

150007

JPRS-NEA-86-040

31 MARCH 1986

Near East/South Asia Report

19980807 132

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

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

2
110
A06

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

31 March 1986

NEAR EAST/SOUTH ASIA REPORT

CONTENTS

SOUTH ASIA

AFGHANISTAN

- Project Provides Housing for Low Income Citizens
(KABUL NEW TIMES, 21 Jan 86)..... 1
- Paper Reports 120 Mujahadin 'Martyred' in 2 Operations
(KAYHAN INTERNATIONAL, 29 Jan 86)..... 2

BANGLADESH

- Envoy Briefs Press on Soviet Initiatives, Aid
(THE BANGLADESH OBSERVER, 7 Feb 86)..... 4
- Political Leaders Protest Soviet Envoy's Remarks
(THE NEW NATION, 7 Feb 86)..... 5
- Papers Report, Comment on EEC Commissioner's Visit
(THE BANGLADESH OBSERVER, 7 Feb 86; THE BANGLADESH
TIMES, 8 Feb 86)..... 6
- 6 Feb Press Conference 6
EEC, SAARC Cooperation, Editorial 7
- Reportage on Quota Consultations With United States
(THE BANGLADESH OBSERVER, 10, 12 Feb 86)..... 10
- Garment Exporters Unhappy 10
Commerce Minister's Press Conference 11

Report on FRG President's Airport Press Conference (THE BANGLADESH OBSERVER, 15 Feb 86).....	12
Papers Report on Problems in Indian Border Area (Various sources, various dates).....	13
Thousands Reported Evicted	13
Political Leaders Protest	14
Problems With Demarcation, by Abdus Shahed	14
Indian Police Barricade	15
Implementation of Accord Urged, Editorial	16
Reportage on Joint Commission Meeting With Egypt (THE BANGLADESH OBSERVER, 21 Feb 86; THE BANGLADESH TIMES, 20 Feb 86).....	20
Special Trading Arrangement	20
Further Details, Significance, Editorial	20
Sri Lanka To Get Dhaka Assistance in Jute Processing (THE NEW NATION, 21 Feb 86).....	22
Labor Minister Meets With Saudi Visitor (THE NEW NATION, 21 Feb 86).....	23
Joint Pipe Industry Venture Signed With Denmark (THE NEW NATION, 7 Feb 86).....	24
Hasina Chairs Awami League Working Committee Meeting (THE NEW NATION, 11 Feb 86).....	25
Sheikh Hasina Addresses 15-Party Rally (THE BANGLADESH OBSERVER, 25 Feb 86).....	26
Ershad Speaks at Cottage Industry Conference (THE BANGLADESH TIMES, 16 Feb 86).....	28
More Details on 16 February Cabinet Changes (THE BANGLADESH OBSERVER, 17 Feb 86).....	30
Editorial Regrets Proliferation of Political Parties (THE BANGLADESH OBSERVER, 18 Feb 86).....	31
Papers Report National Day Incidents, Reaction (Various sources, 23 Feb 86).....	34
Clashes on 20, 21 February	34
More Details, Committee Head Comments	34
Reaction From Alliances	35
Attack on Security Council	36
Situation Breeds Panic, Editorial	37

Press Reports Facets of Economic Development (Various sources, various dates).....	39
Bangladesh Bank Report	39
Further Details Given	40
Industrial Production Up	41
Business Leaders State Concern Over Labor Situation (THE BANGLADESH OBSERVER, 20 Feb 86).....	42
Food Planning Committee Discusses Supply Position (THE BANGLADESH OBSERVER, 24 Feb 86).....	43
New Science and Technology Policy Announced (THE NEW NATION, 17, 26 Feb 86).....	44
Summary of Content	44
Aims, Major Elements	45
Briefs	
Ambassador to UN	47
Envoy to Luxembourg	47
Grant From Netherlands	47
New Student Front	47
Ambassador to Sudan	48
New Kampuchean Envoy	48
Burma Boundary Talks	48
Ambassador to Holland	48
Envoy to Sri Lanka	48
Norwegian Ambassador Named	49
Iranian Visitor	49
 INDIA	
Importance of Indo-U.S. Computer Hookup Noted (J. N. Parimoo; THE TIMES OF INDIA, 28 Jan 86).....	50
Reportage, Comment on Ram Swarup Spy Case (Various sources, various dates).....	51
Political Leaders Named	51
Involvement Denied	52
More on Denials	53
Comment From Vajpayee	53
Analyst on Ministers' Resignation, by G. K. Reddy	54
Communist Paper on U.S. Aims, by Mohit Sen	55
India Condemns Israel for Mosque Desecration (THE TELEGRAPH, 29 Jan 86).....	58

