quote one example. The SP, Larkana, in his misplaced zeal, to lay hands on suspected outlaws, has been terrorising the families. He would not hesitate to round-up the entire poor family of a suspect, male, female, children, all together, herd them to the police station, until the suspect voluntarily surrendered, which 'often does not happen'. How cruel it is, to say the least, that elders of the affected family with their children rot in judicial lockups for days on end without any valid detention orders. The police's excesses became so alarming that the people had to approach Sind High Court to come to their rescue and save the population from the tyranny of the police official.

One could say, without fear of contradiction, that many 'criminals' took to jungles only because they could no longer put up with atrocities of the police people. They turned into 'dangerous fugitives' once they were convinced that police's barbarities would never end. "It is not for nothing that a meek and harmless peasant working in a paddy field turns into a dangerous enemy of the law enforcers". Might one say that many of the 'present-day Sind dacoits' are the poor peasants and graduates of yesteryears. There is no reason not to believe that ethnic riots in Karachi could also be traced to the mishandling of the police people. They say that dozens of innocent citizens were indiscriminately thrown in jail cells and released only when they 'greased' the palms.

In border district of Tharparkar the rangers have been accused of making the lives of Tharis miserable.

To sum up, in addition to evolving long term strategy to create national cohesion, what is required to be done immediately is that the entire police set-up should be drastically overhauled because perhaps the dominating motive with the 'force' is to 'mint' money. Of course, the 'unbridled' lust for money instead of controlling the situation causes its aggravation with the resultant deleterious impact on national unity.

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CSO: 4600/04

## CHECK ON POPULATION GROWTH EMPHASIZED

Islamabad THE MUSLIM in English 28 Sep 87 p 3

[Text] Islamabad, Sept 27--The Federal Minister for Commerce, Planning and Development Dr. Mahbubul Haq has emphasised that check on population growth should become a national movement. He said that the high rate of populations growth was an important issue and all segments of the society have to play their due role to make the population welfare programme a success.

He was presiding over a high-level meeting held here this afternoon. Punjab Health Minister, Syed Afzal Ali Shah, Sind Health Minister Nawab Rashid Ali Khan, NWFP Minister for Population, Shahzada Gustasap, Federal Secretary, Population Welfare Division, Federal Secretary, Health and Provincial Health and Population Welfare Secretaries and senior officials of the concerned departments attended.

The meeting which lasted about two hours considered in detail the progress of implementation of the decisions taken by the ECNEC in September 1985 involvement of provincial health departments in the population welfare programme and evaluation of the performance of line departments vis-a-vis population welfare programme. A number of administrative decisions were also taken to speed up the population welfare programme in all the provinces.

Provincial Secretaries for Population and Health briefed the meeting about the progress achieved in establishing population welfare centres in their respective provinces.

Earlier, the Secretary Population Welfare Division in a presentation apprised the meeting the salient features of the population welfare programme. He also explained that the adverse effects the population growth is bound to have on the socio-economic fabric of the country.

The meeting was informed that it was a matter of grave concern that every year three million people were being added to the existing population of the country and if the present rate of population growth continued, extra resources will be needed to the tune of Rs. 80,000 crore by the year 2000 AD and Rs.290,000 crore by the year 2027 A.D. to meet the requirements of the additional population in the country every year.



There was consensus in the meeting that high rate of population growth was responsible for increase in many socio-economic problems in urban and rural areas which included shortage of drinking water, housing problem, pressure on health facilities, transport requirements, electricity and gas requirements, educational facilities in urban areas and greater pressure on agricultural land in rural areas.--APP

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CSO: 4600/03

## COMMENTARY DISCUSSES HUNGER PROBLEM

Islamabad THE MUSLIM in English 27 Sep 87 p 4

[Article by Zia-ud-din]

[Text]

"No one sleeps hungry in Pakistan". This very fundamental myth in the minds of the people and Government has been responsible for not solving the issue of hunger scientifically in this country. The concept of hunger is generally associated with famine or starvation while famine related deaths only account for ten percent of the total hunger related deaths. Malnutrition, malabsorptive hunger, seasonal hunger, chronic undernutrition are also types of hunger besides famine.

