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Near East & South Asia

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INDIA

U.S.-Sri Lanka Pact Brings on Indian Commitment

46001235 Madras THE HINDU in English
21 Jan 88 p 9

[Text] Details of a draft agreement between the Sri Lankan Government and the U.S. drawn up in mid-1986 with regard to Trincomalee harbour are now available. They suggest that it was a major ingredient in persuading the Government of India in the direction of directly committing itself to resolving the ethnic tangle in Sri Lanka through the Indo-Sri Lanka Agreement which was signed on July 29, 1987.

The draft was worked out by Sri Lankan Government officials and the representatives of two private companies, one of them based in Singapore, who are believed to be a front for the CIA. A copy of this agreement was obtained by the Indian High Commissioner and transmitted to New Delhi.

Exclusive operating rights to U.S.: Under the draft agreement, in exchange for U.S. support for Sri Lankan actions against the Tamil militants and "checking India," the Sri Lankan Government would confer exclusive operating rights of the following to the U.S. through the front companies.

- (1) Trincomalee harbour,
- (2) Substantial Sinhala-dominated areas the harbour,
- (3) Islands in the vicinity of Trincomalee harbour,
- (4) The tank farms in the harbour, excluding one which would remain in Sri Lankan control for the use of Sri Lankan ships.

The idea was that this agreement would be a secret document and, in return for this, the U.S. would make a token payment of \$101 a year, but through normal mechanisms provide substantial aid, loans and grants including military assistance.

'Trincomalee card': A preliminary assessment of the information available suggests that the Sri Lankan Government was willing to use its "Trincomalee card" to push through its own "solution" to the Sri Lankan ethnic problem — which was, till the Indo-Sri Lanka Agreement, a military attack on the LTTE combined with a blockade of the Jaffna peninsula. By offering Trincomalee harbour to the U.S. elements within the Sri Lankan Government hoped to neutralise the predictable Indian counter-reaction to its own version of the "solution".

The details available suggest that the U.S. would not create a new base at Trincomalee but front companies of its foreign intelligence arm, the CIA, would have the exclusive operating rights for its harbour and tank farms.

CIA project?: There is no evidence to believe that the U.S. Government considered this proposal seriously and in all likelihood it was a typical CIA project taken up during the stewardship of the late William Casey. In fact, the U.S. Navy has no special requirement to build a base at Trincomalee, despite its fine harbour. Its main focus at present and in the near future is in the Gulf and West Asia. Its needs there are adequately served by bases and facilities in Bahrain, Egypt, Kenya, Oman and Somalia, backed up by the Diego Garcia base. In addition, the U.S. is believed to have developed substantial facilities on the Makran coast of Pakistan.

Third country factor: The primary interest of the U.S. with regard to Trincomalee has been to prevent its conversion to a base of a "third country", namely the Soviet Union. In a like manner, India with bases in Visakhapatnam, Cochin Bombay and a major base in Karwar coming up does not require Trincomalee. However, India too does not want a third country to set up a military base there.

Unfortunately, both the Sri Lankan Government and the Tamil militants have projected an exaggerated picture of the potentialities that the Trincomalee harbour offers.

U.S. document: While no recent thinking on the U.S. military requirement for Trincomalee is accessible in an unclassified form, a document prepared by the U.S. Joint Chiefs of Staff on military rights in foreign territories, since then declassified, indicates that the U.S. was interested in the construction of Air Force and Navy communication facilities on the island. This requirement was considered urgent.

On the other hand, the Joint Chiefs of Staff did project a requirement for obtaining the right to maintain stockpiles of "Avgas (aviation fuel), navy fuels, material, and ammunition" in a number of areas and one of the places mentioned was Trincomalee. Since then, it may be noted, almost all the above requirements have been met through the development of Diego Garcia

Neither the USSR nor China is known to have projected its interest in the Trincomalee harbour. There are reasons to believe that the U.S. which was already overextended and did not consider Sri Lanka a 'vital' area of its security concerns, turned down the proposal and also made it known to India that the Sri Lankans were getting desperate. The Indian side therefore saw this as a clear indication that the U.S. accepted India's role in Sri Lanka as long as it was within the parameters of accepting the unity and integrity of Sri Lanka, and provided for the Trincomalee harbour remaining outside 'third party' hands.

07310

'Knowledgeable Circles' Say Gorbachev May Visit
46001219 Calcutta *THE TELEGRAPH* in English
10 Jan 88 p 1

[Text] Moscow, January 9 (PTI)—The Soviet general secretary, Mr Mikhail Gorbachev, will, "in all probability", visit India in November to receive the Indira Gandhi international award for peace, disarmament and development, according to knowledgeable circles here.

The visit could coincide with the concluding ceremony of the Festival of the USSR in India, they said. Since Mr Gorbachev's last visit to India in November 1986, Prime Minister Rajiv Gandhi, visited Moscow to inaugurate the Festival of India in the Soviet Union.

The Soviet festival in India was inaugurated by the premier, Mr Nikolai Ryzhkov.

07310

UK Competitive in Offering Defense Cooperation
46001243 Madras *THE HINDU* in English
11 Jan 88 p 6

[Text] New Delhi, January 10—The British Government hopes to sign a memorandum of understanding (MOU) on defence cooperation with India in March so as to ensure that it does not get left out from the emerging ties being built by India with the U.S. and France in areas of defence technology.

This is reported to be the main purpose of the visit of the British Defence Minister Mr George Younger. In fact the visit is tied more to the necessity of maintaining high-level contacts between the Defence Ministries of the two countries rather than any specific piece of equipment or weapons. It has been clear in the past two years that the U.K. has been getting left behind in the area of defence cooperation. However, the planned visit of the former Defence Minister Mr Michael Hasseltine was called off following his resignation from the British Cabinet over the Westland helicopter row. Another factor was the major success achieved in September 1985 by the British industry in obtaining its largest ever export order for combat aircraft valued at \$5 billions.

The British have an innovative and accomplished defence industry based which produces a wide variety of top-of-the-line equipment based on British R&D. This ranges from tanks equipped with locally-developed Chobham armour, to Sea Harrier aircraft, a truly innovative design accomplishment, and a range of missiles. Equally important have been the British developments in areas like battlefield communications (despite the loss of a major U.S. contract to the French) and composite materials, in which Britain is a leader and India an interested party vide its LCA programme.

Both the British and the French had a major disappointment over the Advanced Jet Trainer contract. The Bofors affair early last year ended the negotiations that had got into full steam. The \$1 billion or so contract would have meant a major contract for either of the two parties, the Franco-German Alphajet and the British Aerospace Hawk.

Basic decision: The basic decision to be made from the IAF's point of views is whether it wants a 'pure' trainer—in which category the Hawk is very good—or as is often the case, a trainer-cum-light attack aircraft, for which the twin-engined Alphajet is a better bet. The need for an aircraft of the latter category seems to have come to the fore of late because the IAF would like to double the trainer to a tactical support aircraft for the Himalayas.

However, despite the purchase of Sea Harriers, Seaking helicopters, and Sea Eagle missiles, the U.K. is aware of India's interest in developing its own production and R&D base. There have been instances of cooperation such as the development of the nav./attack system for the Jaguar and the role of British consultants in some aspects of the GTX programme. But there has been some inhibition due to the fact that many of the British companies have close links with American companies, both as suppliers and receivers of components, sub-components and technologies. As long as the U.S. sat on the fence, the British could not come in because of clauses preventing the transfer of certain technologies. Now that the U.S. seems to have made up its mind, can the British be very far behind?

07310

Swedish Business Weekly Interviews Gandhi
46001238 Bombay *THE TIMES OF INDIA* in English
22 Jan 88 p 1

[Text] The Prime Minister, Mr Rajiv Gandhi, has reiterated that if it turns out that there have been bribes in the Bofors deal, "those involved will be punished, without hesitation."

"Our reaction will be very hard," he said in an interview in the latest edition of the Swedish business weekly, "Veckans affarer."

Asked to what extent did the Bofors deal harm his credibility when fighting corruption, Mr Gandhi said, "It did a lot of harm in the beginning. Now I think people have understood that we are not involved, and it becomes even clearer that neither authorities nor officials are."

Mr Gandhi said he had no intention of talking about Bofors with the Swedish authorities (during his visit to Stockholm).

He said there would be no further negotiations with Bofors about future contracts until the report of the Indian parliamentary committee on the Howitzer deal was available.

The following is the summary of the interview with Mr Gandhi by a reporter, Nr Stefan Mehr.

Q: Mr Gandhi, two years ago you discussed Bofors over a lunch in your residence with Mr Olof Palme. What guarantees did you ask of him, and what did he give you?

"I have already told parliament very clearly. It would not be correct to say anything now, since we have a parliamentary commission investigating the Bofors affair."

Q: Were you surprised that Mr Palme personally engaged himself so deeply to get the order for Bofors.?"

"It was a very large order, important to Sweden as a nation. I suppose this is why he was involved. Many leaders discuss industrial issues of national importance. Our judgment was completely impartial."

Q: I have heard that you were very pleased with the accord.

"I repeat, that is what the parliamentary commission is investigating. But we haven't seen anything to make us think the decision was not correct. We are convinced that the Howitzers are good, and we think we conducted the negotiations successfully. We pushed the price down considerably, I don't remember exactly how much."

Q: In order to lower the price, you are supposed to have demanded that Bofors should not pay any intermediaries.

"We did everything we could to get the best price. All that could be eliminated, was eliminated."

Q: Several advisors wanted you to break the contract last summer. Did not ever consider that seriously?

"We went through a process where the pros and cons for breaking the contract were evaluated."

Q: Would you have scored political points doing it?

"Possibly, but the security aspect was also important, as would be the cost of an annulment."

Q: Were you ever close to tearing the contract to pieces?

"You must decide to which extent you are prepared to sacrifice the safety of the country for political gains. I think the security of the country is very important."

Q: If it turns out that there have been bribes?

"Our reaction will be very hard. Those involved will be punished, without hesitation."

Q: And the consequences for Bofors?

"We would have to examine the contract to see exactly what measures it allows. It is also possible that the parliamentary commission will give recommendations."

Q: Would you consider it a breach of guarantee if it turns out that Bofors has paid intermediaries?

"Bofors has given us an amount of information that we have passed on to the commission. The material is being analysed by the administration on the orders of the commission. It is their work, not ours. Not until their report is ready will we know the results."

Q: Are there any specific questions about Bofors that you want answered while in Stockholm?

"No, I don't event want to discuss it."

Q: You may not be able to avoid it.

"Perhaps not with the press, but I have no intention of talking about Bofors with the authorities."

Q: Are you pleased with the way the Swedish government has handled the whole affair?

"Yes, I am. There have been no problems. Actually, we haven't talked much, except when we asked for the initial inquiry. Since then we haven't had any contact with each other."

Q: Can you accept that the Swedish government has classified large parts of the report from the national accountant authority?

"It is hard for us to understand. We think they might have given us the information asking us to keep it confidential, which we would have done. It was embarrassing that they deleted parts of the report. Fingers were pointed at us and we had no answer to give because we had no documents for support. That put me in a difficult position."

Q: Bofors have just given the final offer for the next stage, transfer of technology for the production in India of the Howitzer, an order worth about the same amount as the first one. Have the possibilities that Bofors receive the order in any way been influenced by the way they have handled this whole affair?

"The commission's report will definitely have an impact."

Q: So, there will be no further negotiations with Bofors until after the report — even if that is delayed?

"No."

Q: Will you also wait for the inquiry by the Swedish prosecutor?

"Possibly, possibly."

Q: The Swedish government has assured you that nothing short of intervention by the UN secretary-general can stop the weapons delivery even in case of war (Swedish law forbids weapons exports to warring countries). Was this an ultimatum from you?

"In times of tension we have had problems with other deliveries of military equipment. That is why we decided, from the very beginning, that we wanted certain guarantees.

07310

Gandhi Meets With Experts on Economic Policy
Calcutta THE TELEGRAPH in English 12 Ja 88 p 1

[Text] The Prime Minister, Mr Rajiv Gandhi, today had a brain-storming session with economists on a long term economic policy even as the finance ministry was simultaneously engaged in a shorter-term exercise to keep the current year's Budget deficit down as much as possible.

The finance minister, Mr N. D. Tiwari, has been having consultations with a cross-section of the people to make sure that the deficit is pegged to about Rs 5,600 crores, as promised by Mr Gandhi.

Mr Gandhi's discussions with the academics, economists and technocrats over breakfast this morning brought out a consensus that the Eighth Plan should aim at a higher growth rate for the economy than ever before. Mr Gandhi also clarified that he had not attacked socialism and the public sector in a speech at a Madras rally. He said he was misquoted.

The discussions appeared to be in line with the decision taken at the recent Cabinet meeting held at Sariska in Rajasthan for a thorough review of the performance of the economy. Mr Gandhi let the invitees talk mostly and listened to their views patiently. They told Mr Gandhi that greater stress should be laid on quicker agricultural growth. There also was a need to improve the infrastructure to give a fillip to industrial development.

There was a consensus that the rate of growth set for the economy in the Seventh Plan was not high enough to cater to the needs of the country. The Eighth Plan should aim for a higher growth rate of six to seven per cent.

Among the other issues that came up for discussions were the country's resource position, the state of the economy and the public sector. Those present included Prof. Sukhamoy Chakravarty, chairman of the economic advisory council to the Prime Minister, Prof. A. M.

Khusro, Mr K. B. Lal, who heads the Indian Council for Research in International Economic Relations, Mr P. C. Joshi of the Institute for Economic Growth, Mr Mrinal Datta Chaudhuri of the Delhi School of Economics, and Mr Kirit Parekh, an economist from Bombay.

Also present were Mr V. Krishnamurti, chairman of the Steel Authority of India, and economic journalists Mr Manu Shroff and Mr Kewal Varma. Some members from the Prime Minister's office also attended the meeting.

With the increased expenditure for drought relief in 11 states, the deficit could rise to about Rs 6,200 crores. The government would like to cut it down by at least by Rs 2,000 crores. Apart from Mr Gandhi's promise to close the gap between expenditure and revenue, a huge deficit could also have serious inflationary effects

The hopes of the government to reduce the deficit by about Rs 2,000 crores are pinned on the recent price hike in administered prices of coal, steel, petrol and edible oils. While the petrol price hike, will this year bring in only about Rs 60 crores, it will fetch some Rs 260 crores in a full year. It will also have a damping effect on the rising consumption of petrol and thus help conserve some foreign exchange. The price of petrol here is now the highest in the world.

Earlier in December, the government had hiked steel prices by 16 per cent and coal prices by 15 per cent. Together, they will bring in an extra income of Rs 250 crores this year and Rs 850 crores in a full year. The government had also resorted to an increase in the issue price of edible oils sold through the public distribution system to bring in an additional Rs 300 crores in a full year.

Official sources believe that the inflationary impact of the administered price hike would be lesser than that of a big uncovered deficit. The price hike was inevitable in view of the gloomy picture of the economy painted by the Reserve Bank. It had said that the economy would grow at a rate of about 1.5 per cent in 1987-88 compared to 4.7 per cent in the previous year. This was mainly because of the drought which had slowed down agricultural development.

07310

Gandhi Appoints High-Level Panels in Congress-I
46001225 Calcutta THE TELEGRAPH in English
13 Jan 88 p 1

[Article by Yubaraj Ghimire]

[Text] New Delhi, January 12—The congress(I) president, Mr Rajiv Gandhi, today appointed five high-level party sub-committees which would be directly answerable to him. The appointment follows the decision of the working committee two weeks ago to form smaller groups to study different problems facing the people and suggest remedial measures.

According to AICC(I) sources, the sub-committees would directly report to Mr Gandhi, bypassing the working committee, and periodically apprise him of their work. The Human resources minister, Mr P.V. Narasimha Rao, has been made convener of the sub-committee for economic strategy. Its other members include the finance minister, Mr N.D. Tiwari, the planning minister, Mr P. Shiv Shankar, the energy minister, Mr Vasant Sathe, the minister of state for steel and mines, Mr M.L. Fotedar, the minister of state for science and technology, Mr K.R. Narayanan, the former Punjab chief minister, Mr Darbara Singh, Mr Sanat Mehta and Mr M.Y. Ghorpade. The first meeting of the sub-committee will be held on Thursday.

The AICC(I) general secretary, Mr Ghulam Nabi Azad, has been made convener of the party building and mass contact sub-committee. Mr Uma Shankar Dixit, who recently suggested changes in the party constitution, and the AICC(I) treasurer, Mr Sitaram Kesri, are among the other members of the committee.

The minister of state for rural development, Mr Ramnand Yadav, has been made convener of farmers and land reforms sub-committee. The octogenarian Congress(I) leader, Mr Kamalapati Tripathi, and the former Kerala chief minister, Mr M. Karunakaran, have been appointed convener of the sub-committee on national integration and price rise respectively. Two or three more sub-committees are expected to be announced later.

The formation of sub-committees with senior ministers in at least one of them has given rise to speculation that some senior and "efficient" ministers might be drafted for party work after the Budget session of Parliament. This is also being interpreted as a "pre-poll exercise" though a mid-term election has been ruled out.

The sub-committee for economic strategy is also expected to suggest certain changes in the current planning process and in the Planning Commission.

The sub-committee on mass contact and party building will monitor the different front organisations of the party, including the Youth Congress, National Students Union of India (NSUI) and then Seva Dal. It will take the initiative in forming cadres in the party to politically counter the right-wing BJP and the Left parties.

07310

Reportage on Gandhi Speech at Santiniketan

Chancellor's Address

46001224 Calcutta *THE SUNDAY STATESMAN* in English 17 Jan 88 pp 1, 9

[Article by Subrata Nagchoudhury and Diptosh Mazumdar]

[Excerpt] Santiniketan, January 16—In an eventful convocation where Congress (I) supporters and a Naxalite group shouted slogans for and against him, Mr Rajiv

Gandhi stressed the need for all-round education to pursue Tagore's ideals. Extraordinary security arrangements deprived the ceremony of its traditional colorful spirit. The Naxalites held a black flag demonstration.

Delivering the Chancellor's address, Mr Gandhi said the forces supporting the development of nuclear weapons continued to exert pressure despite the recent breakthrough in disarmament talks. The Prime Minister said that the forces were so powerful that "they sucked us in their direction." He called for the inculcation of the "right human values" to prevent man-made disaster and degeneration into aimless materialism.

The black flag demonstration by supporters of the Communist Organization of India (Marxist-Leninist) surprised intelligence officials. When Mr Gandhi rose to speak, the slogan "Rajiv Gandhi go back" shattered the sombre tone of the ceremony. The group, comprising about 10 people from the neighbouring Surul village, were whisked away by policemen and released a little later.

As if to undo what the Naxalites had done, a few Congress (I) supporters standing in the VIP enclosure shouted "Rajiv Gandhi zindabad" immediately after Mr Gandhi finished his speech. The same slogan was raised from another enclosure of the students towards the end of the ceremony.

Mr Priya Ranjan Das Munshi, PCC(I), president, later complimented the students for voicing their support for Mr Gandhi. He said the Vice-Chancellor had been discourteous by not condemning the demonstration while the convocation was on.

Throughout his speech, the Prime Minister stressed the need for implementation of Tagore's concept of total education. He said more and more sophisticated techniques were going to overrun our lives. This invasion would call for better education of mechanics, technicians and engineers "but more than that, what we require is marriage of scientific temper with the right human values" to guide this rapid technological growth in a proper direction. Decrying over-specialization, he said: "The narrow walls of different disciplines will have to be broken down".

The Prime Minister spoke on the discrimination against women. Even as more girl students are being enrolled in schools, their drop-out rate has also increased. He said there should be stress on "electivity" before admitting students for university education. He emphasized the need for non-formal and vocational courses.

Question-and-Answer Session

46001224 Calcutta *THE TELEGRAPH* in English 17 Jan 88 p 1

[Article by Pathik Guha]

[Text] Santiniketan, January 16—The Prime Minister, Mr Rajiv Gandhi, today strongly defended the Centre's allocation for defence, saying, "It is needed to make India a truly strong and independent nation."

Replying to questions from the Visva Bharati students, he said, "It depends on what you want India to become. If India is to pursue her own policies and trade, fight her own cause and that of the poorer nations, then we have to sacrifice many other things for defence. We have to spend on many areas of technology, specially strategic defence."

He argued that if India joined any of the power blocs, there would be many technologies available to it at much cheaper cost. "But because we are independent and India is one of the very few countries that are truly independent, we have to pay this price," he said, adding "If we are only concerned about economic independence for ourselves then we must throw away our basic policies. The easiest way is the cushy way and that has been taken by many countries in the world. You can see their conditions now in Africa, Latin America and even in Asia."

Black Flags Down

At the question-answer session, the university students besieged Mr Gandhi with queries ranging from petty local problems to the most important political issues of the day. Mr Gandhi, who was here to confer degrees on the students of the Visva Bharati at its convocation, was shown black flags by a handful of boys as he began his convocation address at Amrakunj this morning. The demonstration continued for a few minutes with chanting of "Go back" slogans, much to the surprise of the authorities who could not recollect such an "unsavory incident in the nest of peace in the last two decades."

A Naxalite group later owned responsibility for the demonstration. The district magistrate said the demonstrators were the wards of some university employees from whom they might have got entry passes. They were arrested and later released. Some students later chanted slogans welcoming Mr Gandhi to Santiniketan and this climaxed when he ended the convocation function. Almost all the four thousand people present then chanted slogans in his support.

During the question-answer session, in a sharp dig at the West Bengal government, the Prime Minister said it was just impossible to get things done here and there were stumbling blocks to all development works planned by the Centre for the state. He was replying to a question on why he, as the chancellor of Visva Bharati, was not making it as advanced as the Jawaharlal Nehru University in Delhi.

There were more than 30 queries approved by the university authorities, but Mr Gandhi increase the number by inviting supplementaries from all those who wanted to participate.

Price Hike Justified

The Prime Minister also refuted the charge that the Centre's recent move to raise the price of coal, steel and petrol was a bid to cut the budgetary deficit. He cited the drought and flood ravaging the country and said, "All this has costs us an exorbitant amount of money in terms of relief to the common people.

This has caused the expected expenditure to overshoot and we had to make up for that. We should also remember that many of these commodities are heavily subsidised. This subsidy should be removed gradually."

More on Question-and-Answer Session

46001224 Calcutta THE SUNDAY STATESMAN in English 17 Jan 88 p 9

[Text] Santiniketan, January 16—Mr Rahiv Gandhi today underlined the importance of the IPKF's role in Sri Lanka, pointing out that several forces unfriendly to India were building bases on the island. Participating in an hour-long question-answer session with students at Uttarayan, the Prime Minister said the country faced the threat of "one more front in the south."

The Prime Minister explained that the IPKF was deployed to meet one of the most strategic and vital interests of the country. It could have been a difficult problem for India if these forces were deeply entrenched in Sri Lanka. "That would have been more expensive to us", he said. The need for deployment of Indian forces in Sri Lanka was envisaged in the original accord, he added.

The lively question-answer session dealt with some controversial and burning issues like the continuing violence in Punjab, rise of terrorism in different parts of the country, growing unemployment, the recent price increase, performance of the public sector and wastage of public money. There were lighter moments when students wanted to know how he spent hours of his leisure and whether he considered himself "as fresh as he was three years ago". This event was the most largely-attended function of the day and frequent outbursts of laughter signified that the audience appreciated the session.

