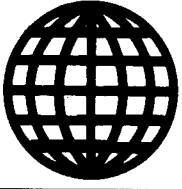


JPRS-NEA-92-111
27 AUGUST 1992



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

Near East & South Asia

INDIA

DTIC QUALITY INSPECTED 2

DISTRIBUTION STATEMENT A

**Approved for public release;
Distribution Unlimited**

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA 22161

19980518 113

Near East & South Asia

INDIA

JPRS-NEA-92-111

CONTENTS

27 August 1992

POLITICAL

International Affairs

Importance of Pawar's Planned PRC Visit Viewed [THE HINDU 15 Jul]	1
Import Contract for Canadian Wheat Signed [THE TIMES OF INDIA 25 Jul]	1
Russian Cooperation Sought To Build Commercial Plane [Delhi Radio]	1
Problems With Mideast States Over Detainees Noted [THE HINDU 6 Jul]	2
Efforts To Enter European Space Market Noted [THE HINDU 18 Jul]	2

Regional Affairs

OIC Interference in Ayodhya Dispute Condemned [JANSATTA 18 Jul]	3
Iran Abducts, Tortures Indian Mission Staff [THE HINDU 5 Jul]	4
Comment on Iran, Pakistan Abductions [THE HINDU 7 Jul]	5
Karachi Torture Chambers Suspected MQM's [DINAMANI 23 Jun]	5
Indian Prisoners Said Tortured in Pakistan [THE TIMES OF INDIA 6 Jul]	5
Faleiro Meets With Pakistani Minister in Colombo [THE TIMES OF INDIA 11 Jul]	6
Paper on Problems Facing Pakistani Government in Sindh [THE HINDUSTAN TIMES 22 Jul] ..	7
Hindu, Sikh Refugees Enter From Afghanistan [THE TIMES OF INDIA 10 Jul]	7
About 5,000 Afghans of Indian Origin Return To Kabul [Delhi Radio]	8

Internal Affairs

Faleiro, Rao Speak to Parliamentary Panel [THE TELEGRAPH 2 Jul]	8
Prime Minister Rao's Policies Viewed	9
Caution Needed on Kashmir [AJ 4 Jul]	9
Rao's Effective Policies [AJ 3 Jul]	9
Rao Interview With FORBES Magazine Reported [THE TELEGRAPH 6 Jul]	10
Paper Interviews Bhatia on Foreign Policy [THE TIMES OF INDIA 21 Jul]	11
Further Developments in Ayodhya Dispute Noted	12
Fact-Finding Team's Report [PATRIOT 16 Jul]	12
TIMES OF INDIA Article [THE TIMES OF INDIA 18 Jul]	13
Ayodhya's Explosive Situation Viewed [DECCAN HERALD 22 Jul]	14
Muslims, Left Score Rao on Ayodhya Talks [THE HINDU 27 Jul]	15
Sindhis Said Becoming More Politically Active [JANSATTA 20 Jul]	16
Constitutional Problem Faced in Kashmir [THE TIMES OF INDIA 6 Jul]	17
Differences Between Kashmir Militants Assessed [THE TIMES OF INDIA 11 Jul]	18
Tamils Feel Restricted in Incorporating Hindi Learning [DINAMANI 7 Jul]	19
Tamil Nadu: Vindictive Streak of CM Discussed [DECCAN HERALD 22 Jul]	19
Gujarat: Terrorism Widespread, Condemned [DINAMANI 6 Jul]	20
Issues Behind Demand for Gorkhali-Language Revival Viewed [AJ 21 Jul]	21
Over 25,000 Political Prisoners Said Held [THE TIMES OF INDIA 11 Jul]	21
Alien Issue in Assam Said Exacerbating [THE TIMES OF INDIA 11 Jul]	22
Shiv Sena Said Successful in Avoiding Party Split [JANSATTA 19 Jul]	23
Results of CPI-M Central Committee Meet Told [THE TIMES OF INDIA 25 Jul]	23
CPI-M Wants To Expand in Hindi States [THE STATESMAN 3 Jul]	24

ECONOMIC

Rao Vision of National Economic Structure Analyzed [JANSATTA 4 Jul]	25
Memorandum to IMF States Economic Policies [THE HINDU 11 Jul]	26
Officials' Links With Foreign Banks Uncovered [INDIAN EXPRESS 11 Jul]	28
Study Shows Economic Growth Rate Down [THE TIMES OF INDIA 14 Jul]	29

Efforts To Cut Government Spending Revealed	30
Rao Letter to Ministers [THE TELEGRAPH 4 Jul]	30
Finance Minister's Interview [THE STATESMAN 6 Jul]	30
Center Opens Oil Sector to Foreign Firms [THE TIMES OF INDIA 4 Jul]	31
Foreign Exchange Reserves Reach \$6 Billion in Apr [Delhi Radio]	31
Industrial Policy Further Liberalized [THE TIMES OF INDIA 29 Jul]	31
Ministry Sets 1992-93 Export Growth Target [THE TELEGRAPH 6 Jul]	32
Value of Exports Declines in 1991-92 [THE TIMES OF INDIA 27 Jul]	32
New Trade Prohibits Consumer Imports [THE TIMES OF INDIA 31 Jul]	33
Quality Ship-Building Steel To Be Exported to China [Delhi Radio]	33
Restrained Spending on Cauvery Projects Urged [DECCAN HERALD 22 Jul]	33

MILITARY

Army Begins Quiet Pullout From Punjab [THE TELEGRAPH 6 Jul]	35
Problems With Defense Spare Parts Supply Cited	35
French Firm's Offer [THE HINDU 8 Jul]	35
Defense Minister's Remarks [THE HINDU 6 Jul]	36
Russian Offer, Army Concern [INDIAN EXPRESS 22 Jun]	36

SOCIAL ISSUES

Share-Market Scandal: Monies Thought Stolen, Missing [DINAMANI 6 Jul]	38
Papers Report, Comment on Stock Scam	38
Bank Panel's Report [THE TIMES OF INDIA 7 Jul]	38
Government Connivance Hinted [THE STATESMAN 20 Jun]	39
Ramifications of Stock Scam Reported	40
Parliament Panel [THE TIMES OF INDIA 10 Jul]	40
CPI-M Demand [THE HINDU 11 Jul]	41
Government Urged To Seriously Address Overpopulation [AJ 2 Jul]	41
Traditional Educational Standards Seen Declining [AJ 20 Jul]	42
Science Institute Drops Supercomputer Plans [INDIAN EXPRESS 23 Jul]	43
Norms for Bhopal Victims' Compensation Scored [THE TIMES OF INDIA 6 Jul]	44

International Affairs

Importance of Pawar's Planned PRC Visit Viewed

92AS1325A Madras THE HINDU in English
15 Jul 92 p 1

[Article by K. K. Katyal: "Defence Minister To Visit China"; boldface words as published]

[Text] New Delhi, July 14. The Defence Minister, Mr. Sharad Pawar, will go to Beijing towards the end of this month on the first visit of its kind which, apart from other things, could go a long way in giving a momentum to the confidence-building measures between India and China.

This will be the first ever trip by a Defence Minister of India to China and could, hopefully, pave the way for frequent high-level contacts in the defence field in future. The visit comes in the wake of exchanges at other levels in the last two years. The invitation to Mr. Pawar was personally extended by the Chinese Prime Minister, Mr. Li Peng, when he was in India in 1991. It was renewed when the Joint Working Group (JWG) met in February this year.

Mr. Pawar's talks are certain to give a push to the process that began with Mr. Li Peng's visit when the two sides agreed to institutionalise the mechanism for defusing tension along the border, both in the eastern and western sectors, with the involvement of the defence high-ups in the exercise. Its nitty-gritty was worked out by the JWG. Apart from discussing ways to build upon the existing arrangement, Mr. Pawar and his Chinese hosts are likely to focus on confidence-building measures.

Stability: The two countries are keen on working for this objective, in the interest of bilateral amity and understanding, and of stability in Asia and the world. This subject figured prominently in the recent discussions of the President, Mr. R. Venkataraman, in Beijing, with the two sides agreeing that a progress in the expanded modalities for maintaining peace and tranquility along the border, and an advance in regard to confidence-building steps could lead to substantial withdrawal of troops, now in eyeball-to-eyeball confrontation at several points. His discussions are bound to be detailed and complex.

The specific subjects that will figure in Mr. Pawar's talks are undoubtedly important, but equally if not more important are the prospects of a suspicion-free relationship between the two defence establishments. This could decisively reverse the process that began with the 1962 conflict.

The contacts between the two countries in the defence field began in 1990, with the visit to China of a National Defence College team. This was reciprocated by the trip here of a group from the National Defence University of China, led by a Lt. General of the People's Liberation Army (PLA). At the academic level, the Institute for Defence Studies and Analysis and the Beijing Institute of Strategic Studies have exchanged visits.

The exchanges in the defence field supplement the contacts at the political level, of which the visit of Mr. Li Peng to India and of Mr. Venkataraman to China were the main highlights in the recent past. As part of this on-going process, the Chinese President is likely to pay a return visit to India.

Import Contract for Canadian Wheat Signed

92AS1396A Bombay THE TIMES OF INDIA
in English 25 Jul 92 p 7

[Article by Rajya Sabha: "Government To Import Canadian Wheat"]

[Text] New Delhi, July 24 (PTI). The government has signed a contract with the Canadian wheat board for the import of 10.05 lakh tonnes of wheat, the Rajya Sabha was told today.

Some import of wheat became unavoidable due to factors like fall in production of foodgrains, especially coarse grains, during 1991-92 with consequent imbalance in demand and supply, lower level of procurement of wheat during 1991-92 and 1992-93 marketing seasons and consequent need for building up stocks in the central pool for maintaining supplies in public distribution system (PDS) and achieving food subsidy, the minister of state for food, Mr. Kamaluddin, informed Mr. G. Azam in a written reply.

He said the State Trading Corporation (STC) exported 1.25 lakh tonnes of wheat in the first six months of the current year.

Russian Cooperation Sought To Build Commercial Plane

BK0408151092 Delhi All India Radio Network
in English 1430 GMT 4 Aug 92

[Text] An 80-crore rupee project is being taken up in collaboration with Russia to develop India's first multi-purpose light transport plane for commercial flight by the middle of 1994. The 15-seater fiberglass aircraft designed and developed by the National Aeronautical Laboratory in Bangalore will be useful for air linking the smaller towns in the country. The aircraft can serve as air taxi, air ambulance, executive aircraft and also for agricultural operations.

Problems With Mideast States Over Detainees Noted

92AS1285A Madras *THE HINDU* in English
6 Jul 92 p 9

[Article by F. J. Khergamvala: "Israelis in Custody: A Job for Diplomats"; boldface words as published]

[Text] Manama (Bahrain), July 5. When Israel's present Consul in Bombay moves to New Delhi within a week as the Charge d'Affaires and his successor takes over in Bombay, both will have to pursue the case of two young Israelis detained in Goa on charges of possession of drugs.

Rosenberg and Davidson, two men touring India immediately after compulsory army service, as many Israelis do, were caught in Goa on last New Year's eve for holding 280 gram of contraband, a fairly substantial amount. Israeli officials admit they ought to be thankful they were not arrested in a South East Asian country or Egypt. Yet, irrespective of the gravity of the alleged offence or other factors, it is the slack police and judicial handling of such cases that makes it difficult for Indian diplomats in West Asia to prod local authorities into ensuring due process without prolonged detention.

Both Israelis were held for nearly six months, until Davidson was granted bail on June 26, not before his father left his job at a kibbutz and flew to Goa, only to be given access to his son for 10 minutes each week. Rosenberg's case is to be heard again on July 27, because the last time the prosecutor failed to turn up, Israeli officials compliment the Indian Foreign Office for pushing the case to an early conclusion but Goa moves at its languid pace. "The law is clear, within 24 hours the person must be before a court of law, then he can be remanded in custody for 15 days for questioning," said one Indian official.

"Midnight Express" Image: Delays in processing cases involving other nationals from West Asia, including the complete disappearance of two Iranians in 1989, are increasingly giving India the "Midnight Express" image as one diplomat in the Gulf put it. (Midnight Express was the film made about Turkey's treatment of foreigners in custody and the country has fought hard to erase that picture).

In the summer of 1989, two Indian doctors were flogged in the Iranian town of Tabas, better known as the site from where the U.S. was about to launch its aborted attempt to rescue American diplomatic personnel in 1980. Had India's own procedures been tighter, New Delhi could have demanded, if it wished to, a full explanation.

Later, Mr. Khilnani, an Indian businessman in Teheran was detained but for a full month. Indian diplomats were not granted consular access. Iran did not directly link the issue but it could well have cited the case of the two missing Iranians. The Indian press, quoting from police reports, said two Iranians were killed near the Indo-Pakistan border but when Iran raised the matter with South Block, the latter pleaded that the nationality of those killed was unknown.

These cases cannot be judged on the same plane as Iran's rough treatment of Indian mission staff but officials agree that Indian silence on the latter does not deter cavalier treatment of ordinary Indian nationals. But Iran is not the only place where Indians can be dealt with more reasonably. During the height of the Kuwait-Iraq evacuation of Indians, Jordanian border staff cruelly sent back to Baghdad some Indian nurses. On the Libya-Egypt border recently, a dozen Indian managers were handcuffed by Egyptians for carrying "bogus" visas issued by the Egyptian mission in Tripoli. Indians entering Cairo with a valid visa still encounter obstacles.

Western help: India frequently berates the West for interference in internal issues but on occasions such interference has been to India's advantage. A senior Indian diplomat agreed that where India, Sri Lanka and the Philippines had failed to move Kuwait officials on the treatment of maids, an American Congresswoman, helped by one reporter flew to Kuwait and the issue was resolved with a fortnight.

In many cases countries are mature enough to admit overzealousness by provincial or non centrally controlled authorities. Two years back, two Sikhs in Saudi Arabia had their turbans taken off and heads shaven. Earlier, a visiting Sikh official of the State Trading Corporation met similar treatment. Six months back, a member of India's mission in Riyadh had his turban removed. Fortunately the sensible man did not allow an India-based militant group to exploit the issue. The Saudis, in each case, apologised plausibly claiming irresponsible action on the part of the religious police, the "muttawa."

Essentially, the subject of human rights almost never figures when Indian Ministers travel out, perhaps as one Ambassador claimed "naturally because we need to clean up our act first." In the cleaning up, he said, India also needed to improve the extremely primitive conditions in our jails. "I find it difficult to seek redress for our people in custody because I will be told embarrassing things." (In one case, 16 Gulf military personnel inter-rupted and called off their training in Goa because of poor living conditions). Many admit the first thing India needs to agree upon with other countries is to discuss all non terrorist, ordinary crime cases to see how the slate can be wiped clean.

Efforts To Enter European Space Market Noted

92AS1405A Madras *THE HINDU* in English
18 Jul 92 p 7

[Article by N. Gopal Raj: "India Trying To Enter European Space Market"]

[Text] Paris, July 17. With a considerable leap in space technology, specially in satellite launching, India is trying to become a supplier of components and sub-systems in the European market. But the question is will it succeed.

During his stopover in Paris on his way to French Guyana for the launch of Insat-2A, the ISRO [Indian Space Research Organization] Chairman, Prof. U. R.

Rao, reportedly explored the possibility of getting associate membership of the European Space Agency (ESA). He was told that ESA rules would not permit it, according to a source in the agency.

However, the ESA would examine the possibility of greater cooperation with India in its future programmes, said the source. Early next year, the agency is to send a team to India from European space industries. A similar team went to Latin America, principally Brazil, last year.

The ESA has 13 members, with Finland as an associate member. Under an agreement, Canada works closely with the agency on a number of its programmes. It has also agreements, although less close, with Japan and India.

The guiding principle in awarding prime contractorship and even choosing sub-contractors is fair return. If a country puts money into the ESA and Arianespace (which undertakes commercial launches), it will get back contracts from their programmes in proportion to what it has put in. In this context India can supply many items well below the European costs. If it becomes an associate member of the ESA, it may at least get something.

"It is very difficult for new suppliers to break in," said Mr. G. Blondeau, who heads the International Affairs Division at the French space agency, CNES [expansion not given], which is a major shareholder in Arianespace. It is up to the Indian Space Research Organisation to find areas of cooperation by talking to the industry directly.

Despite the cost advantage, the European industry may not give contracts to Indian organisations and companies. Such contracts to India would be difficult to consider, said Mr. J. P. Girault, marketing manager of the SEP [expansion not given], prime contractor for liquid engines which power the European launchers. The ISRO got the technology for the Vikas engine by working with the SEP on the development of one of its Viking engines.

The SEP has some 30 sub-contractors across Europe, supplying parts and sub-systems for the Vulcan cryogenic engine which will be used in the Ariane 5 launch vehicle. The same is the case with the Viking engine used in the current generation of Ariane 4 launch vehicles.

If India is to supply some arts now sub-contracted to a firm in another European country, then that country would have to be compensated with other contracts, said Mr. Girault. The company could obviously not sub-contract work done in-house.

There was no reason to think that it would be any different with supply of parts for satellites either. India's main hope was to supply items now being imported from outside Europe, said Mr. Blondeau of CNES. But he was unable to say what these were, or their monetary value. Some items were being imported from Japan. However, these were only electronic components. There was not much hope of India replacing Japan, he said.

Although CNES spends about 25 to 30 per cent of its budget on domestic programmes, these contracts were given to French companies, Mr. Blondeau said.

In totality the picture that emerges is of European companies eager to get contracts from India rather than the other way round.

France wants India to sign MTCR: Even where India needs such supplies, deals would not be possible if it concerns launch vehicles and as long as India does not sign the Missile Technology Control Regime (MTCR). But there is no guarantee that signing the MTCR would allow India such access.

If India did not sign the MTCR the embargo would be made more strict in the near future. No cooperation of any kind concerning launchers would be possible between India and European countries, Mr. Blondeau, said. Signing the MTCR by itself may not be sufficient, he added. Although he did not elaborate, it is possible that terminating the Indian missile programme would be yet another condition.

Once India signs the MTCR, the SEP would be in a position to supply technology, including cryogenic technology, and components to India, added Mr. Girault. As India was not a signatory to the MTCR, the French Government had refused permission to the SEP in 1989 to proceed with discussions for providing cryogenic technology to the former, he said.

Regional Affairs

OIC Interference in Ayodhya Dispute Condemned
92AS1357A New Delhi JANSATTA in Hindi
18 Jul 92 p 4

[Editorial: "Interference by Islamic Countries"]

[Text] Be it by Pakistan, Saudi Arabia, or the Organization of Islamic Conference (OIC), India must strongly oppose their interference. The OIC and Pakistan have both issued statements about the recent events in Ayodhya. A spokesman for Pakistan's Foreign Ministry has advised India to fulfill its constitutional obligation by protecting the Babri Masjid and the rights of the Muslim minority. Pakistan declared the Babri Masjid a precious heritage of Muslim tradition and suggested that India contact the OIC. The OIC has already made a statement in Islamabad. The Indian Government has not responded to the OIC, however, and has considered the Pakistani statement as interference in India's internal affairs. According to the Foreign Ministry spokesman, Pakistan and the OIC have nothing to do with this affair and have no right to talk about the issue.

The Indian Government's reply is standard and routine. The OIC, Pakistan, and Bangladesh have repeatedly expressed concern about the Ayodhya dispute. Just as Shahabuddin, the Shahi Imam, and his followers have become leaders of the Muslim minority in order to

confuse the Babri Masjid issue, Pakistan and the OIC have also become self-proclaimed leaders of the minority Muslim brotherhood. We can find their statements on any issue from Kashmir to Ayodhya. Their goal is to force the Indian Government. It is because of the OIC's efforts that India has been rejected from the brotherhood of Islamic countries. India did a lot of work in relation to the PLO, Iraq, Libya, and Saudi Arabia to help the Muslims. It has bilateral economic relations with several of these countries. However, as soon as Pakistan started its political propaganda, all of these countries began to neglect India, and the secretariat of the OIC issued anti-Indian statements. Until India takes a strong stand at the diplomatic level against the unilateral attitude of the OIC and Pakistan's interference in India's internal affairs, the situation will not change. There are many ways to take this issue to a diplomatic level. Now that it has established diplomatic relations with Israel and the cold war has ended, India has many political options available to it. The problem is that in the same way our political leadership becomes weak in front of our minorities, the Indian Government is left dumbfounded when dealing with the OIC, Iran, and Pakistan on the international level. Shouldn't our Foreign Ministry have issued a rebuttal to the OIC the very next day? Why did we have to wait for the Indian spokesman's response? Isn't the Indian Government capable of rebutting a false statement issued by the OIC?

Iran Abducts, Tortures Indian Mission Staff

*92AS1277A Madras THE HINDU in English
5 Jul 92 p 1*

[Article by F. J. Khergamvala: "Iran Abducts, Tortures Indian Mission Staff"]

[Text] Manama, (Bahrain), July 4. In the past 15 months, Iran has abducted and tortured staff at India's mission in Tehran, but in sharp contrast to the profile adopted in dealing with actions of a similar nature by Pakistan, New Delhi feels it should be business as usual with the regime.

In late March 1991, a Personal Assistant at the Indian Embassy, Mr. Sandeep Kapoor, in his late twenties was abducted at Teheran's Mehrabad airport on return from leave. On arrival late at night, the official called to say that Iranian officials wished to check his baggage. About six hours later, Mr. Kapoor had still not reached home. Thirty-six hours after the Indian Embassy reported to the local foreign office that the young official was missing, he was delivered back, without his baggage being examined. Instead Mr. Sandeep Kapoor was beaten up and until this day has not recovered from the physical torture inflicted to extract some confession from him. His present mental condition is such that he is considered unsuitable for posting abroad.

On December 3, the same year, Mr. D. B. Mathur, an assistant at the Indian Embassy, in his mid-thirties was snatched as he was leaving his home. There was no trace

of him. The Embassy drew the Iranian Foreign Ministry's attention to the earlier Kapoor incident and insisted that efforts be made to track Mr. Mathur to the source of the March 1991 abduction. Mr. Mathur was handed over 48 hours later, and accused of performing actions incompatible with his status. In order to justify his abduction and physical torture, the Iranian authorities asked India to withdraw the official. No detailed explanation was given by Iran about the incident.

Four different sources, three official and one resident in Iran have confirmed the details of both episodes.

Exactly three weeks before that, after a fairly long interval, the two countries had held their joint commission meeting in Teheran, at which India's then External Affairs Minister, Mr. Madhavsinh Solanki took part. The resumption of the joint meetings came about as a result of an Iranian Deputy Minister having visited India to explain the compulsions under which Iran had been making frequent anti-Indian references, on the treatment of minorities and on Kashmir at various fora. Since that joint commission, despite the Mathur abduction and third degree treatment, a number of officials including Indian Ministers have visited Iran. It is business as usual.

The Foreign Secretary, Mr. J. N. Dixit, begins three days of meetings in Teheran on Tuesday at the head of a team from the railways, finance, commerce and petroleum establishments. This marks quite a departure from the immediate suspension of the Foreign Secretary level talks with Pakistan in late May after the Rajesh Mittal incident. A Minister of State is scheduled to visit Iran too.

Incidentally, the Vienna Convention makes no distinction between a receiving state's treatment of officers of diplomatic rank and the staff of a sending state. The Kapoor and Mathur cases are among a few others involving frequent tailing and harassment of Indian officials in Teheran, say sources.

Indian officials believe firmly that had India reacted strongly to the Kapoor incident, Iran would not have gone through the next one with Mr. Mathur. Incredibly, even the Mathur episode, where India was asked to withdraw him, was not countered with expulsion of an Iranian official. Security agencies in India have full details of activities of Iranian officials, especially those at the Iranian Cultural Centre in New Delhi. "If the intention was to keep the matter under wraps, we could still have hit back," remarked an Indian diplomat who, like many of his counterparts, is disagreeably surprised at the indulgence being shown towards Iran, which was not even asked to pay compensation. Asked if he was willing to go on record he said, "With pleasure except that let the MEA (Ministry of External Affairs) first spell out the reasons for its silence."

Iran itself provides a prime example of conducting relations based on political and economic compulsions, yet getting tough wherever its staff are mistreated.

Among many examples, five weeks before the Mathur incident, Iran rejected an official Italian apology after an envoy's face was splattered with egg. It demanded and got one from the Prime Minister.

Some diplomats believe the intention behind the silence, apart from the economic plums they see Iran as, is New Delhi's effort to single out just one country as being unfriendly to India. Others see it as plain "loss of personality in foreign policy where we need to chase self-respect," remarked one. Either way the flaccid response in these two cases is among a long and often documented list of chasing self-interest without pride or respect.