Delhi Plans Expansion of Border Police Force (THE STATESMAN, 29 Jan 86).....	59
Bangladesh Infiltrators Said To Head for Delhi (THE STATESMAN, 20 Feb 86).....	60
Analyst Notes Issues, Problems Between India and ROK (G. K. Reddy; THE HINDU, 22 Feb 86).....	62
Importance of CPSU Congress to India Described (Tapan Das; PATRIOT, 25 Feb 86).....	63
Bhagat Says Talks With Pakistan Postponed Until May (THE TIMES OF INDIA, 24 Feb 86).....	65
Bhagat: India, Pakistan Differ on Treaty Perspective (PATRIOT, 27 Feb 86).....	66
Pakistan Said To Whip Up Anti-Indian Terror (G. K. Reddy; THE HINDU, 25 Feb 86).....	67
Punjab Committee Urge Center To Seal Pakistan Border (THE TIMES OF INDIA, 27 Feb 86).....	68
Gandhi, Panel Discuss Problems of Public Sector (THE TIMES OF INDIA, 13 Feb 86).....	69
Rajiv Reportedly Wants Closer Ties With Congress MP's (G. K. Reddy; THE HINDU, 20 Feb 86).....	70
Papers Report, Comment on Singh Speech to Parliament (PATRIOT, 21 Feb 86; THE HINDU, 21 Feb 86).....	71
Text of Speech	71
MP's Reaction Reported, by G. K. Reddy	76
CPI Debates Participation in Price Rise Agitation (THE STATESMAN, 22 Feb 86).....	78
Report on Rajiv Gandhi Interview With BLITZ (THE TIMES OF INDIA, 26 Feb 86).....	79
Minister Quits Cabinet Over Muslim Bill (THE TELEGRAPH, 27 Feb 86).....	80
Papers Report on Appeals by Convicted Gandhi Assassins (THE TIMES OF INDIA, 20, 25 Feb 86).....	81
Report on Content	81
Appeals Admitted	82

Tribunal on Ravi-Beas Waters Claims Formed (THE SUNDAY STATESMAN, 26 Jan 86).....	83
Statistical Office Estimates 1984-85 National Income (THE TELEGRAPH, 29 Jan 86).....	84
Paper Reports Contents of TNV Charter for Negotiations (THE STATESMAN, 30 Jan 86).....	86
Exodus of Tribals Reported as Tripura Crops Fail (THE TIMES OF INDIA, 14 Feb 86).....	87
Trade, Economic Relations Discussed With Indonesia (PATRIOT, 24 Feb 86).....	88
Trade and Payments Agreement Signed With Poland (THE TELEGRAPH, 24 Feb 86).....	89
Papers Report Details of Pre-Budget Economic Survey (THE STATESMAN, 26 Feb 86; THE HINDU, 26 Feb 86).....	90
Price Increases, Importance of Industry	90
Successful Start to Plan	94
Briefs	
Japanese Assistance Agreement	99
Raj Narain Ill	99
Jagnivan Ram Illness	100
CPI Secretariat Meeting	100
Indo-Soviet Academic Cooperation	100
Meghalaya Party Dissolved	100
Rajasthan Ministers Resign	101
Navy Leadership Reshuffled	101
Higher Industrial Output	101
Indo-Soviet Joint Ventures	101
Nagaland Minister Dies	101
New Ambassadors Named	102
Trade Union's Plea	102
Support for Aquino	102
Eastern Naval Command	102
Consulates in UK	103
Deficit With EEC	103

AFGHANISTAN

PROJECT PROVIDES HOUSING FOR LOW INCOME CITIZENS

Kabul KABUL NEW TIMES in English 21 Jan 86 p 4

[Text]

KABUL, (BIA)—

Along with other measures taken by our revolutionary party and the state for the welfare and prosperity of the people in various parts of our country, the provision of shelter has received the local point of attention.

Accordingly the Nawabad-e-Pul-e-Charkhi project has been worked out to provide housing for those citizens who cannot afford to buy land and build houses within the master plan area of Kabul city. The project, when completed, will provide housing for the citizens at the lowest possible price.

According to Khair Mohammad Kargar, Vice-president of the executive committee of the People's Deputies' Jirgah (Council) of Kabul city for construction affairs, Nawabad-e-Pul-e-Charkhi project covers an area of 877 hectares of land and is planned to provide housing for over 85,000 people.

The project consists of a total of 13,211 land plots, each covering an area of three hundred square meters.

The project is located

13 kilometers from the centre of the city and is linked with it by a highway.

Kargar added that so far, a great number of Kabul citizens have applied individually or collectively through the institutions in which they work to the executive committee of the people's Jirgah of Kabul city and have obtained the lands for housing.

Besides, the Department of Construction Enterprise of the committee, in order to solve the housing problems of its workers and employees, has already started to build houses in an area covering 300 plots of land.

The department has provided all facilities for its workers and employees and will continue to do so in future too.

The vice-president of the construction affairs said that the workers and government employees who cannot afford to pay the prices of the lands at once, are given the choice to pay in installments,

provided the institutions in which they work guarantee.

In order to speed up the process and completion of the project, the construction raw materials, most of which will be produced locally, are to be provided at reasonable prices for the clients.

In the above project, public utilities such as schools kindergartens, mosques, polyclinics, banks, public paths, athletic gymnasiums, recreational facilities, administrative buildings, pharmacies, first aid centres, supermarkets, libraries, shops, work-shops, food-stuffs cooperatives etc. are planned in accordance with the city planning norms.

Water supply for the project will be provided by sinking deep wells. In the future, according to the master plan of Kabul city, the water supply network of the project will be provided from the water course of Logar river.

AFGHANISTAN

PAPER REPORTS 120 MUJAHIDIN 'MARTYRED' IN 2 OPERATIONS

Tehran KAYHAN INTERNATIONAL in English 29 Jan 86 pp 1-2

[Text]

NEW DELHI, Jan. 28 (Dispatches) — Soviet and Afghan government forces backed by jets martyred more than 120 Mujahideen in two operations in eastern and western Afghanistan, a western diplomat said Tuesday.