Mr Gandhi admitted that the Punjab accord had not been successful in weeding out terrorism and felt that Sant Langowal's untimely death was one of the reasons of the failure. The accord depended on the personality and influence of Sant Langowal; but "we could not give him adequate protection", he said. He added that at least the accord had allowed the election to be held, though the elected Akali Dal Government could not resolve the problem, as a result of which President's rule had to be reimposed.

The Prime Minister justified the recent price rise of several commodities and held the last two years' drought responsible for this. The rainfall this year had been the

worst in recorded history, he said. "But we have been able to control the inflation rate and to see that the people's basic needs are not affected." He said the increased salary bills following the Pay Commission's recommendations had also drawn heavily on the national exchequer. These pay increases, he regretted, were not linked to productivity, following which "we have overshot the limits of expenditure." Besides, he claimed, the items for which there had been a price rise, were heavily subsidized by the Government.

He agreed with the student's allegation that various sports federations in the country were responsible for the declining standards. He said he was aware that these federations were involved in political squabbles which resulted in partisan selections and inadequate facilities.

He refused to believe that the Congress (I) was losing its foothold in various parts of the country. Replying to a question that several States were going out of his party's hands, he said only in Kerala had the Congress (I) lost power during the last Assembly elections. "We shall win the next elections", he said. He made a dig at the West Bengal Government when a student asked him about discrimination against Visva Bharati, considering the larger grants another Central University, like Jawaharlal Nehru University, received. The Prime Minister said: "It is very difficult to do things in Bengal. Every time we try to do something, there is a block."

07310

BBC Television Broadcasts Interview With Gandhi

46001240 Calcutta *THE STATESMAN* in English
20 Jan 88 p 1

[Text] Mr Rajiv Gandhi believes that no Indian was paid off in the Bofors gun deal and that the parliamentary committee probing the matter would confirm the view, reports UNI. In an interview telecast by BBC last night, Mr Gandhi, however, said that if any Indian was found guilty of corrupt practices in the deal, he would be tracked down and punished.

Mr Gandhi's interview was part of a 40-minute programme on Indian titled "Rajiv Gandhi: India's Pilot Prime Minister". Replying to questions on Sri Lanka, Mr Gandhi said if the Tamil Tigers had not posed problems, the whole matter should have been sorted out by January or February and the Indian soldiers could have come back. Now the schedule would be slightly longer than that.

Mr Gandhi did not agree with the view that Mr Vishwanath Pratap Singh had stolen a march over him.

BBC: Do you fear him when election times comes round?

P.M. No, not at all.

BBC: You have got into Sri Lanka. As the Americans discovered in Vietnam, it is easy to get in, but very difficult to get out. How are you going to get out and when?

P.M. We have got certain commitments under the India-Sri Lanka agreement. We have got an understanding with President Jayewardene. As soon as things normalize, we will come back. We have got to have elections there and a civilian Government should take over. Certain devolutions have to take place. If the Tamil Tigers had not caused problems it should have been over by January or February and we could have come back. But they have caused problems and so the schedule will be slightly longer than that.

The Prime Minister did not think that India's role in Sri Lanka was comparable to what the American did in Vietnam. "The Americans went against (the wishes) of the whole nation. But we have gone in with (support of) the nation against a small militant group. So it is a totally different situation". Asked about Punjab, Mr Gandhi said: "There is a small group of Sikhs who are dissatisfied but we don't know what about. They don't come out with what they really want apart from expressing dissatisfaction".

About allegations of "illegal detention and torture", Mr Gandhi said: "I don't think our (human rights) record is that bad. We don't torture anybody. You can check on that. I can be very categorical about that. Such complaints we have had checked we have not found them to be true".

BBC: You have firmly rebutted accusations against you involving corruption. But rather than setting up commissions to look into minor aspects of the affair why not confound your critics by tracking down the guilty men and punishing them?

P.M. We would like to, but it is very difficult. We believe that no Indian has been paid in this deal. We have been assured that no Indian has been paid. I am talking about the Bofors business. There is a parliamentary committee looking into it. We hope the report will be in by February and we will be able to track down whoever has taken any money on this. But the feeling that I get is that we are not going to find any Indian, there may be others.

BBC: Foreign hand?

P.M. Perhaps... But what we really have to see is whether we have paid too much for the gun. If we had been cheated on the gun in quality and in terms of price. And I am assured that we have not.

Mr Sam Pitroda, adviser on technology issues, the Indian Airlines chairman, Mr Rahul Bajaj, and Mr Julio F. Rebeiro, Director-General of Punjab Police, defended Mr Gandhi and his policies. The commentator made a

stinging remark about Mr Gandhi's ability as Prime Minister and said, "for the pilot-politician it is not taking off that matter it is making a safe landing at the other end which matters".

The panorama, depicting mainly shots of populated streets, barren land, huge crowds welcoming Mr Gandhi or listening to V. P. Singh, was punctuated with remarks from Mr Gandhi. The programme also highlighted the royal wedding at Gwalior, minor technological failures in various parts of India, Indian forces operation in Sri Lanka and the Prime Minister's tours in the country.

The intervention of the Indian forces in Sri Lanka was described by the commentator as hurriedly prepared flight plan". The Indian forces, it appeared were neither able to protect the people of Sri Lanka nor able to tackle the Tamil Tigers, the commentator alleged.

No Request on Bofors

New Delhi, January 19—Official sources said today that the Government of India had not been approached by the Stockholm Public Prosecutor, Mr. Lars Ringberg, regarding the Bofors gun deal, reports UNI.

The sources said that since a parliamentary committee was already seized on the matter there was no question of giving any kind of information to anyone else.

The sources were commenting on Press reports to the effect that Mr Ringberg proposes to seek information from Indian officials during Mr Rajiv Gandhi's visit to Stockholm.

07310

Gandhi Addresses Public Sector Officials' Conference

46001217 Calcutta *THE STATESMAN* in English
15 Jan 88 pp 1, 9

[Text] The Prime Minister today strongly defended the public sector saying it would continue to play the role of "commanding heights" in the national economy, but asked the public sector enterprises to generate internal resources for its expansion and prepare for greater accountability, productivity and efficiency, report PTI and UNI.

The Government was committed to the investment in the public sector which would reach Rs 86,000 crores by the end of the Seventh Plan from Rs 43,000 crores at the beginning of the plan period. He said this while inaugurating the fourth conference of chief executives of public sector enterprises here.

Mr Gandhi said the Government had a lot of commitment for welfare projects which it had to meet from the budget. These commitments would be increasing in the coming years. Therefore, the Government was no longer in a position to spare budgetary resources for the public sector.

Perpetual Drain

In his welcome address, the Industry Minister, Mr. J. Vengala Rao, said the growing feeling was emerging that the budgetary support extended to these enterprises "is a perpetual drain" on the country's scarce resources. "We are at a crucial juncture when hard decisions have to be taken to tone up the public sector enterprises", he said.

A white paper on the public sector enterprises would be placed before Parliament in its coming budget session, Mr Vengala Rao, announced today. It would provide a "new direction" to various problems faced by the public sector.

The public sector by and large was doing well, Mr Gandhi said. There might be some bad units. They could be in the public as well as private sector, he said. But, the time had come when the public sector had to evolve new strategies for remaining as an engine of growth and of self-reliance. Profit, he said, could not be the sole criterion for the public sector, but it had a vital task ahead for the development and expansion of the economy.

Mr Gandhi said public undertakings should not be run like Government departments. They must learn to take independent decisions, evolve new participatory management, and the managers must set examples for the subordinate staff.

The Prime Minister said jobs must be created in the public sector "where they are justified", but jobs could not be created by stretching and over-burdening resources.

The public sector, he said, must also pay attention to the research and development side. It should be the pioneer in the field of technology development.

Addressing the ministerial side, the Prime Minister said Government should also be realistic. Public undertakings should not be distributed in such a way that the ministries were left with no work except to look after public units.

07310

Paper Reports on All-India Congress of CPI-ML

Meeting Held Secretly

46001218 Calcutta *THE SUNDAY STATESMAN* in English 10 Jan 88 p 9

[Text] In a major shift in its study of the international situation, the CPI (ML) Liberation group, in its recently concluded party congress, decided to call the Soviet Union a Socialist country. Hitherto, all the Naxalite groups have been bitterly critical of the USSR and they have repeatedly branded it as a "social imperialist" country. The congress of the party was held in the first week of January, according to a press release issued in Calcutta on Saturday.

The party believes that the prospect of unification of all the "Communist revolutionary groups" into a single party, planned in 1980, is still elusive. It was decided, therefore, that the CPI (ML) Liberation group would consolidate its position on its own. A scheme for restructuring of the party was approved, and it was decided that there would be a legal party apparatus though a secret set up would continue to function as the nucleus of the entire organization. It was also decided that the party would not enter into electoral alliance with any of the recognized opposition parties.

The tasks of the party were enlisted as a protracted political struggle, development of peasants' resistance, gradual conversion of the resistance movements to guerrilla warfare, building up worker-peasant alliance and strengthening the bases in the cities. The need for formation of regular armed units was also mentioned.

Criticizing the Rajiv Gandhi Government, the congress felt that Mr Gandhi's rule was marked by increasing economic and political centralization. The demand for his removal is part of a long-drawn process for building a democratic alternative. The party criticized the increased use of repressive measures by the West Bengal Government in tackling the Gorkhaland agitation.

Results Told

46001218 Calcutta *THE STATESMAN* in English 15 Jan 88 p 4

[Text] Patna, January 14—The five-day all-India congress of the CPI (ML) concluded recently somewhere in Bihar in total secrecy, with a call for "organizing massive armed action against landlords and also the police", reports PTI.

The Congress resolved that "the party must not enter into electoral alliances with any political party" a CPI (ML) release said here today. The congress also resolved to support the ongoing movement for a separate Jharkhand State.

It deplored the West Bengal Left Front Government's "increasing reliance on repressive measures to combat the GNLFF agitation" and suggested the Left Front Government seize the initiative and deal directly with the GNLFF.

The congress emphasized the need for "arming the propaganda squad, primarily for defence and occasionally for offence".

It called upon the Central Government to consider the proposal, mooted by Pakistan and Bangladesh, for a nuclear-free zone in South Asia. It also demanded immediate withdrawal of the Indian Peace Keeping Force for Sri Lanka and "a comprehensive probe into the IPKF atrocities on the civilian population in the island nation".

07310

Improvement in Indo-Israeli Trade Relations Seen

46001228 Bombay *THE TIMES OF INDIA* in English 17 Jan 88 p 10

[Tex] Trade relations between India and Israel appear to be improving. India's exports to Israel during 1986 were higher by 66 per cent at U.S. \$21.56 million over \$12.96 million in 1985. During the current year they are expected to grow even faster, going by figures available for the first six months of 1987. These suggest an increase of 99.7 per cent in India's exports to that country over those of the corresponding period in 1986.

Even on the import front, trade between India and Israel has appeared to be improving. Though imports from Israel fell from \$39.71 million in 1985 to \$33.53 in 1986, they registered a dramatic increase of 164 per cent during the first half of 1987 over those of the corresponding period in 1986. Imports from Israel amounted to \$30.57 million for the period January to June 1987.

All this goes to show that contrary to the general opinion that commercial contact between our two countries is not allowed, it actually offers enormous potential, explained Mr Amos Radian, the newly-appointed vice-consul, consulate of Israel in India in Bombay. According to him, his country had a great deal to offer to India.

Speaking to the 'Times of India' Mr Radian said Israel had made significant breakthroughs in the field of agriculture which could be of immense importance to India. "We have a great degree of expertise in dryland farming techniques using a minimum of water that has helped change Israel from a desert land to one of the most fertile and productive areas in the world," he added. According to him, Israel today had as many as four crops a year as compared to two or three in most parts of the world. Irrigation techniques had also helped Israel to become less dependent on the monsoon as compared to most other countries. Israel's achievements in this area,

according to Mr Radian can also be seen from the fact that out of its total exports of around \$7.1 billion in 1986, the contribution of agriculture alone was around \$560 million.

He also referred to his country's expertise in the areas of solar and other alternative energy systems. "Currently, we have made it compulsory for all new residential complexes constructed in our country since 1980 to have solar energy systems that cost anywhere between \$300-400 a system," he added.

He also pointed to his country's ability to provide technology in areas related to defence items, electronics, security systems, oil and gas equipment, and those related to power generation and distribution.

Currently, almost 90 per cent of the trade volume between India and Israel pertains to diamonds. This is followed by trade in chemicals, metals and machinery. Mr Radian expressed hope that trade between India and Israel would increasingly cover other areas as well. "Our endeavour is to strengthen ties with other countries of the world, including India, on the basis of stronger economic and cultural relations," he said.

07310

Papers Give Details on Mid-27M Production

HAL Director's Briefing

46001244 Bombay THE TIMES OF INDIA in English
18 Jan 88 p 9

[Article by Dilip Chaware]

[Text] Nasik, January 17—The mighty MiG-27M swing-wing aircraft is expected to join the Indian Air Force (IAF) by 1990, raising its strike power considerably and at the same marking a quantum jump in high performance technology.

The aircraft is basically designed for the tactical-strike and close support roles with its high performance characteristics in terms of weapon-load, firepower and radius of action in ground attack missions.

The production of the aircraft at the MiG complex of the Hindustan Aeronautics Limited (HAL) near here has reached the 50 per cent phase and the gestation period is expected to be over by the end of next year.

Wing commander A.C. Sood (ret'd), managing director of the complex, and Mr H.K.L. Anand, the general manager, briefed the first-ever press party to visit the plant about the progress achieved by the complex in technology and production of this formidable aircraft.

With various technological improvements over the MiGs supplied by the Soviets so the IAF in early 1986, the MiG-27 will have almost 80 per cent of its over

20,000 components developed, fabricated and manufactured in India. The Plane is expected to be in production till the middle of the next decade, they said.

The MiG-27 is the second swingwing aircraft with the IAF and can fly at a speed of up to 1.1 mach at sea level, rare in this generation of aircraft. The jet requires only an 800 metre-long runway for take-off and thus can be used in airfields damaged during enemy action.

The single-seater tactical fighter has been provided with an armoured cockpit for the pilot with additional protection at flat sides. It can fly in a stable condition at 40 metre height with the minimum speed of 400 kmph. When speed is required, it can flap back its wings at an angle of 72 degrees to get more thrust and a speed of nearly 1,300 kmph.

The Nasik division of HAL is situated at Ojihar, 21 kms off Nasik. It manufactures the airframes and assembles the aircraft as a whole, on receipts of aeroengines manufactured at its sister division at Koraput (Orissa), avionics at Hyderabad division and accessories at the Lucknow division of HAL. After the system-checks or ground and flight-tests to the required standards are carried out, the aircraft are delivered to the IAF.

The Nasik complex is considered unique since over 30,000 aircraft components are manufactured under one roof. With over 8,000 employees, the management has retained the upward trend in both production and technological advancement. It was awarded the 'Udyog Ratan Award' by the President in 1985.

Replying to questions, the spokesmen said that the production of MiG-27M started in 1984 in a phased manner, with the first phase being the assembling, marking the indigenisation of about 20 per cent. The second phase of about 30 per cent also is over and the final phase of 50 per cent will be over by the end of next year.

Stating that the gestation period for the adoption of any new technology is from four to five years, Wing Commander Sood said that the Soviets did not allow any visits to their plants. Were such a permission granted, the period could have been shorter. As HAL did not buy a turnkey project, the technology had to be developed here.

The level of indigenisation has been restricted at 80 per cent since the remaining 20 per cent components can be bought in the world market at comparatively lower prices, without any compromise since none of these parts are of a crucial nature.

As the development of the technology and manufacturing involves a high degree of indigenisation, the Soviets are not allowed to visit the plant, an official in one of the shops said.

Commander Sood said that a follow-on to MiG-27M was already under active consideration.

The division completed the production of Mig-21 BIS series during 1985-86 and simultaneously entered the assembly phase of the MiG-27M. According to a publication of the division, each new plane will require 25 tonnes of raw material, to be reduced to about ten tonnes, involving complex processes and equipment. Similarly, over 93,000 different tools will be required for the production of the over 20,000 components. While about half the tools will be fabricated indigenously, many others will be modified.

Nasik division undertakes overhauling of all aircraft variants (21 series) besides the manufacture of the aircraft. The overhauling facilities, established in 1970, have been augmented over the years.

The qualitative improvements include revamping of specialised training courses for technical and supervisory personnel on an extensive scale in India and abroad.

The computer wing, developed at an estimated cost of Rs 1.2 crore, had been instrumental in providing an extremely effective production and planning control. The programming is completely indigenously with the software developed in-house.

At present, nearly 80 per cent production and engineering is supported by computer, which is capable of devising a flexible manufacturing system in three to four years.

The press visit is believed to be a part of the government's 'open house' policy regarding defence establishments after it was criticised in the Parliament and by the press over certain recent defence deals.

Latest Technology Used

46001244 Madras *THE HINDU in English*
18 Jan 88 p 7

[Text] Ojhar (Nasik), January 17—As a new-born MiG-27M roars off to pierce the sky at Mach 2, twice the speed of sound, green monsters in huge factory sheds majestically go to work to produce yet another exact replica of the swing-wing fighter which has become the backbone of the Indian Air Force.

This everyday scene at the Nasik division of Hindustan Aeronautics Limited marks the quantum jump the factory has taken by giving up the production of the older MiG-21 series and adopting the state-of-the-art technologies brought in from the West and Japan to make the latest MiG-27 series.

A powerful fourth generation Sperry UNIVAC 1100/60 computer prepares designs of thousands of parts and components of MiG-27 that are made here. These

designs are then transferred to the imported Computerised Numerical Control (CNC) machines which work with an accuracy of 10 microns, one micron being one millionth of a metre.

Time saved: These accurate technical marvels have drastically reduced the time taken in making many parts. For instance, the seat pan which goes into the cockpit is made by the CNC machine from a complex magnesium alloy casting in only two set-ups instead of the 56 set-ups involved in the conventional process. Similarly, while the conventional process envisages 24 fixtures for completing the task, the CNC machine does it with only two fixtures. And in terms of the pace of work, the CNC procedure is 20 times faster than the conventional method.

The Nasik division, spread over 4,500 acres and employing more than 8,000 people, essentially makes only airframes (each airframe comprises 30,000 parts all of which are made here). It then fits them with aeroengines supplied by the Koraput division of HAL, avionics from the Hyderabad division and accessories made in the Lucknow plant to assemble the complete aircraft. System checks on the ground and flight tests of the aircraft are then carried out and the aircraft delivered to the IAF.

Overhauling facility: Besides the manufacture of aircraft which it started in 1970, the Nasik division has also been overhauling all MiG series fighters. This facility too has been progressively strengthened and now apart from undertaking comprehensive repair and checks of aircraft structures, rotables and systems, the overhaul section also makes modifications in the aircraft to improve their efficiency and safety.

An interesting feature of the Nasik division is that it is trying to evolve a workable mix of the traditional and modern in various fields. The employees propelled by the omnipresent images of gods and goddesses work to the 'tune' of the UNIVAC computer which lays down efficiency and production-linked bonus norms.

07310

First Indian-Made Jaguar Delivered to Air Force
46001245 Bombay *THE TIMES OF INDIA in English*
21 Jan 88 p 9

[Text] Bangalore, January 20—The first indigenously manufactured Jaguar aircraft was handed over to the Indian Air Force today the Hindustan Aeronautics Ltd (HAL).

Mr K.C. Pant, defence minister, handed over the documents of the Jaguar to Mr D.A. La Fontaine, chief of the air staff, at a formal ceremony at the aircraft division of the HAL (Bangalore complex).

The Jaguar, produced under licence from the British Aerospace PLC, since 1979, has now been 95 per cent indigenised and the HAL has found it cost-effective to import five per cent of the components.

07310

Concern Over Selection of Fighter Planes for Training

46001242 *Madras THE HINDU in English*
12 Jan 88 p 6

[Text] New Delhi, January 11—The visit of the British Defence Minister, Mr George Younger and the discussions on the Hawk have brought into focus the prolonged delay in the acquisition of an Advanced Jet Trainer which is considered necessary for the Air Force. Even today a large number of air crashes are being ascribed to the lack of a suitable trainer on which a pilot learns how to fly a combat aircraft after having done the basic jet conversion in the indigenously designed Kiran.

Disquiet over delay: There has been considerable disquiet in the Air Force over the delay in the decision-making process which has been delayed this year by the Bofors imbroglio. However, there is another aspect to the delay which has not been satisfactorily answered. In January 1983, the then Prime Minister, Indira Gandhi, accepted the recommendation of the La Fontaine Committee on Air Safety that the lack of an AJT was a major factor in air crashes.

More important was the recommendation of the La Fontaine Committee that the IAF acquire a Type-69 trainer based on the MiG-21. Mrs Ghandi okayed this and asked her office to give her a monthly report on the implementation of the decision. For some reason—and import lobbies can perhaps be blamed for this—nothing happened, and in 1985, the British Aerospace Hawk and the Anglo-German Alphajet became the frontrunners in the race for an order that can amount to some US\$2 billion for the acquisition alone.

Too expensive: Sources say that in terms of costs and requirement, the acquisition of such aircraft from the West would be an unnecessarily exercise. The IAF has some 35 squadrons of combat aircraft of which just five are equipped with Western-origin aircraft. The 30-odd squadrons equipped with Soviet-made aircraft make up the bulk of the air force and this profile is likely to remain unaltered till the turn of the century. In fact this was the basis for the La Fontaine Committee recommendation.

While the Hawk is an excellent aircraft and a trainer, training received in it may not be the best for train pilots most likely to fly a MiG-21, 23/27 or now 29. Knowledgeable people say there are remarkable generic similarities between the cockpits of the MiG series beginning from the MiG-15, the newer aircraft having incrementally progressive improvements. Training pilots in the

MiG Type 69 would lower the problems associated with apprehension of a trainee pilot in a new cockpit environment and reduce the mental adjustments to conversion.

An equally strong argument has been advanced on the issue of cost. The Hawk would cost some Rs 12 crores to acquire on import and some Rs 18 crores to manufacture here (with a substantial Free Foreign Exchange component). An order of 100-150 aircraft means costs of Rs 1,200 to Rs 2,700 crores. In addition, 30-50 per cent of this sum would be required to build up a support infrastructure which includes an inventory stockup of spares of a new type to be operated.

Cost advantage: On the other hand, a MiG-21 costs Rs 2.5 crores and 150 Type-69s could be acquired for just Rs 375 crores. India already has a MiG-21 production line and can very inexpensively acquire the additional plant required for the Type 69 which is no longer produced in the USSR. The MiG-21 Type 69 is a 2-seater with some modifications optimising it for training.

Another aspect is that of life-cycle and operating costs. The per hour costs of operating Western-supplied aircraft is four times more than that of the Soviet one.

The issue is not of the quality of the aircraft per se, but its purpose. If its purpose is to convert pilots to a basically Soviet equipped air force, the logic of acquiring a Soviet-made trainer is inescapable. Undoubtedly the Head-up displays, the avionics, etc. of the Hawk or the Alphajet are very good, but will they be good for training pilots who will not be using such equipment? In any case, HAL engineers who have been making the MiG for the past 20 years can carry out the necessary modifications and actually modify the Type-69 with such equipment as deemed necessary.