Comment on Iran, Pakistan Abductions

92AS1337A Madras *THE HINDU in English*
7 Jul 92 p 1

[Quotation marks as published]

[Text] New Delhi, 6 July: The External Affairs Ministry today admitted that there was 'some truth' in the report alleging that two Indians on the staff of the embassy in Iran were last year abducted in Iran. However, the spokesman did not confirm that the two Indians had faced torture.

The official spokesman was commenting on the incident when his attention was drawn to a report in *THE HINDU* on Sunday which provided details of the episode. In addition, the report contrasted the Ministry's sharp reaction to the abduction and torture of Mr. Rajesh Mittal in Pakistan recently with its unwillingness to respond to a similar incident in Iran.

The spokesman however characterised as 'inaccurate' the allegation that the Government of India had 'refrained from action' after it had become aware of the development.

Defending the Government's response, the spokesman said once it was aware of the incident, India took up the matter strongly with the Iranian Embassy in Delhi and also with the Iranian Foreign Office in Teheran through the Indian Embassy.

The spokesman said India found the Iranian response satisfactory after the matter was brought to its notice.

Karachi Torture Chambers Suspected MQM's

92P40226A Madras *DINAMANI in Tamil*
23 Jun 92 p 7

[News Item: Torture Chambers Discovered in Karachi]

[Text] Torture chambers have been discovered in central Karachi. It is believed that the Mohajir Qaumi Movement (MQM) members used these to torment their political prisoners. These [chambers] were discovered by

the Pakistani Armed Forces deployed to arrest criminal activities and restore security in riot-ridden Sindh Province.

BBC announced that the chambers have been opened for public inspection. There were recent clashes between two MQM groups. Nine people died in these clashes, and the chambers were discovered. BBC then announced that the Mohajirs had become autonomous in Karachi. There are also reports that the criminals have close connections to the politicians. It is impossible to travel in Sindh without bodyguards. The army was deployed to put an end to this condition. President Gulam Ishaq Khan has already instructed the army to take action against the criminals, regardless of their clout or their political connections.

In the meantime, MQM's leader, Altaf Hussain, said from London that the army has joined hands with his political opponents who want to destroy his party. He made a similar statement to BBC reporters. He said that he did not know anything about the torture chambers discovered by the Armed Forces, and also that they may actually belong to his political enemies.

It is generally felt that successive Pakistani governments have needed the support of the Mohajirs, and therefore have not dared take any real action against them. However, Mr. Hussain's views are different. He claimed his supporters have been abducted from the streets. In fact, according to him, it has become necessary to reevaluate their relations with the government. The MQM is a constituent member of the Central Provincial Government. Members of both the National Assembly and the Provincial Legislature were said to be among them.

There were similar reports of the torture of political opponents by the Mohajirs during the time of Prime Minister Muhammad Khan Junejo and towards the end of the martial regime of General Zia-ul-Haq. It is said that the torture consisted of drilling holes into the knee of the victim with a sharp implement.

The Armed Forces began mediating between the Mohajirs and their opponents in the struggle to free the people who had been abducted when PPP [Pakistan Peoples' Party] President Benazir Bhutto was prime minister.

Indian Prisoners Said Tortured in Pakistan

92AS1280A Bombay *THE TIMES OF INDIA*
in English 6 Jul 92 p 7

[Article: "Indian POW's 'Tortured' in Pak Jails"]

[Text] Amritsar, July 5 (PTI). Fifty-four army officers and personnel, taken prisoners during the 1965 and 1971 wars, are still languishing in several prisons in Pakistan along with at least 700 other persons of Indian origin.

According to reports received by the Indian intelligence agencies, they were being made to live in sub-human conditions.

Karim Baksh, an armyman from Karnal, and Jagir Singh of Punjab are reported to have died after prolonged illness and madness, the reports said.

Many other prisoners of wars (PoWs) are said to have been spotted in jails at Kot Lakhpat, Faislabad, Multan, Mianwali, and Bahawalpur, the reports said.

The latest batch of repatriates have said most of these officers were being subjected to torture by the Pakistani jail authorities.

Many of these army officers were given up as "dead" by the Indian authorities. Officials said a "widow" of an officer from Ambala who was believed to have been taken prisoner used to visit the Attari-Wagha joint check-post on every occasion of repatriation, even though her husband's name never figured in any of the list.

Similarly, Dharam Vir, another army jawan taken prisoner during the 1971 war, came back in 1981. He had lost his mental balance. It is said the Pakistani authorities "tortured" him into madness.

About 700 other non-army persons, many of them women, are languishing in the Pakistani jails. Some prisoners are said to have been serving sentences of more than 20 years, according to official figures.

Recently, Abdul Rehman was released from Kot Lakhpat jail. He was kept in prison for more than 14 years though the court sentenced him to six-years imprisonment.

Recent reports from a Washington-based human rights organisation alleging blatant ill-treatment being meted out to women in Pakistan jails were substantiated by 16-year-old Parveen Akhtar from Delhi, Shreefa from Bardhawan in Uttar Pradesh and Manju of Calcutta.

Parveen Akhtar was duped by her "uncle" who took her to Pakistan and got her "married" to a person near Lahore. The authorities later arrested her and tried her for adultery.

She was sentenced and thrown into prison for four years where she was subjected to worst form of treatment. She was gang raped by the jail wardens and she returned with serious venereal diseases.

Shreefa and Manju, both Bangladeshis, were sold to rich men in Punjab and Karachi. Later, they were sold for prostitution. The authorities found them guilty and sentenced them to prison.

Jeeta, a youth from the border village of Amritsar, was "pushed" into Pakistan to collect information. He never returned. He became mad and died after being "abused" for 20 years in a Pakistan jail.

Faleiro Meets With Pakistani Minister in Colombo

92AS1342A Bombay THE TIMES OF INDIA
in English 11 Jul 92 p 20

[Article by Ashwanti Talwar; quotation marks as published]

[Text] Colombo, 10 July: India and Pakistan stuck to their positions on nuclear non-proliferation and blamed each other's official media of fomenting trouble across the border. But during the same exchange, a bilateral meeting during the SAARC [South Asian Association for Regional Cooperation] foreign ministers conference, the two sides agreed to resolve their differences through peaceful means.

According to one version of the meeting yesterday, the Pakistani minister of state for external affairs, Mr. Mohammad Siddique Khan Kanju, assured his Indian counterpart, Mr. Eduardo Faleiro, that his country wanted the Indo-Pak problems sorted out within the framework of the Simla agreement.

India has often charged Pakistan of breaking the Simla pact by raising bilateral disputes at international fora. The Pakistani side had mentioned the Kashmir issue at a SAARC meeting in Colombo last year, provoking protests from India.

At the two-day SAARC council of ministers' meeting, which ended yesterday, Pakistan did not mention Kashmir, but there was a reference to the "right of self determination" which Pakistan has in the past used to bring up the Kashmir issue.

In his opening statement on Wednesday at the SAARC meeting, Mr. Kanju said, "It is our firm belief that adherence to the principles of good neighbourliness, sovereign equality, territorial integrity and political independence, non-interference in the internal affairs of other states, peaceful settlement of disputes, respect for human rights and the exercise of the right of self determination of people are indispensable elements of a just, "able and harmonious regional order in South Asia."

The Pakistani minister also reminded the delegates from India, Sri Lanka, Bhutan, Bangladesh, Nepal and Maldives about his Prime Minister, Mr. Nawaz Sharif's proposal of five-nation consultation on non-proliferation of nuclear weapons.

"SAARC member countries should work in concert with each other within or outside the framework of the association to translate their individual commitment to disarmament and nuclear non-proliferation into a solemn regional agreement," Mr. Mohammad Siddique Khan Kanju said in his opening statement.

The issue of India not signing the nuclear non-proliferation treaty [NPT] also cropped up during the bilateral meeting he had yesterday with the minister of state for external affairs, Mr. Eduardo Faleiro. Mr.

Faleiro reiterated Delhi's known objection to NPT and said that India was agreeable to a solution which ensured its security. The treaty was up for review in 1995 and India reportedly urged a formula which would guarantee effective nuclear disarmament in a "non-discriminatory and effective manner" across the globe.

According to an official, the Pakistani side found the suggestion "valuable" and offered to look into them.

While Pakistan accused India's inciting trouble in Sind through its official media, the Indian delegation made similar charges against Islamabad over Kashmir. The two sides also broached the need of evolving a code of conduct over the treatment of its diplomats.

The dates for the sixth round of foreign secretaries meeting between the two countries are being worked out, officials said. The two prime ministers will also meet during the non-alignment meet in Jakarta in a few weeks.

Mr. Eduardo Faleiro also met the Sri Lankan foreign minister, Mr. Harold Herat. The two countries reiterated their position on the need for an exchange between the legal officers before India submits a formal extradition request for the LTTE [Liberation Tigers of Tamil Eelam] chief, Mr. Velupillai Prabhakaran, in the Rajiv Gandhi murder case. Sri Lanka has recently turned down an Indian request to send a legal counsel to Colombo.

Sri Lanka recalled its help to the Special Investigation Team (SIT) during its several visits to the island. The two countries agreed to remain in touch over the extradition issue.

In a formal news briefing, Sri Lanka's foreign secretary, Mr. Bernard Tilakaratna, expressed happiness over the outcome of the SAARC foreign ministers' meeting calling it a "big success he said" we had no controversies at all.

One controversial issue, the "scuttled" SAARC summit in Colombo last year did surface in the ministers conference. Pakistan made no direct reference to India's alleged role, but referred to the need of evolving a "formula" to ensure that there are "no last-minute disruptive postponement of summit meetings." Mr. Kanju said in his opening remarks: "We feel such postponements, apart from causing a great inconvenience to the host country could prove detrimental to the effectiveness and image of our organisation."

But the Pakistani concern was not reflected in the report adopted by the council of ministers.

Paper on Problems Facing Pakistani Government in Sindh

*BK3107123192 Delhi THE HINDUSTAN TIMES
in English 22 Jul 92 p 11*

[Editorial: "Pakistan at Crossroads"]

[Text] Even in the short span of its 45-year-old history it has never been a startling statement to make in

saying that Pakistan is at the crossroads. This nation has a genius for causing itself pain, and for choosing a pain-killer which consumes an unintended target. Twenty years after Pakistan's traumatic experience in its eastern wing, its leaders are again concerned about the future of the nation—this time over the future of the Army operations in Sindh. As a former Pakistan Air Chief, Air Marshal (Retd.) Nur Khan, said in a media interview there is a great risk of the Army getting discredited in its current operations in Sindh. If that happens, the entire province would be in turmoil, and that would trigger divisive forces which Pakistan's fledgling democratic institutions would be hard put to contain. The most serious problem confronting Pakistan's ruling troika—the constitutionally-powerful President Ghulam Ishaq Khan, the real power-wielding entity Army Chief Gen Asif Nawas Janjua, and the democratically-elected Prime Minister Nawaz Sharif—is that real power in Sindh resides in the Pakistan People's Party (PPP) and the Mohajir Qaumi Mahaz (MQM). The first is in opposition both in the provincial assembly and at the federal level, and the second has been lost by Mr Sharif's coalition IJI [Islami Jamhoori Ittehad] as a partner in government. The MQM's loyalty had been purchased by exploiting its economic conflicts with local Sindhi interests, principally in Karachi, Hyderabad and Sukkur where the Mohajirs (migrants from India) demographically dominate. However, the price the MQM extracted out of the federal government went far beyond Islamabad could agree to—allowing the party to run torture and rape cells and be in league with gun-runners and the drug mafia.

Conceding that the Army will succeed in the allotted six months for its operations to restore order, the federal government will still be groping for a political solution of the Sindh situation. The People's Party is unlikely to be able to coalesce with the MQM, the Sindh-Mohajir divide having gone too deep. Having burnt its fingers with the IJI, the MQM in any future dispensation is bound to feel isolated and pushed out of Pakistan's mainstream politics. The MQM has been under such pressure that its chief, Mr Altaf Hussain, has been living in the safe haven of London. There already have been demands from the MQM sources for a degree of autonomy for areas where the Mohajirs are concentrated. Suggestions have also been made for securing for Karachi a status resembling that of Hong Kong in the post-1997 China. Since it is impossible to ignore the Mohajirs in any democratic dispensation in Sindh (if not, ultimately, in the National Assembly), Pakistan's troika will be in a serious dilemma: either Sindh must be permanently brought under Army rule, or the Mohajirs have to be appeased at the cost of Sindhi interests. Under neither scheme, Pakistan's federal objectives will be served.

Hindu, Sikh Refugees Enter From Afghanistan

*92AS1336A Bombay THE TIMES OF INDIA
in English 10 Jul 92 p 1*

[Text] Amritsar, 9 July: Unable to bear the reported hostility of the new Mujahideen rulers in Afghanistan,

about 1,800 Hindu and Sikh nationals have crossed over to India as refugees during the last one month, an official spokesperson said here today, reports PTI.

Penniless, the uprooted families, with a total population of nearly 50,000 back in Afghanistan, have travelled via Pakistan and arrived here both by the rail route of Attari and the land route of Wagha.

The inflow, which began on 5 June, is expected to increase manifold in the next few days as about 30,000 refugees who fled Afghanistan have already reached Pakistan and are awaiting clearance to come to India.

The Indian government has promised to issue the refugees permits and Indian embassies in Afghanistan and Pakistan are in constant touch with them.

A group of Sikh refugees at the Golden Temple here said their exodus started after the reports of killings of Sikhs and Hindus in Jallalabad, Kabul and other places.

They said the pro-Mujahideens forced them to vacate and dispose of their properties at throw-away prices, torched their houses on refusal and kidnapped young girls and indulged in lootings and snatching of their belongings and valuables.

The refugees said they were not allowed to carry their belongings and they could only bring a few things and limited cash.

Most of the Sikh refugees left for Delhi after staying for a day or two at the Golden Temple and other shrines in and around the city.

Meanwhile, Sikh pilgrims who went to Pakistan recently for a ten-day visit to the Sikh shrines there, reported that Gurdwaras Panja Sahib at Hasan Abdal, Nankana Sahib and Dera Sahib at Lahore were full of refugees from Afghanistan with bus loads pouring in daily.

However, the Sikh organisations in the city, including the chief Khalsa Diwan and Akali factions, expressed concern over the security of the Afghan Hindus and Sikhs who were finding conditions in Pakistan increasingly difficult and hostile.

About 5,000 Afghans of Indian Origin Return To Kabul

BK1807160692 Delhi All India Radio Network in English 1530 GMT 18 Jul 92

[Text] About 5,000 Afghan nationals of Indian origin who fled to India recently are returning back to Kabul. This was stated by the minister of state for external affairs, Mr. R.L. Bhatia, while addressing the parliamentary consultative committee attached to his ministry. He said these Afghan nationals had come to India following attacks on them. These attacks have since stopped after the Indian ambassador in Kabul took up the matter with the jihad council leaders, Professor Sebghatollah Mojadedi and Mr. Borhanoddin Rabbani. He said the Afghan

government has assured New Delhi that the properties and lives of Afghan nationals of Indian origin will be protected.

Internal Affairs

Faleiro, Rao Speak to Parliamentary Panel

92AS1344A Calcutta THE TELEGRAPH in English 2 Jul 92 p 1

[Boldface words, quotation marks as published]

[Text] New Delhi, 1 July: The minister of state for external affairs, Mr. Eduardo Faleiro, has strongly denied suggestions of any souring in Indo-U.S. relations but said at the same time that the rocket technology deal between Isro and Glavkosmos of Russia was on despite U.S. objections.

Mr. Faleiro was addressing the parliamentary consultative committee attached to his ministry. Apart from representatives of various parties, the Prime Minister, Mr. P.V. Narasimha Rao, was also present.

Outlining what he called the "clearly definable contours" of Indo-U.S. relations, Mr. Faleiro said, "There have been some suggestions that India has made a volte face in its relations and others that our relations are floundering. Both perceptions are wrong. Our relations were at no point adversarial and they continue to be good."

The minister spoke of the United States being India's largest trade partner and of the "fruitful cooperation" the two nations had had in such areas as the light combat aircraft (LCA) project and computer technology.

Mr. Faleiro also referred to the "points of convergence" between India and the United States and said the United States had supported India's case at institutions like the World Bank and IMF and exhibited an "understanding" of India's difficulties because of external interference in Jammu and Kashmir and Punjab.

The minister also disagreed with the suggestion of some members that the United States was seeking to establish its global hegemony or that the world was becoming a unipolar one and said, "All nations act according to their own perceptions of national interest and nobody should look for any altruism in this regard."

He further said, "That the world is not uni-polar was established at Rio de Janeiro where most allies of the United States opposed the position taken by it."

In this context, the Prime Minister, too, denied any suggestions of U.S. pressure on India and reiterated India's opposition to signing the NPT [Nonproliferation Treaty] and said what India was seeking was a review of the treaty to remove its discriminatory features.

Strong defence: Significantly, the Prime Minister strongly defended the new ambassadorial appointments

to the new republics of the Commonwealth of Independent States (CIS) and said all were people of "proven ability whose ability I have personal knowledge of."

Although he did not take any names, Mr. Rao seemed to be replying to criticism from certain sections on the move to send Mr. Ronen Sen, currently the Indian ambassador in Mexico, as the envoy to Moscow.

Prime Minister Rao's Policies Viewed

Caution Needed on Kashmir

92AS1264A Varnasi AJ in Hindi 4 Jul 92 p 4

[Editorial: "Caution in Relation to Suggestions on Kashmir"]

[Text] India's Home Minister, Mr. Chavan, told the parliamentary advisory commission that Pakistan is supplying weapons and money to terrorists in Kashmir and Punjab. This is interfering in the creation of a normal situation and the holding of elections in Kashmir. Warning Pakistan about this interference, the home minister tried to call our attention to some very serious facts. It is clear that Pakistan has had an evil eye on Kashmir since 1947. It is important to clean up Pakistani spies and terrorists fully before an elected government is established there. The thousands of families that have left the Kashmir Valley and are living atrocious lives in temporary camps in Delhi and Jammu must be returned home and rehabilitated. It is embarrassing to Kashmir and the Indian Government that hundreds of thousands of Kashmiris are living like refugees because of fear of Pakistani terrorists. Hindu families that left Kashmir because of the administrative and political problems there have to be provided with police and military protection. The Indian Government must do three things about Kashmir: It should make sure that Pakistan's international conspiracies related to Kashmir do not succeed; it should totally clean out the terrorists sent by Pakistan; and it should safely rehabilitate Hindu families from Kashmir in their homes.

Mr. Narasimha Rao, India's prime minister, said clearly in a national press conference in Japan that Kashmir is not a disputed region. India has totally vanquished five Pakistani attacks on Kashmir. According to the India partition agreement, Kashmir was considered an integral part of India, not Pakistan. This should be remembered. A conspiracy was hatched in 1947 to annex the Kashmir Valley. Mr. Jinnah's dream of coming to the Kashmir Valley to celebrate its annexation remained a dream. The repeated Pakistani attacks with planes and tanks were controlled well by India and all these failures disheartened the enemies. However, these tactics and conspiracies became a main part of Pakistan's policy. None of Pakistan's governments were able to stay in power without raising slogans about Kashmir. When former Prime Minister Rajiv Gandhi tried to strengthen India-Pakistan relations by visiting Islamabad, then Prime Minister Benazir Bhutto said that the Kashmir

issue would be resolved according to the Simla Agreement. Pakistan's late Prime Minister, Zulfikar Ali Bhutto, came to India for the Simla Agreement. At that time, young Benazir Bhutto accompanied him. Therefore, her statement was realistic; however, she also started an anti-India tirade under pressure from Pakistani military officers and to save her chair.

Talks about establishing friendship and cooperation with Pakistan can be held; however, the talks with Kashmir should be considered closed now. India should demand from Pakistan that it return the part of Kashmir that it has been occupying illegally since 1947. The so-called Azad Kashmir area is actually a slave state of Pakistan. Pakistan should remove its army from that area and give it to India. This would put an end to the whole problem. This issue cannot be made the main topic of any argument or talks. As for the question of the Jammu and Kashmir Valley, all constitutional processes were completed during Sheikh Abdullah's chief ministership. According to it, Kashmir had become a part of India. Then again, Kashmir has been an integral part of India since ancient times. The areas in Pakistan were also part of India. However, the wicked tricks of British imperialists caused this country to be divided into two parts. The day the people of India and Pakistan join and raise the slogan, "we are brothers," the divided India will become one. Maharishi Aravind announced such a consolidation of the two countries. India's first president, Dr. Rajendra Prasad, had also expressed a similar hope before he retired. Now, if Pakistan continues to attack India repeatedly in declared or undeclared war and endanger its own existence, we can imagine what kind of end there will be. The people of Pakistan have good feelings about their Indian brothers. This is clear from the words of Pakistani poets, scholars, and artists who visit India. It is Pakistan's military machinery and the government that is controlled by it that suppresses the feelings of the people. The merciless suppression of the people of Sindh by the military and the mass resignation of the ministry and legislators there show clearly what kind of situation exists in Pakistan.

Rao's Effective Policies

92AS1264B Varnasi AJ in Hindi 3 Jul 92 p 4

[Editorial: "National-International Policies"]

[Text] In his first press conference after his first year in government, the courage and seriousness that Prime Minister Narasimha Rao showed while answering questions does not allow room for the formation of a new policy or a sensational news heading. Mr. Rao's response to a question about the share scandal perhaps can be published in box format. He said that if any cabinet member is indicated in that scandal, he be thrown out of the cabinet. Similarly, in response to a question about Kashmiri self-rule, he said sarcastically, "How can you try to name a child even before the marriage has been consummated?" He referred to the positive changes in Kashmir, Punjab, and Assam as good signs of progress.

He was not willing to admit that no progress or reforms had taken place in these states. While discussing an elected government in Punjab and the terrorist problem there, he asked, "Who can I talk to about it in Kashmir—the governor?" While mentioning the success of the elected government in Assam, he talked about the progress made in controlling ULFA [United Liberation Front of Assam] terrorists. He expressed concern about the terrorist problem in Punjab and Kashmir, but at the same time, he mentioned that the situation was improving in both states. This way, Prime Minister Narasimha Rao has expressed satisfaction about his one year in government. The criticisms that were aimed at the Narasimha Rao government after its one year were negated by Narasimha Rao himself.

Mr. Rao admitted to the slowness of the implementation of economic reforms, but said that if they were accelerated, there would be many problems. He said that while implementing economic reforms, his government would also control related crimes. While giving details about what the government would do about the "share scandal," he said that he would carefully rectify all those problems to avoid any future reoccurrences. While admitting his failure to control prices within 100 days, as declared in the Congress election manifesto, he said that the present inflation is 11.5 percent. He meant that there had been some progress in controlling inflation. There has been no progress in controlling prices in the nation. He admitted that government efforts in this direction were not successful and accepted the truth. He guaranteed that the Ram Janambhumi and Babri Masjid issues would be discussed at the National Unity Conference and hinted about resolving the problem with consensus. He said that the pressure being put on the central government on this issue was inappropriate. The U.P. [Uttar Pradesh] government was removing the hurdles that were in the path of building Rama's Temple, but at the same time, it was accusing various people and was spreading hostility among the people, especially the Muslims. These questions were being tied to politics, and the unity of the nation was being threatened. He said that it would be appropriate that the questions be discussed jointly in the National Unity Conference.

He repeated his previous statement when answering a question about the Nuclear Nonproliferation Treaty. He said that India would not sign such an unfair agreement. Mr. Rao, after saying that he would wait until 1995, said that he did not want nuclear bombs to be made anywhere in the world. While discussing his last meeting with the Pakistani prime minister, he said that talks would continue. He did not clarify what subjects these talks would be on. Prime Minister Rao said clearly at the Japanese press conference that Kashmir was not an controversial issue. This answer points to India's new policy. While answering questions about Pakistan, the prime minister said that he supported the idea of holding talks, but also said that it was not possible to do so in the present situation. Mr. Rao also talked about his foreign policy and relations with various countries. While mentioning

India's relations with Israel, the former Soviet Union, and its various republics, he expressed concern about the present situation in Afghanistan. The government was thinking seriously about bringing home the Indians living in Afghanistan. Indians are being murdered there, their property is being looted, and their lives are in jeopardy. This way, Mr. Rao clarified his government's point of view and hinted toward a change in its policies. Mr. Rao also clarified his position about the presidential and vice presidential elections. He said that Mr. Shankar Dayal Sharma would win and that when the vice presidential position is vacated on 17 July, he will announce the candidate for that position.