In eastern Nangarhar Province, Soviet forces and their Afghan allies launched a four-day sweep on Jan. 17 to stop Muslim guerrillas from attacking Afghan military posts near Jalalabad City, about 100 miles (160 km) southeast of Kabul, the diplomat said.

The Soviets employed "jets and 400 military vehicles" during the drive, the diplomat told reporters on condition he not be named.

There was no way to confirm the report independently since western reporters rarely have been allowed into Afghanistan since the December 1979 Soviet invasion.

The Soviets entered Afghanistan to back the communist government of President Babrak Karmal against an insurgency by Muslim guerrillas. There are currently an estimated 150,000 Soviet troops in the country.

"Six tanks, two helicopters and one jet were destroyed," the diplomat said, quoting

information from Mujahideen sources on the offensive near Jalalabad. "But 114 Mujahideen were martyred or wounded and many civilians affected."

Before launching the attack, Soviet forces were deployed in the Kumar Valley north of Jalalabad to cut the Mujahideen's main escape and supply route from neighboring Pakistan, the diplomat said.

In an operation in western Herat Province, the diplomat said Soviet and Afghan government troops supported by air cover attacked Mujahideen positions near Herat City, about 420 miles (680 km) west of Kabul, the diplomat said.

He said 120 Mujahideen were martyred and 60 wounded in the attack, which occurred in late January.

Factional Fighting

In another development, a gunfight erupted on Jan. 20 in the office building of Afghan Prime Minister Sultan Ali Keshtmand and a little later an ambulance was seen entering the premises, the diplomat said.

It was not known if Keshtmand was in the building at the time.

The diplomat said the shooting apparently was

sparked by a factional struggle within the ruling People's Democratic Party of Afghanistan, but he could not say who was involved.

Quarrels between rival Afghan communist factions have previously sparked gunbattles inside the Arg Palace, where Karmal has his office.

Pak. Town Strafed

Meanwhile, Soviet-built military helicopters strafed a key Pakistani town near the Afghan border Monday, killing one person and injuring 18 others.

A senior government official in the Northwest Frontier Province capital of Peshawar said the attack by two Afghan army helicopters escorted by three jet fighters caused panic in the town of Parachinar, located about five miles (8 km) from the Afghan frontier.

The government official, who asked not to be named, said one person was killed and 18 wounded in the rocket attack on Parachinar, which lies on a key infiltration route into Afghanistan by anti-

Soviet insurgents and is a major stopover point for Pakistan-bound Afghan refugees.

He said the attack on Parachinar, 155 miles (250 km) west of Islamabad and 80 miles (128 km) south of Peshawar, was the first time Afghan aircraft had hit a town of that size and importance.

A resident of Parachinar, Yusuf Husain, said in a telephone interview that Pakistani anti-aircraft guns repeatedly fired at the helicopters and jet fighters but missed their targets.

Military Post Captured

Meanwhile Agency Afghan press from London said that Harkat-e-Inqilab-e-Islami Mujahideen in Faryab attacked a military post in Daulatabad recently, capturing the post commander Muhammad Ishaq along four of his colleagues.

The AAP report said that 40 Karmal troops stationed at the post defected to the Mujahideen while two Mujahids were martyred and three were injured.

/9274
CSO: 4600/239

BANGLADESH

ENVOY BRIEFS PRESS ON SOVIET INITIATIVES, AID

Dhaka THE BANGLADESH OBSERVER in English 7 Feb 86 p 12

[Text]

The Soviet Ambassador to Bangladesh, Mr. V.G. Bellaev, said that the Soviet peace proposal as detailed by Mikhail Gorbachev in his statement on January 15 aimed at complete elimination of nuclear weapons from the world and to free people from the fear of utter destruction.

Speaking to newsmen at a Press briefing session held at Soviet Embassy Club on Wednesday the Soviet ambassador has outlined the long-term programme and strategy of Soviet peace initiative at three stages.

In replying to a question of the presence of Soviet troops in Afghanistan, the Soviet ambassador told that Soviet troops were sent there on the request of the Afghan Government to safeguard its independence and sovereignty from the aggression of imperialist countries on the basis of a mutual agreement signed between the two countries in 1974.

Speaking about the bilateral relations between Bangladesh

and the USSR the Soviet envoy said that the Soviet government continued to assist Bangladesh in her economic development programmes particularly in the field of generation of power to feed the increasing demand of industries and expanding agriculture. He said that several thermal power plants with a total generating capacity of 740 megawatt are being set up at Ghorasal in collaboration with the Soviet government. He also disclosed that the Soviet government was eager to assist Bangladesh in constructing a bridge over the river Rupsa at Khulna connecting Chalna port with the rest of Bangladesh. Regarding bilateral trade between the two countries, the Soviet ambassador told that besides traditional items like jute and jute goods, the USSR is also trying to expand her trade on non-traditional items like garments from Bangladesh in order to improve and widen the trade between the two countries.

/9274

CSO: 4600/1491

BANGLADESH

POLITICAL LEADERS PROTEST SOVIET ENVOY'S REMARKS

Dhaka THE NEW NATION in English 7 Feb 86 pp 1, 8

[Text] Five central leaders of Jatiya Party and Hindu Kalyan Samity president in two separate statements issued yesterday protested against certain remarks of Soviet Ambassador in Bangladesh Mr V. G. Beliaev at the press conference addressed by him on Wednesday.