07310

AIADMK Leader Jayalalitha Interviewed

46240009b *New Delhi NAVBHARAT TIMES in Hindi*
27 Dec 87 pp 1, 8

[Text] Jayalalitha is silent on the question of whether or not she is prepared to accept the responsibilities of Tamil Nadu's chief ministership. At this time, she does not even know when the AIADMK [All India Anna Dravida Munnetra Kazhagam] will elect its new leader and who is responsible for calling the meeting of the legislators. In an interview in her splendid two-storied house, she said, "Today there has been a new beginning. What can I say so soon? At this time, I do not want to answer any political questions."

It is not easy to interview Jayalalitha, who is known for not meeting with newsmen. Her Poes Road residence is very guarded. There she lives completely alone. Since the death of MGR, a crowd of people hangs out in front of the house. On one corner sits a vendor selling of MGR

and Jayalalitha. There is a brisk sale of pictures. Before you reach the drawing room, there is a lobby. In the lobby hang four big pictures. One picture is of Mahatma Gandhi and the other is Indira Gandhi; between is the picture of Jayalalitha's mother, Sandhya.

Sandhya too was a famous heroine of her days. Right along with Indira Gandhi's picture is a big picture of MGR. In the lobby, there are several pictures of MGR. Many of these are with Jayalalitha. Another picture is at the occasion when, following his 1980 victory, MGR addressed a mammoth meeting on Mount Road. In the drawing room Jayalalitha was seated dressed in a light pink sari. She greeted me with folded hands and a subdued smile. In the drawing room you can feel MGR's ubiquitous presence. Two big colored pictures are placed side by side. One is of MGR and the other is of Jayalalitha. A large, attractive picture of Jayalalitha as a child hangs on the wall. On a stand beside Jayalalitha's chair is placed a picture of her taken with Indira Gandhi.

Many questions arose during the conversation. Jayalalitha said, "At the moment, I do not want to say much. We will have a proper conversation the next time you visit Madras." Still she said quite a bit. But only with the preface that it is not to be printed. Here are some excerpts taken from her conversation.

[Question] In the case your party members want it, will you be prepared to accept the responsibilities of the chief minister's office.

[Answer] I do not want to answer political questions. What people want and what will happen is still to come.

[Question] When will the new leader be elected?

[Answer] I don't know. A meeting of the legislators is to be called. But who will call it, I don't know. This should be the responsibility of the general secretary. MGR himself was the general secretary. Now he is no more. Let's see what happens.

[Question] You are the publicity secretary of the AIADMK. Don't you know anything about what is going on? Is no one asking you anything?

[Answer] I am the publicity secretary. So far anyway. But I have no idea what is going on. Now wait a moment. There has been a new beginning today. I am having a meeting with you today but I haven't met with newsmen all these days. I was not permitted to meet with them.

[Question] Has any Congress leader from the central government met you or talked to you over the telephone since yesterday?

[Answer] No, no one, no meeting, no telephone. Who told you this?

[Question] Will you tell us something about what happened during MGR's last rites at the Rajaji Bhavan? What did happen?

[Answer] I will give you a statement regarding this in writing.

[Question] Still, you must have felt very hurt, after all.

[Answer] Why shouldn't I feel hurt. I was insulted at every step. Wasn't MGR my leader? Immediately on getting the news, I went to MGR's residence. But I was not even allowed to enter.

[Question] When did you get the news of MGR's death?

[Answer] I don't remember the exact time. But I was awakened early in the morning.

[Question] Who telephoned you?

[Answer] A well-wisher. (Even under repeated questioning, Jayalalitha was not willing to reveal the name of this well-wisher.)

The following is the description of yesterday's events in Jayalalitha's words.

"On the 24th and the 25th I was subjected to very discourteous treatment, but I was determined to keep silent. Whatever happened to me was well thought out and well planned. It was all the creation of my own party members. They did every thing to keep me away from the Rajaji Bhavan and to prevent me from participating in the last rites. The situation was such that I kept silent."

"Immediately on hearing the report of my leader's death, I went to his residence. This was the morning of the 24th. I made attempts to enter, but I was not permitted to cross the gate. I made many pleas that I may be allowed to get a glimpse of my leader, but all my requests fell on deaf ears. I made frantic attempts to go in by the stairs located in front of and in the back of the gate, but I did not succeed. The door of the room in which the body of MGR was lying hit my face scores of times; to push me away, the door was repeatedly slammed shut."

"I kept waiting outside the door inside MGR's residence until it was discovered that MGR's body had been taken by those people to the Rajaji Bhavan via the back door. I sped to the Rajaji Bhavan. There it was difficult for them to stop me because many party members were present. I went and stood by the head of my leader. I stood there all of Thursday and Friday. Before starting on the last journey, MGR's body was taken to a room in the Rajaji Bhavan for final preparations, but I was not allowed to go there."

"I wanted to pay my last respects to my leader. Therefore, when his earthly body was placed on the gun carriage, I went up to catch a final glimpse. IT was the army officers who helped me climb onto the gun carriage. While I was trying to keep the head of my leader in the proper position, I heard a loud should from behind; my party comrade, Dr K.P. Ramlingam, was angrily running toward me; in the meantime, the actor Deepan climbed onto the gun carriage and hit me on the head. He pushed me and threw me down and I was assaulted. Ramlingam and Deepan showered abuses at me."

"Distressed by all these goings on I decided not to take any further part in the last rites. I went around the gun carriage three times; I saluted my leader three times and left quietly. You can probably realize how I really felt. These people were instrumental in parting me from my beloved leader in this manner. I appeal to my party people to be patient."

In the course of the conversation, Jayalalitha said that MGR always used to look after the poor and the oppressed. It is these very supporters of his, who did not get an opportunity to catch a glimpse of him. She was ill-treated both during the final journey and during the last rites.

Today there was a crowd of people at Jayalalitha's residence since the morning. In between the conversations, she went to the first-floor balcony of her house and addressed her supporters. Upon seeing her, people shouted slogans: Long live Jayalalitha; tell us what to do; you are our leader; Jayalalitha, don't be dissident; we are with you. Jayalalitha's supporters shouted that she should openly enter politics. Jayalalitha greeted all of them with folded hands. She did not say much. In her speech, she told the people to follow the path shown by MGR. This morning in order to see her, an eager crowd entered her house by forcibly pushing open the door. The people reached her drawing room and kept shouting slogans. Many legislators have also come to see Jayalalitha.

In the meantime, "horse trading" continues for the office of the new chief minister. In memory of MGR, a period of mourning will be observed throughout the state until 30 December. The new leader will probably be elected after that period. In the meantime, V.R. Nedunchekriyan is officiating as the chief minister. Jayalalitha's confirmed rival, Virappan is too busy quietly plotting his political strategy. 12286/12232

Mukherjee-Led Party Merges With Congress-I
46001237 New Delhi PATRIOT in English
21 Jan 88 p 6

[Text] Former Union Finance Minister Pranab Mukherjee on Wednesday announced the merger of the Rashtriya Samajwadi Congress, a party he had formed early last year, with the Congress and join the 'national mainstream'.

Mr Mukherjee made a formal announcement to this effect at a press conference after a meeting of the Working Committee of the Rashtriya Samajwadi Congress. Six of the seven working committee members including the former Karnataka Chief Minister Gundu Rao, Mr Prakash Mehrotra and Mr F.M. Khan were present at the meeting.

Justifying his 'home-coming', Mr Mukherjee told newsmen that in the prevailing situation in the country there was no alternative to the Congress. The Congress alone could provide the country with a stable government at a time when the country was faced with a difficult situation and the forces of disintegration and disunity were raising its ugly heads, he said.

Mr Mukherjee said no date for his readmission into the Congress had been fixed yet and he had not met the Prime Minister Rajiv Gandhi in this regard. His present status continued to be that of an 'expelled' Congressman and it was for the Congress leadership to revoke the expulsion.

He emphasised that he had all along been a Congressman, the only difference being that he did not enjoy certain privileges as an expelled member. He said he had met the AICC general secretary Oscar Fernandes and Union Minister of State for communication Santosh Mohan Dev Recently.

He would be visiting Tripura on the first leg of his campaign for the Congress on Friday. He said the Congress had bright prospects in the State. Although the Congress was defeated by the CPI(M) led front in 1983, it had polled 46 per cent of votes cast. In the last Lok Sabha election, the Congress candidates had established a lead over the Left Front candidates in 25 Assembly segments out of 60, Mr Mukherjee said.

Mr Mukherjee said the Rashtriya Samajwadi Party had not fielded any candidates in Tripura. "We had already decided to support the Congress", he said. In West Bengal panchayat elections also, he would work for the party if asked to, Mr Mukherjee said.

07310

Field Martial Praises Military Capabilities
46240009a New Delhi NAVBHARAT TIMES in Hindi
15 Dec 87 p 8

[Text] Field marshal Manekshaw has said that America will never meet all of Pakistan's requirements nor will it permit Pakistan to become self-reliant.

The field marshal expressed his opinion on the aid that America recently gave to Pakistan, while addressing members of the Political Science Institute here yesterday. He said, "Even today, Pakistan has just enough military supplies to fight a 15 day war and if ever there is a war between our two countries, America will give

Pakistan just enough provisions to last for 15 days. This has happened before. Our situation is different because we manufacture most of our required military hardware."

Following India's glorious victory in the 1971 Indo-Pakistani war, General Sam Manekshaw was given the title of field marshal for life. He is the first general to receive this title.

Talking of his impressions of the 1962 Indo-Chinese War, the field marshal said, "It was because of wrong political decisions taken by former Defence Minister Krishna Menon that India had to taste defeat in the war. Our troops had to fight in cold, high altitudes and in inhospitable climates without proper training or supplies. But today conditions are very different and now China poses no threat to India. If China makes the mistake of invading us, it will be taught a lesson."

The field marshal is not in favor of India making an atomic bomb because, in his opinion, "A lot of expenditure is involved in manufacturing it and India cannot afford it. But he admits that in case Pakistan makes an atomic bomb, we will have no alternative but to follow suit."

He said, "In fact, we do not need any atomic bomb to deal with any danger from Pakistan. Pakistan knows our strength very well and twice before, it has tasted our power."

He said, "It was the correct decision to station the Indian Peace Force in Sri Lanka. Had we not gone there, Pakistani or British forces would have been invited. The Indian Peace Force's work in Sri Lanka is admittedly difficult but it is performing the work very well."
12286/12232

Problems Caused by Orissa Missile Test Range Plans

46001239 *Calcutta THE STATESMAN in English*
20-22 Jan 88 pp 1, 9

[Article by K. Ravi]

[20 Jan 88, p 1]

[Text] Baliapal, January 19—Overruling all objections and the alternative locations as being not equally suitable, the Defence Ministry has mulishly stuck to its decision to establish the National Test Range in the densely populated and bountiful Biliapal Bhograi area of Balasore district.

In its search for a site for the NTR, the Defence Ministry found this area, richly endowed by nature for agricultural prosperity, as best suited for pitching the project. However, forced by the fierce but peaceful resistance of the local population, it pruned the project to almost 60 per cent of its original size.

To score a political point in the face of popular resentment, the Patnaik Government had claimed that the idea of locating the NTR in Baliapal had been mooted during the fag end of the Janata regime in 1979. The fact, however, remains that the idea was diligently pursued, reconsidered and reviewed after Mr J.B. Patnaik came to power and finally given the concrete shape of a Rs 3,000-crore National Test Range complex.

With the announcement of this decision in 1985, the already apprehensive people formed resistance groups. They declared they would die fighting the defense establishment's "invasion". According to the Defence Ministry, the location issue was reopened, but after a further detailed examination of a number of alternative sites, exports once again concluded that Ballapal was the best.

The original proposal envisaged acquisition of 400,000 sq km of land, including thousands of hectares of prime agricultural land, and the evacuation of 70,000 people from 130 villages. The project was to be executed in a year's time and the State Government was to straight away go ahead with land acquisition. The ruling party, during the elections had assured the electorate in the area that if it was voted to power it would strive for the abandonment of the project.

The Patnaik Government, therefore, had to plead for a revision of the parameters of the project. The Defence Ministry relented and agreed to shift some of the facilities to other locations.

Cut to less than half its original size, the revised project was formally approved in May 1986. The outlay has been slashed from Rs 3,000 crores to Rs 1,100 crores. The requirement of land for the range head facilities, south of Orissa Canal and west of Subarnarekha river, as well as for the safety zone located between Subarnarekha and the flood embankment, has been brought down from 160 sq km to 102 sq km. Consequently, the number of villages to be acquired has come down from 130 to 64 and the population to be displaced from 70,000 (11,600 families) to 40,700 (6,400 families).

Although people have to quit the 13 villages in the 34 sq km safety zone, they will be allowed to continue cultivating their land on a temporary lease basis, subject to some regulatory measures.

The Defence authorities claim that the facility will have no nuclear component and that it will be used only as a premier missile test range in the country and launching of satellites and space vehicles.

The drastic modification of the original project to soften the people's resistance, however, has not succeeded in achieving its objective. It has only generated a new suspicion that this is the thin edge of the wedge and once it descends on Baliapal, it will be expanded to its initially contemplated proportions. And if so many attendant facilities could be shifted elsewhere, why not the whole

project from "this gold mine" of the farmers? Prima facie, this is a legitimate question that the leaders of the resistance movement ask to them, the Defence Ministry has come to regard its decision to locate the NTR, be it a truncated one, in Baliapal as a "prestige issue".

[21 Jan 88, pp 1, 9]

Baliapal, January 20—Driven to the wall of the Centre's "firm decision", the desperate people here have perfected the original spontaneous movement into "a civil defence force". In fact, "the threatened" area has been made into 'a fortress'. The Uttar Balasore Khepasastra Ghatti Pratiroda Committee which was set up following the announcement of the National Testing Range's final location saw to it that the movement cut across political and ideological differences. In this respect its delicate job had been made easy because, by then, all major political parties had openly lent their active support and the Congress (I) MLA representing this constituency and panchayat level functionaries were already deeply involved.

The moving spirit behind the organization was the lanky Gadadhar Giri, who working day and night, foregoing sleep and food, had vowed that the NTR would be built only over his dead body. But he was felled by cancer exactly a year ago. The ageing politician, Harekushna Mahtab, who hailed from the district and had held important positions was not in the thick of the battle but espoused their cause. He too died about the same time.

By then the defence preparations had been completed. The entrances to Baliapal have been barricaded by bamboo with volunteers standing guard round-the-clock, road blocks have been erected, and an ingenious warning system devised and "suicide squads" formed. Even women and children were given specific assignments. In an "emergency" they would be enlisted in the suicide squads and form "human road blocks" to stop "enemy vehicles". They had made their vigilance arrangements so foolproof in the "threatened" Baliapal—Bhograi blocks that Government officials and vehicles could not enter it even surreptitiously, let alone openly, for administrative reasons. Health services vans and the bank vehicles have been the only exceptions to the ban.

Otherwise, the entire area has remained sealed off for the last 30 months. Although "no tax campaign" had been undertaken by the committee, the people have not been paying taxes. According to revenue officials, only two or three percent of Government dues had been collected in 1986-87. The police stations are present in the area but during the last two years no one has gone there to file any complaint, the Superintendent of Police at Balasore had said about this time last year. To the District Collector it appeared that "people's courts" had been set up to dispose of disputes in the area as no cases were being brought up before the regular revenue, civil or criminal courts.

To break the morale of the people, the administration had imposed an "unofficial economic blockade", no supplies of such essential commodities as kerosene were made to the fair price shops in the area. They were available at a distance of 10 kilometres if the people wanted them badly. On the other hand, deterrent fines were allegedly imposed on bullock carts and other vehicles coming out from the area with commodities like coconuts, cashew nuts and betel leaves for sale in markets outside. The area has, of course, been deprived of any help from developmental, anti-poverty, or twenty-point programmes for over three years on the plea that the personnel for executing them were not being allowed into the area.

All in all, this "peaceful resistance" over a period of three years by 50,000 people transcending social, economic and political barriers, has no parallel anywhere in the country. Its uniqueness attracted newspapermen last year to the scene of the "battle for Baliapal". Neither their reports, nor the cudgels that leaders of political parties had taken up against the NTR, seem to have roused the "conscience of the nation", according to Mr Samarendra Kundu, former Union Minister and Mr Nilamoni Routray, former Chief Minister, who belonged to Balasore.

What is at stake for the people of the Ballapal-Bhograi area is a booming agricultural economy. Its 30,000 betel vines yield the much sought after "Banarasi" variety worth Rs 60 crores a year, its 200,000 coconut palms yield Rs 15 crores worth of coconuts and the fishing operations in the river and the sea another Rs 50 crores. The permanent assets that would be wiped out are valued at about Rs 450 crores. They include 25,000 acres of agricultural land under paddy, 5,000 acres of Government land under cultivation, 10,000 acres of homestead land and 15,000 acres of archards.

Almost all members of a family, including women and children, are engaged in the comparatively easy job of plucking betel leaves, counting them, and bundling them in the shady courtyards and husking the paddy during the best part of the year.

More than 200,000 seasonal labourers come to this area from the adjoining Mayurbhanj District and Midnapore District in West Bengal because the prosperous landowners here offer up to thirty rupees as daily wage which is said to be the highest for an agricultural labourer anywhere in the country. The cash crop economy is such that at least another 100,000 people get indirect employment out of it. It is thus not merely a question of rehabilitating a population of 41,000 to be presently displaced from the area but of 300,000 people directly and indirectly depending on this area for a livelihood.

[22 Jan 88, pp 1, 9]

Baliapal, January 21—The compensation—rehabilitation package, worth Rs 127 crores, claimed to be adequate by the authorities, is not even a quarter of the permanent assets that the 6,500 families will lose. The package will not make good their loss of employment in an agricultural economy.

The Orissa Government, which will implement the rehabilitation scheme, has confessed in a pamphlet that "it is not possible to rehabilitate the families by giving them cultivable land owing to shortage of agricultural land".

A strategy has been worked out to transform traditional farmers into skilled, semi-skilled and unskilled factory workers or into employed artisans or shopkeepers through schools and individual training institutes.

The impracticality of the proposed exercise is evident but the scheme is being examined in detail by the Government in the hope that the people will fall for the prospect of white-collar or blue-collar jobs with assured incomes.

The Government has held out the promise of direct or indirect job opportunity to one member of each displaced family (which means 6,500 jobs) in the nine industries that are planned to be set up near Baliapal.

The construction of model villages will provide immediate employment to the displaced agricultural labourers. The wage for a daily labourer is as high as Rs 30 in the Baliapal Bhograi area during the harvesting season.

The nine industrial units, which will take at least a couple of years to come up, will provide 4,000 jobs earmarked for the displaced persons and the national range itself will offer permanent employment to 470 people. Each of the displaced families has been asked to nominate one member in a prescribed form for employment in these units.

The displaced families of fishermen have been promised nets to enable them to continue fishing in the Subarnarekha river mouth and the sea in the "safer zone". In exchange of the huts which 800 fishermen's families will have to vacate, a modern village will be built. The landless families need not feel helpless as provision has been made to give each of them two milch cows.

On the resettlement side, a more attractive plan has been thought of them for the thousands of families displaced in the past for the construction of the Hirakud Dam or Rengali project. The Baliapal evacuees will have model villages with all conceivable community facilities to be raised west of the Orissa-Coast Canal, while the Bhograi sector evacuees will be resettled in similar model villages, not more than 15 km away from their original homes.

The houses, to be built on 10 decimals land at a cost of Rs 15,000 each, will be given to the displaced families free of cost. They cannot be sold to any non-displaced person subsequently. It has been made clear that no cash compensation will be given in lieu of the house to a family opting out.

As regards cash compensation, it will be paid for the land acquired and all assets thereon. Even in the case of Government land encroached upon by fishermen and others, compensation will be paid for all temporary assets such as huts, betel vines, ponds and orchards.

However, the villagers have been holding out as they consider all these as "paper schemes" to lure them out of their homes and would not be implemented in letter and spirit. No wonder, considering the broken promises and bungling of the authorities in regard to rehabilitation of those who had sacrificed their all for the sake of multi-purpose dams and other projects. At the same time, the realization is slowly dawning on the people, particularly the better-off among them, that their four-year-old opposition cannot last much longer as a peaceful one which it has been so far.

Entrusted with the task of acquiring land for NTR, the State Government has been postponing the proceedings for land acquisition. The mouzas to be acquired were published more than a year ago but no follow-up action was taken.

Meanwhile, on the principle of "seeing is believing", a model village is being constructed on the outskirts of Baliapal and a spinning mill at a cost of Rs 9.5 crores is under construction. The Subarnarekha College, which had hitherto received practically no attention, has been sanctioned Rs 15 lakhs for improvement of its laboratory and library and the Hashimpur High School given Rs 1 lakh.

For the construction of an 11 km road from Barsimulia to Baliapal, Rs 32 lakhs have been made available. Following the Chief Minister, Mr J.B. Patnaik's insistence that work on resettlement and rehabilitation schemes must precede land acquisition. There is a flurry of activity. There has been no financial difficulty in the execution of these schemes as the NTR has Rs 15 crores as seed money at the disposal of the State Government.

The notices have been issued to the owner after the publication in the gazette of the details of the land to be acquired from them. Similar land acquisition notices could not be served on the people in the remaining 13 villages because of the barricades, preventing the entry of revenue officials.

In view of the "extraordinary circumstances" the State Government is understood to be considering a proposal for payment of compensation for land acquired for NTR.

Mr Narendra Kunda, a prominent leader of the committee refuting the official claim, said in a telephonic interview that the villagers had not received any land acquisition notices. He insisted that the people were as firm and determined as before in blocking the project.

The Janata party leader and former Chief Minister, Mr Nilamoni Routroy, who has been relentlessly campaigning against the establishment of the NTR in Baliapal, told this correspondent that the country had located its missile range in the midst of a densely populated area. According to Mr Routroy, the Defence Minister appeared to be a little more responsive than the Prime Minister. He regretted that the Chief Minister had acquiesced in the perpetration of this monstrosity. Even at this late stage, if the Chief Minister raised his voice, the project might be shelved.

07310

Pakistan Arrests of Indian Ships Questioned
46001231 Bombay *THE TIMES OF INDIA in English*
19 Jan 88 p 1

[Text] Bombay, January 18—The director-general of shipping has forwarded the details of the three Indian vessels which were allegedly arrested by the Pakistani authorities last week to the Union surface ministry, and the matter is being taken up with Pakistan through diplomatic channels.

The arrest of the harmless trade ships carrying green dates from West Asia to Gujarat has caused concern among the shipping community and government circles.

Capt P.S. Barve, nautical adviser to the government of India, said the mercantile marine department at Jamnagar on Saturday received complaints from the vessel owners that they had definite information of the arrest of the ship by the Pakistan authorities. Two more ships which were expected around the same time had not arrived, and they too were suspected to have been arrested.

Under the international convention, any ship which does not have contraband on board or items required by an enemy country has the right of "innocent passage" through the territorial waters of any nation. Since the Indian vessels were carrying dates which was not a contraband, and since India was not at war with Pakistan, the arrest of the vessels was illegal, according to Indian authorities.

According to observers, arrest of innocent Indian vessels by Pakistani authorities often coincided with skirmishes on the Indo-Pak border. Reports from Jammu said that recently Indian forces repulsed Pakistan's attempt to regain the area occupied by Indian troops in Siachen glaciers.