Rao Interview With FORBES Magazine Reported
92AS1338A Calcutta THE TELEGRAPH in English
6 Jul 92 p 1

[Quotation marks as published]

[Text] New York, 5 July (UNI): The Prime Minister, Mr. P.V. Narasimha Rao, has said his government intends to redeploy the money locked up in the public sector and invest it to release the "creative energies of this great nation."

Speaking to FORBES magazine, Mr. Rao said, "I tell the people I have no money for their education, for rural development and for healthcare, because the money is being used to subsidise state-owned businesses."

The Prime Minister said, "Today the energy consists of numbers. Add numbers to skills and you can imagine what India can be."

Asked whether he would ultimately privatise the public sector, Mr. Rao said although the government was keen on disinvesting in areas where the private sector has acquired the requisite skills, there were still many areas, where the public sector still had a very important role to play as nobody wanted to sink money in these sectors.

Recounting the factors that prompted the government to launch the economic reforms programme, Mr. Rao said, "If you are having a little difficulty, the tendency is to cover up the cracks and not go to its roots. But if you are besieged with difficulties from all quarters, you cannot do that."

"It was the sheer necessity of that particular moment. We had come to a stage where piecemeal steps would not do, so it had to be something total."

On the pace of change, he said the government had taken pains to ensure that the common man was not affected

while the industrial regime was being liberalised. It was his aim to see that reforms did not lead to widespread unemployment.

It was this reassurance, according to Mr. Rao, that had ensured industrial peace in the last 10 to 11 months, even under conditions of total change.

"We have not allowed the social fabric to crack up," he said, asserting "in fact, it will get sustenance from what is happening. The price situation, too, is under control."

The Prime Minister said he did not have to face much difficulty in convincing people about the wisdom of reversing policies which were half-a-century old, mainly because agriculture, the single largest economic activity in the country, was totally in private hands.

Asked about what arguments he would offer to convince foreign companies to invest in India, Mr. Rao replied, "We are only telling them that the disincentives are no longer there. We don't have to tell them what India offers, because they know it already."

Questioned on whether money was actually flowing in as a result of these policy initiatives, the Prime Minister said the government did not expect everyone to be immediately ready with their chequebooks. "But they are coming in large numbers and discussing investment proposals.

We are on the threshold of a big thrust in industrialisation and they will find us good partners in this mutually beneficial process so that India can join the global economy," he said.

Paper Interviews Bhatia on Foreign Policy

*92AS1404A Bombay THE TIMES OF INDIA
in English 21 Jul 92 p 1*

[Article by Ajay Bhardwaj: "End Confrontation, Pakistan Told"]

[Text] Amritsar, July 20. Mr. Raghunandan Lal Bhatia, minister of state for external affairs, yesterday reaffirmed that pressure had been mounting on Pakistan to abjure its policy of confrontation with India and stop aiding and abetting militants in Punjab and Jammu and Kashmir.

In an exclusive interview here, Mr. Bhatia said a U.S. team recently visited the Pakistan-occupied Kashmir (PoK) and took note of the militants' training camps being run there with the assistance of the Pakistani authorities.

Besides the United States., the European Community (EC) and the United Kingdom have also told Pakistan firmly to desist from backing militants for creating instability in the border states of Punjab and Jammu and Kashmir.

The Prime Minister, Mr. P. V. Narasimha Rao, who has already held four meetings with his Pakistani counterpart, Mr. Nawaz Sharif, would be meeting him again during the NAM [Nonaligned Movement] convention scheduled to be held next month in Indonesia.

The secretary-level talks between the two countries which were abandoned last month in the wake of an attack on an Indian counsellor would be resumed in September. The date for the meeting, he said, was yet to be finalised.

Mr. Bhatia expressed confidence that the process of normalising relations between the two countries would gain momentum and that definite results would be achieved in near future.

The minister categorically ruled out the possibility of the Afghan Mujahideens fomenting trouble in Jammu and Kashmir. The Pakistani involvement in Afghan affairs would recoil on it (Pakistan) and keep the Mujahideens on leash, he said.

Mr. Bhatia admitted that power structure in Pakistan was such that Mr. Nawaz Sharif was feeling helpless in having his way in international affairs. The ground-level situation in Pakistan continued to be threatening despite assurances to the contrary given by Mr. Sharif during his talks with the Indian Prime Minister.

Referring to the influx of refugees from Afghanistan, the minister said ambassador-level talks had been held between the two countries. The Afghan government had assured it would rehabilitate all refugees who have found their way into India. He said the migration had been prompted by the critical law and order situation in Afghanistan during the period when transfer of power was taking place.

India's foreign policy, he said, was being restructured in order to improve relations with the U.S., Germany, France and Japan and iron out differences with the neighbouring countries.

Sino-Indian relations had received a boost because of concerted efforts by the Congress. Mr. Bhatia, who had been the chief of the foreign cell of the AICC [All India Congress Committee], visited China twice during the prime ministership of Mr. Rajiv Gandhi. He said normalisation of relations with China would not only help promote trade with that country but curtail a concentration of forces on the border with China.

Mr. Bhatia asserted that China was equally anxious to improve relations with India because of the current geo-political situation. The defence minister, Mr. Sharad Pawar, would be leaving for China on July 22 to give a boost to the relations.

He said soon after the current session of Parliament he proposed to visit the Central Asian countries.

Commenting on India's stand on the non-proliferation treaty (NPT) Mr. Bhatia reiterated that the NPT in its present form was discriminatory.

Further Developments in Ayodhya Dispute Noted

Fact-Finding Team's Report

92AS1406A New Delhi PATRIOT in English
16 Jul 92 p 8

[Article: "Text of Fact Finding Team's Report on Ayodhya"; boldface words as published]

[Text] Following is the summary of conclusions of the official team of Government of India which visited Ayodhya of Ram Janmabhoomi-Babri Masjid [RJB-BM] issue, reports UNI. [sentence as published]

Security arrangements: Due to the recent removal of some of the security measures, the security arrangements for the disputed structure have got diluted. This includes, in particular, the removal of outer iron pipe barricading, barbed wire fencing and concert in wire rolls. [sentence as published] This development gives rise to apprehensions regarding the security of the structure.

The security plan prepared by the team of Central experts has not been fully implemented. The State authorities informed that some of the remaining recommendations of the plan would shortly be implemented while some other recommendations were either not suitable or necessary due to the changed threat perception.

The existing number of close circuit TVs and door frame metal detectors are not sufficient and the lighting arrangements in the RJB-BM complex, especially at certain critical points, are inadequate. These need augmentation, the number of close circuit TVs should be increased and there should be regular monitoring arrangement in the control room.

The removal of the police control room from its previous site immediately adjacent to the disputed structure reduces its deterrent effect for potential mischief makers.

The collection of large crowds of kar sevaks and workers carrying construction tools and equipments like shovels and pick axes could represent a potential threat to the disputed structure, especially in the emotionally surcharged atmosphere. Better regulatory and control arrangements are required in this situation, these should include frisking of visitors prior to entry into the walled area, which is not being done at present.

The boundary wall constructed by the State authorities is not the security wall recommended by the team of Central experts in terms of its alignments, design and other security features. The utility of the wall from the point of view of security has got further reduced because

of the levelling and digging operations whereby in several places the ground level has risen and covered substantial height of the wall. In any case, lighting arrangements along the wall should be improved.

Development and construction work: Large scale demolition, digging and levelling work (on the acquired land) has substantially altered the nature of this land and the other land included within the boundary wall. This has also affected the drainage in the area.

A large concrete platform of dimensions approximately 70'x30'x3' has already been constructed as on 13 July, 1992. The work in progress and the platform is being further extended. The State authorities could not clarify as to which organisation or agency is undertaking the construction work of the platform and under whose authority, despite the fact that the land belongs to and is in the possession of the State Government in the Department of Tourism. No plan, design, construction details, approvals and other relevant information, like which is the agency carrying on the construction work, time frame for completing it, the purpose of construction, whether any agency has been authorised by Government to undertake the work, etc. could be made available.

In the event of the work being done by some organisation on its own without authority from the State Government in the Department of Tourism, the question arises whether the State authorities have taken or are contemplating to take any action against the encroachers, as it is the duty of the State to protect the land from encroachment.

The overall development plan of the Department of Tourism in regard to the acquired land of 2.77 acres could not be made available. How this plan would be affected by the platform being constructed is a matter for serious consideration. The land has been acquired for the purpose of "development of tourism and providing amenities to pilgrims" whereas the purpose of the platform under construction has not been made clear.

It is also significant that the design of the recently constructed boundary wall as provided by the Ayodhya Special Development Authority indicates that it is an ornamental wall such as those normally constructed for a temple. Further the alignment of the wall as constructed is different from the alignment approved by the Ayodhya Special Development Authority which was along the perimeter of the acquired land. It is not clear how the alignment was allowed to deviate from the approved alignment.

Stability of the Disputed Structure:

The disputed RJB-BM structure is structurally safe except disintegration and distress developed in certain parts due to vegetation growth, peeling of plaster and falling of bricks.

The foundation of the main building is safe except stability of the slope at the back of the disputed structure

(western side). The sharp vertical cut on the front side supporting the barricades consequent to the digging and levelling operation, needs protection on priority basis by providing close timbering to make the vertical cut safe against sliding of the soil.

The two compound walls of the main RJB-BM structure require extensive repairs as there is the possibility that without lintel the bricks may fall.

Outside the outer compound wall of the disputed structure fissures have developed due to vegetation growth and certain holes have formed which require repair under the direction of a competent archaeologist.

The Ayodhya Special Development Authority has got the structural redesigning of the boundary wall of the complex done as its height is now proposed to be increased by 10' to 20'. This has become necessary due to digging and levelling operations.

The drainage of the whole areas needs proper designing and execution otherwise accumulation of water may create problems of the structure.

The basic parameters for designing of slopes are to be determined by soil test samples.

Land Related Issue:

No co-relation has been made between nazul plot numbers and the revenue survey plot numbers which would have established the relationship between the land disputed in the title suits and the acquired land, where work is going on. The State Government officials expressed inability to bring about this co-relation for technical reasons.

Reportedly, the Survey Commissioner, appointed by the court, could not satisfy the court about the reconciability of nazul plots with the revenue survey plots. The State Government may like to consider utilising the services of an expert agency like the Survey of India for this purpose.

Legal Issues:

The work of construction of the platform is admittedly being carried on in the acquired land of 2.77 acres.

The platform under construction cannot be said to be a structure of a temporary nature. It is a point for consideration whether the construction of the platform violates the interim orders of the court prohibiting putting up a structure of a permanent nature. A final view in this regard, however, can be taken only by the court, it is understood that a petition has been filed in the court that construction work on the acquired land should be stopped.

Since there is no information that any action has been initiated by the State authorities against the party undertaking the construction, a question which arises for consideration is whether this amounts to transfer or

alienation of the land in favour of any party and, if so, whether this can be construed as violation of the third condition imposed by the High Court in its interim order of October 25, 1991, prohibiting the transfer or alienation of the acquired land.

Due to the continuing ambiguity about the identification of the disputed property in the title suit pending in the High Court, it is becoming difficult to ascertain whether the interim order of the court passed in 1989 prohibiting the parties from changing the nature of suit property is being violated on account of the construction and other activities. As stated earlier, the State Government may consider taking immediate measures for removing this ambiguity.

TIMES OF INDIA Article

92AS1406B Bombay THE TIMES OF INDIA
in English 18 Jul 92 p 1

[Article by Dileep Padgaonkar: "Saving The Republic"]

[Text] Once again hollow men, enlisting hollow passions in the service of hollow fantasies, are poised to subvert our constitutional system. The words and deeds of the BJP-VHP [Bharatiya Janata Party-Visha Hindu Parishad] combine, ever since it set about to bring the Ayodhya dispute to a flashpoint, should leave no room for doubt on this score. Each one of them is calculated to precipitate a frontal confrontation, not only with the Centre or even with the rest of the political establishment, but with the very corpus of ideas, conventions, rules and laws which provide sustenance to our secular and democratic republic. This alone explains why the combine mocks at the judicial process, allows its followers to burn the effigies of judges, prevents officials from visiting the controversial site, paralyses parliamentary proceedings and generally indulges in rhetoric, which is deeply offensive not merely to the minorities, but also to all those who believe that reasonableness and tolerance must alone govern our pluralistic polity. The combine justifies all this on the ground that where matters of faith are concerned the writ of worldly, secular institutions—courts, government, parliament, other representative bodies—does not apply.

The dangers inherent in such an approach cannot be exaggerated. To begin with, the combine has arrogated to itself the role of the sole guardian of the faith, jettisoning in the process the multi-faceted, eclectic character of Hinduism. In the same vein, it has set itself up as the only valid interpreter of history—another absurd and dangerous proposition—and, worse still, claimed that it has a mandate, both electoral and divine, to set right historical wrongs. It is on account of this authoritarian mind-set that the combine has been unwilling to search for a compromise which would meet the legitimate aspirations of the Hindu community, without bruising the susceptibilities of the Muslims. It continues to maintain that the temple it proposes to build must encompass the present structure, since it has been established by

faith that Lord Rama took birth precisely at that spot. In their overwhelming majority, Hindus, even simple-minded ones, would regard such rigidity to be demeaning to their beliefs and tenets. The combine does not also appear to have paused to ponder over the ripple effect of its faith-driven campaign. So far, the Muslim community has shown remarkable restraint in the face of the combine's provocations. But it would take no time at all for the bigots among the Muslims—and their numbers are legion—to whip up passions, again in the name of faith, to protect the Babri Masjid. Should they too defy the courts, hold the administration to ransom, decry the legitimacy of government and boycott all fora where the issue is discussed, then conditions will well and truly have been created for the law of the jungle to prevail. To deliberately discard constitutional channels available to redress grievances is tantamount to fomenting insurrection. It is to declare war on the state.

At the risk of inviting criticism from within his own party, the Prime Minister has bent over backwards to persuade the BJP-VHP combine to see reason. His efforts have come to nought. The nation now expects him to act in consonance with the oath he took when he assumed office. It enjoins him, first and foremost, to uphold the constitution. If the Kalyan Singh government is unable or unwilling to respect the Allahabad High Court's order to stop construction on the site, it must not be allowed to survive even for a day. Its dismissal may well work to the advantage of the BJP in terms of reviving that party's fortunes. But the risk is well worth-taking. Any prevarication on this score would, in fact, prove in the long-run to be counter-productive, both to the Congress and to the nation at large. It will strengthen the sentiment that the Centre can no longer be trusted to act decisively, even when the letter and spirit of the Constitution are wantonly violated. The government must then explore every legal avenue available to it to take direct control of the site in Ayodhya. Towards this end, the Centre must seek and obtain as much support as it can garner from the other political parties and from public opinion at large. The nation must be told in the clearest possible terms that these steps have become necessary, not to score political points, but because the very foundations of the republic have been exposed to danger. Once it has ensured that the Babri Masjid will not be damaged, a nation-wide effort has to be undertaken to construct a magnificent Rama temple in the vicinity. The BJP-VHP combine's insistence that the temple must be raised where the Babri Masjid now stands will then be seen to be what it all along has been: cussedness and obduracy wholly unbecoming of any responsible political force.

In this regard, the importance of the National Integration Council's meeting on July 18, cannot be exaggerated. It is called upon to respond to the language of hate, prejudice and arrogance with the language of solidarity. It is invited to reiterate, with all the solemnity at its command, its commitment to abide by the Constitution. It is expected to say loudly and clearly that it will not

allow any religion to be hijacked by those who, falsifying its tenets and violating its essentially humane spirit, are hell-bent on spreading poison in our body politic.

The outside world, much like the overwhelming majority of our own people, finds it bewildering that India, instead of expending its energies on the upliftment of living standards, should be embroiled in a religious dispute, stretching all the way back into the medieval age. Unless the dispute is speedily resolved, the bewilderment is bound to yield place to doubt about the stability of the government, the future of the economic reform programme and the very survival of India as a single nation. All eyes are now on Mr. Narasimha Rao. On his shoulders rests the awesome responsibility of ensuring that India is not exposed to insult, shame and ridicule. His success would be tantamount to Hinduism's finest hour and a vibrant vindication of the trust we placed in secular ideals when we gave ourselves the Constitution forty-two years ago. His failure would spell defeatism at home and ignominy abroad.

Ayodhya's Explosive Situation Viewed

*92AS1363A Bangalore DECCAN HERALD in English
22 Jul 92 p 8*

[Editorial: "Sparks From Ayodhya"]

[Text] While an explosive situation prevails in Ayodhya, sparks have already started flying in Kerala. The violence that erupted in Trivandrum and some suburban areas in the last three days is a direct consequence of the events in Ayodhya. The southern districts of the State had witnessed violence on a large scale earlier this year following reports about a bomb blast in a mosque in Faizabad. The communal temperature in the State had been rising steadily before that, with the rise of new fundamentalist organizations and increase in the activities of older bodies like the RSS [Rashtriya Swayam-sevak Sangh] and the SIMI (Students Islamic Movement of India). A new militant organisation, ISS (Islamic Sevak Sangh) was behind the April violence and it is involved in the current bout of trouble also. There is evidence to show that the Trivandrum violence was pre-planned and that both sides had made sufficient preparations to teach each other a lesson. The State intelligence machinery again failed to warn the Government about the gathering trouble but, going by the failure of the administration in preventing the trouble from spreading to other areas after the first few incidents in suburban Poonthura on Sunday, it is doubtful whether even adequate warning would have made any difference. The internal problems of the ruling United Democratic Front (UDF)—especially the bitter factional feud within the Congress(I)—had led to drift and inaction in the administration. The Chief Minister, Mr. K. Karunakaran, who holds the Home portfolio, has gone abroad for medical treatment. The arrangements he left behind have led to a fresh flare-up of intra-party bickering which has affected the functioning of the government to no small extent.

The Government had been found wanting in the handling of earlier communal incidents also and this had led to much discontent even in the police. The crucial role of Muslim League in the UDF was a constraining factor but the State Congress(I)'s undeclared but all-too-clear past association with Hindu communal bodies also did not help. It is unrealistic to expect political parties to abjure policies that seek to take advantage of communal sentiments. But it is the basic duty of the Government to protect the life and property of the people. A heavy responsibility rests on the Kerala Government in this respect for an additional reason too. Continuing strife and violence in Kerala may trigger off similar communal eruptions elsewhere, too, the situation in Ayodhya being what it is. The weekend's violent incidents at Malegaon in Maharashtra were also inspired by the developments at Ayodhya and this shows that even places without a history of communal strife are falling prey to it. Other State governments should take the incidents in Trivandrum and Malegaon as warnings for themselves and take adequate measures to pre-empt the spread of the communal fire to their territories.

Muslims, Left Score Rao on Ayodhya Talks

92AS1409A Madras THE HINDU in English
27 Jul 92 p 9

[Article: "IUML, NF-LF Combine Kept in Dark"; bold-face words as published]

[Text] New Delhi, July 26. The Prime Minister, Mr. P. V. Narasimha Rao, today came under fire from the Indian Union Muslim League [IUML] and the National Front-Left [NF-LF] combine for not taking them into confidence about the talks held with the Vishwa Hindu Parishad (VHP) on the Masjid-Mandir dispute.

In a statement, Mr. Ebrahim Sulaiman Sait, president of the IUML, said: "Though we welcome the efforts of the Prime Minister to solve this complex problem and defuse the situation, we have no authentic information about any agreement with or the assurances given to sadhus and the leaders of the VHP and the BJP [Bharatiya Janata Party].

The national press is writing about some formula and we know nothing except what has appeared in the press.

"It is unfortunate that the Prime Minister has not taken the Muslim leadership into confidence so far. In the circumstances, we have apprehensions that what is being done is to save the face of the VHP leadership and bail out the BJP Government of Uttar Pradesh," he said.

"Otherwise any negotiations before stopping the construction and implementing the orders of the full Bench of the Allahabad High Court, which have been defied for the last 17 days continuously, is improper and undesirable," Mr. Sait maintained.

Doubts over protection: Speaking about the shifting of the "kar seva" to a different site, the IUML chief, however,

continued to express concern about the protection being provided to the disputed Babri Masjid. "Protection of the disputed Babri Masjid structure means protection of the structure as Masjid and final restoration of the same to the Muslims. Therefore, we have been insisting that any temple plan should be made public," the statement said.

According to Mr. Sait, the announcement of stopping construction work had come from the VHP secretary-general, Mr. Ashok Singhal, and not from the Union Government.

"What is worse is that Mr. Ashok Singhal has categorically stated that 'any verdict on the issue will not be binding on us' and that the sants and the VHP will never give up the claim on the disputed structure at Ayodhya," he said.

Accord-breaking record: Claiming that the BJP-VHP combine had a record of breaking agreements, the statement said the VHP had gone back on the September 27, 1989, patch-up with the Centre after the stay order issued by the Allahabad High Court on August 14, 1989.

"Again, solemn assurances given by the Uttar Pradesh Chief Minister, Mr. Kalyan Singh, to the National Integration Council were flouted. Therefore, one has to be very careful in depending on the agreements and assurances of the VHP or BJP. I earnestly hope that the Prime Minister will keep these facts in mind," Mr. Sait maintained.

"I would, therefore, urge that the Prime Minister should apprise the Muslim leadership about any assurance given or formula worked out and consider their reaction to the same before any negotiated settlement. In all his efforts, I am confident, the Muslim leadership will offer all cooperation for an honourable and amicable solution to this very sensitive and explosive issue," he added.

NF-LF seek clarification: Separately, the National Front-Left Front in a joint letter to the Prime Minister asked for clarifications from him on the VHP's assertion that they would not accept any Court verdict which goes against their stand. "This has created apprehensions among the minorities whose representatives have expressed their willingness to abide by a Court verdict to solve the dispute."

Talking of the challenge to the Constitution from the brazen defiance of the Court orders, the letter charged Mr. Rao with not taking any prompt action by the Centre to ensure compliance of these orders. "For the past few days, despite persistent demands in Parliament, you chose not to inform Members of parliament as to what steps you are taking."

The letter has been signed by the former Prime Minister, Mr. V. P. Singh, the CPI(M) [Communist Party of India-Marxist] general secretary, Mr. Harkishen Singh Surjeet, and the CPI [Communist Party of India] secretary, Mr. M. Farooqi.

PTI reports:

The CPI(M) today described the stoppage of "kar seva" at the disputed site in Ayodhya as a "tactical move" and charged that it aimed at accomplishing further encroachment in defiance of the court directive. The party also expressed doubt if the talks initiated by the Prime Minister would result in a permanent solution.

Six Muslim MPs [members of Parliament] call: Six Muslim MPs belonging to two Opposition parties today asked Mr. Narasimha Rao, to place before the nation what transpired between him and the representatives of the VHP on the temple issue and the layout of the entire area acquired by the U.P. [Uttar Pradesh] Government in Ayodhya.

In a statement issued after their meeting here, the MPs said the Prime Minister should also tell the nation whether the kar seva had really been stopped and whether the final touches to and water-curing on the platform would continue as has been claimed by Mr. Ashok Singhal.

The MPs, two belonging to the Telugu Desam and four to the Janata Dal alleged that "the VHP had done its job by completing the first phase of the master plan of construction of the Rama temple with the connivance of the Prime Minister."

The MPs were Mr. Abdul Samad Siddiqui, Mr. A. A. Fatmi, Mr. Mohd Afzal, Mr. F. Azam (all JD [Janata Dal]). Mr. Khaleelur Rehman and Mr. Lalchand Pasha (both Telugu Desam).

CPI Leader's Charge

Lucknow, July 26. The Communist Party of India general secretary, Mr. Indrajit Gupta, today suggested to the Prime Minister, Mr. P. V. Narasimha Rao, not to try to appease those forces on the Ayodhya issue which were working for a theocratic State.

For the time being it was not known as to what assurances had been given by the Prime Minister during the Delhi parleys to the mahants and the Vishwa Hindu Parishad leaders who met him. If an agreed solution was to be attempted during the next three months, clearly both parties to the dispute had to be associated on an equal footing with the process.

However, so far only one side seemed to have been consulted by the Prime Minister and the Muslim leaders had been left out, Mr. Gupta said while taking to newspersons here.

Until confirmed news was available of the Prime Minister's plan of action and what role he wished to assign to the Supreme Court in the process no judgment could be made on the steps taken by him. The Prime Minister must, therefore, come out with the details of his parleys and plans to clear the situation.