Jatiya Party leaders Mahabubul Huq Dulan, Shamsuzzaman Mintu, Nazimuddin Al Azad, Shamim Al Mamun and Golam Sarwar Milan in a joint statement described as indecent a remark of the Ambassador that the Bangladeshis had forgotten Soviet role in 1971.

Denouncing a remark of the Soviet Ambassador about the media of Bangladesh he said that it was undesirable since there were news and criticisms in the media regarding both the superpowers. The USA also comes under criticism here, they added.

They said, our media believe in democratic norms and do not carry "communist advertisements" like the Soviet media.

They said that the gratefulness for assistance could not be shown by compromising independence and sovereignty of the country.

They said that some foreign powers which had become active after independence of Bangladesh to establish influence here by playing up their assistance in the war of independence of Bangladesh were still trying to block the establishment of an elected government with the help of their local agents.

The Jatiya Party leaders urged the people not to be misled by any quarter.

They said, "comparing the Rajakars of 1971 with the valiant mujaheeds of Afghanistan the Soviet Ambassador has virtually exposed his country's role in this region."

They said the people of the country could force the hegemonist forces to abandon their design to install an Afghan-style puppet government in this country.

Bangladesh Hindu Kalyan Samity president Sree Rana Dewanjee in a statement said that the people of Bangladesh would remember with deep gratitude the Soviet assistance given in 1971, but they would not also forget the un-diplomatic attitude of the Soviet Union towards Bangladesh after its independence.

BANGLADESH

PAPERS REPORT, COMMENT ON EEC COMMISSIONER'S VISIT

6 Feb Press Conference

Dhaka THE BANGLADESH OBSERVER in English 7 Feb 86 pp 1, 12

[Text]

The visiting European Economic Community Commissioner Mr. Claude Cheysson said despair among the youths in the countries of the South would disrupt world peace and stability.

Mr. Cheysson was addressing a crowded Press conference at the state guest house on Thursday evening. He is also a member of the Commission of European Communities for North-South relations.

He viewed that world tension might mount following miseries in the Third World countries. He, therefore, felt that all should be united to find out concessional finance for the developing countries particularly for the LDCs. He said IDA should give priority to LDCs. He also stressed the need for increasing the Official Development Assistance (ODA) by the developed countries and told a questioner that only two or three countries of the community had reached the ODA level of 0.7 per cent.

Stabex to operate from this year

Mr. Cheysson said that the Stabex facility to compensate the fall in export prices of jute tea and leather would be operational for Bangladesh from the current year. He informed that the decision in this regard was taken in mid '85 and the relevant documents to finalise the technical formalities would be made available to Bangladesh in next few days. He assured

all possible help for Bangladesh and SAARC countries.

Regarding Stabex, Mr. Cheysson said that the facility was in no way a substitute for commodity prices. He made it clear that the facility extended to least developed countries was like an insurance scheme covering risks against fall in export prices and market and production disruptions. Bangladesh, as one of the least developed countries would largely gain from the scheme in getting hard currency compensation and could pass on the benefit to the growers. He made a reference to the fall in tea prices last year and said if the scheme were in force, Bangladesh would have got eight million dollars as price fall compensation. Mr. Cheysson informed that the Stabex facility would also be extended to Nepal, Bhutan and Haiti.

Giving his impression about Bangladesh the EEC Commissioner said the people are hard working and the EEC is deeply involved in the development process of Bangladesh. He was impressed to see the seed development project in Sreepur and told the newsmen that he would go to Madhupur today (Friday) to see the seed development scheme of BADC.

Earlier, introducing Mr. Cheysson the Bangladesh Finance Adviser Mr. M. Sayeduzzaman said that during the talks his side gave the clear picture about the economic difficulties faced by Bangladesh since independence. Two sides also reviewed the bilateral relations and identified new areas of

cooperation. Mr. Sayeduzzaman informed that the EEC would help Bangladesh in attaining food autarky and improving agricultural productivity. Two sides also discussed the trade opportunities between Bangladesh and the biggest trade group EEC. He also informed that EEC had assured Bangladesh as well as other developing countries of help in getting concessional assistance from multinational financial institutions.

Three accords signed

Earlier on the day, the EEC Commissioner and the Bangladesh Finance Adviser signed three agreements. The agreements were in the areas of food aid cereal seeds and cotton development. Food aid under the 1985 Community Budget will consist of 1,40,000 tons of wheat and 1,000 tons of vegetable oil. The major portion of the sale proceeds of these commodities will be used as counterpart funds for rural development. The EEC would also provide assistance for development of improved cereal seeds that had to be imported in the past. The community will also finance cotton development in the country.

Mr. Cheysson hoped that the food aid provided to Bangladesh would be used for attaining self-sufficiency in food production. He stressed the need for developing quality seed and extending irrigation facilities to the farmers to increase productivity and develop infrastructure.

Regarding the quota on textiles Mr. Cheysson told a ques

tioner that the inclusion of Spain and Portugal in the EEC would not change the basic structure of the textile industry in the community. He said the community is to import 48 per cent of its textile requirements.

Concern over high US interest rates

Mr Cheysson expressed grave concern over the high rate of interest in the United States and called upon all to persuade the U.S to bring down the rate of interest for the benefit of all. He said if the growth in rest of the world drops due to high rate of interest the United States will suffer. He said "we don't create pressure on the U.S but urge them to bring down the interest rate". He said, "the developed countries should understand that if there is no growth elsewhere, there will be no growth at home".