**WORST VICTIM**

Pakistan is the worst victim of the phenomenon of hunger. Already one million people of Thar are on the verge of starvation. As far as the other types of hunger are concerned 50 percent of all Pakistanis are undernourished and 4 percent of the world's hungry people live in Pakistan. According to UNICEF, in 2 years more children have died in India and Pakistan of hunger related diseases than the total number of child deaths in all 48 African countries together.

In a society, the Infant Mortality Rate (I.M.R) is a measure of hunger. I.M.R is defined as the number of child deaths out of every 1,000 babies born each year. Usually a child is vulnerable to the external environment. I.M.R is 120 in Pakistan while 2,000 children under the age of 5 die everyday in Pakistan. Internationally a country with I.M.R

of less than 50 is considered as a hunger free country. I.M.R is a good indicator of how much a society takes care of basic needs of its people as any undernourished child is an easy victim of diseases obviously because of his weak system. Moreover, at present every baby born has only a 4 percent chance of reaching the age of 60 or more because of our contractual type of population structure.

There are many factors responsible for the persistence of hunger in Pakistan. Unequal distribution of wealth, high population growth rate, big land holdings and absentee landlordism, high rate of urbanisation, denying women their basic needs and rights, high defence expenditure, and consequently less budgetary allocations for health and education and a low literacy rate are a few of them.

The claims of high economic growth rate and increased food production are also associated with rising poverty and inequality. Because of mechanisation during the Green Revolution 0.79 million peasants were turned into landless labourers and also caused large land holdings giving rise to the economic, social and political strength of big landlords. Now in Pakistan 30 percent of cultivable land is owned by 0.5 percent of farmers. This has also given rise to high rate of urbanisation of 4 percent annually creating slums in big cities. This increased poverty due to the high unemployment rate has reduced the purchasing power of the poor to afford a balanced and timely meal. A Pakistani has to spend 70 to 80 percent of his earning on food while an American spends 20 percent on food.

The natural response to poverty is an increased number of children born among the poor to support families economically as child workers in cities and farm workers in rural areas. These children are also responsible for economic support of parents in old age. The High Infant Mortality Rate among poor groups is also responsible for high birth rate as only few survive.

The rights of women and their basic needs is a crucial factor associated with hunger. The survival of the child is directly related with the health and well-being of the mother. Some of the depressing statistics about Pakistani women include:

**DEATHS**

Women deaths between age 15 to 40 are 70 percent more than men's death.

In Pakistan there are 6 to 8 deaths per 1,000 deliveries.

97.4 percent of all women are victim of nutritional anaemia causing low blood pressure, and less resistance to diseases.

Women are considered an economic burden and they get less to eat than the male. 350 cases of suicide of women in Thar who were desperate for food is a tragic example. Women get little or no education and are married off early. This leads them into a cycle of early and repeated pregnancies, and they are ill-equipped physically and mentally to make a positive contribution to their children's development.

Another factor responsible for the persistence of hunger is the high illiteracy rate of 74 percent. No country has brought its I.M.R less than 50 unless it has reached

the literacy rate of more than 50 percent.

High defence expenditure and low spending on health, education and development is another reason for hunger. In Pakistan 40 to 50 percent of revenue is spent on defence, 20 percent on debt servicing, 15 percent on administration, law and order, 7 percent on subsidies and a negligible amount on health and education. Pakistan has one of the highest per capital military expenditure while her capital health expenditure is one of the lowest in the world. So hunger persists as less is spent on bread and butter while more on guns.

The hungry population in Pakistan consists of rural small farmers and landless labourers who can't grow enough to feed their families as well as to take care of their education, health, clothing, shelter, etc. In cities the small shopkeepers, workers, lowgrade government and private employees and their families constitute the hungry population who do not have enough purchasing power to afford balanced diet.

These causes of hunger in Pakistan are closely interrelated and are a part of a highly exploitative power structure where the poor and hungry have no priority. Attributing the high agricultural growth rate to ending hunger is a mockery. Isolated technical solutions for ending hunger have only increased the number of hungry people. There will have to be a combination of political, social and technological changes for ending hunger. A very strong political will is needed for fundamental changes in the whole socio-economic system of Pakistan to end the persistence of hunger in this country.

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CSO: 4600/03

## ISLAMABAD TO HAVE STOCK EXCHANGE

Islamabad THE MUSLIM in English 26 Sep 87 p 7

[Text] KARACHI: Islamabad may soon have a stock exchange, the third in the country. The other two are located at Karachi and Lahore.