Mr. Gupta felt that a final solution was not round the corner. The uncertainty was compounded by the contradictory statements and actions of the BJP, VHP and the Uttar Pradesh Government, who had isolated themselves from the mainstream of democratic and secular public opinion.

UNI reports from Delhi:

'Keep away politicians': Mahant Sewa Das Singh, organising secretary of the Bharat Sadhu Samaj (north zone) today suggested that the job for the construction of Ram temple should be entrusted only to the religious leaders and all political parties including the VHP should be kept out.

In a statement here, the mahant said "we should learn a lesson from the past where religion had been used for political purposes and the communities got a bad name."

He suggested that the Government should constitute a trust of the prominent Hindu religious leaders, including the Shankaracharyas of all four mutts and other saints and sadhus to take up the job of Ram temple construction.

Sindhis Said Becoming More Politically Active

92AS1359B New Delhi JANSATTA in Hindi
20 Jul 92 p 2

[Article by Atam Deep: "Sindhis All Over the Country Are Trying To Get Organized"]

[Text] Jaipur, 19 July—Political efforts have started to recognize the Sindhis as a separate group in the country. There are preparations to start a regional federation of Sindhis, as with the Ghorikas, because Sindhis are spread all over the country and not limited to a specific geographic region. Sindhi leaders are trying to unite 5e million Indian Sindhis under the banner of the World Sindhi Congress.

In order to get their rights, and especially to increase their political representation, a plan has been made to start a "Sindhi rights pilgrimage." It will start from Bombay on 27 October and will pass through Sindhi-majority states (Maharashtra, Gujarat, Rajasthan, Madhya Pradesh, and Uttar Pradesh) and end in New Delhi. A huge rally will be conducted, and a letter demanding Sindhi rights will be presented to Prime Minister Narasimha Rao.

Prior to this, many meetings will be held on the way to develop political awareness among the Sindhis. Sindhis did not have a separate state after the partition, and the attention drawn to resultant problems. They will be told of how Sindhi culture has been endangered during the 45 years since independence. Sindhi literature, education, and schools are becoming extinct. Sindhis are losing ground in political representation. Through the Sindhi rights pilgrimage, they hope to establish regional developmental boards, receive donations worth 300 million

rupees from the Sindhis, establish a Sindhi university and a Sindhi development board, and open a separate television station at Gandhi Dham.

Attention will be given to the inclusion of Sindhi words on Indian currency, having a Sindhi parade on Republic Day, and providing citizenship to Sindhis that emigrated from Pakistan during the last few years. Thousands of Sindhis, including Sindhi leaders, religious sadhus, writers, educators, and other workers, will participate in the pilgrimage, which will be headed by one chariot, several cars, and buses. Leaders of major political parties, legislators, parliamentary members, newsmen, and representatives of human rights organizations will also be invited to participate in this trip, so they can see the situation of the Sindhis with their own eyes. Sindhi leaders have already gone out in this context. Mr. Kundan Das, president of the World Sindhi Congress, said after visiting Saurashtra, Gujarat, and Rajasthan, "The main goal is to obtain Sindhi political rights. The legislators have assigned the separate states of Mizoram, Nagaland, Sikkim, Meghalaya, and Darjeeling to people of the same origin and language. Places like Andaman and Nicobar, because they are separate states, and Dadra Nagar Haveli, because they are ruled by the union, have populations of only 1,000 to 7,000, but receive millions of rupees in grants. These regions also have rights to elect Parliament representatives. Even small groups like Anglo-Indians have representation in Parliament."

"The Sindhi people, whether they number five or five million, have no such privileges. Therefore, they are politically backward. They have no political identity. The Center is treating these groups like stepchildren because of this political neglect." According to Harpal Punjabi, general secretary of the World Sindhi Congress, the Sindhis have a totally different identity. According to him, the Center should give them special attention. The Sindhis suffered most during the partition. They had to give up their homes and property. This group also played a major role in the struggle for independence.

However, when the Sindhis who left the Sindh state in Pakistan moved to India, they were not rehabilitated in one specific region. As a result, they had to scatter all across the country as refugees.

This dispersion adversely affected their political and cultural development. Compared to other language-speaking groups, the Sindhi language could not get protection in Parliament because the Sindhis are spread out all over the country. According to their numbers, they should have representation in the legislative assembly.

While emphasizing the nonpolitical nature of the World Sindhi Congress, its president, Ramesh Alimchandani, says, "The Sindhi representation in the Lok Sabha, Rajah Sabha, Vidhan Sabha, and the central and state cabinets is almost zero. We are also being neglected in such positions as governors and ambassadors. Sindhis were never aware of any kind of self-rule. In spite of over

100,000 letters written by various Sindhis to the Indian Government, the leaders have felt it unnecessary to call them for talks." Rajiv Gandhi invited them once for talks; however, he accepted only two things. According to these, Ram Rehlani was made governor of Sikkim, and 2.6 million rupees for the establishment of the Sindhi Development Board were approved. This grant was received seven years later. Sindhi leaders express concern over the fact that when the Indian Government did not abide by the promise made at the time of partition to Sindhi society and did not give equal rights to the Sindhis.

According to the agreement reached between Jawarhalal Nehru and Liaqat Ali, those who moved from one to another country as refugees would receive citizenship rights. However, the Sindhis who were forced to leave Pakistan and come to India via Rajasthan and Gujarat have not been given Indian citizenship. The Sindhis in the state of Sindh have 22 seats in the state assembly. Indian Sindhis do not even have one legislative seat. They are satisfied economically; however, they feel deprived politically. Sindhi leaders want Vidhan Sabha representation for Sindhis in cities where they number over 12,000 and Lok Sabha seats in cities where they number over 30,000.

The leader of the World Sindhi Congress demanded the establishment of a Sindh state in the Kachh area of Gujarat, but Gujaratis opposed this idea. In order to avoid bad feelings from anyone in the state, they gave up the idea of establishing a Sindhi state. Instead, they agreed to demand protection as a state-less group.

Constitutional Problem Faced in Kashmir

*92AS1279A Bombay THE TIMES OF INDIA
in English 6 Jul 92 p 1*

[Article: "Statute Problem in Kashmir"]

[Text] Srinagar, July 5. The Centre is heading for a worrisome constitutional problem in Kashmir. President's rule in the state cannot be extended beyond the three-year period which expires in September next year. Extension of President's rule beyond three years would require a constitutional amendment. But the former chief justice of the Jammu and Kashmir high court, Mr. Justice Bahuddin Farooqi, and other experts point out that under article 370, any such amendment could be applied to Jammu and Kashmir only with the concurrence of the state government.

But since the state is already under President's rule, no state government exists. The experts point out that, under President's rule, the governor acts as the agent of the President which means the Centre, a position different from that under governor's rule under section 92 of the state's own constitution.

Observers here believe that the talk of holding elections in the state reflects the Central leaders' concern at the impending constitutional impasse rather than any

improvement in the ground situation. However, they point out that the exercise of elections could prove counter-productive in more ways than one. Despite the successes achieved by the security forces in the drive against militants over the last three years, insurgency continues to pose a serious problem.

Moreover, the level of alienation of the common man has gone up. To expect that in such a situation the people will participate in the elections is "wild imagination," the observers say. They recall that in 1989, when the situation was far better, the candidates contesting the elections in the valley did not cast their votes.

These observers point out that the mere announcement of holding elections in the state would be big news. Reporters from all over the world will arrive in the valley for the event. Thus, "the farce of an election" will not embarrass the government but also focus world attention on the Kashmir issue.

According to reports, the Centre is consulting experts on whether there is a way out of the constitutional problem. The other option is to strive for the revival of the assembly, the dissolution of which by the former governor, Mr. Jagmohan, has been challenged in court.

The division bench which heard the arguments has recommended the constitution of a larger bench to adjudicate on the case. The assembly, if it is revived, will complete its term in March next year. Thus, the idea would be to install a chief minister for a brief period and then place the state under governor's rule again. The whole exercise will be politically ridiculous, the observers point out.

Meanwhile, three persons were killed and four subversives arrested in the valley since last night.

Differences Between Kashmir Militants Assessed
92AS1334A Bombay THE TIMES OF INDIA
in English 11 Jul 92 p 7

[Article by Dinesh Kumar, quotation marks as published]

[Text] Srinagar, 10 July: While the residents of the valley remain strong in their aspiration for complete "azadi" despite a gradual disenchantment with the cult of violence, the militants are facing the risk of losing direction because of the confusion that has cropped up owing to their serious internal ideological differences, the mushrooming of militant organisations and growing criminalisation among their ranks.

Kashmiri militants, like in Punjab, are divided into numerous groups. At one point of time the state government had counted 186 militant groups and over 60,000 militants operative in the valley. But unlike Punjab where all militant groups are united on the demand for an independent sovereign Sikh state, "Khalistan," in Kashmir the militant groups are ideologically divided

over the fundamental issue of whether to accede to Pakistan or to seek instead the status of sovereign independence for a reunified Jammu and Kashmir.

Hence, the JKLF [Jammu Kashmir Liberation Front], which has been a principal protagonist of sovereign independence is particularly disillusioned with Pakistan because of the latter's perceived betrayal of their "cause." Apart from facing the recent ban of their proposed conference, earlier scheduled to be held at Rawalkot (Pakistan) this month, the JKLF is feeling the pinch because it is not getting the same level of support as before from across the border. Political observers go as far as to describe the JKLF as a modified version of the National Conference.

The pro-Pakistan groups, however, seem to treat the JKLF suspiciously and advocate acceding to Pakistan for reasons of Islamic proximity. Militant ideologues here point out that Pakistan has deliberately floated organisations directly in its favour in order to wrest the initiative from the JKLF and convert the popular sentiment for "azadi" in its favour. The numerous organisations also help Pakistan maintain control on the militant movements in case of betrayal by some organisations. However, political observers point out that in the bargain the policy appears to have created confusion among the militant ranks and the public alike.

Conceding that the mushroom growth of militant organisations on the one hand and the starkly evident ideological differences on the other has "created an overall climate of confusion," the secretary-general of the political wing of the underground JKLF, Mr. Bashir Ahmed Bhat, further admitted that "the division among the militant organisations reflects unsolved issues."

Talking to this correspondent here, Mr. Bhat attributed Pakistan's "propping up" of pro-Pakistan militant organisations such as the Hizbul Mujahideen and Al Jihad "in keeping with their (Pakistan's) self-interests." "When some among us have told Pakistan that they are willing to give to them their house free of cost, why won't Pakistan support them?" he asked while making a pointed reference to their rival pro-Pakistan Kashmiri militant organisations. "However, it did come as a great surprise to us when Pakistan banned our scheduled meeting because they have always been the advocates of our cause," he said, while accusing Pakistan of banning the proposed conference "in order to protect their own interests."

Reiterating that Pakistan too must vacate the portion of Kashmir under its occupation, Mr. Bhat admitted that his organisation was no longer getting the same level of support as before from Pakistan. Asked to comment on the PoK Prime Minister, Sardar Abdul Ghayum Khan's recent statement describing the JKLF as a "terrorist organisation," Mr. Bhat accused the former of playing "his master's voice." "Mr. Khan is doing what Pakistan wants him to do. Till only recently Khan had been

describing the JKLF as the only patriotic organisation fighting for the freedom of the Kashmiris," he said.

However, he too expressed concern at the mushroom growth of militant organisations saying that it had created confusion. Acknowledging that they were receiving support from Pakistan, he said that a major source for weapons was (Pakistan occupied Kashmir) apart from a clandestine gun-running mafia in India which he declined to identify.

He ascribed his organisation's reasons to align itself with Pakistan to the "cultural, historical, religious and geographical links" with Pakistan. "We want to consolidate this Muslim state in our neighbourhood for the ultimate cause of unification of Muslim 'umha' (nation) which is presently divided into 52 countries," he said. Asked why Muslim countries had historically remained divided, he replied that it was because some of the Islamic countries were not being ruled by true Muslims but rather by kings and dictators. He went on to single out Iraq and Egypt. However, he evaded the issue when asked to comment on Kuwait where the people were demanding democracy and the dismissal of its Emir.

Tamils Feel Restricted in Incorporating Hindi Learning

92P40226E Madras DINAMANI in Tamil 7 Jul 92 p 6

[Editorial: "Facilities Denied for Students of Tamilnadu"]

[Text] M. Arunachalam, joint secretary in the Department of Center City Development, lamented that students of Tamilnadu have been denied the opportunity and the facility to learn Hindi.

He addressed the graduation ceremony for the Gandhigram Rural University's Tamil course for teachers and students from other states, and said that this problem should be studied closely, not just by the students, but also by the administrators of Tamilnadu. He observed with regret, that in Tamilnadu a generation of students had been hurt by not providing them with an opportunity to learn a third language, especially Hindi.

In the other states of South India, such as Kerala, Andhra [Pradesh], and Karnataka, an opportunity to learn Hindi along with the regional language and English is provided, but this is not so in Tamilnadu. Here, some people, along with the government, feel as though it is being thrust on them. This makes it impossible for those who want to learn Hindi. That it is also another indigenous language is not considered. They are expected, rather unfairly, to learn English, which is after all a foreign language.

The Tamilnadu Government said that Nehru promised that the use of English would be extended for as long as the people who do not speak Hindi want, and it continues to deny the learning of the Hindi language. Nehru said only that English will also be allowed to continue

along with Hindi, until everyone learns Hindi. He never said that only English will continue. The politicians have concealed this truth, and have inculcated a hatred against Hindi in the minds of the students of Tamilnadu. They have created a phobia that Hindi is a demon that will swallow Tamil. There is no doubt that this attitude must be curbed for the betterment of the future of the students.

Tamil Nadu: Vindictive Streak of CM Discussed

92AS1363C Bangalore DECCAN HERALD in English 22 Jul 92 p 8

[Article by S. Murari]

[Text] Madras—The arrest of former AIADMK [All India Anna Davida Munnetra Kazhagam] Minister S. Thirunavukkarasu under the Prevention of Corruption Act of 1947 by the Tamil Nadu police and his discharge by the Principal Sessions Court on the ground that the Act is no longer in force has exposed the Jayalalitha Government to ridicule.

It shows to what extent Chief Minister [CM] J. Jayalalitha is prepared to go to settle scores with political opponents. It also reveals that a demoralised police force is ready to bend laws to oblige an imperious Chief Minister.

Mr. Thirunavukkarasu was arrested on a charge of having made pecuniary gains of Rupees 21.45 crore by granting planning permissions for buildings constructed under the rules between October 1986 and January 1988 when he was Housing Minister in the last M.G. Ramachandran Ministry.

The police say that the Crime Branch (CID) on the orders of the DMK [Dravida Munnetra Kazhagam] Government in April 1989, conducted an inquiry and submitted a preliminary report. On the basis of the report, submitted about a month ago, the Housing Secretary preferred a complaint on July 15 and Mr. Thirunavukkarasu and his former personal assistant were arrested in the early hours of July 16.

The prosecution argued that notwithstanding the repeal of the 1947 Act, the accused are liable for conviction under Section 13 of the 1988 Act. Rejecting the argument, the judge said that the saving clause in the 1988 Act applies only to cases pending at the time of the repeal of the old Act. In the present case, the first information report itself was registered only on July 15.

Deliberate

It is reliably learnt that the police chose to prosecute Mr. Thirunavukkarasu under an old Act not by oversight but deliberately because it did not want the case to be barred by limitation as the alleged offences were committed six years ago.

Mr. Thirunavukkarasu calls it an act of political vendetta and claims that as a minister, he only exercised his

discretionary power to grant exemption from building rules in deserving cases and that this was being done as a matter of course. What is being alleged is the misuse of that power for pecuniary considerations.

The Crime Branch has preferred an appeal in the High Court, contending that the Prevention of Corruption Act is a permanent statute and that merely because an old Act has been replaced by a new one, the offence contemplated under the old Act is not obliterated. In the same breath, it has also argued that the mere fact that a wrong provision has been quoted is of no consequence as the FIR [expansion not given] discloses cognisable offences recognised in the statute book.

Mr. Thirunavukkarasu, who was a minister for three terms in successive MGR [expansion not given] Cabinets from 1977, has offered to subject himself to a probe by a high court judge if Ms. Jayalalitha is also ready to face such a probe into her conduct in the last one year. Mr. S. Ramachandran has also voiced a similar demand.

Ms. Jayalalitha is unlikely to respond to these demands. Mr. S.D. Somasundaram, who revolted against MGR in 1984 for nurturing Ms. Jayalalitha and presented a memorandum to the Governor listing serious corruption charges, is now a senior Minister in her Cabinet. So also Mr. S. Muthuswamy whom she accused of having stashed away Rupees 200 crore in his father's grave after MGR's death in December 1987.

Mr. Thirunavukkarasu has described his arrest as a "birthday gift" from Ms. Jayalalitha. In 1988, she expelled him from the party. The next year, she stripped him of the post of Deputy Leader of the legislature party. She forgot his birthday last year but more than made up for it this year.

However, the political overtones of the case cannot be ignored.

Ironically, Mr. Thirunavukkarasu was the right-hand man of Ms. Jayalalitha during the period he is alleged to have indulged in corrupt practices. The issue itself was raised by the then Chief Minister, Mr. M. Karunanidhi, in April 1989 when Mr. Thirunavukkarasu demanded the resignation of the Ministry for an alleged assault on Ms. Jayalalitha.

Mr. Karunanidhi announced an inquiry into the "irregular orders sanctioning construction of 174 high-rise buildings," 29 of them on Mr. Thirunavukkarasu's last day in office. The inquiry was to have been completed within a month, but the matter was not pursued.

Out of Favour

Meanwhile, on the suspicion that Mr. Thirunavukkarasu had been neutralised by Mr. Karunanidhi, Ms. Jayalalitha sidelined him and eventually expelled him from the party. Mr. Thirunavukkarasu then floated his own party, contested the last elections in alliance with the DMK and got re-elected for a record fourth term from Aranthangi.

When the AIADMK was swept back to power, Mr. Thirunavukkarasu found himself isolated with the only other member of his party, Mr. K.K.S.S.R. Ramachandran, falling at Ms. Jayalalitha's feet and getting readmitted to the ruling party. Mr. Thirunavukkarasu too was not averse to going back to the AIADMK, for he had done so once in 1988, but not with sack cloth and ashes.

Until a few months ago, he had been maintaining a low profile. But sensing that the popularity of the Government was waning, he began going on the offensive with a series of party meetings, several of which were disrupted by AIADMK goons. A day before his arrest, he celebrated his 42nd birthday and had a confrontation with the police when they prevented him from entering the MGR samadhi to pay homage. Mr. Thirunavukkarasu stood his ground and eventually had his way.

A few days ago, Mr. Thirunavukkarasu addressed a meeting of fans of Tamil superstar Rajanikanth. He criticised the Jayalalitha Government for taking action against Rajani fans for putting up posters hailing the star as the future Chief Minister. He said if Ms. Jayalalitha, also from the film world, could become Chief Minister, why not Rajanikanth? He pointed out that until a few years ago every house had a photograph of MGR. Now there was not a house which did not have a Rajanikanth photo, he said. Given his immense popularity, Rajanikanth should seriously consider entering politics, he added.

Within a few days, he was arrested. Not only Mr. Thirunavukkarasu, but also DMK leader Karunanidhi, CPI(M) [Communist Party of India-Marxist] General Secretary A. Nallasivam and Pattali Makkal Katchi leader and former AIADMK Minister S. Ramachandran have called it an act of political vendetta.

Former Director-General of Police V.R. Lakshminarayan said: "The excessive zeal to arrest an accused for an offence allegedly committed years ago smacked of ... partisan conduct. I condemn ministerial misconduct. But proceedings should not only be above board but also appear to be so. Arrests after such a long time are unnecessary and not warranted by the law."

Gujarat: Terrorism Widespread, Condemned

92P40226D Madras DINAMANI in Tamil 6 Jul 92 p 4

[Editorial: "Gujarat Violence"]

[Text] Reports of recent excesses in violence in Gujarat State have been worrisome.

The rock-throwing incident during the "Rath-Yatra" [Chariot procession] last Thursday, had repercussions in other towns, increasing in magnitude each time. Sunday's gruesome double murder, in which two people were stabbed to death, increased the number of victims of violence to 23, according to the police. The condemnable fact is that the people who were demonstrating peacefully, expressing their objections to the violence in

the procession, were themselves subjected to brutal violence. Some of them were burnt alive.

If the state government had taken precautionary measures along the proposed route of the procession, most of the violence could have been avoided. Now, at least, steps should be taken to prevent such violence in the future, and the culprits of this incident should be found and punished promptly.

Issues Behind Demand for Gorkhali-Language Revival Viewed

92AS1360B Varnasi AJ in Hindi 21 Jul 92 p 6

[Article: "Tussle Over Language in Darjeeling"]

[Text] Darjeeling, the Queen of the Mountains, is smoldering again. The immediate goal is to include the Gorkhali language, in addition to Nepali, in the eighth sublist of the Constitution. Mr. Subash Ghising, president of the Gorkha Mountain Federation, wants both languages to be included simultaneously in the eighth list.

Mr. Ghising is frenzied about the language issue. Because the Mountain Federation was established more than two years ago after a three-party agreement with the late Rajiv Gandhi in Darjeeling, Mr. Ghising has been working hard to establish his influence in the three mountain regions of the district. He does not want to be accountable for the money spent by the Center in this area through his federation.

Recently, when his disagreement with the state government increased, Mr. Ghising almost locked up the federation. He announced that he would demand the establishment of a Gorkhaland state or a union territory. State government sources revealed that he wanted to determine before starting this war all over again whether he should demand a second state or a union territory.

At present, however, the language issue is at the top of Mr. Ghising's list. He knows that the Nepali-language federation, which is a representative organization of various regions in the Himalayas and the Nepalis living in Sikkim, has been pushing for the inclusion of the Nepali language in the Constitution. He has added Gorkhali to this list, because he will be able to strengthen his leadership by using this issue. However, his weakness is that he does not have the popular support he had three or four years ago. This has helped the Communist Party (M) [CPI-Marxist] to regain its lost influence. The prospects of the Communist Party (M) for victory are becoming brighter, and this is endangering Mr. Ghising's future.

Why has this language issue been raised at this time? The fact is that recently, Central Home Minister Mr. S. V. Chavan called a meeting of legislators after Chief Minister Jayoti Basu had requested support for Nepali and some other languages. We learned that it was decided at this meeting that a bill would be presented in the next session of

the Parliament to give constitutional acceptance to more languages. It was learned that Mr. Basu discussed this issue with the prime minister and the home minister during his trip to New Delhi to make sure that the government takes action on this issue immediately.

In this context, the state government decided to have a conference in Darjeeling on 11 July. Among the participants were representatives of Nepalis living in northern India and Mr. Nara Bahadur Bhandari, Sikkim's chief minister. The purpose of this conference was to push for constitutional acceptance of the Nepali language and not Gorkhali, which they consider a local dialect and not a language. Mr. Basu has also claimed that the word Gorkha was added in the Mountain Federation's name with the understanding that Mr. Ghising would not make the Gorkha language an issue. However, breaking promises is nothing new for Mr. Ghising, and Darjeeling appears to be approaching violence again.

Ghising's supporters have now come out into the open. They have one purpose, and that is to embarrass Jayoti Basu. Mr. Inderjit Khullar is a legislator from their constituency, and is an old friend and guide of Mr. Ghising. A former chief minister, Mr. Siddhartha Shankar Ray, is also one of his supporters. After being unsuccessful in stopping the transfer of Tin Bigha to Bangladesh, Mr. Ray is becoming angrier. It is said that Mr. Ray told the high command that if Mr. Basu was not embarrassed over this issue, the central government should not easily adopt the Nepali language. He said that Gorkhali should be approved, if possible. He also raised this question in Calcutta. It is possible that Mr. Ray might be looking for a safe election constituency to win in the future. He might get this constituency with Mr. Ghising's blessing.

Over 25,000 Political Prisoners Said Held

92AS1323A Bombay THE TIMES OF INDIA
in English 11 Jul 92 p 11

[Article: "India Criticised on Undertrials"; quotation marks as published]

[Text] New Delhi, July 10. At least 25,000 political prisoners, including some prisoners of conscience, were held without charge or trial under special or preventive detention laws in India according to Amnesty International's annual report of 1992 for the period January to December 1991.

It said that although the Indian government seldom issued relevant statistics on the number of people detained or imprisoned for political reasons, official sources suggested in May that 11,000 Sikhs were being held for political reasons in Punjab alone.