Replying to a question on the EEC's help for the South Asian Association for Regional Cooperation (SAARC) Mr Cheysson said the areas should be identified by the association itself. He, however, felt that the research-oriented programmes for the benefit of all member countries of the SAARC should be taken up and the EEC would extend all-out help for such re-

gional groups.

Welcoming formation of the SAARC Mr Cheysson who was the Foreign Minister of France, said formation of the association would hopefully reduce tension in the area. He said France, which fought wars with Germany and Britain were working harmoniously for common interest under the umbrella of the EEC. He said the EEC is having good political and economic relations with ASEAN too.

Replying to question on political relations with Bangladesh Mr Cheysson said both his community and Bangladesh have common concern for Iran-Iraq war, recognition of the legitimate rights of the Palestinians, the Soviet occupation of Afghanistan and Vietnamese occupation of Kampuchea. He regretted that due to Vietnamese occupation of Kampuchea entire Indo-China was cut off from the rest of the world.

Regarding the EEC sanctions on South Africa to discourage the apartheid policy of Botha Government Mr Cheysson said the community would do every thing to wipe out racism from the world. We must make the world a peaceful abode for our grandchildren. He said the community is extending help to the blacks in South Africa for meeting their legal and other expenses.

EEC, SAARC Cooperation

Dhaka THE BANGLADESH TIMES in English 8 Feb 86 p 5

[Editorial]

[Text]

The European Commissioner for North-South Relations, Claude Cheysson, said on Thursday that the European Economic Community was ready to help the newly created South Asian Association for Regional Cooperation both technically and financially. This assurance of aid from modern history's oldest and most successful regional grouping has come when the SAARC is just two months old. Since the South Asian Cooperation comprising Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka was launched at a summit meeting in Dhaka last December, the EEC has been showing an avid interest in the growth of the regional forum.

Mr Cheysson at a news conference at the end of the five-day official visit to Bangladesh said that the EEC would be eager to assist any SAARC

labelled projects. He indicated that these could include regional scientific research programmes and training of personnel. The willingness of the EEC to assist regional groupings like the SAARC stems from the history of the European community itself. After the most deadliest Second World War in which 25 million people, mostly in Europe, had perished, the Europeans have realised the value of regional cooperation in building stronger political links and stability. "Since we have benefited from regional cooperation in the EEC we would support similar cooperative efforts in other parts of the world," Mr Cheysson said.

Bangladesh which had initiated the SAARC believes that through structured regional cooperation, bilateral differences in South Asia will be narrowed and a healthy climate for stable relations created. The SAARC has identified nine areas of cooperation ranging from agriculture to telecommunications, but the top leaders of the seven countries have expressed hopes that new areas will be included soon. As the SAARC grows, its avenues for cooperation with the EEC will also increase and will soon reach the level of cooperation that the European Community has with the ASEAN nations.

On a bilateral plane, the EEC has attached importance to its ties with Bangladesh. Mr Cheysson who had met with President Ershad, Foreign Minister Humayun Rasheed Chowdhury and the Ministers for food, agriculture and irrigation, stressed that these ties should be further expanded. In detailed talks with Finance Adviser M. Syeduzzaman, Mr Cheysson indicated EEC's willingness to explore areas for joint ventures and for helping Bangladesh achieve self-sufficiency in food. The talks led to the signing of three agreements on Thursday in the areas of food aid, cereal seeds and cotton development involving about 15 million ECU.

Bangladesh is a beneficiary of the EEC programme of financial and technical assistance. The on going 16 development projects financed by the EEC account for 100 million dollars and this is in addition to a 25 million dollar food aid annually. In the case of trade, 25 per cent of Bangladesh's exports go to the EEC countries while the latter account for nearly 12 per cent of the imports. Bangladesh's exports of shrimps to the

Community's markets increased by about 35 per cent over that of 1984. Seafood now makes up for 12 per cent of the total exports to the EEC. In effect, the European Community is the largest trading partner of Bangladesh. It is not surprising that Bangladesh will be the first country in Asia to be included in the EEC export returns stabilisation scheme for primary commodities called the STABEX. Mr. Cheysson has indicated that the scheme could be made operative before the fall of 1986.

|/9274

CSO: 4600/1491

BANGLADESH

REPORTAGE ON QUOTA CONSULTATIONS WITH UNITED STATES

Garment Exporters Unhappy

Dhaka THE BANGLADESH OBSERVER in English 10 Feb 86 pp 1, 10

[Text]

The quota consultations between Bangladesh and the United States ended in Washington recently with United States agreeing to slightly raise the import quota of readymade garments from Bangladesh.

The Bangladesh delegation headed by Commerce Secretary Mr. A. B. M. Golam Mustafa is expected to return today (Monday) with the full details of the agreement. It is learnt from the exporters that the United States agreed to clear the distress cargo which was stranded following the imposition of quota the quantum of distress cargo is 160,000 dozens. These will be lifted by March next.

The import quota on all other categories has been increased slightly. The Exporters Association of readymade garments is not happy with the agreement. A source close to the Association said that the United States allowed the breathing space to many countries for about two to three years before imposing quota restrictions. But in case of Bangladesh which is the least developed country and the textile export to states is not even one per cent of the total import there faced the onslaught in the very first year of its development. The source said our negotiators should have pressed for at least one year's guarantee of free market in the states to save the nascent garment industry of Bangladesh.