Arrest of a large number of Indian fishing vessels by Pakistan has become regular. In the past two months, more than 50 crafts with 100 or more persons have been taken into custody. These fishing crafts were accused of "poaching" in Pakistan's territorial waters.

The fishermen have to face trial in local courts, pay the fines or undergo prison terms before returning to India. Similarly, a number of Pakistani fishermen were being arrested by the Indian Coast Guard.

Unlike the arrest of fishing craft, the arrest of trade ships has caused concern because it is still not known on what charges these vessels have been picked up.

Sources said, small Indian fishing craft were not sophisticated enough to know if they had crossed the Indian territorial waters. Both the Indian and Pakistani coast guards could warn the fishing crafts whenever they strayed into alien waters.

Meanwhile, the port authorities of Karachi have already auctioned the 70 tonnes of dates, carried by an Indian ship "Al Mukhtabi" which was captured by the Pakistani marine security agency recently, said a UNI report.

According to Mr Aminbhai Sikkawala, president of the Sikka Sailing Vessel-Owners' Association, the Pakistani authorities had captured three Indian mechanised vessels bringing more than 300 tonnes of dates from Dubai valued at some Rs 40 lakhs.

More Ships Missing (PTI from Rajkot): Seven Indian country craft, carrying a cargo of 860 tonnes of dates, along with their crew, which left Dubai in the first week of January, have not returned to Jamnagar, sending chock waves among fishermen and countrycraft merchants of Saurashtra.

The countrycraft, "Noore Madina", "Alimaddan," "Premsagar", "Sultane", "Karm", "Ala Amahersan" and "Janiam Hamad" were registered at the ports of Jamnagar district.

Meanwhile, about a dozen Indian craft loaded with dates were still held up in Dubai, as the crew would not agree to leave for India following report of Pakistani piracy and arrests of Indian fishermen, according to a report received by Saurashtra Date Merchants' Association at Jamnagar.

07310

Papers Report Developments in CPI-M, Leader's Statements

Nambudiripad Remarks, Meeting Outcome

46001221 Calcutta *THE STATEEMAN in English* 9
Jan 88 pp 1, 9

[Text] The Soviet Union's anxiety to hold on to Mr Rajiv Gandhi in its quest for global peace, poses no hindrance to the CPI (M) in seeking the Rajiv Government's

ouster. "Whereas we expect no support from the CPSU in toppling Mr Rajiv Gandhi, we have no desire to see the Soviets shift from their stand," Mr E.M.S. Namboodiripad said after the four-day deliberations of the CPI (M)'s Central Committee in Calcutta on Friday. The Committee felt that the stage was set for a Bharat Bandhi by Left, democratic and secular parties and observed that the BJP, faced with growing isolation, was bent on dividing the opposition and whipping up communalism.

Uncomfortable with persistent questioning on whether the CPI (M) had discussed Mr Rajiv Gandhi's role in national and international affairs with the CPSU, Mr Namboodiripad clarified that India's internal affairs were no concern of theirs. The Soviet Union's need for Mr Gandhi for world peace had nothing to do with the CPI (M)'s quest to remove him for his anti-democratic domestic policies and ruinous economic policies. There was no dichotomy between the CPI (M) and CPSU. The CPI (M) has been supporting the Rajiv Government for its correct foreign policy, he added. Mr Gandhi is in the Soviet peace camp, though some effort was being made to pull him out: In what appeared to be an attempt to gloss over the CPSU-CPI (M) views on Mr Gandhi, Mr Namboodiripad pointed out that there was no difference in his role in international affairs. He said that the CPI (M) was worried about the attacks on the living standards of the common man which in turn would have an impact on the foreign policy given the dictates of the World Bank and the IMF's pressures on India.

At home the movement against the Rajiv Gandhi Government had got off the ground with the initiative provided by the Left Front. A new combination of Left democratic and secular forces had a tremendous potential once the loose links were forged. Mr Namboodiripad felt that the December rally in Delhi had brought the Left into focus in the Hindi heartland giving the lie to the opinion that it could never make a dent. A movement had been started and it would take shape in the days to come.

On the question of Mr V.P. Singh's shifting stance, apparently toying with both the Left and the BJP, Mr Namboodiripad said "we realize that some of those opposed to Mr Gandhi are in two minds. We will give them time to forge an alliance with the Left democratic and secular forces." All those opposed to Mr Rajiv Gandhi and prepared to isolate the BJP were welcome, he added.

Generally silent on the Central Committee's deliberations on Mr N.T. Rama Rao, the CPI (M) leader pointed out that only preliminary findings had come to light. Not until the hearings scheduled were over, was there any question of taking a stand. Asked whether the corruption charges called for demanding the Andhra Chief Minister's resignation since the Left had sought Mr Rajiv

Gandhi's resignation on the same ground, Mr Namboodiripad said: "Rajiv's ouster was not demanded on charges of corruption alone. Other factors are also involved".

Asked whether the CPI (M) and the CPSU did not see eye to eye with the Soviet Union on the role of Stalin, Mr Namboodiripad said that the undivided Communist Party had adopted a resolution and prepared a document way back in 1956 on the need to appreciate the positive aspects of Stalin's contribution. No serious attempt was made till the 20th Congress of the CPSU to delve the positive features of the leader and the document had pointed out that the negative aspects were given prominence. Under Mr Mikhail Gorbachev a serious effort was being made to present a comprehensive picture and a commission had been set up to probe the positive contributions of Stalin which included socialist collectivism, industrialization reconstruction and the Soviet leader's role in combatting the Nazis.

The central committee, which debated the BJP's disruptive role in national politics, observed that the party had come out in its true rightist and reactionary colours. Owing to the firm position adopted by the CPI (M) it had launched a virulent anti-Communist campaign. The disruptive and sectarian nature of the BJP's outburst was there for all to see. It had sought to cover up the RSS misuse of shakhas in Kerala by making the LDF Government its main target of attack. In the forthcoming elections in the State it was ready to join hands with the Congress (I). The committee expressed concern at the aggressive Hindu chauvinistic activities of the Shiv Sena in Maharashtra and the countrywide communal propaganda of the Vishwa Hindu Parishad and the Jamata-i-Islami.

Critical of the Centre for mismanaging the economy of the country, the committee expressed concern at the deteriorating condition of Central and State finances and the worsening terms of external trade and foreign exchange situation. Aggravated by draught prices and risen whereas foodgrain production was estimated to be 15 million tons less this year. The employment situation would worsen given the danger of recession on the industrial front. Blaming the Congress (I) Government for the deplorable economic condition, the committee felt it was surrendering to pressures from the World Bank and the IMF. The economy was being thrown open to multinationals. This reliance on foreign credit threatened the Indian economy. The recent World Bank demand to privatize the steel industry and the outright devaluation of the rupee were examples of how brazenly imperialist financial agencies pressured India.

On the political front the Congress (I) caught in a web of factionalism and widespread discontent among people, was determined to thwart the opposition in its advance

towards unity, the committee noted. The Centre's brazenness was manifested in the Prime Minister's threat to dismiss elected Governments he considered antinational.

The central committee felt that there was a basis for ethnic groups inhabiting in a particular State with their own socio-cultural State with their own socio-cultural identity to have autonomy within the State. The tribal and ethnic minorities faced serious exploitation and to ensure their defence, it was necessary that they were given regional autonomy within particular States in appropriate cases.

The Punjab killings continue to vex the PCI (M) Central Committee which felt that the use of the United Akali Dal platform for raising the demand for Khalistan at the Fatehgarh Sahib in the last week of December ought to be an eye-opener. They demanded that the Centre give up its policy of drift and reliance on administrative measures which had failed and come forward with a political solution by ordering the release of the Jodhpur detenus, punishing those responsible for 1984 Delhi killings and settle the water and territorial dispute, including Chandigarh on the basis of the Punjab accord.

Condemning the GNLf leadership for going back on its word following the agreement between the State and the Centre, the central committee approved the State Government's view that the writ of the administration runs in the district. It hoped that the GNLf leadership would see reason, stop the violence and arrive at an amicable settlement.

On the Sri Lanka situation, the committee felt that unless the peace keeping operations were accompanied by growing support of the civilian Tamil population, the IPKF would find itself in an unenviable position leading to the accord being jeopardized.

Central Committee Document Summarized

46001221 Madras *THE HINDU* in English
10 Jan 88 p 2

[Text] Calcutta, January 9—The CPI (M) Central Committee, reiterating its resolve to force the Rajiv Gandhi Government out of power, on Friday called for a strong, wider combination of left and secular parties as an alternative.

The committee, in a document issued after its four-day meeting here, accused the Centre of pursuing a "disastrous" economic policy and "mortgaging" the country to multinational corporations, and urged the people to join the proposed "Bharat Bandh" to hasten the ouster of the Rajiv Gandhi Government.

The committee accused the Centre of surrendering to the pressures of the World Bank and the International Monetary Fund.

With the economy being thrown open more and more to multinational and reliance on foreign credit "a real threat was being posed" to the independence of the Indian economy, the committee said.

The recent demand of the World Bank to privatise the steel industry and devaluation of the rupee were manifestations of this "brazen pressure from imperialistic foreign agencies", it said. The value of the Indian rupee had been continuously eroded by linking it to the basket of foreign currencies.

Declaring that the massive opposition rallies, in September and December last year, had prepared the ground for the fight against the Centre, the party document resolved to mobilise the masses against what it called, the Congress (I)'s "offensives" against left-led and other non-Congress (I) State Governments.

'More or Less Correct'

However, one positive side the CPI (M) found about the Rajiv Gandhi Government was its foreign policy which, the party General Secretary, Mr E.M.S. Namboodiripad, told reporters, had always been "more or less correct."

Referring to the Punjab problem, the Central Committee again urged the Centre to release the Akali Dal leaders from the Jodhpur prison, punish those responsible for the 1984 riots in Delhi and implement the Punjab accord to pave the way for a political solution.

The CPI (M) decided to approach other political parties to organise a country wide campaign for the solution of the Punjab problem, "which has a direct bearing on national unity".

The committee, while condemning the violence by GNLf activists in Darjeeling, stressed the need for regional autonomy for tribal and ethnic groups "within particular States in appropriate cases."

The committee accused the Congress (I) of unleashing violence on its cadres and supporters in Tripura after failing to hold loan meals before the February 2 Assembly elections there.

The Tripura elections would be an important battle for the defence of national unity and safeguarding the interests of tribals and non-tribals, who wished to live in peace and communal amity, the committee said—PTI.

Namboodiripad in PEOPLE'S DEMOCRACY

46001221 Calcutta *THE STATESMAN* in English 14
Jan 88 pp 1, 9

[Article by V.S. Maniam]

[Text] New Delhi, January 13—Replying to the BJP to the pamphlet, "The Great Betrayers", which is sharply critical of the Communists and the Left parties in

general, the CPI (M) general secretary, Mr E.M.S. Namboodiripad, has stoutly defended the Communists as a product of India's freedom movement and "an independent force on the basis of the experience of the struggle for India's freedom".

In an article to be published in the CPI (M) official organ, People's Democracy, Mr Namboodiripad added that the Communists "were, of course, inspired by the emergence of the socialist Soviet Union, its heroic exploits in internal construction and its solidarity with all anti-imperialist movement throughout the world, carrying forward the traditions of the anti-imperialist movement in their own country and imbibing the lessons of the world Communist movement".

As the Communists plunged into the task of building powerful movements of the working class, "they emerged as an independent political force".

It was this, Mr Namboodiripad said, that made the Communist Party the major opposition group in Parliament and four State Assemblies as early as in 1952, "followed by the formation of the first Communist Government in any State (1957), two Communist-led coalition Governments (1967), two Communist Governments again in 1977-78, and three State Governments today."

He went on to claim that the Communists "have been the champions of all that is democratic, secular, scientific and modern, making no basic compromise with obscurantism".

The BJP pamphlet, which was brought out on the eve of the BJP national executive's recent session in Cochin, had charged Indian Communist parties of acting only at the behest of "their foreign godfathers", adding that "what we call the CPI and CPI (M) are only offshoots in India of an international Communist movement, (who) take their orders from that foreign centre".

In its second part the pamphlet had charged that "on all crucial periods of modern Indian history, they (Communists) betrayed the interests of the nation", and "acting consistently in an anti-nationalist manner".

In a third part, the BJP pamphlet had drawn attention to what it called the "unprincipled and opportunistic" attitude of the Communists towards the problem of communalism, and particularly to their wooing and appeasing of the Muslim League.

Mr Namboodiripad's article in People's Democracy, said to be the first in a projected series, answered only the BJP charge about the Communist "extra-territorial loyalties". He also sought to explain the reasons for the BJP's "anti-Communist outburst".

His explanation: "The Left has exploded the myth of the BJP's strength as a political-electoral force both in Kerala where its national executive was meeting as well as at the all-India level... It is becoming clear that the BJP cannot become either the single party alternative or the leader of a coalition of parties alternative to the Congress".

As for the BJP charge about the "foreign affiliations" of the Communists, Mr Namboodiripad asked BJP leaders to enlighten him how, if that were true, the Communist party "could secure a majority of seats in the Assembly and form a non-Congress Government in any State as long ago as in 1957, how a decade later it stood at the head of coalition Government in two States, how for the last 10 years two State Governments have been functioning under such a foreign agels, and above all, how a large number of opposition parties should today consider the left as their 'natural allies'.

UNI reports from Trivandrum: Mr Namboodiripad, today described as "nonsense" the allegation by the Bharatiya Janata Party that the Indian Communists "undermine opposition efforts at displacing the Rajiv Gandhi Government, acting at the behest of Mr Mikhail Gorbachev.

Addressing a public meeting here on Monday, he declared: "Mr Gorbachev will never dictate to us what we should or should not do in India. Nor will we pay heed if he dares say such things".

Mr Namboodiripad ridiculed those who equated his (Mr Namboodiripad's) endorsement of Mr Gandhi's policy of promoting world peace and thwarting President Reagan's nuclear designs, "with supporting Mr Rajiv Gandhi".

Second in Namboodiripad Series

46001221 Calcutta THE TELEGRAPH in English 22 Jan 88 p 5

[Text
New Delhi, January 21—Far from "betraying" the national movement, most of the senior Indian Communists began their political lives as freedom fighters, the CPI (M) general secretary, Mr E.M.S. Namboodiripad, has said.

In his second article countering the BJP's anti-Communist diatribe entitled The Great Betrayers, Mr Namboodiripad has given a detailed account on the growth of the Communist movement in India, their role in radicalising the national movement and their joint struggles with the Socialists and the Leftists within the Congress. The CPI (M) leader, who himself started his political life as a Congressman, has admitted to certain mistakes made by the undivided Communist Party but noted that neither the Congress nor the BJP ever resorted to self-criticism.

On the BJP's allegation that the Communist Party of India was started on "foreign soil" in Tashkent, Mr Namboodiripad said it was a half-truth amounting to brazen falsehood. "Because the number of Indian revolutionaries who went to the Soviet Union was a microscopic minority of those freedom fighters of India who were inspired by the October Revolution. The overwhelming majority remained here and formed small communist groups in Bombay, Calcutta, Madras, Punjab and so on," he said.

The work done by the Tashkent and Kanpur (where the first open Communist Party was formed in 1925) Communists "made a big impact on the freedom movement." The mass of Congressmen, who were getting disillusioned with the "moderate liberal, Gandhian and individual terrorist methods of struggle started waging a furious internal struggle for the adoption of complete independence as the national objective and of mass direct action as the method (1929 Lahore session of the Congress)" Mr Namboodiripad said.

He added, "The developments that followed the Lahore Congress made increasing sections of the rank and file Congressmen adopt the proletarian revolutionary outlook, sought to be created by generations of Communists beginning with pioneers of the twenties and early thirties."

Socialists Join In

Pointing out that the seventh congress of the Communist International (1935) played an important role by calling for the building up of an anti-fascist and anti-imperialist front, Mr Namboodiripad noted "that call was responded to not only by the organised Communists but also by the newly formed Congress Socialist Party and the still broader groups of Congressmen who such eminent leaders as Jawaharlal Nehru and Subhas Chandra Bose represented."

Mr Namboodiripad also said the organised Communist Party was not only an inseparable part of the freedom movement but supplied two factors which the rightwing leadership of the independence struggle could not provide. These two aspects were that freedom should mean emancipation of the toiling people from economic and social exploitation and second that India's struggle for freedom was integrated with the world people's struggle for socialism.

Quit India

On the line adopted by the communists on the "Quit India" movement and the demand for Pakistan, Mr Namboodiripad said, "we communists do not claim—and no political party group or individual can honestly claim—that the line adopted by us was always correct."

Despite admitting their mistakes, Mr Namboodiripad maintained that the Quit India movement was flawed and criticised the "protracted negotiations and settlement" between the Congress and the Muslim League leadership on the one hand and the British government on the other. It was this settlement which led to the slaughter of thousands and partition, he said.

Pointing out that this had hurt all sensitive Indians, the tallest of whom was Mahatma Gandhi, the CPI (M) leader said, "Do the BJP leaders have any sense of shame at all in hailing Mahatma Gandhi as the leader of the Quit India movement which was allegedly "betrayed by the communists" but wanting people to forget that it was one of their hatchmen that shot the Mahatma to death."

Morarji Better

Bombay, January 21 (PTI)—The condition of the former Prime Minister, Mr Morarji Desai, is improving though he is still feeling weak, his personal assistant said here today.

07310

Reportage on Meeting of Janata National Executive

8 January Opening Session

46001222 Calcutta THE STATESMAN in English
9 Jan 88 p 9

[Article by Lalit Sethi]

[Text

Bangalore, January 8—While the Janata Party, Jan Morcha, Lok Dal (A) and the Congress (S) are evolving a common approach it is not yet certain whether their joint front will lead to the merger of the four and whether they would agree on a common symbol to contest elections under one banner. This became clear here today when the Janata national executive began a two-day meeting in the afternoon.

Mr Yashwant Sinha, the party's general secretary, told correspondents in the evening that it was "too early" to talk of merger or think of a common symbol.

In reply to questions whether the Janata Party would be prepared to give up its 10-year-old symbol for a common symbol, he said he was not able to say anything now.

Asked whether Mr Ajit Singh and Mufti Mohammed Sayed had not talked about a common symbol and whether he expected the Jan Morcha to accept the Janata election symbol, Mr Sinha said it was not yet time to consider this.

He was asked whether Janata preferred the Lok Dal (A) to the Lok Dal (B). He said: "The party president has been asked by the national executive to explore joint moves and go ahead with forming a joint front with the parties or groups willing to joint hands. There was no finality about the efforts yet."

It was announced here today the celebration of five years of Janata rule in Karnataka will be attended by Mr S.S. Barnala, Mr V.P. Singh, Mr Arun Nehru, Mr H.N. Bahuguna, Mr Morarji Desai, former Prime Minister, Mr Ajit Singh, Mr Ram Dhan, Mr Arif Mohammed Khan, Mr K.P. Unnikrishnan besides Chief Ministers of non-Congress (I) ruled States of Assam, Andhra Pradesh, Kerala, West Bengal, Tripura and Haryana.

The BJP and the CPI were invited but had not yet responded. The DMK being a regional party had not been invited. As such Mr Karunanidhi was not expected to attend.

In his opening remarks to the national executive Mr Chandra Shekhar said that five years of Janata rule in Karnataka is a harbinger of a better future for the country as a whole. The Janata Government had made few departures from set policies. It was an example for other State Governments to follow. "The new year has come with new hopes and challenges".

He regretted that the killing of innocent people in Punjab had increased despite the Government's claim that terrorism was beginning to be controlled.

Mr Chandra Shekhar also referred to the Naxalite violence in Andhra Pradesh and GNLF actions in West Bengal. "Whenever Mr Subash Ghising is called to Delhi for talks, there is increased violence in Darjeeling", he said.

He said that there was a total collapse of law and order in different parts of the country. Assaults on Harijans are growing. The communal situation is volatile especially in U.P.

Mr Chandra Shekhar asked the leaders of India's two major communities to sit across the table and resolve the Babari Masjid/Ram Janam Bhoomi issue.

He said: "The prestige of the judiciary has suffered since the report on the Fairfax and Andhra judgment on the Chief Minister. It is a matter of deepest concern to pronounce on people without giving them an opportunity to be heard. The Swedish Public Prosecutor's inquiry into the Bofors deal is not making headway because of the Government of India's failure to cooperate. The parliamentary committee is limping along".

He deplored that there had been devaluation of the rupee and India had fallen into the debt trap. The increase in administered prices would fuel inflation.

There was little or no relief for the people affected by the drought. In Bihar people who had suffered from floods had received no relief while in U.P. the drought-hit had received benefits only on paper.

He reported to the national executive on the common endeavour of the Jan Morcha and three opposition parties to provide an alternative. He wanted a new programme to be devised—one better than that of the Congress (I).

Mr N.G. Goray, a senior leader, expressed grave concern over the national policy. This was producing an apathy among the people to the system and democracy was in danger. Obscurantism was evident in the dangerous development: the creation of "sanas" or forces.

"The Punjab situation was in an endless tunnel with its daily round of killings. Will somebody defuse the situation by bringing the problem to the negotiating table?" he asked.

Report on Resolution

46001222 Madras *THE HINDU* in English
10 Jan 88 p 2

[Text] Bangalore, January 9—The national executive of the Janata party today authorised the party president to hold consultations with like-minded parties on ways to pressure the Centre to resolve the Babri Masjid-Ram Janmabhoomi controversy.

In a resolution the executive emphasised the need for a law to maintain the status of all places of worship as on August 15, 1947 and for the reference of the titles suit relating to the dispute, pending since 1950 in the court of the sub-judge at Faizabad, to a special bench of a High Court for expeditious determination in accordance with law. The national executive demanded immediate publication and implementation of the report of the high power panel under Dr Gopal Singh which submitted its report in June 1983.

Secular order eroded: Expressing concern at the rise in communal, caste, ethnic, linguistic and regional polarisation, the executive said this phenomenon had eroded the secular order and tended to create a threat to social harmony.

It was most unfortunate, that "systematically the mind of the national majority has been sought to be poisoned by arousing unfounded fears and misunderstanding". Feudal and capitalistic forces were taking advantage of the present unrest and threatening the very existence of democracy in the country. The executive held that the Congress (I) and the present Government had failed to provide security to the minorities and the downtrodden.

It also called upon the Central and State Governments to implement the decisions and recommendations of the National Integration Council. They should take steps to

safeguard the rights of minorities and to stop their 'unnecessary harassment by the administration' and to guarantee them equal of opportunity in all spheres of life.

It demanded "an end to the policy of military adventurism" in Sri Lanka and called for an immediate cease-fire, resumption of negotiations between the Government of Sri Lanka and representatives of the Tamil community accompanied by the progressive withdrawal of Indian forces. The executive authorised the party president to depute a team to Sri Lanka to study the situation and cosponsor, along with leaders of other like-minded parties, a national conference for peace in Sri Lanka.

Petrol Price Rise: 'Government Bypassing Parliament'

Bangalore, January 9—The national executive of the Janata Party, which concluded its two-day session here, today condemned the steep hike in the price of petrol as falling within the series of similar measures bypassing the authority of Parliament. It has given a call to other opposition parties for cooperation in considering action programmes like a 'Bharat bandh' and a token boycott of Parliament's budget session for a day.