The sponsors of the Islamabad Stock Exchange have applied to the Corporate Law Authority to accord the proposal a sanction. They have held discussions with the officials of the Karachi Stock Exchange to gain from its experience and expertise.

There are 371 companies listed on the Karachi Stock Exchange (KSE) and 281 Lahore Stock Exchange, (LSE). Although all the companies listed at KSE are also simultaneously required to be registered at LSE many have not done so. The official decision to this effect was taken a few years ago to increase volume of business at Lahore.

Many companies specially the old companies defied recent official pressure to do so. LSE offers very little business and the companies do not want to burden themselves with payment of listing of fees and quota charges at two exchanges. The monthly turnover of LSE is of 3.5 lakh shares against the Karachi's average of two crore shares per month. The turn over at LSE is artificially boosted by an official directive to DFIS to place orders at Lahore which is often done by offering better price for purchases from there. Than those offered at Karachi. These purchase orders are re-directed to Karachi by LSE brokers.

The KSE, set up in 1949, has about 300 members of which about 100 are active. Though Lahore had three stock exchanges at the time the country attained independence they ceased functioning soon afterwards. The present Lahore Stock Exchange was set up in 1975-76 and has a mere 25 active members because of the low volume of business.

ness.

Some investors question the wisdom of opening a stock exchange at Islamabad before the Lahore Exchange has been developed to respond to market forces and Karachi has been able to fight the marked speculative tendencies that dominate the market and work against the genuine investors.

Wide fluctuations in stock prices are manipulated by jobbers to make windfall gains at the cost of investors. Just a few days back, a jobber is believed to have made some Rs. 30 lakhs or more and the losers were outside investors who fell a victim to speculation. The Corporate Law Authority however does not take action in such cases. Which is necessary to impart a healthy outlook and character to the stock exchange.

Of the two hundred odd members of the stock exchange who are relatively active, sources close to DIFS said only 25 to 30 are very active brokers, the rest do their own business in shares and stocks. These jobbers take advantage of the one-week clearance time which is often extended to 15 days if they so desire, to buy shares and sell them at a premium. The investor thus does not get the share at the right price. In addition he has to pay an exorbitant rate of commission to the stock broker, not justified on the basis of the increased number of listed companies and enhanced volume of business.

The roaring business that the stock brokers or rather jobbers do can also be gauged from the fact that the KSE membership licence fee which is officially pegged at Rs. 22,500 is quoted at Rs. six lakh in the "open" market. Insiders say that only about one-third of the transactions are registered with the

KSE and the rest not reported. The Corporate Law Authority has not been able to anything about it.

Although the government has been talking about de-regulation, the new company law has strengthened official regulations over the stock exchange in areas which were previously the exclusive jurisdiction of the KSE.

For example, the listing of the companies with the KSE has to have previous sanction of the security exchange authority, which was not done before the promulgation of the new company law. The new procedure delays listing of the new companies and retards the growth of the capital market.

As many as eight to ten companies have been cleared by the KSE for listing at the Karachi Stock Exchange but their approval has been held up by the security exchange authority. Some of the applications have been pending with concerned officials for the past six months or more whereas others had been sent about a month or two back.

These include Regal Ceramics, Hyderabad Electronics, Tawwakal Garments, Zahoor Textiles, International General Insurance, and Sk.F Smith Cline.

Similarly, decision on cases of companies which have acted in a manner prejudicial to the interests of the stock exchanges, are hardly ever taken by the officials in Islamabad. On such case is that of a company that did not mention its interim in the prospectus published by it in the newspapers for floatations of its shares.

The present stock exchanges need to be put on the sound footing before a third one is floated if they have to serve as instruments of savings and investment and work for the genuine investors. The alternative would be a capital market dominated by speculators not much to the advantage of the country.

## BRIEFS

BAN ON SIND LEADER--Karachi, Sept 27: The Federal Interior Ministry has placed a ban on travel abroad of Dr. Hamida Khuhro, a Jiye Sind leader, because of her anti-Pakistan activities. Talking to THE MUSLIM, she confirmed the report that she had been banned from travelling abroad and that the order had been served on her by the police just before the weekend. She said that the order is dated June but as I was away from the country in June they must have discovered now that I am back. I am, however, seeking legal advice and will probably go to court after these consultations. [Text] [Islamabad THE MUSLIM in English 28 Sep 87 p 6] /8309

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