It said: "Thousands of detainees were held in Jammu and Kashmir; the state governor said in October that 5,000 "militants" and 2,500 "accomplices" were being held but civil liberties groups suggested that the actual

total could be 15,000. Legal safeguards against unacknowledged detention were routinely ignored and prisoners remained in illegal detention for weeks and sometimes months." Mention was made of four Naxalite political prisoners in West Bengal being denied the right to prompt and fair trial for over ten years and to two hangings taking place after a gap of 25 years.

Noting that no judicial or comprehensive, impartial inquiry had been initiated by the end of 1991 into the grave allegations of rape of 23 women and girls by soldiers in Kunan Poshpora during counter-insurgency operations in Kashmir, the report said that rape of women by soldiers in north-eastern India "was so persistent that the Guwahati high court, which has jurisdiction over all the seven north-east states, ruled in March that women should no longer be taken to or held at army camps for interrogation." In July, the supreme court ordered the army to take special measures in the North-East to protect women from torture or harassment during military operations.

Of significance to India is the fact that in the context of the broadened Amnesty International mandate following its recent international council meeting in Yokohama in Japan, it has made critical comments on abuses committed by armed opposition groups in India (and in many other countries too). The far-reaching decision implies that Amnesty will now additionally oppose other deliberate and arbitrary killings and hostage-taking by armed political opposition groups.

Deliberate killings of civilians and others who are taking no part in a violent conflict is often a tactic of such groups. So too is kidnapping when an opposition group detains a person in order to compel a third party, often the government, to do something as a condition for release.

Accordingly, Amnesty observed: "In Punjab, armed separatists killed several thousand government officials, soldiers and civilians during the year. In Assam and Jammu and Kashmir, separatists killed hundreds of government officials and kidnapped dozens of officials and civilians and killed some of them. In Kashmir, for example, one of these groups kidnapped Mr. Tassaduq Dev, brother-in-law of a Union minister, cut off one of his thumbs and sent it in October to the PTL." It added that the group said it would kill Mr. Tassaduq Dev unless one of its members was released from detention.

Amnesty International condemned the taking of hostages and deplored the threats against them issued by several armed groups, which in one case sought an inquiry by Amnesty in Kashmir. Amnesty emphasised that it neither participated in prisoner exchanges and hostage negotiations, nor authorised anyone else to do so on its behalf.

While appealing for clemency for those whose executions were imminent, Amnesty urged the government to change laws that granted immunity from prosecution to security forces and facilitated violation of human rights.

The LTTE [Liberation Tigers of Tamil Eelam], banned in India, was assailed for gross human rights abuses, including torture and killing of prisoners. "It was believed to be holding about 2,000 prisoners and to have publicly executed more than 30. It was also responsible for widespread killings, of Muslims and Sinhalese civilians among others," the Amnesty report stated in its Sri Lanka entry.

It may be mentioned in passing that the extended mandate of Amnesty International relates to opposing the "forcible relocation of a people to a particular area of their own country," to "involuntary exile" and regarding as prisoners of conscience people who are imprisoned "solely because of their homosexuality."

Alien Issue in Assam Said Exacerbating

92AS1333A Bombay THE TIMES OF INDIA
in English 11 Jul 92 p 9

[Article by Debashish Munshi; quotation marks as published]

[Text] Guwahati, 10 July: The sensitive issue of illegal immigrants, which had created turmoil in Assam in the early 1980s, threatens to erupt once again.

The All-Assam Students Union (AASU), which had spearheaded the six-year-long anti-foreigner agitation in the state, culminating in the Assam accord of 1985, has now demanded that "each and every Bangladeshi" should leave Assam.

It has sought the help of all political and non-political organisations "to thwart the conspiracy to reduce the indigenous people of Assam into a minority."

At the other end of the spectrum is the declaration by some influential minority leaders that all the talk about illegal migrants and the need to deport them was a ploy to "threaten and provoke" the minorities living in Assam.

The recent statements of the Prime Minister, Mr. P.V. Narasimha Rao, and the Assam chief minister, Mr. Hiteswar Saikia, have helped rekindle the controversy. Both sides have been making use of the statements to suit their own ends.

It all began with Mr. Saikia's declaration in the state assembly on 10 April that "between two and three million Bangladeshis" had illegally entered Assam since 1987. The declaration was enthusiastically picked up by the AASU and its political operation. The Asom Gana Parishad (AGP), for this was precisely the platform they were looking for.

But less than three weeks after Mr. Saikia's statement, a new body called the "Muslim Forum" was formed in the state, essentially to challenge the chief minister's statement. The forum did manage to force Mr. Saikia to retract his statement, and last month he declared at a rally in Nagaon that there was "no illegal migration into Assam."

He chose to explain away his earlier statement by saying that he had based it on a Union home ministry report which was later found to be "erroneous."

Mr. Saikia's political acrobatics only aggravated the situation with the AASU accusing him of safeguarding the interests of Bangladeshis for his own political ends.

Shiv Sena Said Successful in Avoiding Party Split

92AS1359A New Delhi JANSATTA in Hindi
19 Jul 92 pp 1, 7

[News Report: "Shiv Sena Avoids Party Split"]

[Text] Bombay, 18 July (JANSATTA)—The split of the problem-ridden Shiv Sena has been postponed. Its president, Bal Thakre, has changed his mind about quitting the party and breaking it up. He made this decision in response to accusations of his dynastic rule of the party. The people associated with the Shiv Sena were upset to read in SAAMNA, the party's Marathi mouthpiece, that Mr. Thakre decided to quit the party that he established 25 years ago. Mr. Thakre announced his plans via SAAMNA. His declaration in the newspaper that the party would be broken up caused an uproar in the party and the news media.

Mr. Thakre reacted to the accusations levied by former corporation member Madhav Deshpande in a press conference on Thursday. Mr. Deshpande has formed a group called the Forum for Justice and is its president. He accused Mr. Thakre of using the Shiv Sena for his personal gains, and that the party was controlled by his sons and nephews. He said that young and promising party members were being neglected, and that those at Mr. Thakre's beck and call were being rewarded. These accusations were printed prominently in newspapers. Mr. Thakre was upset about these and announced that he was leaving the party, along with his family members.

The prominent party leaders were scared by this announcement and gathered at Mr. Thakre's home this morning. These leaders included Pramod Navalkar, Manohar Joshi, and Sudhir Joshi. After meeting in a closed room for several hours, they were successful in persuading Mr. Thakre not to leave the party.

According to some reliable sources, Mr. Thakre was not unhappy as much about the accusation levied by a former party member as much as he was because Shiv Sena leaders and members did not show any reactions to the accusations. According to these sources, he said in the meeting, "If the Shiv Sena members remain quiet after such base criticism of the party and of my person, then they do not deserve me as their leader. This is public character assassination, and a party does not care for me should be broken up, and I should leave it." When prominent party leaders were trying to console Mr. Thakre, a large number of Shiv Sena members gathered outside his residence, Matushri. They were all sitting outside the residence with patience for the results.

After a while, Mr. Thakre calmed down, came to the veranda, and announced to party members that he had given up the idea of breaking up the party and leaving it. However, he warned them that if they continued to remain silent spectators when the party was criticized or insulted, he would not tolerate it. After his speech, the inspired party members went out and surrounded Mr. Deshpande, warning him that if he criticized the Shiv Sena again, he would have to bear some of the negative results.

Two years ago, during the 1989 election, the Shiv Sena reached the top by winning 4 Lok Sabha and 42 Vidhan Sabha seats. It faced a setback last year, when 12 party members joined the Congress (I). The other six legislators belonging to the Shiv Sena also tried to join the Congress (I). Three of these have been identified as belonging to the Shiv Sena (B). This year they have also joined the Congress (I).

This party changing occurred because of Bal Thakre's autocratic attitude and members' dissatisfaction within the party. Mr. Manohar Joshi and Bhujbal were struggling to become number-two in the party. The situation was worsening because of this. When newspapers carried headlines about this struggle, Bal Thakre threatened to break up the party. Since then, the Shiv Sena has lost the leadership of the opposition, and its members have been losing morale.

Mr. Deshpande told newsmen on Thursday that there was a lot of dissatisfaction in the party because of Mr. Bal Thakre's management style. According to him, Mr. Thakre never let a healthy discussion take place in the meetings, and he was very cruel to his opponents. He said that when party members like Shishir Shinde and Vasant Pradhan showed leadership capabilities, they were demoted. Mr. Deshpande also accused Mr. Thakre of encouraging strife within the party to strengthen his autocratic rule. He gave the example of Chhagan Bhujbal and Manohar Joshi, saying that the two were pitted against each other. He said that party members were planning a meeting in Dadar within the next month to plan strategy for the future.

Results of CPI-M Central Committee Meet Told

92AS1397A Bombay THE TIMES OF INDIA
in English 25 Jul 92 p 13

[Article: "Isolate VHP, BJP: CPM"]

[Text] New Delhi, July 24 (PTI). The CPM [Communist Party of India-Marxist] central committee has threatened to mobilise left, secular and other democratic forces to isolate the VHP-BJP [Vishwa Hindu Parishad-Bharatiya Janata Party] combine, who, it says "are out to destroy communal amity" by complicating the Ayodhya issue.

The CPM also plans to resist the "anti-people and anti-worker economic policies being pursued by the Centre."

A five-day meeting of the CPM central committee, which concluded here on July 22, criticised the Narasimha Rao government for failing to stop the construction work by the Vishwa Hindu Parishad and the BJP at Ayodhya.

"The BJP has been thoroughly isolated in Parliament and national integration council (NIC) meeting for defying the constitutional provisions and law," the central committee observed while expressing serious anxiety over the eruption of communal violence in some parts of the country as a sequel to the Ayodhya events.

The CPM general secretary, Mr. Harkishan Singh Surjeet, released the central committee resolutions here today to the press.

The central committee called upon all democratic and patriotic forces to exercise vigilance in view of the heightened pressures on India by the U.S.A. on a whole range of issues, such as sanctions in trade matters through the special 301 clause, imposing sanctions on ISRO [Indian Space Research Organization] and continuing efforts to pressurise India to accept the NPT [Non Proliferation Treaty].

The committee also called for constant vigilance against forces bent upon pressurising India into accepting the Dunkel draft for the GATT negotiations.

It also stressed the need to intensify protest action to reverse the economic and industrial policies. These are "bound to undermine" the self-reliant basis of infra-structural industries with further invitations to private and foreign capital, it said, and throttle public sector enterprises by cutting budgetary support.

The central committee demanded the resignations of the finance minister, Dr. Manmohan Singh, and the RBI [Reserve Bank of India] governor, Mr. S. Venkitaraman, "who are directly accountable" for the shocking multi-crore banking scam.

The committee criticised the Centre for failing to alleviate the suffering of the common people on various economic fronts.

It demanded immediate action to strengthen the public distribution system.

It urged the Centre to initiate dialogue with the JKLF [Jammu Kashmir Liberation Front] on the question of granting autonomy to the state to meet the aspirations of the Kashmiri people and strengthen national unity.

It also urged the Punjab government to take prompt action against policemen responsible for excesses and illegal acts and implement the Rajiv Gandhi-Longowal accord to solve the problems faced by the people of the state.

The central committee stressed the need to grant greater autonomy to the Jharkhand and Bodoland with sufficient powers to help meet the long-cherished aspirations of the people.

It called upon all democratic forces in the country to extend full support to struggle to defend democracy and elementary human rights.

CPI-M Wants To Expand in Hindi States

92AS1343A Calcutta THE STATESMAN in English
3 Jul 92 p 3

[Quotation marks as published]

[Text] Worried at the big strides the BJP [Bharatiya Janata Party] has taken in the Hindi belt, the CPI(M) [Communist Party of India-Marxist] has asked its units in Bihar, Uttar Pradesh, Rajasthan, Gujarat and even Maharashtra to expand the party's base in those States.

From the Salkia plenum in 1978 to this year's CPI(M) congress in Madras, the party has always felt the need to expand its base by recruiting new members and joining movements.

Listing the defects of these State units, a recent party document has pointed out how these have failed to bring into their fold members from the Scheduled Castes and minority communities. What is regrettable is the "caste and feudal influence" on the party, the document says, criticizing the leadership in these States.

In Bihar, where the CPI(M) has been in the midst of many movements, it has failed to consolidate its position. The IPF [Indian People's Front], a Naxalite outfit, has become a political force in central Bihar, traditionally a CPI stronghold. The Bahujan Samaj Party in Uttar Pradesh has been able to influence the Scheduled Castes and backward classes. The document says it is the caste and communal politics of these States which the CPI(M) has, unfortunately, not been able to penetrate.

In Bihar and Rajasthan, after disciplining some of the State-level leaders, the CPI(M) has registered a growth, as well as the CITU [Center of Indian Trade Unions] and its other mass organizations. In Maharashtra, the CPI(M) membership is a meagre 5,880, though the CITU membership is moderately high at 300,000. In Delhi, there are only 848 CPI(M) members while the CITU has a strength of 45,000.

The Scheduled Tribes and Muslims have not been drawn in large numbers to the CPI(M) owing to insufficient work among them, according to the document. While in Tripura, Assam, Rajasthan and Maharashtra people belonging to the Scheduled Castes have joined the frontal organizations of the party. In Orissa, Madhya Pradesh and Gujarat, the tribal membership has remained insignificant. The CPI(M) also admits that Muslims constitute a small part of its membership.

The party's eagerness to maintain cordial relations with the National Front, particularly the Janata Dal, its major constituent, is understandable in the context of its long-term interests. Sharing a common platform on national and State-level issues, the CPI(M) wants to consolidate its position in Bihar, Uttar Pradesh and Madhya Pradesh. But it has not yet succeeded in making a dent in the Hindi belt.

Rao Vision of National Economic Structure Analyzed

*92AS1357B New Delhi JANSATTA in Hindi
18 Jul 92 p 4*

[Article by Lakshmi Kant Verma: "What Kind of Structure Does the Prime Minister Want?"]

[Text] Prime Minister Narasimha Rao said in a statement in Guwahati, "It is important to have foreign investment in order to establish an economic base for our development." If we consider the prime minister's statement correct, then we can make several interpretations. The first conclusion is that we are being told after nearly 50 years of independence that there is no development structure in our country. We can also conclude that our country could not construct a basic economic structure for 50 years, and that all those five-year plans were useless. Our present prime minister's statement reeks of thanklessness. It shows his distrust of our former leaders. One direct outcome of this lack of trust is that we need to ask our prime minister if our former leaders, from M.K. Gandhi to Rajiv Gandhi, were inefficient and nearsighted. We must also ask him what guarantee he has that the economic structure he will build will be more stable. The third interpretation raises a question: Did any country ever build an economic development structure with the support of foreign investment? The countries with economic structures based on foreign investment are the Philippines and Brazil. Have they been able to establish a national identity or local talents? Can we establish a basic economic structure for the development of any country without developing local talents and techniques?

Can a country create a basic structure for economic development without using local talent and specific regional technology? The fourth conclusion from the prime minister's statement can be that development has no relation to self-dependence. If India's structure for economic development will be based on foreign investments, then our country's self-dependence will also be exported to other countries, and we will be Indians without any pride, dependent on whatever we receive from foreigners. The economic and financial policies being developed according to our prime minister's illogical logic will show results 10 years from now, when the people of this country will be stupefied to see foreign investment and industries prospering here.

Our prime minister hates socialism, but more than this, he hates M.K. Gandhi's policies. Mr. P.V. Narasimha Rao, who grew up reading M.K. Gandhi's teachings, wants to tell the intellectuals of our country that our country's economy will be developed cooperatively by domestic and foreign investors. He says that when domestic and foreign investors invest in our country's economy, the government will be able to save its own resources and use them for the welfare of the people. This is a ridiculous statement. It appears that the government wants to save its valuable resources by making

a separate lobby of foreign investors and joining them with the domestic investors. The prime minister's statement also tells us that he considers the money invested by domestic investors separate from national resources. His statement negates the principles of socialism, under which he considers domestic industrialists and investors as protectors of our national resources. Still, Narasimha Rao claims to lead us according to the principles of Nehru and Gandhi. All this seems to be a fraud. It is clear that he does not believe in a socialist economic system. It is also clear that he does not believe in a Gandhian economic system. As for a mixed economy, he rejected it when he differentiated between government resources and nongovernment or industrialist resources. Then it is also clear that a system where domestic and foreign investors work together is not an Indian system, a Gandhi system, or a Nehru system. That system belongs to the consumer society, which is managed by the United States of America, the European Common Market, and multinational companies. All of these are being supported and developed like the "poison girls" to murder India. Gandhi's economic system was based on self-sufficiency, swadeshi, and decentralization. It is a village economy. Is P.V. Narasimha Rao opposed to building an economy based on this system? As for Nehru's system, our present prime minister does not want to emulate that either, because Nehru wanted to keep industrialists in the public and private sectors under control in his basic structure. Nehru did not believe that developmental work should be done by industrialists, or that the government should be involved in social welfare. P.V. Narasimha Rao differentiates between the two. According to him, the basic economic structure would be controlled by the investors, and his government would satisfy the poor with the mantra of social welfare. He apparently thinks that economic development and social welfare are two different things. There were many discrepancies in Nehru's policies; however, he was clear on one thing: Economic development and social welfare were not two separate institutions for him. He believed that both were one and the same, and that one's development affected the other. Mr. Rao's policy is to let the industrialists have fun while his government continues to present the mirage of social welfare to the people. The prosperous groups will become members of the consumer society and will help make the poor even poorer, while Narasimha Rao's government provides them with sleeping pills. This difference between economic development and social welfare will push India toward a fall in the future. The difference between social welfare and economic development also means that investors will benefit from economic development while the poor in our country live by eating welfare bread. The government will play the role of the philanthropist in the name of helping the poor and will give protection to foreign and domestic industrialists. This contradiction practiced by our government reminds us of [poet] Kabir Das. According to Kabir, "The blankets fall from the sky and the water gets wet." Mr. Rao should define terms such as investment resources, social welfare, poverty, and consumer society

in his new economics textbook. Ambiguous definitions only give birth to destruction.

Mr. Rao also claimed in his Guvahati speech that the thought that our country is being sold to foreigners while foreign and international companies are being allowed to spread their tentacles in India is totally wrong. What will the people who spread this wrong information say to Mr. Rao? We do not know. However, similar information was given by the Mogul emperor who allowed a British doctor to build a fort in Calcutta for treating a Mogul princess successfully. The Mogul emperor did not think that this small piece of land would lead to the fall of the Mogul empire. If Mr. Rao is doing this because of our ancestors' traditional practices, he should keep in mind that times were very different then. It took 250 years for the British to settle here and then leave our country. In the present era, this international company will take only two and one-half years to settle down here. As for moving them, after Mr. Rao is gone, any prime minister who tries to move them will be called another Idi Amin, and the funny thing would be that he would not succeed in removing them. Our prime minister is neither the great Mogul emperor, nor is he Gandhi. What place will history give him?

The fact is that the present Indian Government has already made its decision. It will establish an autocratic investment system in our country. It has also decided that there is nothing wrong with the autocratic system that will be born from the competition between foreign and domestic investors and the vested interests. The government has also decided that the planned development of our country on a socialist system is useless. It has also rejected Gandhi's basic principles. This way, the Rao government has declared both Nehru and Gandhi to be anachronisms, throwing them out of our country's mainstream thinking. Now the sources of inspiration for India's economic policy are the World Bank and those policies resulting from American pressure. Perhaps India's main ambition is membership in the Western bazaar, the price of which is open permission for international companies to do business here. Our people never even imagined that India would fall so fast.

If the policies of our present government continue in this way, then India will neither be self-dependent, nor will it be able to develop the indigenous talents of our country. Foreign technology will also come along with foreign investment. Technology does not come alone. It comes with a full package of culture. With culture come values, and when all these arrive, the native culture and traditional values begin to crumble. People find themselves dwarfed by foreign technology and culture so much that all their own bases and beliefs are destroyed. What will we be left with after that? We still read in our Constitution, "India, that is Bharat." This Bharat will not remain after such a development; only India will remain. It will mean we will have to forget our values and lead meaningless lives. Gandhi envisioned an independent India that would be self-dependent and self-supporting, an India that would protect its religious and cultural values,

and that would provide an image to the people according to Indian values, which would inspire other democratic countries in the world. This way, all the doings of the present government are going to mortgage the identity of our country. As a result, a new revolution might take place.

There are many ways to sell a country. The easiest is to separate it from its original culture. An outside observer would not see anything. It would appear that the whole country is preserved as one piece. No one will notice any partition; however, the whole country will be empty from within. It would not even have to sell itself; it would be sold without its knowledge. The country's racial identity would be obliterated. All the results of hard work would be changed, and they will be lying helpless in the shadow of foreign technology. It would be breathing, but it would not be conscious.

Now the question arises: What basic philosophy will be behind the structure that our prime minister will build? Foreign investors and international companies will totally destroy the basic consciousness of our country. On what basis will he then build this economic structure? The structure that our prime minister is talking about has a false base. In such a situation, what kind of structure will there be? It does not matter how many plans the international companies make, or whether they try to make it shine with all kinds of colors. The derrick of the structure will not only scare the Indian people, but will look like a skeleton to other people, too.

Memorandum to IMF States Economic Policies

92AS1326A Madras *THE HINDU* in English

11 Jul 92 p 6

[Article: "IMF Terms Will Be Met: Manmohan"; bold-face words as published]

[Text] New Delhi, July 10. India has officially intimated the International Monetary Fund (IMF) about its intention to go in for another loan from the institution which it hopes will come about by November this year. This loan will be for a longer period than the 20-month stand-by arrangement entered into with the IMF last year and will contain an element of concessional funding, something which India has not availed itself of so far.

The Government's intention to request for a bigger loan is contained in the second Memorandum of Economic Policies sent to the IMF by the Union Finance Minister, Dr. Manmohan Singh, on June 2 this year. Copies of the Memorandum were placed in Parliament today. The first Memorandum was sent on August 27 last year.

The Memorandum has proposed quarterly performance criteria for 1992-93 such as ceilings on overall borrowing requirement of the Central Government, ceilings on net domestic assets of the Reserve Bank, sub-ceilings on net

RBI credit to the Centre, floors on net official international reserves and ceilings on commercial foreign borrowings by the public sector and on short-term debts. The Government is also committed to refrain from imposing new or intensifying existing restrictions on payments and transfers for current international transactions or introducing or modifying multiple currency practices.

The Government has also requested the release of the third purchase under the stand-by arrangement (this was done subsequently) and the granting of waiver for a minor deviation with respect to performance criteria on overall borrowings by the Central Government for end-March 1992. Permission has also been sought for the introduction of the multiple currency practice which arises as a result of the establishment of the dual exchange rate on a transitional basis and amendment of the performance criteria so that steps to unify the dual exchange rate will be outside the scope of these criterion.

The Memorandum also seeks time from the IMF and has requested changes in the review dates. It has now been proposed that the second and third reviews be held by November 30, 1992 and May 30, 1993, instead of September and March ends, respectively.

Detailing the measures taken by the Government to manage the economic crisis which it faced on assuming office last year and the subsequent follow-up initiated in this year's Budget, the Finance Minister's letter says that it is in the Government's intention to request for the conversion of the stand-by arrangement of last year's into an extended arrangement with a suitable blend of Extended Structural Adjustment Facility (EASF) funding to lend support to the medium-term economic reforms programme of adjustment and structural change, while maintaining a manageable debt profile. "It is our expectation that this conversion would take place by November 1992," the letter says.

While a substantial part of the Memorandum deals with the measures already taken by the Government, it also spells out some of the priority areas for the current fiscal year. In this, it has been stated that control of inflation will be the primary objective of the short-term economic management so that inflation is contained within eight percent, and lower if possible, by the end of 1992-93. This is to be achieved by a combination of monetary and fiscal measures aimed at demand management as well as restraint on expenditure.

PTI [Press Trust of India] reports:

Other measures: The letter promised to take any additional measures necessary to achieve the objectives of the economic programme. "The Government will consult with the Fund on appropriate measures in this regard, consistent with our national policies accepted by Parliament and in accordance with the policies of the fund on such consultations," Dr. Singh said.

The memorandum said the Government would reduce the fiscal deficit to five percent of GDP [gross domestic product] in 1992-93 and expected the Oil Coordination Committee to record a small surplus. Beyond this, about three-fourths of the deficit reduction of 1.5 percent of GDP would be achieved through expenditure restraint and the remainder through increased revenue mobilisation, it said.