In the wake: The national executive also adopted resolutions on the international situation, the social situation, and on the postponement of the Delhi municipal elections. Moved by Mr Madhu Dandavate, the resolution on the rise in petrol prices on the eve of the budget session said the Government, immediately after the monsoon session of Parliament announced additional taxation measures and imposed surcharges on air and train travel to raise Rs 575 crores to meet the additional expense on relief works in the wake of the drought.

The increase in petrol prices, it said, was the steepest and came on the heels of an increase in the administered prices of coal, steel, edible oils and sugar, announced in December. The price of petrol had been hiked at a time when intense exploration for new sources of oil was in progress and the international price of crude had fallen steeply.

Illusion of softness: The resolution said the exercise of announcing steep increases ignoring Parliament was undertaken to create the illusion that the budgets presented by the Government were soft, with deficits and levies kept at a minimal level.

Besides denigrating the authority of Parliament, the resolution said the increases would affect living standards and subject people to greater hardships. They would make the life of fixed income groups miserable.

Later, briefing reporters, the party spokesman said members felt the present Government had no alternative but to announce harsh taxation measures in the next budget in view of the massive deficit in the last three years. The budgetary deficit might cross Rs 10,000 crores.

Ad hoc functioning: It was also felt, according to the spokesman that the rise in petrol consumption was not sudden. It should have been anticipated as it was directly attributable to the Government's policy of stepping up the manufacture of passenger cars. The present Government was following an elitist policy, favouring production of passenger cars and mopeds, instead of shifting the emphasis on public transport vehicles. It also reflected the ad hoc manner in which the Government functioned without anticipating the consequences.

Onslaught on rights: The executive described the extension given to the Metropolitan Council (of Delhi) and the Municipal Corporation of Delhi as a 'brutal onslaught on the democratic rights of the people of Delhi and violative of the guiding spirit and basic framework of our Constitution'.

07310

All-Time High Seizure of Contraband by BSF in 1987

46001220 *New Delhi PATRIOT in English*
10 Jan 88 p 2

[Text] Jalandhar, January 9 (UNI)—The Border Security Force, which is engaged in a war against smuggling and terrorism along the 553-km long Punjab frontier with Pakistan, recorded an all-time high seizure of contraband worth Rs 23.72 crore in 1987.

Giving an annual overview of BSF performance on and away from the border, Punjab frontier Inspector-General Prakash Singh today said as many as 319 weapons, including Chinese AK-47 assault rifles, were seized during the year on and near the border.

Barring the Amritsar district the BSF is deployed in all the remaining 11 districts of Punjab on internal security duty.

Addressing a news conference at the BSF headquarters here, Mr Prakash said 44 extremists were killed and 225 arrested in encounters with the BSF last year.

It arrested another 2,031 miscreants inside Punjab, while 4,775, including 4,448 Bangladeshis, were caught on the border.

The smuggling of firearms from Pakistan has assumed dangerous overtones in the context of terrorism in Punjab. The BSF had three major successes in seizing large caches of sophisticated arms smuggled from Pakistan last year.

On 26 December last year, the BSF recovered two Japanese and Pakistani bags containing a large cache of unmarked arms and ammunition.

The cache included two pistols of .30-bore, 18 hand grenades and 1,236 rounds of ammunition for use in rapid fire Chinese assault rifles besides pistol rods and oil bottles for cleaning weapons.

Earlier, on 26 October the seizure of nine Chinese assault rifles, which seems to be becoming the standard weapon of the terrorists in Punjab, was an indication of the qualitative and quantitative spurt in the smuggling of firearms.

The seizure made in Kulwant BOP area also yielded 45 magazines of Chinese rifles in addition to 73 loose rounds which were also unmarked.

The third big cache was recovered from a field in the Rattan Khurd BOP area in Amritsar sector on 29 December.

Hidden beneath a heap of toria in the field, the two seed bags revealed three Russian Klashnenkov rifles along with 60 rounds of matching ammunition. Three Pakistan-made .32-bore revolvers with 40 bullets and a cut short of .12-bore gun were also found tucked in the bags.

Mr Prakash Singh said the bulk of contraband seized, however, comprised heroin captured in the Jalalabad sector during the year.

Of the estimated Rs 20 crore worth heroin seized in 1987, the biggest haul of 224 kg valued at Rs 11.20 crore in Indian market was captured on 7 May in Chak Kheeva BOP area.

The intruders, who fled in face of rapid return fire by BSF jawans, left behind eight gunny bags containing 224 packets.

The second biggest haul worth Rs 8.22 crore was made on the morning of 28 December, again in Chak Kheeva BOP area. This time, the intruders left behind five bags containing 137 packets weighing one kg each.

The third seizure of 20 kg of heroin valued at Rs one crore was made on 20 August at village Machhiwal, situated on the rear of Tahliwal BOP. In this case two intruders, including a woman, were caught with a .455-bore revolver and nine cartridges.

Mr Prakash Singh said the BSF lost five personnel, including one intelligence officer, at the hands of terrorists last year. Of the 44 terrorists killed in encounters, the latest to be killed last year was dreaded Avtar Singh Roopewali in Batala Sadar police station area on 24 December.

Commenting on the connivance of BSF personnel with terrorists, smugglers and other antisocial elements, the IG disclosed that as many as 21 BSF men were dismissed from service in this regard last year alone.

07310

Central Bureau Investigates Illegal Arms Deals

Blueprints Leaked?

46001229 Bombay *THE TIMES OF INDIA* in English
17 Jan 88 p 3

[Text] New Delhi, January 16—The Central Bureau of Investigation (CBI) has raided the office of a Delhi-based firm, Concord International (Pvt) Ltd which deals in arms as an intermediary in a follow-up action of the raid on the residence of Lt-Gen (Retd) Nirmal Puri on January 3, before registering a case under the Official Secrets Act.

Reliable sources from the CBI also indicated that the residence of the chairman-cum-managing director of the firm, Mr Vinod K. Khanna, has been raided on the suspicion that the former lieutenant-general has passed on "defence secrets" in collusion with Mr Khanna, in the course of an arms deal.

The sources said that "incriminating documents" seized from the official and residential premises of Mr Khanna suggested his involvement in leaking India's defence secrets regarding some "particular" equipment which the country was once planning to buy from some foreign countries through the firm, Concord International.

In fact, as revealed by the sources, the firm's role in passing on "classified information" came to the notice of the CBI when India was trying to negotiate a deal for 155-mm guns with mainly three nations, Austria, France and Sweden. However, "blueprints" of certain equipment, including the gun from the Austrian firm, were allegedly leaked out by the firm. This was considered a "breach of trust" by the firm.

Guns to Afghanistan

46001229 Bombay *THE TIMES OF INDIA* in English
21 Jan 88 p 3

[Article by Anirudhya Mitra]

[Text] New Delhi, January 20—A Big time "hawala racketeer" of Delhi is suspected to be behind the 1983-gun deal in which more than 50,000 Indian .303 rifles landed via Pakistan in the hands of Punjab extremists and Mujahadeen groups in Afghanistan.

The Indian agent, Uranus Agencies, which had allegedly acted as a middleman for both the ministry for defence production here and a British firm, Qued Ltd, in the deal is understood to have played the role of a front organisation for the "hawala" trader, according to authoritative sources here.

This hawala trader, who is otherwise known as the "grand old man of Afghanistan" by various law enforcement agencies, ad set up business establishments in

Kabul a long time back and has extended help to the Mujahadeens and their counterparts in Pakistan. He is also known to be one of the biggest exporters and importers of dryfruits between India and Afghanistan.

Investigators, now looking into the alleged deal say the Indian agent, who is believed to have got one-third of the profits made by the British firm from the sale of the rifles, has been identified as Mr Salig Ram Parwanda, popularly known as "Salig Ram", his son, Dinesh Parwanda, and another person, "Bramh", believed to be very close to the "hawala" trader.

"Salig Ram", who started his career as a bookshop (later sold out to a top-level politician in 1980) owner in Khan Market here became a relative of the hawala trader through a marriage alliance. Though they were known to be extremely influential, their business faced a slump when one of their projects, production of a film, "Razia Sultan" turned out to be total flop commercially.

"Salig Ram" shifted to London but his business links with the "hawala trader" in Delhi continued. Following the revelation of their involvement in the gun deal, the law enforcement agencies raided their house in Panchsheel Enclave here on December 17 and 18.

Sources, however, preferred to remain tight-lipped about the recovery of "incriminating documents" from the raids because "very highly influential" people, including sons of some ministers have business contacts with the Parwanda family in Bombay and Delhi.

The rifles, which were purchased by the British firm and shipped to Britain, did not arrive in U.K.. Instead, they landed up in Karachi via Portugal and Los Angeles. In this manner, the laws of several countries, including India, the U.S., Portugal and U.K., had been violated in the deal, claimed sources.

The CBI officials looking into the matter believe that perhaps, the Parwandas did not know of the Delhi-based hawala trader was behind the gun deal which eventually helped Punjab terrorists and Muhajadeens on the Afghanistan-Pakistan border.

07310

Crude Oil Output Predicted To Be Short of Target
46001232 *Calcutta THE TELEGRAPH in English* 19
Jan 88 p 7

[Text] New Delhi, January 18 (UNI)—Domestic crude oil production is likely to be nearly two million tonnes less than the Seventh Plan target of 159 million tonnes, according to the Planning Commission.

This is mainly because of the shortfall in the eastern region both by the Oil and Natural Gas Commission (ONGC) and Oil India Limited (OIL) due to production problems and pipeline and refining capacity constraints.

The country's dependence on imports of crude and petroleum products is expected to increase to 40 per cent by 1989-90, as against 30 per cent at the beginning of the Seventh Plan.

In its mid-term review, the Planning Commission has called for increased exploration activity.

The Seventh Plan envisages additional geological reserves of 956 million tonnes of oil and 497 billion cubic metres of gas and recoverable reserves of 235 million tonnes of oil and 331 billion cubic metres of gas.

About 61 per cent of the target in respect of recoverable reserves of oil and 24 per cent of the target in respect of gas has been achieved in the first two years of the Plan.

The total drilling achievement is expected to be 5.30 million metres as against the target of 5.80 million metres. The mobilisation of rigs is behind schedule, but is partly expected to be made up by drilling efficiency.

The mid-term review has called for greater emphasis on exploration of category two and category three basins for reserve build up during the Eighth and Ninth Plans. It also stressed the need for intensifying seismic surveys and expeditious clearance of the backlog of unprocessed data.

Most gas development programmes are behind schedule and there have been considerable slippages in commissioning many platforms in Bombay High, according to the review. Cambay Basin project is also likely to be affected.

The availability of LPG during the terminal year of the Plan is estimated at 1.87 million tonnes as against the target of 2.54 million tonnes. The shortfall is on account of non-implementation of fractionation plants in Madhya Pradesh, Rajasthan and UP along the HBJ pipeline during the Plan.

The total demand for petroleum products by 1989-90, is expected to be 52.7 million tonnes, the same as estimated at the time of formulating the Plan.

The seventh Plan postulated a growth rate of 6.4 per cent in the consumption of petroleum products. In the first two years of Plan, the average growth rate was only 5.8 per cent.

However, in the current financial year, the growth rate is likely to be seven per cent particularly because of the need to activate agricultural pumpsets following drought conditions, according to the review.

While the consumption of middle and heavy distillates continues to maintain the past trend light distillates consumption is spurting. In 1986-87, LPG consumption

grew by almost 21 per cent and that of petrol by ten per cent. The projected growth rate for LPG and petrol during 1988-89 are 14 per cent and 13 per cent respectively.

The Planning Commission has called for greater and renewed emphasis on expansion of public transport system in urban areas to restrain the use of personalised transport.

It has also called for a campaign to curb the growing demand for kerosene and diesel, most of which is imported.

With the addition of 8.50 million tonnes in the Seventh Plan, the total refining capacity was expected to reach 54.05 million tonnes by 1989-90.

However, the total refining capacity is expected to reach only 51.85 million tonnes, mainly due to the non-implementation of the expansion of the Bongaigaon refinery. The Karnal and Mangalore refinery capacities will be available only in the Eighth Plan period.

07310

Planning Commission Meets, Other Developments

Gandhi Chairs Meeting

46001223 Calcutta *THE TELEGRAPH* in English
14 Jan 88 p 1

[Text] New Delhi, January 13—The Prime Minister, Mr Rajiv Gandhi, today declared that in order to maintain the tempo of development in the country additional resource mobilisation was inevitable.

The Prime Minister, chairing a meeting of the Planning Commission for the mid-term appraisal of the Seventh Five-Year Plan (1985-90), said that for the better utilisation of available resources, it was necessary to monitor the cost effectiveness of projects and find ways to trim administrative costs.

The Prime Minister also emphasized that it must be ensured that funds do not get diverted, specially those earmarked for priority areas.

The meeting devoted much time to discussing the difficult resource mobilisation position. The members of the commission expressed concern that non-plan expenditure had been increasing, eroding the resources for planned development.

The planning minister, Mr P. Shiv Shankar, said resource mobilisation and plan outlays in the first three years had kept pace with planned requirements and that the balance of payments situation was improving.

Priority to Farm Sector

The Prime Minister, the planning minister and members of the commission agreed that top priority should be given to agriculture. The Prime Minister said the industry needs to be activated, Mr Shiv Shankar said the agricultural sector had performed badly because of the drought situation. The growth in other sectors, he said, had accelerated sharply.

Mr Gandhi stressed the need for 'more systematic efforts on futuristic projects, dealing not just with economic but social factors.' He said this in context of the yawning gap between the aspirations of the people and the delivery system, which, he said, had to be made more effective.

The Prime Minister also called upon the Planning Commission to re-examine schemes and identify weaknesses in them. He called for the elimination of the gap between conceptualisation and implementation of project.

"We must try to evaluate how higher growth rates can be achieved by using available resources by reducing overheads and non-essential expenditure," Mr Gandhi said.

The Prime Minister said problem areas should be identified, priorities fixed and solutions worked out. He also emphasised the gearing up of the implementation process.

Action Plan

The meeting discusses an eight-point action plan which includes fixing zonal targets and identifying problems relating to each zone, priorities, evaluation of inputs required, science and technology support needed to cut costs and raise productivity, assessment of implementation problems, monitoring, high-level evaluation, and an efficient feed-back mechanism. It was decided that a group under the member (agriculture) in the Planning Commission would look into these factors and prepare an action plan to ensure that the targets for agriculture were realised.

Attention to Agriculture

46001223 Madras *THE HINDU* in English
14 Jan 88 p 9

[Text] New Delhi, January 13—Agriculture and resource mobilisation are the two areas which will receive special attention in the remaining period of the Seventh Plan. This was the outcome of the three-hour meeting of the Planning Commission held under the Chairmanship of the Prime Minister today to consider the mid-term appraisal of the Seventh Plan.

A group, headed by the Planning Commission Member in charge of Agriculture, will study the factors necessary for regaining the lost momentum in the farm sector and prepare an action plan to ensure that targets are realised.

The plan will include fixing of zonal targets and identification of problems relating to each zone; evaluation of inputs required for that particular zone; the S & T support required to cut costs and raise productivity; assessment of problems of implementation and efficient feedback mechanism.

Prevent funds diversion: Regarding resource mobilisation, the effort will be to trim administrative costs and monitor the cost-effectiveness of projects, besides preventing diversion of funds from priority areas to non-priority areas. The Prime Minister made it clear that additional resource mobilisation was inevitable to maintain the tempo of development. In this context, it was noted that non-Plan expenditure had been increasing at a fast pace eroding resources for planned development.

In his initial remarks, Mr Gandhi appreciated the work done by the Commission for the mid-term appraisal and the role it had played in the development process. He however stressed the need for more systematic efforts on futuristic projections dealing not just with economic but social factors. There was a big gap between the aspirations of the people and the delivery system which had to be made more efficient.

The Prime Minister wanted re-examination of schemes so that weaknesses in the schemes and in their implementation could be identified and removed. The effort should, in his view, be to evaluate how higher growth could be achieved using available resources by reducing overhead costs and non-essential expenditure.

The Planning Minister, Mr P. Shiv Shankar, said except for agriculture, growth in other sectors had accelerated sharply. Major productivity gains had been registered in infrastructure and modernisation processes had started in many industries. He noted that resource mobilisation and plan outlays in the first three years of the Seventh Plan had kept pace with planned requirements. However he felt that besides agriculture and resource mobilisation, the balance of payment position required continuous watch.

In course of the discussion, some members pointed out that the State Planning Boards were not meeting regularly and wanted the States to activate the planning process both at the State and the district levels. The discussion also covered irrigation planning and dryland farming. Short-term and long-term measures were suggested to achieve targets in these sectors.

Need for Policy Changes

46001223 Calcutta *THE SUNDAY STATESMAN* in English 17 Jan 88 p 6

[Text] New Delhi, January 16—The Planning Commission has stressed the need for a “coordinated set of policy interventions” to maintain the external deficit within safe limits in view of the size of the trade gap itself and emerging uncertainties in the world economy, reports UNI.

Besides stricter fiscal, monetary and credit policies to keep down the demand for the imports, intensive resource mobilization and economies in expenditure are considered necessary. Benefits and incentives given to exporters should be further strengthened to sustain in the remaining two years of the Seventh Plan (1985-90) the high growth rate of exports achieved since 1986-87, according to the commission's mid-term appraisal of the Seventh Plan.

To tackle the longer run problems of export development, including those posed by emerging supply constraints encountered by important agricultural exports, the commission has called for more intensive measures within the “thrust industry” framework.

According to the preliminary revised projections for 1985-90, exports would be at Rs 55,900 crores against Rs 60,700 crores visualised in the Seventh Plan.

Imports would be higher at Rs 99,300 crores compared to the originally projected level of Rs 95,400 crores.

Balance of trade would be minus Rs 43,400 crores against the Plan estimate of minus Rs 34,700 crores.

Invisible flows, particularly private remittances, which conformed to expectations, neutralised about 40% of the trade gap.

Still, the deficit on current account, which showed a downward trend, averaged about 2% of the gross domestic product in 1985-86 and 1986-87 against the target of 1.6%.

Over the entire plan period the net invisible earnings would be higher than the conservative projection which excluded favourable turn-ups in energy and other import prices. The gains from terms of trade could be about Rs 5,000 crores.

Gains from terms of trade, it has been pointed out, could either bridge the shortfall in exports or meet the cost of excess of imports and not both.

The deficit on current account should be brought down to a level closer to the one foreseen in the plan so that it can be financed through available unconditional liquidity from the International Monetary Fund, better use of aid in the pipeline and marginal additional reliance on conventional borrowings or non-resident Indian deposits.

Realization of this objective without slowing down growth or capital development would, however, involve effective use of a coordinated set of policy interventions. The problem poses itself, to begin with, as one of effectively restraining the growth of demand for imports, both bulk and non-bulk, without affecting production or the savings rate.

The demand for imports could be checked through stricter fiscal, monetary and credit policies designed to keep down the growth of gross domestic expenditure and aggregate demand.

The use of macro-economic discipline, it is stated, will not only lessen the pressure of demand for imports but also utilize idle resources held in the form of excessive inventories, including imported inputs, which can be substituted for fresh imports.

The appraisal has also proposed three other types of commodity level action to contain import growth. The first concerns restraint on the demand for petroleum products and the second a major thrust to raise the production of oilseeds and edible oils. The third calls for implementation of phased manufacturing programmes as planned in order to moderate the growth of non-bulk imports.

The benefits and incentives extended to exporters should be strengthened in order to offset the residual pull of domestic demand or adverse developments in the world market. Otherwise, the comparatively high growth rate of exports attained since 1986-87 might become difficult to sustain during the last two years of the Plan, it is feared.

By containing the demand for exportables generally two macro-economic discipline and credit restraint would also generate availability for sales in foreign markets.

A broad spectrum action should be supplemented by effective commodity level measures to discourage domestic consumption. Policy interventions along these lines would generate an environment conducive to investment in export capacity, particularly by large firms.

The commission believes that better incentives for exports and specific demand management should help attain the postulated volume of growth of exports over the rest of the Plan period.

07310

Paper Gives Statistics on Inflation in 1987
46001227 *Calcutta THE TELEGRAPH in English*
13 Jan 88 p 11

[Text] The year 1987 recorded an inflation rate of 9.2 per cent, around one and a half times the 1986 rate of 6.2 per cent, with the official all commodities wholesale price index (WPI) climbing from 378.3 for the week ended December 27, 1986, to 413.0 for the week ended December 26, 1987.

Contributing to this accelerated price spiral was the 11.5 per cent rise in the primary articles index against 6.5 per cent in 1986, and the 8.7 per cent rise in the index for manufactured products compared to 5.8 per cent for the previous year.

The only major group index to registered a smaller increase in 1987 than in 1986 was the "fuel, power, light and lubricants group." The index for this went up by 5.2 per cent last year against 6.5 per cent in 1986.

Within the primary articles group, food articles became costlier by 11.1 per cent during the year and non-food articles by 26.9 per cent, while minerals became cheaper by 29.3 per cent due to a 37.8 per cent fall in crude prices.

Among the food articles, major price increases have been recorded by condiments and spices (44.2 per cent), pulses (36.5 per cent), foodgrains (16.2 per cent), milk and milk products (15.5 per cent) and cereals (10.4 per cent). Among the non-food articles, the index for fibres rose by 37 per cent and that for oilseeds by 28.2 per cent.

In the manufactured products group too, it was the food products which saw a high price rise of 11.4 per cent, while the prices on non-food manufactured products rose by relatively low 7.7 per cent.

The most significant increases in prices among the food products have been in oilcakes (41.1 per cent) and edible oils (19.0 per cent). Among the non-food manufactured products, the steepest price increases have been in inedible oils (38.3 per cent), basic metals, alloys and metal products (12.5 per cent) and textiles (11.1 per cent).

Composite indices derived from the WPI show that agriculture-based primary articles (which include food and non-food primary articles) as a whole became dearer during 1987 by 15.1 per cent, while raw materials as a whole (non-food articles and minerals) became costlier by 11.6 per cent.

All food items (both primary and manufactured) put together saw a price rise of 11.2 per cent, while all non-food items witnessed a comparatively low 7.9 per cent rise in prices. The high rates of price rise in agriculture-based primary articles and in food items is obviously a reflection of the drought.

07310

Steep Rise in Defense Outlay Causes Budget Problems
46001241 *Madras THE HINDU in English*
15 Jan 88 p 1

[Text] The steep rise in costs associated with Defence have placed the Government in a quandary of sorts. For the past three years expenditure has been claiming an ever bigger slice of the national cake. It accounted for 3.7

per cent of the Gross Domestic Product in 1985-86, 4.2 per cent in 1986-87 and an estimated 4.6 per cent in 1987-88. While the figures for the Gross Domestic Product are official for 1985-86 at Rs 2,15,024 crores, the figures for subsequent years are projections made by The Policy Group, a non-profit research organisation in New Delhi. It has projected the GDP to rise by 1.7 per cent this year from Rs 2,40,827 crores in 1986-87 to Rs 271,412 crores. While the Government had projected an optimistic estimate of a 2.5 per cent increase the figures are now being revised downwards to 1.5 per cent.

The most damaging fall out of the Bofors and the submarine scandals has been to shatter the broad national consensus that has existed over the Defence expenditure for the past 20 years. Few voices were raised in the country and virtually none in Parliament. An occasional voice calling for more accountability was put down with the suggestion that this was an 'antinational' act. Now the situation seems to be changing and stories of expenditures of up to Rs 2-3 crores a day in Sri Lanka and a like amount in Siachen are being touted by many people. The most recent dose of administered price increase for example is being blamed more on Sri Lanka rather than the drought.