Meanwhile, following the quota restrictions on readymade garments by the United States Canada, Britain and France thousands of workers have been thrown out of employment and large number of garment industries have been closed down. The workers of garment industry are agitating almost every

day in the city and elsewhere for protection of their employment. The garment industry source said unless the quota restrictions are eased it is impossible for them to run the industry.

The slight relaxation by the United States may improve the situation which will be very insignificant in the context of the present problem. The developed states should help the poor to survive, said a garment industry owner.

Garment workers' rally

Meanwhile employees of private owned industries including garment industries on Sunday brought out processions parading city streets to press home their seven-point demand. Sunday was the first day of their five-day strike programme to realise their demands.

The demands include fixation of salary at par with the minimum salary and benefits given to the workers of public sector industries by the National Wages Commission, stoppage of repressive measures and retrenchment.

There were isolated incidents of brick-battling in some of the city areas allegedly by the processionists. The incidents reportedly occurred at Elephant Road, Malibagh Kamalapur and Topkhana Road.

Later, they held a rally at Baltul Mukarram and called upon the authorities to accept their demand by February 21 failing which future course of action would be announced.

All the private garment industries in the city remained closed on the day.

Commerce Minister's Press Conference

Dhaka THE BANGLADESH OBSERVER in English 12 Feb 86 pp 1, 8

[Text]

The new two-year term, category-by-category Bangladesh-USA quota accord provides for exports of 40 lakh dozens of ready-made garments, covering seven items under it, per annum to the US market. This, according to a rough estimate, will represent a 100 per cent increase in the existing export trade volume, involving the particular items under the accord, to the USA.

The accord, signed in Washington on February 7 last following quota consultations between Bangladesh team led by Commerce Secretary Mr ABM Golam Mostafa and the US trade representative officials headed by Mr. Charles Carlisle, will remain in force till January 31, '88. Provision has been made for a six per cent automatic increase in quota levels for each related category in the second year of the accord which has been made effective from February 1 this year.

A total of over 1.60 lakh dozens of cotton shirts, lying at various points as embargoed cargo following the earlier imposition of quota on the same, will be allowed for entry to the US market and the entire quantum will be lifted for marketing in the USA by March 7 next. The volume of such embargoed cargo will be adjusted against the new agreed combined quota of synthetic and cotton shirts, on an equal annual basis during the period of the accord (1986-88).

Elaborating on the quotas for ready-made garments' categories under the accord, Commerce Secretary Mr. ABM Golam Mostafa told the newsmen at a Press conference at the Secretariat office of the Commerce Minister in Dhaka on Tuesday that it ensured "very very substantial gains" for Bangladesh in the context of growing protectionist sentiment particularly relating to Multi-Fibre Arrangement (MFA) in the USA. This was possible because of goodwill and understanding between the two sides, he added.

He pointed out that the quota for cotton trousers, shirts and shorts (categories 347 and 348) earlier agreed at 6,13,044 dozens, was raised under the new ac-

cord to 9.9 lakh dozens. There will be a combined quota in operation for synthetic shirts (category 640) and cotton shirts (category 340) at the level of 13 lakh dozens under the accord compared to earlier agreement about the quota on category 340 at 3.30 lakh dozens and the latest average annual trade figure at 2,37,569 for category 640, he added. The hold level at 84,010 dozens for women's coats and pants (category 335) under hitherto call notice has been raised to 1.10 lakh dozens. For cotton handgloves (category 331) and cotton ladies blouse (category 341), the quotas under the new accord, will be at 5.05 lakh and 11 lakh dozens respectively which are marginally higher than the current levels, as indicated by the latest trade figures, the Commerce Secretary noted.

Commerce Minister Kazi Zafar Ahmed told the newsmen at the Press conference that the new accord would provide greater relief and leeway for better operations of the country's ready-made garments industry which had been facing serious problems particularly after the adverse quota restrictions over the recent months. He noted that, the accord served the best interests of the country under the given set of circumstances and felt that efforts would now be needed to diversify the exports of garments industry, both direction-wise and item-wise. He stressed the need for healthy environment and understanding between the workers and the management in the garments industry sector. He pointed out that even the quotas on particular items in the UK and France could not be fulfilled last year. The US market also provides scope for export product diversification since only a few items out of a large number of US textile import categories are covered under the new quota accord, he stated.

Kazi Zafar said that a buyers sellers meet would soon be held in London to enable Bangladeshi exporters of ready-made garments to boost their export operations in the UK market. He stated that efforts were also being made by his ministry to export more garments from Bangladesh to the socialist

countries, the Middle East and other potential markets.

Meanwhile, Commerce Secretary Mr. ADM Golam Mostafa stated at the Press conference that the Bangladesh team, composed of the government officials and six representative from Bangladesh Readymade Garments Manufacturers and Exporters Association Dr. Kamal Hossain (as legal adviser to the Association) made a strong plea for special dispensation for Bangladesh as one of the least developed countries at the three day quota consultations from February 5 to 7 last in Washington. He felt that the response from the US side was quite positive and this, backed by political will at the highest level between the two sides, paved the way for the signing of the new accord on more favourable terms for Bangladesh compared to other similar accords signed by the USA with Indonesia, Nepal, Sri Lanka and other countries.