The memorandum said most of the increase in revenues (to about 12 percent of GDP) would be generated by a rebound in imports and economic activity and the full-year impact of tax measures introduced in the delayed July, 1991 budget.

The memorandum said total expenditure and net lending were budgeted to decline by nearly one percentage point to 17 percent of GDP in 1992-93.

More than half of the decrease would be concentrated on current spending, but capital outlays also bore part of the burden.

The memorandum reiterated the Government's commitment to containing food and fertilizer subsidies within the budgetary provisions. The Government would take necessary action on the issue of fertilizer prices and subsidies by November this year after the receipt of the report of the Parliamentary Committee examining this question.

"With these measures, the major subsidy payments will be reduced to the equivalent of 1.1 percent of GDP from an estimated 1.6 percent in 1991-92," it said.

Expenditure on social sectors and other core sectors would be protected from any cuts. Total defence spending was budgeted to rise by seven percent in normal terms, resulting in a further real decline to 2.5 percent of GDP, it said.

The memorandum said an initiative was underway to strengthen the financial position of the State Electricity Boards. Details were being worked out to establish a common minimum agricultural tariff for all States. The consolidated overall public sector deficit was targeted to decline to about 8.5 percent of GDP.

The Government said its monetary policy would aim at a substantial slow-down in broad money growth, while taking steps to ensure that the commercial sector received adequate credit, consistent with the twin objectives of a substantial reduction in inflation and a revival of economic growth.

It said the broad money growth was not now targeted to decline sharply from 18.5 percent in 1991-92 to about 10.5 percent in this year. Reserve money was targeted to grow by 13.8 percent. Steps were planned to permit an increase of about 12 percent in bank credit to the commercial sector in 1992-93.

The external current account deficit was expected to widen to 2.5 percent of GDP in 1992-93 as imports

recovered sharply from the artificially compressed level of the preceding year. Total export earnings were projected to rise by nine percent in dollar terms.

According to the memorandum, some of the recommendations of the Chelliah Committee on direct taxes were reflected in the 1992-93 Budget while others were under consideration in the context of future tax policies.

Tax rates: The approach over the medium term would be towards a reduction in the number and dispersion of tax rates, as well as in commodity and user-specific exemptions, and to undertake a review of current tax sharing arrangements to generally move towards a system of value added taxation, it said.

The memorandum also highlighted the key elements of the Government's strategy for public sector reforms. The disinvestment programme would be expanded in 1992-93 to go beyond 20 percent, and up to 49 percent, it said, adding that broader options like sales of shares to workers and new scrip offerings would be utilised.

It said that by the end of 1992-93, a total of 54 public sector units would be referred to the Board for Industrial and Financial Reconstruction (BIFR). The BIFR had been requested to constitute a special bench for hearing these cases.

Referring to financial sector reforms, the memorandum said further measures to rationalise the structure of lending rates would be considered by November. Options for the recapitalisation of banks that did not impose a major burden on the Budget or the rest of the public sector were being explored.

According to the memorandum, a detailed proposal for the new high-power supervisory authority for the financial sector was expected to be finalised by November, 1992.

The memorandum also listed the reforms introduced in the area of trade policy in recent months. The Government's final objective was to limit the negative list of imports to items banned for environmental, religious or security reasons. "The speed of this further liberalisation will be influenced by developments in the balance of payments and will be implemented in conjunction with a rationalisation of the tariff structure," it said.

Rupee convertibility: It said the Government aimed at establishing current account convertibility of the rupee, including unification of the dual exchange rate/system within two to three years. To this end, more transactions would be gradually shifted to the free market. The curtailment of goods imported at the official rate would permit a reduction in the 40 percent required to be surrendered at the official rate, encouraging a deepening of the free foreign exchange market and a convergence in the two rates.

The Government said it intended to request conversion of the current stand-by arrangement into an extended arrangement with a suitable blend of extended structural

adjustment facility funding to lend support to India's medium-term programme of adjustment and structural change, while managing a manageable debt profile. "It is our expectation that this conversion would take place by November, 1992," it added.—UNI [United News of India]

Officials' Links With Foreign Banks Uncovered

92AS1415A Madras INDIAN EXPRESS in English
11 Jul 92 p 1

[Article: "Top Bureaucrats' Kin on Payroll of Foreign Banks"]

[Text] New Delhi—In the aftermath of the securities scam, which has revealed the outrageously disproportionate (68 percent) participation of a few U.S. and British banks in speculative securities transactions, new information have begun trickling in about these banks' linkages with top Indian bureaucrats. The Janakiraman panel, which has identified the role of the Anglo-American banks in securities transactions, is now probing these linkages further to assess the benefits which might have accrued to the foreign banks as a result.

High on the list of the active and retired bureaucrats connected to the foreign banks is former Cabinet Secretary P. K. Kaul, whose daughter, Ranjana, works with ANZ [expansion not given] Grindlay's Bank, the British bank which accounted for securities transaction worth Rupees 79,497 crore in the 14 months between April 1, 1991 and June 1992. Ranjana was employed by the bank when Kaul was the Finance Secretary to the Union Government. Besides, Ranjana's husband, Vijay Sood, is employed by Hongkong Merchant Bank in Bombay.

Also significant is the connection between Grindlay's Bank and V. P. Sawhney, Labour Secretary, and Suresh Kumar, Secretary, Industries and Public Enterprises. Sawhney's son, Rohit, who is now employed with Grindlay's Bank in Calcutta, got the job when his father was Additional Secretary, Banking, in the Finance Ministry. Kumar's daughter, Sujata, also works at Grindlay's. It may be noted that both Sawhney and Kumar are now on the Krishnamurthy Committee which is working out the modalities of divestment of Public Sector Enterprise (PSE) shares to the investing public. The Janakiraman panel has reported active transaction through brokers of the bundles of PSE shares already obtained through divestment. Besides SBI [expansion not given] Cap and Allahabad Bank (operating through Citibank), ANZ Grindlay's also had a role to play in the transaction of PSE bundles.

Intriguing: Equally intriguing is the appointment of Ajay Khosla, son of ONGC [Oil and Natural Gas Commission] Chairman S. L. Khosla, with American Express Bank. It is specially so in view of the fact that ONGC has deposited its cash reserve worth Rupees 300 crore with American Express. The American bank-cum-travel-agency also has on its rolls the son-in-law of S. K.

Bhatnagar, former defence secretary and an accused in the HDW [expansion not given] submarine deal case.

The other U.S. bank to be on a hiring spree of bureaucrats' children was Citibank, the single largest agency in the previous 14 months' security transactions accounting for a quarter of the entire volume. Its employees include; Monica, daughter of the late M. J. Pherwani, Chairman of NHB [expansion not given], whose dubious dealings with bull operator Harshad Mehta triggered investigation into the scam: Mahim Mehra, son of former I & B Secretary Girish Mehra Mahim, who landed the job during his father's present tenure as the Indian High Commissioner in Canada, is now employed with Citibank, Calcutta.

The son of Gopi K. Arora, the Indian director on the IMF Board, has also joined Citibank in New York. Arora's son is engaged to the daughter of J.M.L. Bajaj, a senior IAS [Indian Administrative Service] officer belonging to the Uttar Pradesh cadre who had worked as in-charge of the Fund-Bank division of the Finance Ministry when Arora was the secretary to the ministry. Arora's would-be daughter-in-law has found a job with the World Bank.

Further details of the kith and kin of VIP bureaucrats on the payrolls of foreign banks, which are pouring in now, include: Rajesh Ahuja, son of a senior Reserve Bank of India (RBI) Director, who works for [text illegible].

Study Shows Economic Growth Rate Down

92AS1324A Bombay THE TIMES OF INDIA
in English 14 Jul 92 p 13

[Article: "Growth Rate Slows Down: Study"; boldface words as published]

[Text] Bombay, July 13. Even though the government succeeded in reducing the fiscal deficit to 6.5 percent (8.5 percent last year) of the gross domestic product [GDP] in 1991-92, the year witnessed a decline in most sectors of the economy, a recent study by the Centre of Monitoring Indian Economy here has shown.

Prices have risen unabated during the year, the survey reveals. This has been coupled with a slowdown in the growth in the real gross domestic product, industrial and agricultural sectors, trade in dollar terms and rate of capital formation.

On the flip side, the primary capital markets saw a record capital mobilisation during the year, and India's trade deficit declined from \$5,929 million in 1990-91 to \$1,584 million in 1991-92.

The study has analysed the performance of the Indian economy during 1991-92 and its prospects for 1992-93. Its highlights are:

GDP Growth: Growth in real gross domestic product is estimated to have declined to 1.5 percent during 1991-92 compared to 5.6 percent growth in 1990-91. Value

addition from the agricultural sector declined by 0.8 percent and from the industrial sector by 0.3 percent. Income from the manufacturing sector fell by 2.3 percent. The only source of growth in income during the year was the services sector which recorded an increase of 5.2 percent.

The growth rate is likely to recover by 3.5 to 4 percent, assuming a normal rainfall and recovery in the industrial sector by the second half of the year, the study has said. However, even then the year would register a growth rate lower than the projected growth rate for the Eighth Plan. Income from the farm sector is projected to increase by 2.4 percent and that from the industrial sector by 3.2 percent.

Fiscal Deficit: The Central government succeeded in reducing the gross fiscal deficit from 8.4 percent of GDP in 1990-91 to 6.5 percent of GDP in 1991-92. Total receipts increased by 13 percent while aggregate expenditure increased at a lower rate of only 7 percent. The budget deficit, at Rs[rupees]7,032 crores was thus, Rs 687 crores lower than budgeted. The 1992-93 budget has projected a further decrease in the gross fiscal deficit to 5 percent of GDP.

Inflation: Price increases, however, continued unabated. Between March 1991 and March 1992, the overall rate of inflation as measured by Wholesale Price Index was 12.8 percent, against 12.2 percent during the corresponding period of 1990-91. Prices of foodgrains increased by 25.4 percent. Those of fuel and power increased by 12.8 percent. Prices of manufactured products increased by 10.4 percent.

Trade: India's trade in dollar terms, contracted in 1991-92. Trade deficit declined from \$5,929 million in 1990-91 to \$1,584 million in 1991-92. As tariff and non-tariff barriers to trade are reduced, imports are likely to increase. Exports have to increase correspondingly. The current account deficit as a percentage of GDP is estimated to have declined sharply from 2.6 percent in 1990-91 to 0.90 percent in 1991-92. This is projected to increase to 2.1 percent in 1992-93. The Eighth Plan has maintained that the current account deficit as a percentage of GDP should not exceed 1.6 percent during the Plan period.

Capital Market: The primary capital markets witnessed a record capital mobilising. During this period 546 companies made public issues to raise Rs 19,931 crores compared to the 342 companies making public issues for Rs 9,595 crores in the previous year. Mutual funds and financial institutions mobilised a record amount of Rs 4,863 crore (Rs 791 crore in 1990-91).

Agriculture: Rainfall from the 1991 south-west monsoon was erratic. The dry spell in the late south-west monsoon adversely affected the yield of the kharif crop. The total foodgrains (kharif plus rabi) production during 1991-92 is estimated to be lower at 171 million tonnes against the 176.2 million tonnes produced in the previous year and

the 182.5 million tonnes target set for the year. Production of non-foodgrains as a group increased by 2.5 percent.

Industry: Power generation showed an encouraging increase of 8.5 percent in 1991-92 against the target of 7.3 percent. The target for power generation in 1992-93 has been fixed at 302.7 billion kwh implying an increase of 5.6 percent. Actual generation, however, is projected to increase by 7 percent. Coal production increased by 8.3 percent during 1991-92 and is projected to increase further by 4 percent during 1992-93.

Efforts To Cut Government Spending Revealed

Rao Letter to Ministers

92AS1341A Calcutta THE TELEGRAPH in English
4 Jul 92 p 1

[Quotation marks as published]

[Text] New Delhi, 3 July: The Prime Minister, Mr. P.V. Narasimha Rao, today wrote to his ministerial colleagues re-emphasising the need for austerity and directing them to "set personal examples" by putting an "immediate stop to conspicuous expenditure."

Mr. Rao's short letter, which comes on the eve of the Monsoon session of Parliament, said, "I am writing to you on a matter of critical importance—the need to put our financial resources to the best possible use and avoiding wasteful expenditure...to make the government's intention (on austerity) clear it is absolutely necessary that all of us put a stop to conspicuous expenditure. Nothing but the utmost economy will do."

The Prime Minister also asked his colleagues to dispel "misgivings" in the public mind that those in authority "do not practise what they preach" and said, "It is high time...let us make it clear to all that for us there is no dividing line between precept and practice."

Referring to the finance ministry's instructions relating to the use of staff cars, the Prime Minister's letter said, "Air-conditioned vehicles and Contessa cars should not be used as staff cars within Delhi or outside. Expenditure in areas like the extent and mode of travel, the type of accommodation availed of while on tour, the extent of telephone facilities used and entertainment expenses are only a few areas by way of illustration...if you look around you will find numerous other areas in which expenditure can be curtailed."

Today's letter is an obvious bid to pre-empt criticism in Parliament from the Opposition on government expenditure and opulence which has shown no visible signs of reduction despite the ongoing economic crisis and despite various appeals by government leaders themselves to tighten the belts.

Finance Minister's Interview

92AS1341B Calcutta THE STATESMAN in English
6 Jul 92 p 1

[Boldface words, quotation marks as published]

[Text] New Delhi, 5 July: The Government will soon introduce comprehensive measures to exercise greater control over expenditure by the Centre and the States, reports PTI.

"We will have to tune our expenditure and the State Governments will have to manage their fiscal affairs in a manner that they do not resort to overdrafts," the Finance Minister, Dr. Manmohan Singh, said.

In an interview Dr. Singh said the Finance Ministry had put a ceiling on the monthly expenditure of various ministries to fulfil the Government's commitment to bring down the fiscal deficit to five per cent of the gross domestic product by the year-end.

"Whatever is necessary to achieve that, we will have to do," the Finance Minister said, adding that monitoring and controlling fiscal deficit was a continuous process.

The Finance Minister, in reply to a question, said it was too early to say whether fiscal deficit had been kept under check. "But broadly, expenditure is in line with the projections," he added.

Dr. Singh said the inflation rate had started falling and was confident that it would hereafter come down month after month. The country was expected to end the year with a single-digit inflation rate from the existing 11.3 per cent, he said.

Dr. Singh said there was a budgetary figure given to all ministries and "they cannot spend it in a few months' time. Therefore there has to be a proper phasing."

The Finance Minister asserted that the price situation was better this year and the economy will pick up to get back to higher growth trajectory by next year.

He said under normal monsoon conditions the growth this year should go up to four per cent as against 2.5 per cent last year and the country should get back to five to six per cent annual growth rate by next year.

Dr. Singh said last year the Government had to restrict its supplies, devalue its currency and resort to salvage import compression in view of the resource crunch.

These factors were absent this year and with the normal monsoon forecast, the industrial production was expected to look up and the investment climate would improve considerably, he said.

Center Opens Oil Sector to Foreign Firms

92AS1275A Bombay THE TIMES OF INDIA
in English 4 Jul 92 p 1

[Article: "Oil Sector Opened to Private Firms"]

[Text] New Delhi, July 3. The petroleum sector has been thrown open to private companies, both Indian and foreign, for production development. In a major liberalisation, the government has decided to allow private participation not only in the development of discovered oil and gas fields but also in the setting up of three refineries in the eastern, central and western regions.

In a bid to speed up oil exploration, the government has also decided to offer identified unshore and offshore blocks to Indian and foreign companies on a "continuous round-the-year basis."

The cabinet committee on economic affairs, which met here last evening to take these decisions, also cleared a number of investment proposals. These include a three-million-tonne refinery at Numaligarh in Assam in pursuance of the 1985 Assam accord and the phase-I development of the R-15-A structure in western offshore at an estimated cost of Rupees 188.40 crores.

The decisions to throw open the petroleum sector to foreign as well as Indian private companies is a major step towards consolidating the economic policy reforms initiated by the Narasimha Rao Government.

As many as 28 small-sized oil and gas fields as well as a number of other big fields will be on offer to private and foreign companies for participation.

The development of major discovered oil fields will be taken up on a joint venture basis. Indian and international private companies would be entering into joint ventures with public sector oil producers, the ONGC [Oil and Natural Gas Commission] and Oil India, which have discovered these oil fields.

Oil and gas fields such as Mukta and Panna in the western offshore, Ravva in the Krishna Godavari offshore and the heavy oil structures discovered in Rajasthan recently will be the fields in the first instance for development under the joint venture arrangement.

The development of these fields is expected to lead to additional resource mobilisation for the petroleum sector through direct foreign investment. It is estimated that these investments could reach a level of \$1.3 to 1.9 billion during the eighth plan and result in additional production of about eight to nine million tonnes of oil.

The development of the 28 small sized oil fields can be taken up by private companies, both Indian and foreign on their own, but this will be governed by production-sharing contracts.

The total oil reserve in place in the 28 fields is estimated at 57.62 million tonnes, of which 11.52 million tonnes

are recoverable. The total gas in place in these fields is 7,202 million cubic metres, of which 5,000 million cubic metres can be recovered.

It is estimated that a total investment of about \$450 million would be required for the development of these small-sized fields.

The three new grassroots refineries to be set up during the next decade will each have a capacity of six million tonnes annually. Foreign and domestic private companies are allowed to enter into joint ventures with public sector petroleum products marketing companies for setting up these refineries.

In these joint ventures, it is envisaged that each public sector oil company will have 26 per cent equity and the balance 48 per cent will be offered to the public. These joint ventures will be required to meet the foreign exchange as well as the rupee cost of these projects.

Foreign Exchange Reserves Reach \$6 Billion in Apr

BK0708094092 Delhi All India Radio Network
in English 0830 GMT 7 Aug 92

[Text] The country's foreign exchange reserves have gone up to \$6 billion in April this year from a mere \$1 billion in the mid June last year. The Export-Import Bank of India, in its annual report for 1991-92, says that the country has demonstrated its willingness to honor its international financial obligations despite economic constraints. The report further said that the bank is now engaged in creating export potential, interfacing with foreign investors seeking opportunities to invest in India after the liberalization of the economic policies. The report said the bank has also entered into an arrangement with the European Community under international investment partner scheme.

Industrial Policy Further Liberalized

92AS1395A Bombay THE TIMES OF INDIA
in English 29 Jul 92 p 1

[Article: "Industrial Policy Further Liberalised"]

[Text] New Delhi, July 28. The industrial policy has been further liberalised with the government waiving a number of conditions imposed earlier for the issue of letters of intent to industries delicensed under the new policy.

The industry ministry today announced that for joint ventures, it would not be obligatory to make an export commitment. The government would also not insist on foreign exchange neutrality, and such industries would also have access to domestic financial institutions.

The government had to waive these conditions because it has been found that without the access to financial institutions, it may be difficult for the Indian partner to mobilise the requisite resources.

The conditions regarding financial management of the ventures of MRTTP [Monopolies and Restrictive Trade Practices] and FERA [Foreign Exchange Regulations Act] companies have also been waived. The area of joint sector units has also been widened, and such units need not necessarily be set up by state industrial development corporations in association with private promoters.

With regard to manufacture of certain items having imported components, the earlier policy was to ensure that these were meant for captive use.

Ministry Sets 1992-93 Export Growth Target

92AS1339A Calcutta THE TELEGRAPH in English
6 Jul 92 p 9

[Text] New Delhi, 5 July (UNI): The commerce ministry has fixed the export growth rate targets for the current financial year of 12.8 percent in dollar terms and 31.5 percent in rupee terms.

In value terms, the targets for 1992-93 are \$20,132 million and Rs.[rupees]57,850 crores. (The targets exclude deemed exports).

Releasing the figures at a press conference here, the additional secretary in the commerce ministry, Mr. V.S. Venkatraman, and economic advisor, Mr. Jayanta Roy, said these targets were set by various export promotion councils (EPC) and commodity boards after detailed discussions with the ministry.

Dr. Roy emphasised the need to match the non-oil imports with the 1990-91 level for maintaining the export momentum during the coming years. The non-oil imports were valued at around \$18 billion which dropped to \$14 billion last year.

The commodity-wise exports for the current year indicated a record growth rate of 34.6 percent (in dollar terms) for electronics including software, which were not traditional items. The target for this category was \$350 million. In rupee terms, the growth rate was 56.8 percent for the electronics sector and in value terms it was Rs. 1,005 crores.

Asked why electronics sector was accorded the highest targets, Dr. Roy said this sector's export growth rate in the general currency area (GCA) had been "very good" last year and was expected to continue to be so this year.

Replying to another question on the negative growth rate of 4.8 percent this year for the plantation sector, the economic advisor said this was mainly due to loss of domestic production.

Tea production in southern India this season had suffered a loss of 25 million kg. Besides, there was a recession in the world market. The country had even lost the traditional Soviet market after the break-up of that country.

Value of Exports Declines in 1991-92

92AS1402A Bombay THE TIMES OF INDIA
in English 27 Jul 92 p 18

[Article: "Aggregate Exports Decline in 1991-92"]

[Text] New Delhi, July 26 (PTI). For the first time in the past seven years, India's aggregate exports fell in dollar terms and the growth rate in exports to the general currency area (GCA) showed a slide in 1991-92, according to the latest official figures available.

The growth rate of exports to the GCA in dollar terms dropped sharply to 6.6 percent during 1991-92 from 11.6 percent in 1990-91, 14.3 percent in 1989-90, 15.9 percent in 1988-89, 27.5 percent in 1987-88 and 14.3 percent in 1986-87.

The trade reforms notwithstanding the country's aggregate exports in dollar terms fell by 1.7 percent in 1991-92 for the first time since 1985-86 and by 3.9 percent in the first two months of the current financial year (April-May, 1992).

The all in aggregate exports in dollar terms was against an impressive dollar export growth in the preceding years of 9.1 percent in 1990-91, 19 percent in 1989-90, 15.6 percent in 1988-89, 24.1 percent in 1987-88 and 9.4 percent in 1986-87.

India's exports registered an all-round decline in 1991-92 as per the data available from the DGCIS [expansion not given].

Looking at the trends so far, the ambitious export target for 1992-93 of Rupees 57,850 crores signifying a growth rate of 31.5 percent over 1991-92 in rupee terms is unlikely to be achieved unless the downward slide in exports is reversed in the coming months, trade experts feel.

The aggregate exports in 1991-92 in dollar terms was \$17,840 million against \$18,143 million in 1990-91 and \$16,626 million in 1989-90. The imports in 1990-91 were \$24,073 million while the figure was \$21,269 million in 1989-90.

Exports to the GCA grew by 6.34 percent in dollar terms and 46.10 percent in rupee terms. The export growth rate in 1990-91 was 11.6 percent. In 1989-90 it was 14.3 percent while in 1988-89 the growth rate was 15.9 percent.

A matter of concern for the government has been that the negative trend has been continuing even during the first two months of the current year despite considerable trade reforms.

The export growth rate to the GCA in April-May 1992 at 2.97 percent needs to be contrasted with the growth rate of 6.53 percent to the GCA in April-May 1991 and 10.06 percent in April-May 1990.

The government has in the past attributed the low export growth to the collapse of the erstwhile Soviet Union which used to account for 18 to 20 percent of India's trade, sluggish world trade and severe balance of payments crunch leading to savage import compression.

While the collapse of the Soviet Union was a factor in the fall in exports to the rupee payment area countries, the experts feel this could not be a reason for the sharp fall in the growth rate in exports to the GCA or the continuous decline in exports in dollar terms.

The overall decline in exports in 1991-92 has been mainly stated to be due to devaluation of the rupee. In rupee terms, however, there has been a 34.74 percent rise in exports during 1991-92, compared to the previous year. From Rupees 32,527.28 crores, exports touched Rupees 43,828.03 crores in 1991-92.

The country's trade deficit in April-May this year rose sharply to \$944.74 million compared to \$118.96 million in the corresponding period of last year, according to provisional figures.

In rupee terms it reached Rupees 2,714.82 crores in April-May, against Rupees 240.16 crores in the similar period last year.

New Trade Prohibits Consumer Imports

92AS1407A Bombay THE TIMES OF INDIA
in English 31 Jul 92 p 15

[Article: "Foreign Trade Bill Passed"]

[Text] New Delhi, July 30 (PTI). Parliament today approved the foreign trade (development and regulation) bill 1992, after the minister of state for industry, Mr. P. J. Kurien, assured that the government would not allow import of consumer goods.