Hardput: The forthcoming Budget is likely to see another increase in Defence expenditure though the extent cannot be precisely determined. If last year's proportion is maintained then the budget is likely to be of the region of Rs 14,108 crores or more. With the pressure on non-Plan expenditure increasing through the demands of the other areas like internal security vide the new raisings of the police forces and the increased repayment burden, the Government is likely to be hardput to find the money. The increase in the cost of fuel and food will have its impact in the armed forces as well. At the same time, the increasing costs will also raise the costs of indigenously produced equipment which is already being produced at unusually high costs.

In 1986-87, the Government went in for a supplementary appropriation of Rs 345 crores but this was not found necessary in the current financial year because a large portion of the capital outlay for acquisitions was not spent following the Bofors and submarine issues. In fact this year the Government was expected to make up its mind on a number of proposals such as the submarines nos. 5 & 6 from HDw, the Advanced Jet Trainer and the attack helicopter for the Army. But none of these have come through because all of them were potential acquisitions from the West.

It is not clear even now, however, whether the increase in the Defence expenditure in this year's budget will account for the normal increase imposed by inflation or involve an additional sum. The proportion of Defence expenditure as part of the GDP has been steadily rising over the last four years. It now stands at 4.6 per cent of the GDP. It is not known as to whether it has been pegged at a higher percentage of the GDP. If it has then,

the figure is likely to be higher. However, the perspective plan prepared by the Defence Planning Staff which is under consideration of the Cabinet has projected a requirement which involves Defence expenditures being pegged to a figure four per cent of the GDP. This may have been exceeded in recent years due to the pressure of modernisation which was delayed in the late 1970s and early 1980s, but it is not clear as to what strategy the Government will evolve to push it back to the figure of four per cent.

07310

Outcome of Assam Party Meeting Told
46001233 Calcutta *THE STATESMAN* in English
20 Jan 88 p 9

[Article by Arup Chanda]

[Text] Mongoldoi, January 19—The Asom Gana Parishad will not maintain any relation with parties which are communal and divisive in nature and work against the interest of Assam. This was decided today at the political conference of the party which is being held here since yesterday. Briefing reporters while the delegate session was going on this evening, the Assam Chief Minister, Mr Prafulla Mahanta, said the AGP would function together with regional parties which would "work in the interest of Assam".

However, questions about political parties which the AGP considered to be communal and the regional parties which were working "in the interest of Assam". He said the future programmes of the AGP would indicate its opinion of the different parties.

The first political conference of the ruling AGP adopted a new constitution and discussed strengthening the party, particularly at the grass-root level. Briefing reporters after the first session of the conference, which was attended by about 350 delegates, including Cabinet Ministers. MP's and party legislators, Mr Prafulla Mahanta said that according to the newly adopted constitution of the party it would have one president, two general secretaries and a 45-member executive committee.

Mr Mahanta, who is likely to remain president of the party, said that yesterday's delegate session had decided to form a trade union wing of the party and strengthen the women's and peasant's wings of the party.

The AGP resolutions critical of the Centre, indicate that the party prefers to join the Left Opposition camp instead of siding with the BJP for an electoral alliance before the next Lok Sabha elections. Moreover the party is trying to project its secular image and thereby win over the religious minorities of Assam who have all along voted against the AGP.

The conference also passed resolutions criticizing the Prime Minister for his comments that he would dismiss any State Government if he thought they were indulging in anti-national activities.

07310

IRAN

Paper Confirms Khomeyni's Sudden Illness

*46400054a London KEYHAN in Persian
17 Dec 87 pp 1, 11*

[Text] Last Sunday (13 December) Ayatollah Khomeyni's condition became critical and he was transferred to a Tehran hospital in a coma. Hajir Teymurian, analyst for the FINANCIAL TIMES of London, who filed the above news report quoting aware and reliable sources in Tehran and Vienna, wrote:

Last Sunday members of the Islamic Republic's OPEC delegation were severely disturbed because Prime Minister Mir Hoseyn Musavi had not answered Oil Minister Gholamreza Aqazadeh concerning issues raised at the OPEC conference. Subsequent inquiries as to why an answer did not arrive from the Islamic Republic's prime minister revealed that Tehran's leaders had been severely disturbed by Ayatollah Khomeini's sudden critical condition. For this reason Mir Hoseyn Musavi was not able to give timely instructions to the Islamic Republic's OPEC delegation by answering the minister of petroleum's inquiry.

The aforementioned newspaper quoted an Iranian physician who manages Khomeyni's treatment and also cited the comments of a British physician who had been brought to Tehran by his Iranian counterpart and who has been treating Khomeyni's heart problems for the last two years. It said: For the last year Ayatollah Khomeyni has been suffering from serious kidney trouble and has made constant use of a special kidney stimulation machine.

Elsewhere in its report, the FINANCIAL TIMES wrote: Some of the Islamic Republic's diplomats in the Middle East as well as most members of the Islamic Republic's OPEC delegation attempted to deny Khomeini's severe illness and the abnormal conditions in Tehran. An Iranian diplomat in a Middle Eastern nation told the TIMES correspondent that through the grace of God Ayatollah Khomeyni's health was better than ever.

Last Thursday Ayatollah Khomeyni announced that he had changed his will, and apparently reports of Khomeyni's deteriorated health have intensified the struggle among the Islamic Republic's other leaders to succeed him. At the same time, 'Ali Akbar Velayati, the Islamic Republic's foreign minister, in answer to a question from the FINANCIAL TIMES correspondent, emphatically denied a report of Khomeyni's death.

9310

Khomeyni Reportedly Quite Ill

46400057a London KEYHAN in Persian 24 Dec 87 p 3

[Text] Even though the authorities of the Islamic Republic labor to deny the severe ill health of Ayatollah Khomeyni, reports persist concerning the serious illness of the leader of the Islamic Republic. Last week, with the spread of rumors concerning the illness and even comatose condition of the 87-year-old leader of the Islamic Republic, the Ministry of Foreign Affairs twice denied this report with the issuance of communiques. Also, the government television, contrary to its usual practice, showed a very brief film taken at the Jamaran religious center about the families of the martyrs, the war prisoners and the missing.

For a few moments, Ayatollah Khomeyni, accompanied by two persons, appeared on the balcony sitting on a chair. As he got up, he leaned on his hands, then responded to the cheers of those present. The face of the leader of the revolution in these pictures appeared very drawn and frail and he was hardly able to walk.

Meanwhile, the Voice of America and French radio stations as well as some of the Western presses observed that even though it was not clear that the meeting and the report about it occurred in the present, they indicate that the authorities of the Islamic regime wanted to quell the rumors of his severe illness in the minds of the people with these brief pictures of the meeting.

Meanwhile, other reports indicate that special regulations on the activities of patients and their visitors have been instated at the Tehran heart hospital without any satisfactory explanation by hospital officials. Last week, the national airline weekly flights to Paris and London did not take place. Also, another report indicates that members of the revolution committee and the Guards Corps have increased their watches, patrolling the streets and squares.

On the other hand, while the rumors of the rivalry between Rafsanjani and Ayatollah Montazeri over taking over power continued, Hashemi-Rafsanjani went to Qom and spoke with Ayatollah Montazeri for a long time.

In recent years, following the change in the will of Ayatollah Khomeyni, various interpretations have been published concerning the appointment of the future leader of the Islamic Republic. According to one interpretation, as some observers have said, in his recent will, Ayatollah [Khomeyni] has explicitly stated the succession of Ayatollah Montazeri. Others believe that a three-member group composed of Montazeri, Rafsanjani and Khamene'i will take over the affairs after Khomeyni. About a week before the change in Ayatollah Khomeyni's will was announced, President Seyyed 'Ali Khamene'i went to Qom and spoke at length with Montazeri.

Other reports indicate that after Khomeyni's death, a five-member committee comprised of Seyyed Ahmad Khomeyni, Rafsanjani, Khamene'i, Ardabili and Montazeri will take over as the leadership council.

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**France to Assist IRA in Launching
Communication Satellite**

46400046b London KEYHAN in Persian 7 Jan 88 p 1

[Text] The French government has signed a special treaty with the Islamic Republic Communications Company to launch an independent Iranian communications satellite named Zohreh. According to a statement published by the communications company public relations office, the first stage in launching the Islamic Republic's independent satellite will be carried out by France in late 1367 [early 1989] or early 1368 [mid-1989]. In the statement, the communications company public relations office noted that based on the treaty signed with the French Ariane Company, a check for \$100,000 to fund the satellite launching program has been paid to this company.

In announcing the above, the communications company public relations office added: A treaty to build 51 ground satellite stations is in its final stages, and it will be completed by the end of this year [March 20 1988].

According to a report from the communications company, the communications services to be provided by the Zohreh satellite include:

- 1 - Providing military and government communications between all permanent stations and air and naval vessels.
- 2 - Establishing emergency communications in time of floods, hurricanes, earthquakes, or wartime destruction.
- 3 - The transmission of television programs to areas either inaccessible or with poor quality transmission using present land systems.
- 4 - Transmission of educational programs for organizations and research centers.
- 5 - The procurement of telephone communications for remote rural areas.
- 6 - The procurement of long-distance telephone cable communications for telephone communications between the major cities.

9310

IRI Largest Buyer of Japanese Goods after Saudi Arabia

46400064a London KEYHAN in Persian 7 Jan 88 p 4

[Text] By purchasing \$725 million in goods and factory merchandise from Japan in the first six months of the current year, the Islamic Republic became the largest Persian Gulf importer of Japanese goods after Saudi Arabia. According to statistics from the Japan Commercial Tariffs Organization, while in the year 1981 Japan exported goods and merchandise valued at \$1.84 billion to Iran, this figure fluctuated from \$935 billion in 1982 to \$2.82 billion in 1983 to \$1.69 billion in 1984 to \$1.33 billion in 1985 to \$1.5 billion in 1986. Economic experts predict that in view of Japan's export of \$724 million in goods to the Islamic Republic in the first six months of 1987, the value of Japan's exports to Iran in this year will exceed \$1.5 billion and it will exceed the volume of the year 1986. Among the Persian Gulf nations, the largest purchaser of Japanese goods in the first half of 1987 was Saudi Arabia. That country purchased \$2.03 billion in goods from Japan. An analysis of Japan's foreign trade statistics shows that among the nations of the Persian Gulf, Iraq, which was considered one of the largest importers of Japanese goods in 1981 when it purchased more than \$3 billion in goods, decreased its imports from Japan to less than \$257 million in the first six months of 1987. Japan's foreign trade statistics also show that Japan's imports from Iran increased in a striking and almost unprecedented way last year (1987). While Japan bought about \$.25 billion in goods from the Islamic Republic throughout 1986, its purchases increased to more than \$1.05 billion in the first six months of 1987. Trade experts believe that during the last Christian year Japan's imports were more than \$2.5 billion, and this nation has thus roughly doubled the value of its imports from the Islamic Republic within one year.

According to statistics from the Japan Petroleum Union, in the first six months of 1987 the Islamic Republic, after Saudi Arabia and the United Arab Emirates, became Japan's largest supplier of oil among the oil-rich nations of the Persian Gulf in the first six months of 1987 with daily exports of 25,754 barrels of crude oil to Japan. The Japan Oil Institute puts the level of oil exports to Japan by the United Arab Emirates and Saudi Arabia in the first six months of 1987 at 525,000 and 514,000 barrels per day respectively. Japan has recently reduced its oil purchases from Iraq, from 42,000 barrels daily in 1986 to about 76,000 barrels [as published].

An analysis of Japan's trade statistics shows that in the last few years that nation has become one of the Islamic Republic's largest suppliers of vehicles and automobiles. In 1966 [as published] Japan exported 25,821 motorized vehicles to Iran, more than 60 percent of the Islamic Republic's imports of motorized vehicles. Despite this, restrictions caused by the foreign exchange shortage and regulations intended to prevent automobile imports have caused Japan to continuously decrease the level of

this type of export to the Islamic Republic. Statistics published by the Japanese Auto Producer's Union show that the number of automobiles exported to the Islamic Republic from 1984 to 1986 decreased from 46,555 to 34,127 and finally to 25,821 machines.

Recently the Japan Foreign Trade Organization published a pamphlet in which it analyzed the makeup of Japan's exports and imports in recent years. According to the statistics in this publication, the value of Japan's exports to the Islamic Republic in the first six months of 1987, according to type of export, were: foodstuffs, about \$5.461 million, primary raw materials \$55.408 million, light industries \$68.532 million, and heavy industries about \$600 million. On the other hand, the makeup and value of Japan's imports from the Islamic Republic in the period discussed were: foodstuffs \$8.572 million, primary raw materials \$6.184 million, and oil \$1.029 billion.

According to a study by the Economic and Expansion Cooperation Organization, in 1986 the shares in the Islamic Republic's import market among the world's industrial nations were: United States 0.5 percent, Japan 17.3 percent, France 1.5 percent, West Germany 22.5 percent, Italy 9.8 percent, England 8.8 percent, and all other nations 39.7 percent. Accordingly, among the Western industrialized nations, the largest market in the Islamic Republic is held by West Germany, and the top position after that is held by Japan.

9310

IRI Attempts to Facilitate Return of Iranians Living Abroad

4640058b London KEYHAN in Persian 24 Dec 87 p 1

[Text] In a press and television interview in Tehran, Hojjat ol-Eslam Musavi-Kho'iniha announced that the Iranians who oppose the regime of the Islamic Republic may return to Iran whenever they wish, and since their return will be counted as their "repentance," no one will bother them.

Kho'iniha said: "We have been informed that the Iranians who have fled abroad live under unpleasant conditions. If they have not killed anyone or violated anyone's rights, there is nothing to hinder their return to Iran."

The prosecutor general added:

"If the Iranians living abroad are only guilty of opposing the Islamic Republic, they can return to their country with confidence and engage in their work. In any case, we never expect such individuals to support our regime."

This is not the first time that the officials of the Khomeyni regime have urged Iranians living abroad to return to Iran, and every time, they have provided them

with easier conditions, trying to attract the experts, the educated and the merchants. However, except in rare cases, no one has yet paid any attention to these requests.

Kho'iniha referred in this interview to the numerous communiques of the international agency for human rights and said: "The views of this agency are not acceptable to us, because a billion Muslims in the world support 'retribution' in regards to the guilty. In other words, murder must be punished upon the request of the guardians of the people. Even if the murderer is a political figure, he must still be punished in accordance with Islamic standards."

Kho'iniha added: "If a person engages in espionage and reports about the conditions in our country, he, too, must be punished. But the human rights [agency] does not agree with this action."

Kho'iniha is one of the officials of the Islamic Republic who continuously offset the efforts of Ayatollah Montazeri to return Iranians to their country, through the expression of his negative views about the Iranian emigres. However, this time, he has taken a step to urge Iranians to return to their country.

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London Arms Acquisition Office Reportedly Doing Brisk Business

*4640058a London KEYHAN in Persian
24 Dec 87 pp 1, 9*

[Text] Despite the appearance of closing down its arms acquisition office in London, the Islamic Republic continues to purchase arms through this office. The Islamic Republic arms acquisition office, located on Victoria Street in London, which was closed down about three months ago by the British government, was the main center for the purchase of various kinds of weapons for the Islamic Republic. With more than 50 employees in this center, through this London office, the Islamic Republic purchased more than \$1.5 billion to \$2 billion worth of arms produced in various countries.

The DAILY TELEGRAPH (London), quoting from sources close to Iranian and British political refugees, writes: "Some of the Iranian refugees who are aware of the activities of the Islamic Republic in purchasing arms believe that despite the apparent closure of that country's arms acquisition office in London, the Islamic Republic continues to purchase arms through London. Apparently no change has taken place in these activities."

The above-mentioned newspaper adds: "An information source, who has asked the DAILY TELEGRAPH not to reveal his identity for security reasons, believes that the only change since the above-mentioned closure order by the officials of the British Ministry of the Interior was the departure of the military personnel of this office last

September. The above-mentioned information source revealed that in place of the 45 military personnel, who were deported from England, the Islamic Republic has instructed 45 agents sent to England as employees of the National Iranian Oil Company to carry out the duties of the deported military personnel."

The DAILY TELEGRAPH also writes: "Despite the passage of more than three months since the closure of the Islamic Republic arms acquisition office, located in the National Iranian Oil Company building in London, the office for the sale of arms affiliated with the British Ministry of Defense in Tehran is still open, continuing its activities."

The above-mentioned newspaper also adds: "Last week, Tim (Sansburi), the deputy secretary of the British Defense Ministry for the sale of arms, in a written response to a representative of the House of Commons of that country, confessed that the office for the sale of arms affiliated with the British Defense Ministry in Tehran is still in operation." The DAILY TELEGRAPH writes: "The British deputy secretary for defense refused to clarify the point as to which official of the office of arms sales (international military services), affiliated with the British Defense Ministry in Tehran, pays the rent for its present building in Tehran."

Quoting Robertson, the representative in the British House of Commons, who had asked a question of the Ministry of Defense of that country, the DAILY TELEGRAPH writes: "This is actually incredible. Precisely when the British government claims that it supports world sanctions against the sale of arms to the Islamic Republic, it maintains its Tehran office for the sale of arms affiliated with the Defense Ministry and allows it to continue its activities as before." The representative of the British House of Commons described this action of the conservative government of that country as "hypo-critical."

Quoting a spokesperson from the British Defense Ministry, the DAILY TELEGRAPH writes: "The international military services company is a private company that conducts business only within the framework of the instructions and regulations of the British government."

The above-mentioned newspaper adds: "The exact details of the operations of the branch of the international military services company in Tehran are not available. The spokesperson of the above-mentioned company claims that in the past the main goal in opening this branch in Tehran was to conclude the issues concerning arms purchase agreements which were signed before the establishment of the Islamic Republic."

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IRI Largest Purchaser of FRG's Goods

46400056c London KEYHAN in Persian 24 Dec 87 p 4

[Text] The export of goods valued at 1.44 billion DM to the Islamic Republic from West Germany in the first 6 months of this year makes the Islamic Republic the largest purchaser of West German goods among the countries of the Persian Gulf region. By purchasing goods and merchandise valued at 1.33 billion DM and 595 million DM during the period in question, Saudi Arabia and the United Arab Emirates, respectively, became the second and third largest purchasers of West German products in the Middle East, after the Islamic Republic.

A comparison of the value of goods exported from the FRG to the IRI during the first 6 months of this year with that of a similar period last year shows that the Islamic exports [as published] of the country have declined somewhat, from 1,823,000,000 DM in the first 6 months of 1986 to 1,414,000,000 DM in the first 6 months of this year. According to the statistics published by the FRG government statistics department, during 1986, that country exported a total of 3,272,000,000 DM worth of goods to the Islamic Republic. These statistics indicate the total value of the exports of the FRG to the IRI in 1985 as 4,834,000,000 DM. The FRG is one of the major European countries to have taken advantage of good economic relations with Tehran. It purchases about one-fifth of the amount it exports to the Islamic Republic in goods from that country, "mainly oil, handwoven carpets and dried goods." An examination of the West German foreign trade statistics during the first 6 months of this year shows that during the period in question, in exchange for the export of goods valued at approximately 1.5 billion DM to the Islamic Republic, West Germany has purchased 388 million DM worth of goods from that country.

An analysis of the FRG foreign trade statistics shows that the FRG has continued each year to tilt the trade balance with Tehran in its favor. In the first 6 months of 1986, while the FRG exported about 1,823,000,000 DM worth of goods to the Islamic Republic, it imported about 1/3 of the value of various goods. It appears from the official foreign trade statistics of the FRG that, during 1986, in exchange for exporting goods valued at 3,272,000,000 DM to the Islamic Republic, the FRG has imported about 1,126,000,000 DM worth of goods, "less than 1/3," from Iran.

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IRI Third Largest Exporter of Goods to Brazil

46400056a London KEYHAN in Persian 24 Dec 87 p 4

[Text] Among the oil-producing countries of the Middle East, the Islamic Republic is the largest seller of crude oil to Brazil, after Iraq and Saudi Arabia. According to the statistics of the Brazil Bank foreign trade department, in

the first 6 months of this year, Brazil poured about \$213 million in foreign currency into the treasury of the Islamic Republic in exchange for goods, mainly crude oil.

The amount of oil bought by Brazil from the Islamic Republic during a similar period in 1986 was about one-fifth the amount of oil purchased in the first half of this year, which did not exceed \$50 million. On the other hand, in the first 6 months of this year, the Islamic Republic purchased \$76.8 million worth of goods and merchandise from Brazil. These imports of the Islamic Republic of Iran from Brazil between January and June 1986 amounted to about \$120 million.

The statistics of the Brazil Bank foreign trade department indicate that Brazil purchased more than \$700 million worth of crude oil from Iraq and about \$392 million worth of oil from Saudi Arabia during the first 6 months of this year. A comparison between the value of the exports of the Islamic Republic to Brazil and the value of the imports from that country during the period in question shows that the foreign trade balance between the Islamic Republic and Brazil heavily favors Tehran.

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IRI's Diplomat Expelled from Spain

46400055b London KEYHAN in Persian 17 Dec 87 p 1

[Text] Last Friday Spanish anti-terrorist police, after thwarting a plot to hijack a Saudi Airlines aircraft at Barcelona airport, expelled a diplomat from the Islamic Republic's embassy, for planning and carrying out the operation.

A half an hour before boarding the Saudi Airlines Boeing 747, having given a forged Tunisian passport to airport officials, Hamid Dezfuli, the aforementioned diplomat, was detained by several agents from the Spanish government's terrorist unit. Because of his refusal to answer questions and his claims of having "political immunity," he was taken to the Barcelona Airport detention facility. According to Spanish police, he had been planning to carry out a plan to hijack the Saudi aircraft with more than 200 passengers.

After Dezfuli's arrest, Hadi Soleymanpur, the Islamic Republic's ambassador in Madrid, met with him at the airport. Declaring political immunity for Dezfuli, the Embassy of the Islamic Republic took him out of the airport detention facility at Barcelona.

Meanwhile Soleymanpur, the Islamic Republic's ambassador, was summoned to the Spanish Foreign Ministry the same day. Ministry officials warned him that Spain would never allow Middle Eastern terrorist organizations—which are supported by the Tehran regime—to use Spanish soil as a base of operations.

Reliable sources in Madrid say that a high official in the Spanish Foreign Ministry asked the Islamic Republic's ambassador to take the arrested diplomat out of this country within 24 hours. According to reliable information, after his release from the detention facility at Barcelona Airport, Hamid Dezfuli was taken to Portugal by another employee of the Islamic Republic's embassy in Madrid.

Spanish security officials and anti-terrorist police—who had become aware of the plan to hijack the Saudi Airlines aircraft 48 hours earlier—were waiting for Hamid Dezfuli at the airport and had prepared themselves to find explosives in his bag and suitcase.

After searching Dezfuli's effects and not finding explosives, Spanish security officials boarded the aircraft and after a three-hour search found a pistol in the lavatory.

According to Spanish security officials, Hamid Dezfuli, using a forged Tunisian passport, was planning to threaten the pilot a half hour after takeoff and take the aircraft to Beirut.

At the same time, Spanish security officials note that Hamid Dezfuli also has a political passport from the Islamic Republic, and when he was arrested he was unable to give any explanation for his use of a Tunisian passport and an alias.