About the importance of the US market for Bangladesh garments industry in its present level and direction-wise export operations, the Commerce Secretary said that about 80 per cent of Bangladeshi garments' exports "go to the US market and in all, 17 categories of garments items from Bangladesh are now involved in such trade transactions". He felt that the new accord would enable Bangladesh to reach its position as the sixth largest exporter of readymade garments in all categories under quota or outside it to the US market after Hong Kong, Singapore, Taiwan, South Korea and China.

While making an assessment about the impact of the new Bangladesh-US quota accord on the operations in the existing operational garments' units in the country, the Commerce Secretary observed that the accord with its quota structure would by itself alone ensure six months productive operations for the units, provide opportunity for exports of about 8,500 to 10,000 dozens at the minimum by each of the unit to the US market and guarantee an average annual export earnings of about Taka 375 crore to the USA.

/9274

CSO: 4600/1495

BANGLADESH

REPORT ON FRG PRESIDENT'S AIRPORT PRESS CONFERENCE

Dhaka THE BANGLADESH OBSERVER in English 15 Feb 86 pp 1, 8

[Text]

West German President Dr. Richard Von Weizsaecker on Friday suggested institutionalisation of cooperation between SAARC, EEC and other regional cooperations to promote international peace. "It is possible and advisable to institutionalise global peace through regional cooperations," he said.

Addressing a crowded Press conference at the Press room of the VVIP lounge at Zia International Airport before leaving for Kuala Lumpur after a five-day state visit to Bangladesh, the FRG President lauded Dhaka's initiative in the launching of the seven-nation South Asian Association for Regional Cooperation (SAARC). He said that SAARC had greatly contributed to the concept of regional cooperation and it had helped the efforts for peace in South Asia. He advocated for an international peace policy to remove confrontation between the big and small countries.

The President of the Federal Republic of Germany said that one of the reasons for his state visit to Bangladesh, the first by an FRG President was to have a political dialogue with President Ershad as Bangladesh had grown into an important and stabilising voice not only in South Asia but also in other parts of the world. He appreciated the increased voice of Bangladesh in global situations. He termed the nomination of Bangladesh's Foreign Minister to the presidency of the United Nations General Assembly as a reflection of Dhaka's leadership and weight in world affairs.

The West German President assured President Ershad of his country's meaningful and sensible assistance to the economic development efforts in Bangladesh. Expressing his satisfaction over the utilisation of German

economic aid in Bangladesh, he said "the outlook of future help is satisfactory."

The FRG President said that Bangladesh had made impressive achievements in the field of economic development since its liberation in 1971 when most of her infrastructure was destroyed. He said that his country provided help and assistance to the energy, agriculture, family planning and other infrastructure development in the post-liberation Bangladesh. In this regard he mentioned about the German-aided Ashuganj thermal power station that had been running for the last 15 years without any impediment.

President Weizsaecker believed that the overall economic development of Bangladesh was linked with its social development process. Turning to President Ershad who was sitting beside him, the West German President said "your publicised announcement to move to democracy will not only help the political stability but also the social development process."

In reply to a question on disarmament, the West German President asserted that the wealth and resources of this earth should not be used for arms but for the welfare of the human beings. He, however, observed "we can not expect to turn the world into an armless paradise tomorrow even we start

Asked to comment on the Soviet proposal to eliminate the nuclear arms by the end of this century, the FRG President said "we are on a process of a new dialogue between the two super powers, the first round of which has already been held in Geneva". He believed that this dialogue could and should lead to disarmament.

President Weizsaecker said "You here and we in the centre of Europe will be equally affected by the nuclear threat". He cautioned "we are now talking about

chemical and nuclear weapons but we should not forget about the conventional weapons in disarmament".

On the prospect of North-South dialogue, the West German President said "it should not only remain a dialogue but should turn into a bundle of actions". He said that his country believed in open market concept and he observed that the on-going development process on self-help basis in the south could contribute to the expansion of market in the north.

When the West German President requested his Bangladesh counterpart to give his comments at the Press conference, President Ershad said that he had very fruitful discussions with President Weizsaecker on international and regional issues. He said that he was happy with the West German President's assurance of help and assistance to Bangladesh in future. Reciprocating the wish of his guest, President Ershad said that Bangladesh would contribute to world peace.

Later, President Ershad gave the West German President a warm send off at the airport. President Weizsaecker was accorded a Guard of Honour before he boarded his special aircraft of the West German Airforce. A 21-gun salute heralded the end of the five-day state visit of the West German President when he started to climb the ramp of his plane.

Deputy Chief Martial Law Administrators Rear Admiral Sultan Ahmed and Air Vice Marshal Sultan Mahmood, members of the cabinet, heads of diplomatic missions and high ranking civil and military officials were present at the airport to see off the West German President.

/9274

CSO: 4600/149

BANGLADESH

PAPERS REPORT ON PROBLEMS IN INDIAN BORDER AREA

Thousands Reported Evicted

Dhaka THE BANGLADESH OBSERVER in English 20 Feb 86 p 1

[Text]

RANGPUR, Feb. 19:—Indians are executing deep-rooted plans to grab Dahagram and Angorpota enclaves permanently.

According to information received from these besieged enclaves, Indian villagers forcibly took possession of dozen of chars few months back from the enclave people who are the owners of these lands over a hundred years.