The bill, which has already been approved by the Lok Sabha, was passed by the Rajya Sabha by a voice vote after the BJP [Bharatiya Janata Party] member, Dr. J. K. Jain, withdrew his statutory motion disapproving the bill. Some amendments moved by another BJP member, Mr. A. D. Dave, were also withdrawn.

Mr. Kurien, who is also holding the additional charge of commerce, said the new import-export policy announced the government emphasised boosting exports and making import-export trade restriction less with maximum transparency.

He said the export-import trade was now totally free of controls except for a negative list which contained items of security purview and health and environment.

Mr. Kurien stated that the consumer goods would continue to be on restricted list as also import of all items which did not generate exports.

He assured the house that the government would not allow multinational companies who had invested in

Indian in a big way to escape "export obligations," adding that the authorities were closely monitoring to ensure that there was no violations by them.

The minister said the government before finalising its stand on the Dunkel proposals would have a detailed discussion in both the houses of parliament and go strictly by the views expressed by the members.

He said the government would give serious consideration to members' suggestions on boosting software exports, giving tax exemptions to export of consultancy services and early release of export incentives for exporters.

Mr. Bhupinder Singh Mann, a nominated member, walked out protesting what he called refusal by the minister to clarify why the government had gone in for import of wheat.

The bill provides for appointment of a director-general of foreign trade to advise the government in the formulation of the export and import policy and carrying out of that policy.

A significant clause of the bill provides for transfer of cases pertaining to contravention of the import-export act from criminal courts to civil courts, with the minister explaining that it was being done on request from the trade sector.

Referring to the apprehensions of members that sweeping powers were given to the director-general, Mr. Kurien assured them that the ultimate powers of review would rest with the government.

Quality Ship-Building Steel To Be Exported to China

BK3007055892 Delhi All India Radio Network
in English 0245 GMT 30 Jul 92

[Text] The Steel Authorities of India [SAI] has bagged an order from China to export 6,000 tons of quality ship-building steel. According to the commercial director of SAI it is for the first time that India is exporting steel to China. He said SAI has so far booked export orders for more than 120,000 tons of steel plates for the current financial year. The plates are being manufactured the Bhilai Steel Plant.

Restrained Spending on Cauvery Projects Urged

92AS1363B Bangalore DECCAN HERALD in English
22 Jul 92 p 8

[Text] That the Krishna and Cauvery Samanvaya Samiti's plan to launch a State-wide agitation from August 1 if the Centre does not take steps to solve the Cauvery dispute before July 31, needs to be viewed with caution. The Samiti intends picketing Government offices, holding rallies at Mandya on July 26 and later at Hassan, Tumkur, Dharwad, Belgaum and Bijapur. The Mandya rally, for which the Samiti plans to invite

former Chief Minister and other leaders, will work out the specifics of the agitation. Pressure tactics on such sensitive issues might prove counter-productive if they arouse the passions of the people. The leaders will have to ensure that the agitation remains peaceful. They have to keep in mind the surcharged atmosphere created in the country by the Ayodhya issue and the trauma linguistic minorities in the State underwent during the Cauvery related bundh last December. Their decision to defer the extreme step of en masse resignations by State MPs [Member of Parliament] and legislators is a wise one. Hopefully, the gesture will not turn leaders at the Centre indifferent to the responsibility of resuming steps to revive negotiations. Mr. P.V. Narasimha Rao, who has reportedly assured Karnataka MPs to leave the

Cauvery dispute to him, should display promptitude in translating his words into tangible action. All politicians in the State, irrespective of their political persuasions, have to share the responsibility of keeping tempers under control. On its part the Samiti would do well to assume the role of a watch-dog body on the execution of the projects in the Krishna and the Cauvery basins. The need to do so has risen following the revelation in the Comptroller and Auditor-General's Report that the establishment expenditure of the Krishna and Cauvery Lift Irrigation Corporations totalled for Rupees 4.12 crore against the sum of Rupees 83 lakh spent on the execution of the projects. If the Samiti means business it should influence the State Government to reverse this spending pattern.

Army Begins Quiet Pullout From Punjab

92AS1340A Calcutta *THE TELEGRAPH* in English
6 Jul 92 p 1

[Article by Monimoy Dasgupta; quotation marks as published]

[Text] Chandigarh, 5 July: Soldiers deployed in Punjab have started returning to their barracks quietly in spite of repeated assertions by political leaders that the Army would stay put in the strife-torn border state until a semblance of normalcy is restored.

The Army men are packing up "secretly" to avoid causing embarrassment to the Punjab chief minister, Mr. Beant Singh, and the state director-general of police, Mr. K.P.S. Gill, who are still asserting that "the soldiers would not withdraw till terrorists are eliminated from the state." The political leadership in the state has been time and again reiterating, that notwithstanding "the Army has to stay as long as we want it to stay," the official declaration be the Western Command top brass that the pullout would begin from July and would be completed by August.

A "Final decision" that the pullout would begin from the second week of this month was taken at a high level meeting held here on 30 June, sources told *THE TELEGRAPH*. The meeting was chaired by Lt. Gen. J.K. Puri, the security adviser to the Punjab Governor, and was attended by several Army, police and state government officials. "While it was decided at the meeting that most of the brigades would be withdrawn by the third week of July, the remaining would stay only in the border districts which are maximum terrorist-infested," the sources added.

Prior to the 30 June conference, the decision to withdraw the Army from Punjab was taken at a meeting in New Delhi, under the chairmanship of the Cabinet secretary.

During their meeting in Chandigarh, the Army and police officials worked out a "blueprint" on how they should maintain liaison during the post-pullout period, sources said.

The 30 June meeting endorsed the Punjab police chief's proposal that one company of soldiers should "be kept ready in the Army base in even district to assist the police and paramilitary forces." It was agreed that soldiers would make themselves available wherever required within the district, at an hour's notice.

A decision was also taken that the pullout schedule of the soldiers from a particular district would be prepared by the Army commander in consultation with the inspector general of police of that range.

It was decided at the meeting that the night patrolling by the Army would be suspended altogether. "But if the police later thinks that it is necessary to resume night patrolling in some specific areas for a specified time, the soldiers would oblige," sources disclosed.

That the Army would soon withdraw from Punjab became clear when the commander of the Jullundhur-based 11 Corp. Lt. Gen. B.K.N. Chibber, told newsmen on 5 June that "the task with which the Army was deployed in Punjab is over. Now we are preparing to pullout," perhaps the largest peacetime deployment ever—11 divisions—the Army was sent to Punjab in November last year.

The Army is withdrawing from Punjab when the government has launched a massive offensive against the extremists following the killing of the station chief of the Patiala station of the All India Radio, M.L. Manchanda in May.

The first success was the death of the Babbar Khalsa international spearhead, Amrik Singh Kauli, known to be involved in 500 killings, including that of Mr. Manchanda.

Rachpal Singh Chandran, chief of the Bhindranwale Tiger Force of Khalistan (BTFK), was another top militant to be shot dead by the police. Another top militant killed along with Chandran was self-styled Lt. Gen. of the BTFK, Jagdish Singh Disha. Another two terrorists killed a couple of weeks ago were Surjit Singh, Behla, also of the BTFK and Satnam Singh Satta of the Khalistan Commando Force.

Problems With Defense Spare Parts Supply Cited

French Firm's Offer

92AS1286A Madras *THE HINDU* in English
8 Jul 92 p 1

[Article by N. Gopal Raj: "French Firm Offers Spares to ISRO"]

[Text] Paris, July 7. Thompson-CSF, French electronics manufacturer, has gone on record that it is willing and ready to supply the Indian Space Research Organisation [ISRO] electronic components it badly needs in the wake of the ban imposed by the United States on all exports to ISRO.

Last week, on his way to Kourou for the Insat-2A launch, the ISRO Chairman, Prof. U.R. Rao, had discussions with Thompson-CSF on possibilities of purchasing electronic components. Thompson-CSF is also keen on a deal, seeing opportunities now that U.S. manufacturers are effectively barred.

"We are already partners and we would like to expand that partnership," Mr. Michel Traizet, Director of the Company's Space division, told visiting Indian journalists. Thompson-CSF is sending a team to India before the year-end to identify areas for greater cooperation.

The ISRO had been importing more than half its requirements of electronic components from U.S. companies. Items such as radiation-hardened integrated [IC] components and Travelling Wave Tube Amplifiers

(TWTAs), both used in satellites, were being imported almost wholly from the U.S.

The TWTAs are used in the Insat-2 series solely for the S-band utilised primarily for TV and radio networking. At a pinch, the S-band can be abandoned and the C-band used instead. But Thompson-CSF says it will be able to supply TWTAs compatible with the ones from Hughes that ISRO has hitherto relied on. Thompson-CSF claims that one of its TWTAs has been used in the Insat-2A. That seems unlikely since integration of the spacecraft was completed long before the U.S. ban and it has not yet been possible to get confirmation from ISRO. The balance of probability is that one of the Thompson-CSF TWTAs will fly on a trial basis in Insat-2B currently being integrated in Bangalore and to be launched next year.

But Thompson-CSF says it has supplied TWTAs—as well as Charge Coupled Devices for electronic image sensing—to ISRO during the last five years.

Much more worrisome for ISRO has been finding alternative suppliers for radiation-hardened ICs used in the computerised altitude and orbit control systems. The Insat-2A already uses these. Although IRS-IA and IRS-IB used hard-wired systems, ISRO has been planning to switch to microprocessor-based control systems in the IRS-IC which will be launched next year.

But ISRO sources have maintained that the range of ICs available from Thompson-CSF is much more limited than in the U.S. Thompson-CSF has only about 10 per cent of the market which is dominated by the U.S. But ISRO is now in a bind and has few options, even if it means redesigning circuitry and software to suit what is on offer from the French.

The fly in the ointment is that the concurrence of the French Government will be necessary before any deal can go through. If the French Government does clear the sale in the face of inevitable American opposition, there will inevitably be many strings attached. But then ISRO had to agree to several stringent conditions before the U.S. administration permitted American companies to supply radiation-hardened ICs before the ban. Mr. Traizet remains confident: "I do not anticipate any problem."

Defense Minister's Remarks

92AS1286B Madras *THE HINDU* in English
6 Jul 92 p 9

[Article: "No Cause for Alarm Over Supply of Defence Spare Parts: Pawar"]

[Text] New Delhi, July 5. The Defence Minister, Mr. Sharad Pawar, today said there was no cause for alarm regarding the supply of spare parts for the country's frontline Soviet acquired weapons systems.

"We have an ongoing dialogue with our erstwhile Soviet supply agencies for production and maintenance support," Mr. Pawar said adding that this, along with time-bound indigenisation efforts, had enabled the overall position to look up.

Addressing members of the Parliamentary Consultative Committee attached to his Ministry, the Minister clarified that no final decision had been taken regarding procurement of advance jet trainers for the Indian Air Force [IAF]. He said a technical committee set up to examine the offers tendered by short-listed companies was yet to fully settle the technical aspects.

According to reports, the Hawk jet manufactured by the British Aerospace and the Alpha jet of French aviation company, Marcel Dussault, have been short-listed. During his recent visit to Paris, the Defence Minister had visited the Dussault Assembly lines.

According to Air Force sources, the nation needs 100 jet trainers to fill the critical gap in training of pilots. However due to resource crunch, the IAF may only go in for 60 advance jet trainers leaving the option open of buying more.

The committee discussed various aspects of air defence. Several members of the committee had also visited an Air Force base in the south western sector on Friday where they witnessed live demonstration of effectiveness of the air defence system.

The meeting was attended by the Minister of State for Defence, Mr. S. Krishna Kumar, the Chief of Air Staff, Air Chief Marshall N. C. Suri, and the Defence Secretary, Mr. N. N. Vohra.—PTI

Russian Offer, Army Concern

92AS1286C New Delhi *INDIAN EXPRESS* in English
22 Jun 92 pp 1, 7

[Article by Pravin Sawhney: "Sena Bhawan Sounds PM on Lack of Critical Spares"; quotation marks as published]

[Text] New Delhi—The army headquarters, in an unusual move has apprised the highest political authority in the country about the urgent requirement of certain "gap-filling" equipment necessary for operational preparedness, according to informed sources.

It is in the light of this extraordinary step initiated by the Army and the serious bid to procure spares for frontline equipment of the Commonwealth of Independent States (CIS) origin from Moscow and erstwhile Warsaw Pact countries, that the Russian offer of joint production and sale of their latest defence equipment is to be viewed.

The services headquarters have accorded top priority to sustenance of existing combat capability and plugging serious operational gaps, made more glaring after the recent Gulf War as both Iraq and India have similar cutting-edge equipment. Only then, finances permitting,

can the Defence Ministry undertake the modernisation and joint-production programmes, according to top sources.

The urgent 'gap filling' items required by the Army includes electronic counter-measures equipment, air-defence equipment, battle-field artillery and surveillance radars and the much needed self-propelled guns. "These equipment are not force-multipliers, but serious gaps in the combat capability," observed a senior officer.

Notwithstanding the spelt out defence priorities and difficult foreign exchange position, the Russian offer of joint production, at least, of critical spares for equipment being indigenised still assumes significance on three counts. First, traditionally the former Soviet Union has always kept spares on a tight leash, hence there is an opportunity to become self-sufficient through indigenisation. Second, with the CIS equipment factories scattered all over the former satellite countries and with little political coordination existing amongst them, procurement of spares will present perpetual problems. And lastly, joint production, instead of licensed production, will give tremendous boost to defence exports, which contrary to claims, have remained marginal.

Against this background, the recently articulated defence joint-ventures offer made by Russian ambassador Anatoly Drukov needs to be considered. Though nothing new, as the offers both of sale and joint defence production with India have been received since the domestic turmoil began in the former Soviet Union in 1990, some of ministry's reactions have come under criticism from the services headquarters.

The joint-production offers have been of MiG-29 aircraft and the T-72S tanks. Also offered has been the indigenisation of most critical spares needed for the licensed production of T-72 tanks at Avadi and the armour vehicles (BMPs) at Medak. These spares production factories are scattered in the former Soviet republics and their satellite countries. For instance, the armoured vehicle factories are in Ukraine and Balarus. Moreover, Russia had even offered to sell its MiG-21 production line to India.

While joint production implies sharing finances and joint research, development and exports, licensed production means that critical assembly kits (conditioned knock down kits) for equipment and critical components are imported and the routine spares are indigenised.

India does the licensed production of the CIS T-72 tanks, armour vehicles (BMPs), MiG-21 and MiG-27M aircraft. There is not a single major army equipment, aircraft or capital naval warship that has been designed, built and armed indigenously.

Amongst the new Russian equipment for sale, the offer has been of the land-based air defence system, comprising of anti-aircraft guns Tanguska and surface-to-air missiles (SAM-11), 152mm (self-propelled) howitzers, MiG-31 and SU-27 aircraft and Tochka surface-to-surface missiles. While the frontline Tanguskas and SAM-11 (indigenous name Ganga) have already replaced the old Shilkas and Kvadrats with the Indian army, Tochka missile which has more range than the U.S. Lance missile, was not procured in view of the expectancy of early induction of the indigenous Prithvi missile.

By not accepting the joint-production of critical spares needed for our licensed-production equipment at low prices, when the Russian government was endeavouring to reconvert the military industry to civilian use, an opportunity has already been issued, according to services officers. Now, Moscow under pressure from its defence industry is already considering exports of defence equipment to earn foreign exchange. "Any joint-production now will work out to be more expensive," observe sources.

Moreover, with a requirement of about 6,800 aircraft in the third world in the next ten years, the purchase of the MiG-21 production line at throwaway prices would have tremendously boosted exports. The indigenous MiG-21 B is with improved avionics and look-down radar is far more attractive than the Chinese F-7 aircraft, which has a good export market.

It is, however, pointed out that the defence services by not purchasing new Soviet equipment have learnt a useful lesson of the recent Gulf war. Iraq equipment, with its disparate assortment of weaponry had become counter-productive. "More types of weapons implies poor maintenance as problems of spares procurement and logistics increase substantially," observed a senior officer.

The requirement is now of modernisation of existing armament. Simply put it means having night and day and all weather firing capabilities and devices to optimally utilise the existing weaponry.

Share-Market Scandal: Monies Thought Stolen, Missing*92P40226C Madras DINAMANI in Tamil 6 Jul 92 p 4***[Editorial: Where Has The Stolen Money Gone?]**

[Text] Many documents confiscated from the defendants in the Bombay Share Market Scandal reveal the shocking truth that an inordinate amount of money has been systematically looted from government banks and federal establishments. The whereabouts of this money is still not known.

Last May, the Income Tax Office audited the books of Niranjana Shah, an exporter, brought to light some unexpected documents, which became the basis for further investigation.

These documents revealed that large amounts of money had been deposited into the foreign accounts of Aswin Mehta, Dr. Haritesh Mehta, and Sudhir Mehta, who were all brothers of Harshad Mehta, the prominent broker who was first apprehended in connection with the share-market scandal.

The three brothers have been accused of violating foreign exchange rules and have been arrested. This incident confirms the suspicion that the more than Rs.[rupees]10,000 crores that are missing from the share market and caused the scandal, might have been sent abroad.

Harshad Mehta and many of his friends, who were important bank officials, have all been implicated in the scandal, and are suspected of maintaining several accounts in foreign banks. Large sums of money also may have been deposited into these accounts with the help of Niranjana Shah, who is considered to be very close to Harshad. The Reserve Bank of India has decided to conduct extensive investigations into the undisclosed activities of four foreign banks—Citibank, Bank of America, ANZ Grindley's Bank, and London's Standard Chartered Bank. A report from this investigation is expected within a month.

Such a report may clarify, to a certain extent, how the huge sum of money stolen from the [Indian] share market reached foreign shores. An immediate investigation must be conducted to identify the legal loopholes utilized in smuggling the stolen money out of India.

The Reserve Bank has frozen the assets of the Fairgrowth Financial Company, which, with its headquarters in Bangalore, was involved in the buying and selling of the scandalous shares. In Tamilnadu, many middle-class shareholders in the Fairgrowth Company have been affected badly by this freeze.

There is a serious stagnation in the stock market, because of the sudden freezing of the assets of this company, and the properties and shares of Harshad Mehta and many other brokers by the Reserve Bank.

On freezing the assets of the suspect institutions, the Reserve Bank should allow for the continuation of their routine legal operations so that the industries and labor markets can continue to be viable, with capital continuing to accrue.

Many brokers, including Harshad Mehta, were caught red-handed. It is said that some of them, like Bupen Dalal, are worse than Harshad. It is imperative that extensive and skilled investigations be conducted to remove such brokers who build illegal bridges between the financial institutions and share markets, thereby creating loopholes through which to funnel money to themselves.

Papers Report, Comment on Stock Scam**Bank Panel's Report***92AS1282A Bombay THE TIMES OF INDIA in English 7 Jul 92 pp 1, 11*

[Article: "Janakiraman Report Released: Scam Amount Rs 3,542 Crores"]

[Text] New Delhi, July 6. The total amount involved in the stock scam has now been placed at Rupees[Rs] 3,542.78 crores—up by about Rupees 500 crores from the estimate made by the RBI [Reserve Bank of India] committee in June.

Besides revising upwards the financial involvement of the banks and financial institutions, the second interim report of the RBI committee headed by the deputy governor, Mr. R. Janakiraman, also reveals glaring deficiencies in the internal control mechanism in the banking system.

The first interim report had estimated the total sum involved in the scam at Rupees 3,078.96 crores. While raising the estimate by about Rupees 500 crores, the second report puts the total net problem exposure, net of the value of securities seized from one of the parties or brokers, at Rupees 3,192.79 crores.

The report says that according to the latest estimate, the total value of investment made by the banks and institutions for which they do not hold either securities, SGL [securities against granted loans] transfer forms or bankers receipts (BRs) is of the order of Rupees 1,967.84 crores. Of this, the National Housing Bank's exposure amounts to Rupees 1,271.20 crores.

The remaining amount, except for a sum of Rupees 400 crores of Standard Chartered Bank for which investigations are going on, had gone mainly for the benefit of the Harshad Mehta group.

The total sum involved in the other set of transactions where the banks and institutions hold BRs and SGL transfer forms issued by the Bank of Karad and the Metropolitan Co-operative Bank (both taken into liquidation) amounted to Rupees 1,470.12 crores. Of this, the

exposure of Standard Chartered Bank comes to Rupees 931.84 crores. The problem exposure of Standard Chartered is thus the highest, at Rupees 1,332.20 crores.

The 72-page report has revealed a number of ingenious ways of diversion of bank funds in addition to the ones brought out in the first report. While banks and institutions have shown large payments as call money transactions, the funds had actually been credited to individual broker's accounts. On the due date, the call loans had been repaid by debiting the broker's accounts.

The report says that the banks had rediscounted bills of exchange but the proceeds and repayment had been routed through the broker's account.

According to the report, the big bull, Mr. Harshad Mehta, used the SBI [State Bank of India] investment account to finance his ready forward deals with other banks.

The merchant banking subsidiaries of public sector banks received large amounts of intercorporate deposits and these funds were made available to brokers under ready forward deals.

The RBI is finding out whether such investments could contravene the relevant provisions of the companies Act, the report says and points out that in a number of transactions, the rates at which the sale of investments had been booked were at considerable variance with the rates at which counter-parties had booked their purchases.

In several instances, the banks and financial institutions had issued SGL forms against SGL forms brought by brokers and this was within the full knowledge of the management.

The scrutiny by the RBI committee has also brought out certain irregularities in securities transactions relating to public enterprises shares.

During the 14 months between April 1, 1991, and May-end, 1992, the banks had entered into sales/purchase contracts in excess of 58,000 in number and nine lakh crores in face value of underlying securities. Two-thirds of these transactions were entered into by only foreign banks. Over 70 per cent of these transactions were in units of UTI [Unit Trust of India].

The report has found that the security transactions entered into by the banks had been predominantly on ready forward basis of which over 60 per cent were through the intervention of brokers. And of the total broker transactions, over 40 per cent were through the intervention of only four brokers.

Over 20 per cent in number and 30 per cent in value of the transactions cannot be matched as the transactions have not appeared in the books of the counter-party banks named by the reporting bank. The report clarifies that while this does not mean that the amount relating to

these transactions is outstanding, it shows serious deficiencies in the systems of internal control exercised by banks and institutions over treasury operations.

Based on the earlier report of the Janakiraman committee, the RBI had issued certain instructions in this regard. The RBI has also appointed special auditors to carry out detailed audit of the investments operations in four foreign banks which account for a large portion of the operations in securities other than government securities as also in the case of certain other public sector and private sector banks and institutions.

These points will be examined further by the RBI and fresh instructions will be issued where necessary, the RBI committee says in its second interim report.

The second interim report has also brought out certain irregularities in transactions relating to Fairgrowth Financial Services Ltd. which cast doubts about the genuineness of some of their securities held in physical form. The consequential problem exposure of the Andhra Bank Financial Services Ltd. is of the order of Rupees 104.03 crores taking into account the value of certain additional securities since lodged by Fairgrowth Financial Services, the report says.

It points out that subsequent to the first interim report, the RBI had asked for reconciliation of the investment accounts of all the banks and institutions in their own investment portfolios as also the investments made on behalf of portfolio management clients and broker clients as on May 23, 1992.

While the reconciliation has still not been completed, in those banks and institutions where these have been completed, there are still some variations and other irregularities. These are being looked into by the Janakiraman committee.

Government Connivance Hinted

92AS1282B Calcutta THE STATESMAN in English
20 Jun 92 p 6

[Editorial: "Hide My Eyes"]

[Text] The first thing to notice about the "stock market scam" is that it has nothing to do with the stock market. Mr. Harshad Mehta does not appear to have defaulted in any of his commitments. On the contrary, he has offered the fullest cooperation, and expressed his willingness repeatedly to tell all he knows, if he can find somebody to listen to him. The problem has been with the source of his funds and here the net is spread very wide indeed. A number of nationalized banks and financial institutions and at least one foreign bank have advanced him vast sums of money without interest and without a proper satisfaction over the collateral offered. This loot of the banking system organized on an unbelievable scale is what needs to be exposed and the culprits brought to justice.