Political observers say that the hijacking of this aircraft by the Islamic Republic's terrorists was to have taken place concurrently with the conclusion of the annual seminar for terrorist organizations in Tehran.

9310

Japan Reduces Oil Purchases by One-Third

46400063b London KEYHAN in Persian 7 Jan 88 p 1

[Text] The Japanese companies by balking at signing new contracts for the purchase of Iranian crude oil are reducing their import of this source of energy from the Islamic Republic in the current year [1988]. Furthermore, recently the Japanese Government has ordered some of the employees of its Trade Relations Office in Tehran to return to Japan. It is rumored among the commercial circles of Japan that that country is going to close its trade offices in Tehran very soon.

According to FINANCIAL TIMES of London, the reduction of crude oil import by Japanese companies from Iran has been recommended by the Japanese Ministry of International Trade and Industry of Japan requested all the Japanese companies to limit their commercial transactions with Tehran. The aforementioned newspaper further added: It is expected that from the early part of January, Japanese companies will reduce their import of Iranian crude oil by one-third. At present Japan purchases about 240,000 barrels of Iranian crude every day.

12719/12232

Swedish Documents Unveil Israel's Role in Weapons Sale

46400049a London KEYHAN in Persian 10 Dec 87 p 2

[Text] Between 1984 and 1986 Israel sold significant quantities of arms and war materiel to the Islamic Republic through a Swedish intermediary. The value of the weapons delivered by Israel to the Islamic Republic is in the millions of dollars. In the middle of last week, Swedish customs officials published 1,600 pages of documents in which they announced that the Israeli arms sold to the Islamic republic by the Israel Military Industries Organization were turned over to Tehran officials with the mediation of a Swedish broker.

According to reports from Sweden, information pertaining to the sale of Israeli arms to the Islamic republic has been obtained through numerous studies conducted by Swedish customs police of companies suspected of illegal arms sales activity. In the last few months Swedish judicial and police officials have studied documents on the activities of the Beau Force arms manufacturing industries, the Swedish Consumer Products Company, and Karl Eric Schmitz's trading company.

Early last year Swedish customs officials, while inspecting Swedish industries, obtained documents showing that weapons manufacturing industries belonging to the government of Israel took part actively in the transfer of weapons manufactured in that country to the Islamic Republic. A study of these documents reveals that in February 1985 Karl Eric Schmitz reached an agreement during a meeting with representatives of a weapons factory in Israel to procure weapons needed by the Islamic republic.

Sarah Webb, a reporter for the FINANCIAL TIMES of London wrote concerning the recent commotion about Israeli arms sales to the Islamic republic: On the basis of documents the government of Sweden published, the Swedish Trading Company purchased a quantity of arms from the Israel Government Arms Manufacture Organization (AMA) and made them available to the Islamic republic's National Defense Industries Organization. Documents obtained concerning the illegal sale of Israel's manufactured weapons and war materiel to the Islamic Republic show that Swedish trading companies—who delivered the Israeli weapons to the Islamic republic as brokers—handled all the banking affairs connected with the payment and receiving of funds by Lloyds of London Bank.

After the disclosure of the secrets of the sales of weapons and munitions by Swedish merchants to the Islamic Republic, Karl Eric Schimtz, director of the Swedish Trading Company, and several workers in the Beau Force government industries were arrested on charges of taking part in illegal arms smuggling and will soon be tried. Andrew Whitely, reporter for the FINANCIAL TIMES, reported from Jerusalem that Israeli foreign ministry officials refused to answer questions concerning

the documents published by Swedish customs. They announced that the government of Israel does not usually comment on reports published in the press and the mass media. This newspaper, quoting Israeli foreign minister Ahudgel, wrote: We have repeatedly stated that we do not sell weapons to the Islamic Republic.

Political observers believe that the 1,600 pages of documents and papers published by the Swedish government and confirmation that Israeli arms production industries participated actively in the sale of weapons to the Islamic Republic will disturb Yitzhak Shamir's government. Recently American officials told Israeli president Chaim Herzog during his visit to Washington that America is concerned about news concerning the continued sale of arms to the Islamic republic by Israel. 9310

Paper Reports IRI's Demands from France

46400054b London KEYHAN in Persian
17 Dec 87 pp 1,9

[Text] Following last week's changes in relations between the Islamic republic and France, the journal PARIS MATCH published a detailed article pulling back the curtain on the secret negotiations between the two countries. Unfortunately, because of the small amount of space in this issue we cannot provide a Persian translation of the article. However, the expectations the Islamic Republic now has of France are important enough that we deem it necessary to list the important points for interested readers.

The Islamic Republic's demands are as follows:

- 1 - Repayment of another third of the shah's 1974 loan to EURODEF (which came to a total of one billion dollars) not including interest by the end of 1987 and the repayment of the rest by the end of June 1988. Iran will purchase industrial and agricultural goods and foodstuffs from France, to be delivered as payment for the interest.
- 2 - The construction of a large electrical plant in north Iran (Mazandaran Province) and the continuation of construction work on the Tabriz electrical plant (whose construction halted after it was bombed last year).
- 3 - Full equality of numbers between the members of the diplomatic delegations of the two nations, stationed in Paris and Tehran.
- 4 - Prohibition of the residence and activity of Reza Pahlavi 2nd in France, concerning which a decision was made last summer to prohibit any political activity by him on French soil of the type that took place at the end of the month of October.

5 - Expulsion of the 500 remaining members of the Mojahedin organization and the release of Anis Naqqash, leader of the group that attempted to kill Shapur Bakhtiar.

6 - Renewal of the talks on atomic energy between France and Tehran begun last January by Deputy Minister of the Interior for Atomic Energy Affairs Reza Amrollahi (for the purpose of completing the construction of the Iran I and Iran II atomic energy plants on the shores of the Karun River).

7 - Removal of French warships from the Persian Gulf.

8 - The return of all the former royal family's assets in France to the Central Bank of Iran.

Meanwhile, if Anis Naqqash is released and if the first payment is made on the loan to France, Carton and Fontaine will be released before the end of the year. Now it will be seen whether Francois Mitterand, the French president and the only official able to pardon Anis Naqqash, is willing to put his signature to a pardon for such a seasoned terrorist in the event of pressure by the Islamic republic for these demands.

It must be realized that PARIS MATCH has reliable sources among the Islamic Republic's high officials, and this is why a week before the release of Vahid Gordji it published an exclusive report on the end of the war of embassies and on the talks between officials of the two countries for the purpose of normalizing relations.

9310

Syrian Authorities Reportedly Know Content of Will

46400057c London KEYHAN in Persian 24 Dec 87 p 3

[Text] The French magazine EXPRES writes in its exclusive news section that officials of the Syrian government have learned of the entire content of Ayatollah Khomeyni's second will. According to what Syrian sources have told EXPRES magazine, even though the Assembly of Experts has chosen the successor to Ayatollah Khomeyni, he was dismissed from this position, and the leadership of the Islamic Republic will be entrusted to a three-member group.

Meanwhile, a Jordanian weekly called AKHBAR AL-USBU' writes that in the new will, Khomeyni has chosen a five-member committee comprised of Ayatollah Montazeri, Hashemi-Rafsanjani, Seyyed 'Ali Khamene'i, Seyyed Ahmad Khomeyni, and 'Ali Mostafizi as the leadership cadre.

In recent days, the change in Ayatollah Khomeyni's will and the rumors of his death have attracted the attention of the press in some countries.

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IRI Finally Reveals Syria's Oil Debt

46400065b London KEYHAN in Persian 7 Jan 88 p 4

[Text] For the first time, the Islamic Republic revealed that the Ba'thist regime of Syria owes Iran for 1.2 billion dollars in low-cost oil it has obtained from the Islamic Republic. This item was revealed by the JOMHURI-YE ESLAMI news publication.

Politically informed sources said that from this figure it can be seen that in the four years when free oil was being given to Syria, Syria did not pay any money to Iran for the oil.

Recently Majlis representatives asked the government to explain Syria's debt to Iran, and called for the collection of Iran's funds.

9310

Seven Thousand Taken Refuge in FRG

46400072a London KEYHAN in Persian 21 Jan 88 p 4

[Text] Tehran—The ISLAMIC REPUBLIC NEWS AGENCY reports from Bonn, the capitol of West Germany, that last year the Islamic Republic was in third place among nations in terms of the number of persons with political asylum in West Germany. The report stated that last year 7,000 Iranians fled from Iran and took asylum in Germany.

Poland, with 15,194 refugees, and Turkey with 11,426 were in first and second place. Polish and Turkish refugees have been seeking asylum in Germany for years. Apart from these three countries, the subsequent rankings are held by Sri Lanka with 2,285 persons, Pakistan with 1,562 persons, Afghanistan with 1,586 persons, and Czechoslovakia with 1,516 persons. Concerning this, an official from the German ministry of the interior said: A great many applicants for asylum have been from opposition groups.

There are three types of asylum in Germany: political, economic, and social.

'Ali Akbar Mohtashemi, the Islamic Republic's minister of the interior, said several times last year in his interviews with foreign correspondents, in answer to questions from them insisting that he tell them how many Iranians were taking asylum in other countries, that the Islamic Republic has no one under political asylum anywhere in the world!

9310

Former IRI Official Returns to Paris

46400057b London KEYHAN in Persian 24 Dec 87 p 3

[Text] Gholamreza Haddadi, the former charge of the Islamic Republic in Paris, returned once again to France with his wife and children. The Islamic Republic has not

yet announced the names of three officials who are to carry out the consular affairs in Paris under the supervision of the Pakistan Embassy. However, it seems that Haddadi is one of the three people.

Also, the decision has been made that the French Foreign Ministry will send three of its officials to the Italian Embassy to handle its consular affairs in Tehran. Following the event of the translator to Gholamreza Haddadi, Vahid Gorji, taking sanctuary inside the embassy in Paris, obtaining visas to France has become almost impossible for Iranians. In recent months, French officials have refused to issue visas for Iranians to enter France, except on very rare occasions.

We should point out that one week prior to the exposure of the secret negotiations between Tehran and Paris and the freedom of the two French hostages, meeting with some of the Iranians living in Paris, a French minister had promised that soon the present problems concerning visas and residency extension permits for Iranians will be eliminated.

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Rivalry Intensifying Between Partisans of Various Camps

46400059a London KEYHAN in Persian 24 Dec 87 p 3

[Text] INDEPENDENT (an important London morning newspaper) published a report in last Monday's issue (21 December) concerning the rivalry of various internal factions in Iran vying for power after Khomeyni, which does not yet appear to be settled. The report makes some informative references to the secret conflicts among the power factions.

INDEPENDENT writes that with Seyyed Hadi Hashemi taking refuge with Ayatollah Hoseyn 'Ali Montazeri, actually living in his "house," a new and decisive power struggle to succeed Khomeyni has begun among the factions opposing the Islamic Republic [as published].

Seyyed Hadi Hashemi, the son-in-law of Ayatollah Montazeri, was exiled to Mashhad this summer, along with his wife and children, and placed under house arrest. And his brother, Seyyed Mehdi Hashemi, after nine months of incarceration and secret trials, and after a television confession concerning "treason to the imam of the people," was executed in Evin Prison.

Seyyed Hadi Hashemi was helped to flee Mashhad last week by the supporters of Ayatollah Montazeri. Thus far, no action has been taken by law enforcement officials or the Guards Corps of the regime to recapture Seyyed Hadi Hashemi, since the "house" of Ayatollah Montazeri is considered off-limits. It has now been revealed that the execution of Mehdi Hashemi came as the direct order of Mohammad Reyshahri, the minister of information and security of the Islamic Republic (VAVAK),

and at a time when Ayatollah Khomeyni and Hojjat ol-Eslam Rafsanjani had secretly promised Ayatollah Montazeri that Mehdi Hashemi would be sentenced to life imprisonment.

Political observers consider the flight of Seyyed Hadi Hashemi to be a show of power by the factions supporting Ayatollah Montazeri in the Islamic Republic, which at the same time questions the authority of the faction supporting Rafsanjani, Meshkini and Reyshahri.

Given the rumors of the serious illness and likely death of Khomeyni as well as his writing a new will, this issue shows the dimensions of the rivalry of the factions in the regime.

Even though the content of Ayatollah Khomeyni's first will was never completely revealed, the discontent of Ayatollah Montazeri concerning the Rafsanjani-Meshkini-Reyshahri faction in dragging him to the session in which the second will was announced and the conferring of the right to choose the future leader on the Assembly of Experts surely indicate that Ayatollah Montazeri will have no chance to be the absolute successor to Khomeyni.

The Assembly of Experts, comprised of 80 members, is under the influence of the Rafsanjani-Meshkini faction, which supports the establishment of the "leadership council" after the death of Ayatollah Khomeyni.

Meanwhile, Ayatollah Montazeri met with three leaders of the freedom movement, led by Engineer Mehdi Bazar-gan, at his own home and asked them to continue their participation in the elections of the third Majlis, and to ignore the threats of 'Ali Akbar Mohtashami, the interior minister.

In their visit with Ayatollah Montazeri, Hashem Sabbaghian, Dr Ebrahim Yazdi and Yadollah Sahabi complained about the atmosphere of terror and strangulation in the country and Ayatollah Montazeri asked them to accelerate their election activities with the support of his faction.

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Opposition Leaders Express Views on Resolution

46400071a London KEYHAN in Persian
21 Jan 88 pp 1,4

[Text] Following the detailed study we presented in issue number 181 concerning Security Council Resolution 598, last week two Iranian opposition leaders also expressed their views on the resolution.

We read the view of Dr Shapur Bakhtiar, leader of the National Resistance Movement of Iran, in the publication QIYAM-E IRAN, organ of the movement, Thursday 15 Dey, 7 January 1988. In part of his radio message addressed to the Iranian nation, Dr Bakhtiar noted:

First, rise up with all your means and resources against the war and the killing, so that you will be able to refrain from going to the fronts, the killing ground of youth, and not allow other deluded persons to stupidly continue this self-destructive war, which is ruining Iran, with the vain notion of service to the nation. Those who are sacrificing you every day in their own interest are merchants of death. To emphasize the above, Dr Bakhtiar added: Say, write, and campaign for the idea that United Nations Security Council Resolution 598 must be implemented. Those preachers who regard the war as a divine blessing can go to the fronts themselves in place of our children. However, our young soldiers, non-commissioned officers and officers—who have carried out their national responsibility in a worthy manner—must intervene to the extent that they can in this process that is destroying Iran.

Our reporter in France also succeeded in obtaining the view of Dr 'Ali Amini, leader of the Salvation Front.

Dr Amini said: Of course we Iranians living abroad and the great majority within the country are hoping that this war will end as soon as possible, because the more it continues the more casualties and losses there will be. However, Security Council Resolution 598 will not solve this problem.

Dr Amini added: For the reasons that I will mention, I am opposed to this resolution. The most important reason for my opposition is that the Security Council does not acknowledge Iraq's aggression against Iran; the secretary general has ordered the United Nations to form an investigative commission to identify the aggressor after the cease fire and the withdrawal of hostile forces to international borders, yet there is no need to form a commission to determine who started this war. On 22 September 1980 Iraqi forces crossed the Iranian border and swarmed onto the soil of our land. Apart from this, Iraqi officials, in their speeches and statements, have always referred to the attack on Iran as the second Qadesiyah.

If I were in the position of Iran's current government, I would not accept this resolution either, because it does not provide for Iran's interests, and they want to impose it on Iran. In the Salvation Front I have always repeated that Iraq began the aggression, and for that reason it must be punished. Once again, again as an Iranian, in addition to repeating this view, I now insist that until a full guarantee is provided that compensation will be paid for the damages our nation has suffered, Iranian forces must not withdraw from Iraqi soil. You can see that even though 43 years have passed since World War II and Germany has paid and continues to pay war reparations in large sums, allied forces have not yet left that country's soil. Why should Iran withdraw its forces from Iraqi soil before it receives full payment in war reparations?

In conclusion, Dr Amini noted: This view of mine is not an indication of support for the Islamic Republic, it is only aimed at procuring the interests of the Iranian nation.

9310

Asset-Identification Card Proposed for Every Individual

46400072c London KEYHAN in Persian 21 Jan 88 p 4

[Text] In order to prevent monopolies, price-gouging and bribery, the government should establish an asset-identification card for every individual in the country so that it will be clear what various individuals have, and what slogans they chant. This should be regulated every year so that it will be known how much has been added to the wealth of individuals, and where and how it was obtained. If this measure is taken, there will be no need for the anti-price-gouging and monopolies staff, or for other such things. Likewise, a study can be made of persons who, in these seven or eight years since the revolution, at exactly the same time our dear ones have been and continue to writhe in their own blood, have amassed a great deal of wealth in various ways, either in their own name or in the name of their dependents. If they have not received an inheritance, if they have not sold property or if they do not have it to sell, but instead have obtained the wealth through various forms of deception while making their activities appear legal, these people can be rounded up and all of their assets confiscated, and such corrupt persons can be punished for their unworthy deeds in order to serve as an example for others.

The above proposal was made by Seyyed Farajollah Afrazideh, the Majlis deputy from Nowshahr. Continuing his talk, he said: If treason is proven against someone who did so in the name of the sacred values of religion or while putting up a religious front such as the Prophecy Foundation, or if someone who establishes some other foundation of which we are not aware commits theft and treason, all of his wealth must be confiscated and he must receive the harshest punishment.

Elsewhere in his speech to the Majlis, he said: Soon the second session of the Majlis will end. What is unfortunate, however, is the discussion of this procedure or that procedure, with each faction trying to drive its rival from the scene in any way possible. One group proclaiming its support for the oppressed attacks its opponents with insults and slander, branding them as supporters of capitalism. The opposing faction in turn proclaims its support for traditional theology and brands its opponents with carelessness, lying, lack of piety, and supporting socialist economics. The criticisms are usually delivered in harsh unjust terms which make the mind reel.

Continuing his remarks, Farajollah Afrazideh, continuing his remarks, added: I propose that instead of doing everything through the government, another way should

be chosen. The private sector should be authorized to operate, but 90 percent of income in excess of 200,000 toman per year should be confiscated and used for treating the sick, for education, for developing deprived areas, and for expanding agriculture and animal husbandry.

In conclusion, the deputy said: The distribution of a great many rationed items has stopped in the villages, but they are given to urban people. This is not in the interest of the deprived people and we have no convincing answer to give to this deprived class of people in society. Why do the residents of north Tehran and the important merchants or factory owners obtain goods such as chicken, eggs, butter, cheese and other goods at government prices, while the villager, whose annual income does not even come to 20,000 or 30,000 toman, cannot get them?

9310

Electric Tramway To Be Operating in Bandar 'Abbas

46400072b London KEYHAN in Persian 21 Jan 88 p 4

[Text] Bandar 'Abbas and other cities in the Province of Hormozegan will soon have an electric tramway.

Based on a statement from the development and expansion office of this province, the purpose in building the tramway line is to improve the transportation situation within the city.

According to the MIDDLE EAST ECONOMIC DIGEST [MEED] (London), in view of the fact that the Tehran metro network will have an underground railway, if the cities of the Province of Hormozegan obtain an electric tramway line, this will be the first time that an electric tramway has been used in Iran. The above weekly magazine added:

Most of the costs for building the tramway in Bandar 'Abbas and other Hormozegan Province cities will be supplied by the various banks.

The English publication MEED writes: The Province of Hormozegan, once one of Iran's least populated and most backward provinces, in recent years has become one of the nation's advanced areas. The main reason for the attention and development in Bandar 'Abbas is that this port is now the Islamic Republic's only important commercial and military port in the Persian Gulf. Currently construction on the railway to Bandar 'Abbas is underway and this port will soon be connected to Iran's national rail network. In addition to the expansion of road-building activities in Bandar 'Abbas and the surrounding area, at the present time a number of military and development projects are being carried out in the Province of Hormozegan, and especially in the vicinity of Bandar 'Abbas.

9310

Trade Relations with Pakistan Expanding

46400071b London KEYHAN in Persian
21 Jan 88 pp 1,4

[Text] From June 1986 to June 1987 Pakistan bought a total of \$5.8 billion in goods from the Islamic Republic. On the other hand the value of Pakistan's exports to the Islamic Republic in that period came to \$8.8 million. Pakistan's imports from the Islamic Republic include cotton textiles, dates, garbanzo beans, and dried fruits. In turn, the Islamic Republic has purchased carpets, leather, sporting goods, soap, paper bags and similar goods from Pakistan. Economic experts believe that despite the establishment of good relations between Tehran and Islamabad as well as the memberships of Pakistan and the Islamic Republic in the Regional Cooperation Organization, economic relations between the two nations have not expanded sufficiently for special reasons.

Early last week Tanvir Ahmad Khan, the new Pakistani ambassador in Tehran, met and spoke with Mohammad Javad Irvani, the Islamic Republic's minister of economics and financial affairs. During this visit the Pakistani ambassador and the Islamic Republic's minister of economics and financial affairs discussed and exchanged views on relations between the two countries and the interest of the two neighbors in expanding mutual cooperation.

The Tehran press reports that during this visit, Mohammad Javad Irvani, the Islamic Republic's minister of economics and financial affairs, stressed that Iran wants to expand economic relations with Pakistan as much as possible. The Islamic Republic's minister of economics and financial affairs expressed the hope that, in accordance with the statement of mutual understanding that was recently exchanged between the two countries, rice would be purchased from Pakistan. Irvani stressed that Iran is prepared to supply Pakistan with the oil it needs. It is necessary to note that in the month of Aban this year [23 October - 21 November 1987] the Islamic Republic's minister of economics and financial affairs made a trip to Islamabad in which he met with Pakistani officials and discussed the formation of a jointly-owned shipping company and the use of Pakistani port facilities for goods bound for Iran. An agreement was signed concerning this type of cooperation. According to the views of economic experts, since the month of Aban the two countries have taken no significant measures to implement the statement of mutual understanding and to expand commercial relations.

9310

Handmade Rugs Make Up 48 Percent of Exports

46400065a London KEYHAN in Persian 7 Jan 88 p 4

[Text] In the first six months of 1366 [21 March - 22 September 1987] the Islamic Republic's imports were valued at \$401,491 million, approximately a one percent

decrease from the same period last year. On the other hand, by exporting \$37,269 million in non-petroleum goods and merchandise, in the first six months of the current year the Islamic Republic was able to increase the value of its non-petroleum exports 35 percent over the same period the previous year.

According to statistics from Iran Customs, the Islamic Republic's chief export item during the period under discussion was hand-woven Iranian wool carpets. These statistics state that the value of carpets exported from Iran during the first six months of 1366 was about 15,218,010 thousand rials. This figure is about 41 percent of the total value of the Islamic Republic's exports during the period discussed. The value of exported hand-woven carpets in the first six months of 1365 [21 March - 22 September 1986] was about 37.73 percent of the Islamic Republic's total non-petroleum exports.

Among the figures for the Islamic Republic's non-petroleum exports in the first half of the current year, the most important items after hand-woven carpets are exported pistachios and pistachio meats. The Iran Customs statistics publication puts the value of pistachios exported from Iran in the first six months of the current year at 6,888,018 thousand rials. This figure is about 18.5 percent of the total value of Iran's non-petroleum exports in the period discussed. A comparison of the weight of pistachios exported from Iran in the first half of the year 1366 with that of the same period the previous year shows approximately a three-fold increase.

Another interesting change in the make-up of the Islamic Republic's non-petroleum exports is that large quantities of cotton have been exported! While during the first half of last year the Islamic Republic exported about 2,262 tons of cotton, and this figure has been roughly tripled in the first six months of the current year, reaching 6,058 tons.

The value of fresh fruits exported from the Islamic Republic in the first six months of the current year compared to that of the same period the previous year decreased significantly to less than one-third of the earlier figure. Iran Customs announced that the value of fresh fruits exported in the first six months last year was 3,415,304 thousand rials. In the same period this year this figure dropped to about 1,310,320 thousand rials. While the value of Iran's exported fresh fruits in the first six months last year made up about 12.5 percent of the total value of non-petroleum exports, in the same period this year this proportion was no higher than 3.51 percent in the same period of the current year.

The value of the caviar exported from Iran in the first six months of the current year compared to that of the same period the previous year also decreased, dropping from 414,068 thousand rials in the first six months of last year to 339,774 thousand rials in the first six months of the current year.

Other prominent items exported from Iran in the first half of the current year include various hides, sulphur, copper, raisins, currants, and vegetables.

9310

Conditions Under Preparation for Production Units, Services

46400059b London KEYHAN in Persian 24 Dec 87 p 4

[Text] Following the serious protests by the workers concerning the new labor law of the Islamic Republic which was ratified by the Majlis, the Ministry of Labor and Social Affairs, in posing a question to Ayatollah Khomeyni and then obtaining his approval, is preparing new mandatory conditions for factories and production and service units.

In a letter, to Ayatollah Khomeyni, Abolqasem Sarhadizadeh, the minister of labor and social affairs of the Islamic Republic, asked: "Can we set a mandate for units which in one way or another use such government and public resources and services as water, electricity, telephone, fuel, foreign currency, raw materials, ports, roads, shipping docks, the bureaucratic system, and the banking system, regardless of whether they have done so in the past and still continue to do so or are currently doing so, in exchange for such conditional use?" In response, Ayatollah Khomeyni has decreed that: "In any case, in the past or the present, the government may establish mandatory conditions."

Even though the dimensions of these mandatory government conditions for factories and production and service units are still unclear, in Tehran it is said that the Islamic Republic is imposing new pressures to collect funds from production and service units in the name of the workers.

In an interview with Islamic Republic radio, Prime Minister Mir Hoseyn Musavi said: "In the bills that the government will offer, it has been decided that, based on the services and resources that it puts at the disposal of consumers, it expects them to move in the direction of the interests and goals of the Islamic revolution and to be duty-bound to observe government regulations." He added: "The regulations that the government establishes should not only be in use in the government factories. The government must impose its conditions so that our workers and the working strata enjoy the resources."

It should be pointed out that the labor law of the Islamic Republic which was ratified a month ago has eliminated many rights and privileges granted by the past regime of Iran. This new law caused much protest among the workers. Now, the Ministry of Labor, in seeking the decree of Ayatollah Khomeyni to allow the creation of mandatory conditions for employers, is trying to offer new bills so that, to quote Mir Hoseyn Musavi, the hard-working laborers can enjoy certain resources. The new conditions have not yet been announced by the Ministry of Labor.

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Commercial Trade with India Expanding
46400056b *London KEYHAN in Persian 24 Dec 87 p 4*

[Text] Finally, after the Islamic Republic began purchasing goods from India, the government of India has agreed to the delivery of one million tons of Iranian crude oil. Up to mid-November, the government of India had received about 700,000 tons of Iranian crude oil, and would apparently like to import another 300,000 tons of oil from the Islamic Republic by next March.

According to MEED weekly (London), the government of India refused to purchase Iranian oil during 1986 as a result of the decrease in the purchases of its goods by the Islamic Republic. The above-mentioned weekly writes: "The commercial and economic authorities of both countries sat in negotiations early this year in order to examine the trade problems and to find appropriate ways to increase the commercial transactions between Tehran and Delhi. Apparently, these exchanges of views reached a deadlock, because the amounts of the purchases of the two countries from one another were not clear, resulting in India's decision not to buy Iranian oil at all. Nevertheless, early last April, the Islamic Republic ordered the purchase of \$75 million in goods, resulting in the subsequent negotiations. These goods include 350,000 tons of tea and other materials. In addition, the Islamic Republic has recently placed a purchase order with the Indian government trade company for more tea. Hence, India is expected to export about \$35 million worth of tea to the Islamic Republic this year.

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Electric Train to Connect Tehran-Qom
46400055a *London KEYHAN in Persian 17 Dec 87 p 14*

[Text] In order to connect Tehran and Qom by electric railway, 73 kilometers of road bed for the two-rail track between these two cities are under construction. This information was recently issued to the press and the mass media by Mohammad Mehdi Khalili, general railroad construction manager for the Ministry of Roads and Transportation. The general manager of railroad construction announced that the construction of the Tehran-Bandar 'Abbas electric railway, which began with the aim of building a freight line in 1360 [21 March 1981 - 20 March 1982], still continues, and the laying of the Tehran-Qom line is also considered a continuation of this plan. He added: The maximum speed of the Tehran-Qom electrical passenger train will be 160 kilometers per hour, and the maximum speed of the electric freight train will be no more than 80 kilometers per hour.

The general manager of railroad construction told correspondents: The total cost of building the Tehran-Qom electrical railway has been estimated at about 31 billion

rials, and it is expected that construction will be completed within six years. He noted that if construction proceeds according to existing plans, the Tehran-Qom electrical railway will be ready to use in 1372 [21 March 1993 - 20 March 1994].

It is necessary to note that studies on the construction of the Tehran-Qom electrical railway began in 1355 [21 March 1976 - 20 March 1977] before the establishment of the Islamic Republic, and according to the general manager of railroad construction, studies on the completion of this railway were done after the establishment of the Islamic Republic, and the task of carrying it out was assigned to the General Office of Railway Construction of the Ministry of Roads and Transportation.

9310

University of Tehran To Open Branch in Beirut
46400063c *London KEYHAN in Persian 7 Jan 88 p 2*

[Text] AL-NAHAR AL-ARABI magazine of Beirut wrote: The Tehran regime in an effort to expand its political and religious influence abroad, annually spends millions of dollars in Lebanon and the school which has been established in the Shiite community in this city accepts students free of charge and teaches them the fundamentals of revolution. Despite the shortage of foreign exchange, the Tehran regime pays an allowance of \$100.00 dollars to every Hezbollah in Lebanon. The above-stated magazine goes on to write that the Islamic government in order to advance its goals is not unwilling to spend exorbitant sums of money. The said regime pays the Shiite women for wearing a chador and veil and in addition to opening of a hospital, the Islamic Republic is trying to establish a branch of Tehran University in Beirut very soon.

12719/12232

PAKISTAN

Khan Interviewed on Partitions' Effects
46000086b *Karachi DAWN in English 29 Jan 88 p III*

[Interview translated from Urdu into English by Saeeda Gazdar]

[Excerpt] Question: The common impression here is that since you were against the Referendum for Pakistan, you are against Pakistan?

GHAFFAR KHAN: Lies—lies—and lies—It is a lie that we were against a Referendum for Pakistan only. We were against a Referendum for India as well. We know that the Congress had reached an agreement with Lord Mountbatten and had betrayed us—betrayed the cause of "Khudai Khidmatgars." Mountbatten gave an understanding to the Congress that he would divide Punjab and Bengal. The Congress members were very pleased with this arrangement. But what was the meaning of

Punjab and Bengal's division when Muslims were in majority in both these provinces? The Referendum was a conspiracy against the people of the Subcontinent.

And now once again in Pakistan, the newspapers and media is controlled by the Government which is dead against all those who want to do any good to this country. Here a loyal person is a traitor and a traitor is loyal. I was in jail when I heard the news of Iskandar Mirza's coming to power. What irony! This man carried the orders of the British to shoot the freedom fighters, and himself gunned down a man for participating in a protest march. But Iskandar Mirza was not the only case. All those who were the touts and stooges under the British rule became our leaders.

Not we, but bureaucracy, military, feudals and capitalists have destroyed Pakistan. The Bengalis won the elections, but these people (West Pakistanis) grabbed the power. Why?—They killed 2.2 million Bengalis and thought that they would put things in order within three days. But what happened? Fifty-four per cent of the population was forced out of Jinnah's Pakistan. Those who keep harping on the same tune again and again about us being against Pakistan have in fact broken up this country. In spite of all this false propaganda against us we are still ready to do anything to maintain the integrity of our country. But only on two conditions.

The Constitution of this country must be made with equal participation by the deprived provinces of Sind, Baluchistan and Frontier. Secondly, whatever has been taken away from us must be returned and we will cooperate. Now tell me what is against Pakistan?

Question: What did the Muslims gain from the partition of India?

Ghaffar Khan: You can see it for yourself. It was not the partition of the country—it was the division of the Muslims. On both sides the same communal riots are going on and on. This partition was a catastrophe for the Muslims of the sub-continent.

Question: What was Gandhi's role in this?

Ghaffar Khan: Any day Muslims would say that Gandhi was a martyr. He gave his life for them. It was Gandhi Ji who went on a hunger strike when the Congress government was reluctant to give Pakistan's share from the Indian treasury and forced them to hand it over to Pakistan. Patel and his group thought that the old man was going too far in support of the Muslims and must therefore be got rid of.

Question: Why didn't your Khudai Khidmatgar Movement take root in Pakistan?

Ghaffar Khan: How could it grow? I have told you about the hardships we went through under the British rule but even the Pakistan Government treated us as if we were

aliens. Soon after Independence, our magazine and newspaper was banned. In Haripur Jail alone fifteen thousand of our workers were made prisoners. I was always behind the bars, how could the movement grow?

Question: When were you arrested in Pakistan?

Ghaffar Khan: Soon after Independence.

Question: You were a member of the Constituent Assembly, what was the reason for your arrest?

Ghaffar Khan: I was arrested under the Frontier Regulation Act. It was the legacy of the British. Under this Regulation a person could be kept in prison for three years, without any trial and for no reason. When I completed my three years, they re-arrested me. I asked the Assistant Commissioner why he wanted to arrest me again? What had I done this time? His answer was always the same, that he could arrest me and put me in prison without giving me any reason. They never tried me in any court of law, never gave me any chance to go to court. The third time also they arrested me under the old British rule. Under this rule they could keep anyone in jail for any length of time.

Question: Your going to jail during the British rule seems logical, but what was your quarrel with the Pakistan Government? Why were the Muslim leaders scared of you after independence?

Ghaffar Khan: You ask them. What can I say? I am a Khudai Khidmatgar. It is my promise to God to serve not only the Muslims but the whole of humanity. I was a member of the Parliament, I was the only one, the rest were all Muslim Leaguers. I was reluctant to go in the Assembly, what could have I done there? But some Pathan members of the Muslim League insisted and promised to work with me. I went in the hope of doing some good and therefore took the oath.

One day, Mr Jinnah invited us to dinner. When I was leaving, Jinnah Sahib insisted that I stay, so I stayed back. When everybody had left Mr Jinnah took me to another room. I told Jinnah Sahib that our struggle was social and I wanted to carry on with my work in the same capacity. Mr. Jinnah was very pleased and offered to help. I told him that I did not want any help. I only wanted his confidence, but he insisted on helping and was very keen to come to Peshawar and visit our Markaz of Khudai Khidmatgars. He also wanted to meet our Jirga and my colleagues. I started making preparations for Jinnah Sahib's visit, but the then Governor and all other officers in key-posts in the Frontier Province were still British—even after independence. Sardar Qayyum Khan was also very influential. They did not like the idea of Mr Jinnah meeting me. They felt their authority threatened in case Mr Jinnah and I came together and developed a friendship and understanding. They therefore saw to it that Jinnah Sahib didn't visit our centre when he came to Peshawar. They succeeded in briefing

him against me—that I was a very dangerous man. Jinnah Sahib came to Peshawar and explained to me that since our meeting was to be unofficial I should excuse him, for he was afraid of receiving too many invitations. I accepted this excuse, but our people were very disappointed. Then he offered me membership of the Muslim League. I asked him if he seriously wanted me to work or wanted me to end up as a wastrel? His answer was that of course he was serious, he wanted me to work. To this I told him that Muslim League had a very bad reputation among the Pashtoons. There was not a single honest person in it. The Hindus left so much wealth. But where was it? Did any one of his party people ever come to him and tell him that 'look this is the country's wealth and not mine'? Jinnah Sahib listened. He might have seen the truth in my utterings. But his people never gave us the chance to get united, so nothing ever materialised and his promise for help was never fulfilled.

Question: Would you like to give any message to the new generation?

Ghaffar Khan: I am a "Khudai Khidmatgar," not a leader. What can I say? I believe only in work, not in hollow speeches. I only want to serve the people.

08309

Azad Kashmir Leader Calls for Independent Status
46000086d Karachi DAWN in English 30 Jan 88 p 8

[Text] Karachi, Jan 29: Sardar Ibrahim Khan, President, Azad Kashmir People's Party, on Friday urged that Pakistan recognise Azad Kashmir as an "independent country."

At the same time, he added, Pakistan should prevail on all the friendly countries, including the Muslim States, for the recognition of Azad Kashmir's independent status.

Sardar Ibrahim was speaking at a reception held for him by the Kashmiri residents here at a hall near Hill Park, according to a Press release.

A number of countries with much lesser population and area were members of the UNO, he pointed out while emphasising that Azad Kashmiris had every right to be given representation in the UN Assembly.

Mr Khan said he doubted whether Pakistan, "which had been emasculated under constant rule of Martial Law," could now play any effective role in the freedom of Jammu and Kashmir.

He slated the Azad Kashmir President, Sardar Abdul Qaiyum Khan, for his anti-people policy and said that no good could be hoped from a person who had the audacity of bringing Allama Iqbal to "public disrepute."

The function was also addressed by Sardar Safer Khan of the AJK People's Party; Azad Kashmir Liberation League (Sind) General Secretary, Mr Latif Saghir; Chaudhri Fazil, Sardar Ishaq, Sardar Aqil and Malik Asghar Husain of Tehrik-i-Amal Party.

08309

Ji Chief Calls Government Policy 'Divisive'
46000086c Karachi DAWN in English 30 Jan 88 p 5

[Text] Rawalpindi, Jan 29: Amir, Jamat-i-Islami, Qazi Hussain Ahmed, has said that the government's policy of divide and rule is causing irreparable damage to the country's integrity.

He was addressing a reception hosted in his honour by the party at Liaquat Garden on Friday.

A number of Jamat legislators and councillors attended the reception.

Qazi Hussain Ahmed observed that the most important point to be considered by every patriot was to cultivate sense of unity, harmony and national integration in the minds of the people to safeguard the country from all the visible and invisible threats both from inside and abroad.

Referring to the impression that the present regime was the continuation of the martial law regime, the Jamat chief said that either President Zia should quit as Army Chief. [sentence as printed]

Referring to the dangers to the security and integrity of Pakistan, he appealed to the people to get united by rising above all the petty considerations.

Referring to the existing law and order situation and frequent incidents of dacoity, theft, and abduction, he said some of the sitting feudal parliamentarians, allied with the Government, were patronising the criminals for their vested interests.

About the economic conditions, he said the prices of essential commodities were rising, and making life miserable for the people.

He said the toil of the workers, had earned foreign exchange by Pakistanis abroad and the loans and grant obtained from abroad were being looted by a handful of feudals, and capitalists with the connivance of the government on the pretext of setting up of industries.

Qazi Hussain emphatically said the key to all these problems lay in the enforcement of Islamic laws.—PPI

08309

PPP Leaders Resign in Masse

46000086a Karachi DAWN in English 1 Feb 88 pp 1, 3

[Text] Karachi, Jan 31: In a dramatic move to cleanse the rot in the Punjab PPP politics Ms Benazir Bhutto has accepted the resignations of all the office-bearers and members of the Punjab PPP executive as well as members of the Central Executive Committee from the Punjab.

The only exceptions were those of Shaikh Rashid, party's Senior Vice-President; Lt-Gen (Retd) Tikka Khan, Secretary-General; and Shaikh Rafiq Ahmad, Information Secretary who were asked to retain their respective offices.

Ms Bhutto accepted the resignations en masse at the late evening session of the Central Executive Committee on Sunday after the review of party's performance at the local bodies poll in Punjab.

The Punjab PPP President, Mr Jehangir Badar, gave the lead by rising to the occasion and offering to resign from his office. Then followed several other CEC members from the Punjab who one by one placed confidence in Ms Bhutto's leadership and offered to resign.

Ms Bhutto seized the opportunity of announcing that she highly appreciated the self-sacrificing spirit shown by them and thanking them profusely for their unremitting and unstinted confidence in her leadership. She then said to the utter surprise of all that she would like in the party's interest of unity and solidarity to accept their resignations but with three exceptions.

Her announcement subsequently was greeted by all the CEC members and the special invitees. The member from the Punjab joined in the applause.

A reliable source said Ms Bhutto intends to reactivate the Punjab PPP Executive as early as possible. Appointments of the office-bearers and others of the Punjab Committee are likely to be made in consultation with Mr Farouq Leghari who will act as Adviser to her in this particular undertaking.

Earlier reports said barring an unforeseen turn in the efforts made by certain "neutral intermediaries," the crisis in the Punjab PPP stands a good chance of being resolved, according to sources close to the PPP Central Executive.

The patch-up may be based on the formula that no stricture would be passed against the senior colleagues and the Punjab PPP resolution suggesting action against them would be hushed up.

At the other end, party elders from the Punjab were likely to reaffirm their faith in the Co-Chairman's leadership in piloting the party through the present crucial times in accord with what are termed the principles of Bhuttoism.

As for the resignation of the Punjab PPP President, Mr Jehangir Badar, there was a strong possibility that it would not be presented to the Central Executive Committee at all and there the matter would rest.

Nevertheless, some sources predicted a change in the Punjab PPP leadership in the interest of revitalising the party there. The timing and the nature of a reshuffle in the Punjab PPP will, of course, be left to the Co-Chairman's discretion.

The PPP Central Executive Committee at its six hour session here on Sunday discussed divisional level reports on the local bodies polls in the Punjab with particular reference to the party's performance. The entire review could not be completed in the morning, and the CEC sat again at 6 p.m. to continue with its analysis of poll results in Lahore and Dera Ghazi Khan Divisions.

The CEC session, which has been extended till tomorrow (Monday), will take up the Punjab organisational question and a correct picture would emerge after it in the form of resolutions.

Meanwhile, PPP Information Secretary Shaikh Rafiq Ahmad denied that there was any "crisis" within the party ranks in any of the provinces.

Under close questioning, he maintained that the CEC had not yet received the resignation, if any, of the Punjab PPP chief Mr Jehangir Badar. The latter, he pointed out, was attending the committee's meetings in his capacity as an ex-officio member.

Mr Rafiq said the PPP remained united under Ms Bhutto's leadership and acknowledged her as a symbol of unity of Pakistan and a representative of the Federation.

Asked about the party's internecine clashes, Mr Ahmad said as far as the CEC was concerned "no differences have cropped up so far," nor was it in the know of any crisis.

The PPP Information Secretary said that reports received on the LB polls from the four provinces indicated "satisfactory performance" of the PPP under "adverse circumstances."

Opposition Said Advancing

46000086f Islamabad *THE MUSLIM in English*
23 Jan 88 p 6

[Text] Musaffarabad, Jan. 21: The AK regime has, no doubt, successfully withstood the first major onslaught of the AK People's Alliance but the latter is advancing steadily to achieve its objective of dislodging the government. The alliance is well poised for another round. All the five districts of AK including its capital are seething with trouble and not a day passes without a press conference, a procession, a demonstration, and a strike taking place here or there. The entire political atmosphere seems to be charged. The political crisis has adversely affected the administration. There is general slackness and inertia. Nobody seems to be working properly and there is a state of general disorder.

However, the government of Muslim conference is not moved and insists on ignoring the intensity of the crisis. There is, no doubt, that unexpectedly, the opposition has been able to create a lot of trouble for the government which, until the other day, was confident of its ability to weather the storm which it thought would be of a temporary duration.

Reports reaching here from Bagh say that a token hunger strike was observed by the opposition leaders near the district courts. Those who observed the hunger strike included a former minister, Sardar M. Yusuf Khan, Sardar Qayyum Beg, Khalid Mahmood Chughtai, Rafiq Beg Syed wazir Hussain Shah, Syed Saeed Hussain Shah, Sardar Ibrahim advocate, Raja M. Rafiq, MLA, Sardar Saeed Khan, Maulvi Abdul Quddus and Sharif Bahadur, all prominent members of the four-party alliance. After they called off the strike, they were taken out in a big procession which marched through the main bazar and later held a public meeting near Zaman chowk where they addressed an emotionally charged crowd and explained the objectives of their movement against the present rulers in Azad Kashmir.

They said the movement is purely democratic aimed at restoration of the people's rights 'which have been usurped' by the rulers. They expressed determination to continue the campaign against the regime 'till achievement of the victory.'

Meanwhile, the leaders of the People's Alliance have appealed to the lawyers community of Azad Kashmir to assemble at press club during this week (date to be announced later) to chalk out further programme to make the movement more effective. It is hoped that a large number of lawyers will attend the meet. It was also announced that a large number of workers of the 4-party alliance and lawyers will assemble at Rawalpindi on Jan. 24 to accelerate the pace of the present anti-regime movement. The central leaders of the alliance, Sardar Ibrahim Khan, K.H. Khurshid, Maj. Gen. (Retd), M.

Hayat Khan and barrister Sultan Mehmood have requested lawyers and the workers to reach Rawalpindi on Jan. 24 to make the demonstration a big success.

08309

Commentary Urges Openness

46000086e Karachi *DAWN in English* 30 Jan 88 p 7

[Article by Mirza Mohtasib]

[Text] No bureaucracy can function without a stable equation with the public it is supposed to serve. Its complex and enlarging functions can be performed smoothly if the bureaucrat is aware of his "image," that is, the accuracy with which he can assess public response to his actions. What can a bureaucrat expect from the public in terms of responses?

The bureaucrats in this country should not expect to be loved (except perhaps by each other). They are widely perceived as corrupt, inefficient, arrogant and as a group with vested interest of its own, once described as "the most well-organised political party." Most bureaucrats do not even contest these charges any more, even if this view is exaggerated. All bureaucrats at all levels of hierarchy are neither corrupt nor arrogant or have little opportunity to be either (or both). The bureaucracy has within its ranks some of the finest brains and most decent and well-bred people. But, as it happens, perceptions of reality matter more than the reality itself, still more than parts of the reality.

But the bureaucrats also do not deserve to be hated (again except perhaps by each other). They have an almost impossible job to perform: keeping law and order in a society with little respect for law and abundance of kalashnikovs; distributing scarce resources, new opportunities and patronage at somebody else's, and often their own, behest in a poor society with high expectations; maintain at least a facade of an organised society which is in fact torn by conflicts of class ethnicity, region, ideology and sectarianism.

The situation is not an impossible one. The bureaucracy can still reasonably expect an equation with the public based on mutual respect. A reasonably satisfactory relationship is still possible but only if the bureaucracy is willing to take the first step in cultivating it. This will not happen, it must be understood, through pious speeches urging bureaucracy to regard themselves as the servant and the public as the master (it just has not worked out the way); or through "khuli kutchery" system which degrades the self respecting citizen; or creating complaint cells; or even an ombudsman dealing with individual complaints (though it helps a little). Changes of structure and process in the government will have to be made and accepted by the bureaucracy.