In these circumstances, the Reserve Bank of India's inquiry, under carefully doctored terms of reference, is a cruel joke on the country. Long before Mr. Mehta emerged upon the scene, the annual audit and presentation of accounts of nationalized banks have ensured that no lapses, however serious, can ever come to light. The modus operandi is breathtakingly brazen. Only in the last week of March are auditors appointed for the year about to end and required to complete the audit by the first week of May so that annual accounts can be presented to the Boards in the beginning of June. The fact that an effective audit cannot possibly take place in these circumstances is not only self-evident, proof is contained in the auditors reports which repeat every year that the reconciliation of the main ledger with subsidiary ledgers "is in progress" at the date of the reports, that figures of outstanding loans due to the bank are "being computed" and such other admission which indicate that no proper verification of the accounts has taken place. It is not understood why such farcical audits are organized so that annual meetings are held within three months when the law allows six months. The rot started under Mr. Pranab Mukherjee's stewardship of the Finance Ministry allowing the then Prime Minister, Indira Gandhi, to introduce a new dimension in banking—sanction of huge loans to the favoured and the friendly on oral instructions with the understanding that the amounts need never be repaid. Nationalization of the 14 major banks had nothing to do with ideology, it was a ruse and a device to set hands upon bank finances without accountability. This is the real reason why the present Government, which seems to regard all that was done by previous Congress(I) governments as manifestations of a divine will, is powerless to act. As a test case, Dr. Manmohan Singh should try offering a nationalized bank for foreign investment. He will soon stumble upon the truth, if he does not know it already.

If the Presidential Ordinance were only to demonstrate the Government's non-existent concern at what has happened it would be bad enough. The most objectionable provisions however, relate to the supremacy granted to this exercise of executive power over the entire body of laws and the judgments of the courts upon them, and to the provision that there is to be a queue of claimants upon the assets which are sequestered, with priorities carefully determined. The Central Government, which has connived at this latest fraud upon the nation, will get its money back ahead of the rest, the State Government at one step removed, the nationalized banks and financial institutions will come soon after and the citizen, always the helpless victim, will bring up the rear. Incidentally, the CBI [Central Bureau of Investigation]

might with profit inquire from Mr. Mehta what was the provocation for his donation of Rupees 25 lakhs to the Rajiv Gandhi Foundation.

Ramifications of Stock Scam Reported

Parliament Panel

92AS1335A Bombay THE TIMES OF INDIA
in English 10 Jul 92 pp 1, 11

[Quotation marks as published]

[Text] New Delhi, 9 July: Bowing to the wishes of the opposition, the Prime Minister, Mr. P.V. Narasimha Rao, today announced in Parliament the government's decision to allow a joint parliamentary committee (JPC) to hold a "comprehensive inquiry" into what members described as the "mind-boggling bank scam."

The Prime Minister's announcement, made in both houses of Parliament, was greeted with loud cheers from both opposition and treasury benches. Mr. Rao said he felt there was need for a comprehensive inquiry through the instrument of Parliament to establish not only parliamentary supremacy but also provide "an effective safeguard" to protect the country's interests.

The government, he said, had consultations with all political parties in Parliament and there was consensus on the desirability of setting up a JPC. He requested the speaker, Mr. Shivraj Patil, to proceed with the formation of the JPC and entrust it with the task of a comprehensive enquiry which might be completed within a reasonable time.

Mr. Rao said his desire and purpose was to unravel the truth and ensure the smooth transformation of a vibrant economy in the larger interest of the nation. He said the ramifications of the scam have to be thoroughly probed and effective measures taken so that the basic integrity of the financial institutions of the country was not jeopardised.

The JPC will have 30 members comprising 20 members from the Lok Sabha and ten from the Rajya Sabha. Its report would be submitted by the first week of the next session of Parliament.

The leader of the opposition in the Lok Sabha, Mr. L.K. Advani, favoured a member from the opposition parties as the committee's chairman, but he would not make it an issue if a Congress MP were made its chairman. The panel's credibility would be enhanced if an opposition MP were in chairman, Mr. Advani told reporters.

The terms of reference were originally intended to cover the role of the banks and financial institutions, but following a suggestion from opposition leaders, the role of public sector undertakings was also included. Mr. Advani said he was satisfied with the JPC's terms of reference.

Mr. Rao said events that have unfolded in the last few months in the financial sector of the country have caused grave anxiety to him and the country at large.

His government had been taking concrete and effective steps at every stage in the last few months as required in the circumstances.

While the inquiry by the CBI [Central Bureau of Investigation] and action by the special court had been attended to, the Prime Minister said, he felt there was need for a comprehensive inquiry through the instrument of Parliament which not only fully establishes parliamentary supremacy but also provides an effective safeguard to protect the country's interests.

A visibly angry finance minister, Dr. Manmohan Singh, challenged a TDP [Telugu Desam Party] member in the Rajya Sabha to name the minister who, the member said, was receiving pension from the World Bank and the International Monetary Fund (IMF).

The finance minister was on his feet as the TDP leader in the house, Mr. Mentay Padmnabham, in the course of a short duration discussion on the stock scam, charged what justice could the country expect when there was a minister in the Union cabinet who was receiving pension from the IMF and the World Bank.

The charge came as the Janata Dal leader, Mr. Jaipal Reddy, was reeling out names of sons and relatives of high officials being employed by foreign banks which, he said, gave them advantage of securing information for insider trading.

When some Congress members reminded Mr. Reddy that he was forgetting one prominent name, that of the son of the former prime minister, Mr. V.P. Singh, who was employed by Citibank, Mr. Reddy replied: "I have a list of sons of ministers. Please don't provoke me to read out the names."

Even as Mr. Reddy was speaking, Mr. Padmnabham rose to say what to talk of sons and daughters of ministers when there was a minister in the Union cabinet who was receiving pension from the World Bank and the IMF.

Mr. Padmnabham said he would name the minister only after giving proper notice and putting all facts before the house as stipulated by the rules.

Dr. Singh offered to "dismiss" the RBI governor if allegations made by a member that the RBI had given "clear-cut" instructions to manipulate balance sheets of the banks not to reflect huge losses after the stock scam were proved.

CPI-M Demand

92AS1335B Madras *THE HINDU* in English
11 Jul 92 p 9

[Boldface words, quotation marks as published]

[Text] New Delhi, 10 July: The Politburo of the CPI(M) [Communist Party of India-Marxist] has demanded that the Government take all steps to find out the details about the involvement of any other Minister as well as high level officials in the Government and the Reserve Bank of India in the multi crore stock market scandal. The demand was made by the Politburo in a press statement here today.

The resignation of the Minister of State for Commerce, Mr. P. Chidambaram from the Union Cabinet yesterday has brought to light the political nexus which is inevitable in a scandal of such magnitude, the statement said. With this fact coming out clearly, "it is the bounden duty of the Prime Minister to now follow up and ensure that any other Ministers who have any form of involvement with the burgeoning scandal are removed from the ministry."

'Misleading statements': The Centre of Indian Trade Unions (CITU) has demanded the resignation of the Finance Minister Dr. Manmohan Singh, for his misleading statements all along that no Cabinet Minister was involved in the scandal.

The CITU in a statement said the resignation of Mr. Chidambaram has exposed the involvement of members of the Cabinet in the scandal.

Government Urged To Seriously Address Overpopulation

92AS1264A Varnasi *AJ* in Hindi 2 Jul 92 p 4

[Article by Vinod Vatayan: "Burgeoning Population, Problems for the People"]

[Text] There is nothing new about political leaders expressing concern about population. The new development is that the government is taking concrete steps to control our population. Meanwhile, no concrete results were obtained from all the concrete plans implemented so far. Perhaps the leaders who have expressed these concerns have finally felt it and expressed their concern. Although discussions over the issue are taking place at political levels, it has not been made clear to us why all the past efforts made to control the population have been ineffective, or what kind of steps the government should take in the future.

Seventy percent of our country's population may be illiterate or semiliterate and running from pillar to post looking for a job, or may be sleeping hungry or half-hungry on the footpaths of major cities like Bombay, Delhi, Calcutta, and Kanpur. The dream of independence for them is still a dream. Inability to find a job fitting their qualifications and training has led to a strong feeling of disillusionment among the young, and this is leading to an increase in crime.

The benefit of education has been reduced because of the increasing population. Where there is education, there has been a huge increase in unemployment also, and where there is not enough education, the "blind wells" of ignorance are still prevalent, even after four decades of independence. The government declares new policies every year in the name of development. The results of these are always zero. After all this, the failure of government to analyze these policies and take solid steps is our misfortune. The policies can be analyzed with one question in mind, and that is this: Do the government's policies reach everyone in the country?

The suggestion made by the health and family welfare minister of the present government is half-baked. Still, seeing the prime minister's seriousness about this issue, it can be considered a good omen. Mr. Makhanlal Fotedar suggests that anyone who has more than two children should be banned from running for any office from legislative assembly to village council. This suggestion is praiseworthy, but it is colored with politics. If Mr. Fotedar is asked if the restriction will be imposed on people of all religions and factions, then perhaps he will not agree to it. If he is really worried about the population explosion and is very eager to control it, then he must change his party's traditional thinking process. Perhaps his party might face political crisis in trying to change this traditional thought; however, his efforts in this direction will be a boon to all.

The fact is that there are only two ways for family planning. The first is self-control, and the second is artificial methods. The governments so far have emphasized the second option. Very little success has been achieved by it. The reason for this is that the programs established in this direction by the government were only propagated but implemented very little. Government propaganda reached only the educated group, who because of their educational influence, agree with the slogan: "We two; we will have two." Because educated people are less than half of our total population, this propaganda has amounted to a misuse of the government treasury. The ill effects of this have made the present young generation mentally sick.

Television propaganda in support of family planning has only helped to make the young promiscuous. According to a survey conducted by the Market Research Bureau, one out of five people who use family planning methods is unmarried. Another survey, conducted by an English monthly published from Bombay, supports this finding.

The main reason behind all of this is the artificial nature of the approach. In this age of artificial beauty, natural beauty has become meaningless. Artificialness is a foreign thing, and naturalness is, of course, natural. Modern Western culture has made humans artificial. As a result, the steps of the Western sexual revolution are reaching our country. Of course, this revolution will become a "blessing" for still more of a population increase. Therefore, the government should take steps to control it. It must make strong rules and laws that protect India from artificial elements. The artificial methods being used for family planning should be analyzed, and the propaganda methods must be reconsidered. Declaring the propaganda useless, the government must think of original ideas of natural and effective methods. These methods should be such that self-control by the younger generation is emphasized. In our education curriculum, we must include brahmacharya [total abstinence], yoga, and physical control to lead a disciplined and self-directed citizen's life.

Finally, if we want to save our country from a population explosion, the government must adopt a very strict attitude. It must make family planning legally required for every citizen of the country. It should not make it an issue just for the election; instead, people who do not participate in family planning should be prevented from receiving any government benefits. We should go as far as to eliminate all kinds of reservations from education to government jobs and should give family planning priority in every area. Other political parties and people with various beliefs must give up their narrow and selfish interests and cooperate with the government. The government must establish a commission to discuss ways to plan concrete steps for it. This commission should carry out an in-depth study and advise the government for a policy. It should also be informed what kind of result will come of the government policy. It should show that the living standards of citizens will improve and when this policy should be implemented for optimum results.

Traditional Educational Standards Seen Declining

92AS1360A Varnasi AJ in Hindi 20 Jul 92 p 4

[Article by Raj Shekhar: "Modern Education and Educational Tradition"]

[Text] During the early Indian civilization, the Aryan government system evolved into a democratic form of government. At that time, the educational system was so ideologically democratic that the ruling class could not produce slave scholars to serve the needs of government and the ruling class by distancing this system socially or culturally in the areas of science, education, or other life science areas. In the Indian philosophy of that time, and within the framework of education and ideology, the full autonomy of people's thinking was protected.

In the aborigine Indian society, gurukuls (residential schools run by gurus) were the foundation of our national development. The kings and the society of that time financially supported this glorious educational system. The scholars

were not considered servants of the kings. Our temples of education were run by the money respectfully given by every family. This cooperation and donations were as prevalent as blood flow in a healthy body.

These gurukuls did not discriminate between young-old, rich-poor, or the low-and high-caste people. Sons of an emperor and a farmer sat in the same row and obtained the same education. There was no financial dealings between the teacher and the disciple like the current times. The teacher was the most venerable person in the student's life. The teacher and the student had strong love and dedication toward each other. No political power could influence their relationship.

Like today, the government supported the gurukul system. However, it did not interfere with the gurukul's work to avoid corruption in education. They believed that the production of a poisonous atmosphere would also be poisonous. This educational system of Indian society matured over a long period and emerged as [universities] in Nalanda, Taxila, and Kashi. Later, these were destroyed by foreign invaders. This tradition survived in the form of small gurukuls and small educational families. Now this tradition has become almost extinct.

If we analyze it historically, we have to admit that the present education has become a puppet in the hand of a corrupt system. The administrative structure of this educational system is geared to produce "slave intellectuals." The British transformed the educational system into a factory to produce bureaucrats, clerks, mediocre teachers, and half-prepared scientists.

As an imperialist and foreign power, the British destroyed all our healthy, traditional values with their imperialist politics. They changed our cultural values and lavished important positions on pro-British people, honored them, and sent them to England to totally immerse them into the British viewpoint.

The educational system that was functioning under this British slavery system at least provided educational opportunities for people from all social and economic levels. Primary, middle, high school, and post-secondary education under the British functioned very effectively. Because the Indians were struggling to free themselves from British rule, these schools prepared people to serve the British as well as those who were working to uproot them. India had not been corrupted enough during the first part of the 20th century to make educational institutions into moneymaking machines.

After the British left, the educational system they established continued for a long time. Some changes were made in this system, however, following MacCaulley's imperialistic cultural conspiracy; English continued to be a required subject and that points to our slave mentality.

In spite of all these changes, education was not transformed into a for-profit business as is it now. The students were successful on their own merits and were self-motivated. The guardians only facilitated their efforts. The efforts of the

students were entirely in the hands of the teacher. The teachers used to be overjoyed when they found good students. Now no one cares for a person without money. Corruption and bribery rules everything from admission to final examination. Personal contacts control every thing. There are professional companies that help you cheat during examinations and guarantees are provided for passing examinations.

Seeing this anarchy one feels that the moral foundations of our educational system is totally rotten now. The immoral Indian politics have transformed the temples of learning into their political rings in order to keep their factions strong. There is no special relationship between the teacher and the student. Even an ignorant person is given admission with the help of bribes and grades can be changed by contacting the people who grade them for a price.

In the past one was admitted to one school and did not have to repeat it. Now, we have to register every year and this system has terrorized the poor classes. Anyone can call himself professor by opening a school. All kind of tricks are played and everything is measured by a diploma. This practice of changing education into a business is like playing in the dark, the result of which will haunt us in the form of an anarchic generation. If education up to graduation is not made legally free, Indian society will be tied by the chains of slavery again. We must give a lot of attention to this educational anarchy and lack of direction, and announce the establishment of a holistic and healthy educational system, which could reincarnate the [well-educated] youth that will carry our country, and for which there is no monopoly of a political organization over education.

Science Institute Drops Supercomputer Plans

92AS1410A Madras INDIAN EXPRESS in english
23 Jul 92 p 1

[Article by M. A. Deviah: "IISc Drops Plans To Buy Supercomputer"]

[Text] Bangalore—The country's premier science research institution, the Indian Institute of Science (IISc), has given up plans to acquire the multi-million Cray XMP series supercomputer from the United States. Instead, the Institute's scientists have decided to go in for an alternative configuration of computers suited to Indian users.

According to IISc sources, the decision to go in for an alternative was taken with the Americans continuing to fiddle over the issue of supplying the Cray XMP for the last nine years. Although President Bush had cleared the sale of the Cray to IISc in December 1990, he imposed a series of restrictions on its use, ostensibly to prevent it from being used for military purposes.

The IISc has already submitted a Rupees 20 crore plan for the new configuration to the Union Cabinet for formal approval.

IISc director C.N.R. Rao told INDIAN EXPRESS on Wednesday that the installation would be completed by next year. While declining to elaborate on the new configuration, he said it would broadly involve obtaining a "whole bunch of computers" from different sources and putting them together.

In the nine years since the country had decided to go in for supercomputers, there had been many changes in this field, he pointed out. "When there are so many super, super mini and desktop computers coming out, the question now is what will be the best choice for the money we are spending," Prof. Rao said.

The alternative configuration developed by IISc scientists will consist of a large number of computers connected in parallel to obtain a massive computation capability. According to IISc sources, the configuration would be as good, if not better than the Cray as far as work in the Institute was concerned.

Prof. Rao refused to comment on the controversy surrounding the Cray deal but said it now made no difference whether the Americans changed their mind or not. "It is too late. The world has changed," he said implying that the Institute was capable of developing its own supercomputer facilities.

IISc needs a supercomputer for research in atmospheric sciences, molecular structure, computer simulation and crystallography.

Norms for Bhopal Victims' Compensation Scored

92AS1278A Bombay THE TIMES OF INDIA
in English 6 Jul 92 p 13

[Article by Praful Bidwai in New Delhi and Anil Sharma in Bhopal: "Seven and One Half Years on, Is There Light at the End of the Bhopal Tunnel?"]

[Text] Seven-and-a-half years after the world's worst industrial disaster, its victims continue to suffer from a range of ailments and disorders of the most bewildering and persistent variety. These are not always recorded or documented.

Take Ranita (17), a class X student, of Karim Baksh Colony. "I have had continual chest pain and a burning sensation in my eyes since December 1984. I get breathless if I so much as jog a few yards. It is difficult for me even to read a book. I get dark patches all over my body. I am seriously thinking of dropping out of school."

Ranita's official medical record puts her in a category that deserves no compensation.

A fairly typical case is Kailash (24), a pop-corn vendor who suffered serious lung and eye damage in MIC-related poisoning. "The ICMR [Indian Council of Medical Research] people came and took a lung X-ray," says Kailash. "I was told it was highly abnormal. But to this day, I have no record, no report. How can I claim compensation?"

Complaints abound of lack or complete absence of records. It is well-known that within a couple of days of the accident of December 2/3, 1984, doctors in Bhopal stopped recording history of exposure of toxic gas. Very few victims were able to get a record for the first weeks. Later, the M.P. government did conduct a medical survey. But this was not of high quality or exhaustive.

The ICMR did a study which, while valuable, was not meant to be exhaustive.

The state government has medically examined only 57 per cent of the 6,39,793 claimants. Its categorisation is, to say the least, bizarre by any medical or commonsensical standard.

—It found 43 per cent to be free of injury, 173 lakhs with temporary injury and only 18,936 people with permanent injury.

—Thus only 45 people qualify to receive Rupees 2 to 4 lakhs in the "extreme" case. This for those who are condemned to live between survival and death.

—A mere, 2,687 people are supposed to have permanent, partial disability and will receive about Rupees 1 lakh (between Rupees 50,000 and Rupees 2 lakhs). In most cases, this will not be enough even to meet their continuing medical expenses or yield survival-level monthly income.

—And for the rest, they can be dealt with in five digits—Rupees 25,000. This for the gruesome experience of mass poisoning and an uphill struggle to live.

Contrast this with the principal findings of the ICMR, the premier official agency which shows that life continues to be an unending purgatory for Carbide's victims, with growing general morbidity (sickness) and rising incidence of lung, eye, gastro-intestinal, skin and neuro-psychological disorders.

—After an initial decline, morbidity rates have almost doubled since the late eighties. In 1990 they stood at an alarming 30.5 per cent.

—Persistent and multiple health effects of MIC-related exposure are to be found on a mass scale. Typically, there is no "simple" but multiple injury to the lungs, eyes, nervous system and the GI tract. There is no threshold below which exposure does not cause damage. The higher the initial dose of MIC-related toxins, the greater the harm.

—The most persistent problem is lung disease which affects a sixth of the population. This means impairment of lung functions and hence working capacity. Irreversible eye damage and corneal opacity are prevalent.

—Severe stress, anxiety, paranoia and other worrisome psychological disorders are common, especially amongst children. A NIMHANS survey shows evidence of serious disturbances and psychological disorders among school-children. Improvement is unsteady and slow.

—There is growing evidence of high chromosomal aberrations, which suggests and possibility of genetic or carcinogenic changes. There is evidence of damage to the immune system. It is impossible to draw the line at long-term future damage. There is no consistent pattern of improvement or return to normalcy either.

The M.P. government's categorisation violates elementary socio-medical norms of compensation in numerous ways. It does not even set aside a decent amount for future claims. In the Manville asbestos case, a trust fund of \$2.5 billion was set up for the next 25 years' needs. In the Dalkon Shield case too, A.H. Robins set aside 30 per cent more than has Carbide, as a reserve for future claims.

In both these cases, the degree of destruction did not merit comparison with Bhopal.

Equally objectionable is the guidelines' silence on the nature of "disability" and "injury". Are psychological disorders, of which there is only sloppy documentation, to be treated as significant? Is a 30 per cent decrease in vital lung capacity seven years after toxic exposure "permanent" damage? Or does imminent death alone signify "severe" disability?

What weight is to be assigned to the alarming 24 per cent rate of involuntary abortions among women exposed to toxic gases during pregnancy? Or are poor women destined to abort their foetuses spontaneously?

How is a claims court to glean from individual records the broad significance of a disorder in a whole population group?

This is not all. The compensation for death makes a horrible judgement on the value of life. At Rupees 1 to 3 lakhs, in a mass disorder caused by gross negligence, recklessness and monetary greed, a Bhopal victim's life is considerably cheaper than a rich airline traveller's (compensation Rs 5 lakhs). This raises serious ethical questions.

The guidelines are flawed by a fundamental confusion about what is being compensated. In tort law, the principal damages are paid for injury or discomfort caused by a (past) civil wrong such as negligence. Loss of earnings is a secondary, consequential factor. Further, if a disability arises and necessitates further expenditure or loss of earnings, that is yet another factor.

"Little other than a deep social bias against the poor victims explains why the M.P. government has drawn up norms that conflate the three and then parsimoniously set compensation at the most pathetic level," says Mr. Deenadayalan. "It was evidently eager to cut the losses of a multinational which would have to pay perhaps 100 or 500 times more had the suit been settled abroad. This is a spectacular case of double standards in our new-fangled globalism."

The same lack of respect for the victims' dignity is at work in setting the compensation for loss of belongings. Many people lost their life's savings and everything they possessed as they fled in panic—often assets worth Rupees 50,000 or more in 1984 prices. "The same middle class bureaucrats who nastily complain that even

slum dwellers have colour TV and dish antennas nowadays, will not compensate them for their loss," says a BGPMUS [expansion not given] activist.

Scepticism abounds in Bhopal about judicial efficiency. Complains Khatun Bee (30), a maidservant from Rajgarh Colony: "I lost my husband in 1987 after a horrible lung disease... I am yet to receive even Rupees 10,000 in interim compensation." There are thousands like Khatun Bee.

That apart, there are too few judges to man the claims courts. The scheme needs 56 claims courts, seven appellate courts and a claim commissioner's court at the apex. M.P. is short of 125 subordinate judicial officers and it is difficult to see how the government can fill the 39 vacant claims courts.

The present scheme is badly flawed. However, there is an alternative, based on a scientific method dealing with aggregate numbers and effects. The first step would be to definitively map the dispersal of the poison cloud over Bhopal and correlate it with actual exposures to toxins in different localities. There is adequate scientific talent to do this. Much work has already been done.

This would furnish the basis for the claims commissioner to categorise the severity of health effects and draw up a ranking of damages. In this way, the bulk of bogus claims can be eliminated. The vast majority of gas-affected people do possess proof of residence (because many slums had been regularised months before the event).

The ranking would be qualified to account for individual cases of exceptional severity and of course death. Within each affected zone, a handful of sub-categories could be set up to correspond to broadly distinct medical pictures.

In this way, the bulk of the compensation amount, from health injury, could be quickly disbursed without detailed (often incomplete or inauthentic) individual medical records. Secondly, an additional instalment would be given to those whose capacity to work is impaired. This will need detailed examination and scrutiny but on a greatly reduced scale.

Thirdly, a special scheme could be drawn up for long-term medical monitoring and treatment. And finally, a rational but easy-to-operate formula could be devised to compensate people for the loss of property.

However, in no case should the genuine victims, about 2 to 2.5 lakhs, receive less than Rupees 1 lakh each. The compensation for death and severe injury should be at least Rupees 5 lakhs. The October judgement of the supreme court gives the claims commissioner much flexibility in determining damages. There is also the potential for augmenting the compensation by levying a heavy fine on UCC [Union Carbide Corp] for its criminal liability.

All this needs a little political will, plenty of commonsense, and some medico-statistical work. Going by what the victims and NGOs [Non Government Organization] say, and what many M.P. bureaucrats confirm in private, this is unlikely to come from the Patwa government with its appalling record of buck-passing and callousness towards the victims.

But will the Central government summon the will and clean up the mess in Bhopal?