The chars included Nasimerchar, Jamalerchar, Paserchar, Tahererchar, Shamsher, Masteterchar, Panchkurirchar, Dewanirchar, Moksud, Dewanirchar, Pinchimerchar. Indians had evicted these enclave people from their ancestral homes of these chars and settled themselves permanently.

In the meantime Indian Border Security Force (BSF) erected

at least 15 camps around Dahagram and Angorpota enclaves. These BSF camps are under direct control of three BSF company headquarters namely Votbari Company headquarters, Tin Bigha Company headquarters and Dhaprahat Company headquarters.

Several hundred BSF jawans posted in these camps have let loose reign of terror on these enclave people, it is learnt. According to an allegation BSF personnel are forcibly taking away fowls, goats, rice, fire woods and other goods from inside the enclaves. Sometimes BSF at gun point forced enclave people to carry those goods to their camps.

Besides, these Indian citizens aided by BSF compelled enclave people to pay a huge amount as subscriptions for different Hindu festivals.

An embankment constructed within Indian territory in the western side of Dahagram enclave only to direct the flow of river waters towards the enclave so that it could be washed away by the onrush of river water. On the other hand, Indians started purchasing enclave people's land at high prices in view of establishing their rights there.

Looting, theft and other crimes in the enclaves by Indian miscreants made life of the people unbearable. Large scale death due to starvation and want of medical aids were also reported from inside the enclaves.

Political Leaders Protest

Dhaka THE BANGLADESH TIMES in English 21 Feb 86 pp 1, 8

[Text]

Leaders of a number of political parties in separate press statements on Thursday expressed their concern over the creation of disturbances in the Angorpota and Dahagram enclaves by Indian nationals and called for mobilising public opinion in this regard.

Al-Haj Mohammad Zamir Ali Secretary General, Bangladesh Muslim League (Huda) condemned the activities of Indian nationals in those two enclaves and the recent occupation of 12 islets. He alleged that the Government remained unconcerned about it, and called for creation of public opinion by being imbued with the spirit of the Language Movement.

Gazi Shahidullah Chairman of Bhaehani NAP, in a similar statement protested against the oppressive activities of Indians on the residents of Angorpota and Dahagram and said this was the outcome of the failure on India's part to hand over the Tin Bigha corridor to Bangladesh.

He demanded immediate return of the occupied islets to the inhabitants of the enclaves, and protested against what he termed a weak policy of the Government in this regard.

Messrs Shafiqul Alam Prodhan President and Anisur Rahman, General Secretary, Jatiya Gonotantrik Priti, in a joint press statement termed the incident as an expression of expansionist mentality, and said such activities were fuelled by a policy of appeasement.

They urged the people to be vocal about this and called upon the Government to raise the issue at international forums including the SAARC.

Lt Col (Retd) Shahriar Rashid Khan President and Mr Waiduzzaman General Secretary of Pragatishil Gonotantrik Shakti in a joint press statement termed the incidents as attacks on the independence and sovereignty of Bangladesh, and an outcome of the policy of appeasement.

Problems With Demarcation

Dhaka THE BANGLADESH TIMES in English 26 Feb 86 pp 1, 8

[Article by Abdus Shahed]

[Text]

RANGPUR, Feb. 25: Fates of 10,000 people of two enclaves of Dahagram and Angorpota, under blockade by Indians for the past two weeks are unknown.

Inhabitants who fled the enclaves just as the blockade was imposed said these people depend on mainland Bangladesh for everything—food, clothing and medicine—and they cannot procure them from the Indian side.

"Their suffering must have reached unbearable stage" said

one inhabitant of Angorpota who arrived here this week.

The blockade was imposed by the so-called Tin Bigha Sangram Committee with a view to grabbing the enclaves-along with newly emerged charland.

The committee, for unknown reasons, opposed the survey work for demarcation of the Tin Bigha and India-Bangladesh border near the enclaves which started under an agreement between two countries.

The work was stopped just after posting the first demarcation pole.

The demarcation work started at 9 a.m. on January 28 this year from Bangladesh sub-pillar No. 3 and Indian Fulkata Mouja No. 101. A bamboo pole was placed at the starting point. The Deputy Commissioner Coochbihar, S.D.O. Mekliganj and BSF Captain on Indian side and four members of Bangladesh survey team were present at this time. The programme was suspended after the first point was decided.

The first bamboo pole which was posted on the first day was taken away by the group of Indian citizens after half-an-hour of its posting.

On January 29 when the survey team of India and Bangladesh started working again, few hundreds Indian citizens started chanting slogans go-

back survey team. The survey team came back after they had felt insecure.

Meanwhile members of Dhaprahat Sangram Committee started instigating the people of enclaves to opt for India. One Abdul Majid from enclaves was asked to go to India territory with some day labours for jobs. He went to Mekliganj on February 3. One Narudatta of Mekliganj threatened Abdul Majid that if the enclaves habitants did not want to join India they will be forced to die without food and necessary commodities.

The enclaves inhabitants are in dire need of medicine. Female education has been stopped owing to want of educational institutions. The male ones are somehow managing to

cross the border and getting their education in Bangladesh mainland.

According to allegation, Indians are executing deep-rooted plans to grab dozens of char which were under enclaves people for over one hundred years back. These are Nasirer Char, Jamal Char, Baser Char, Taherer Char, Shamsur Msterer Char.

Indians had uprooted enclaves people from their ancestral homes of these char, and are settling themselves permanently.

The situation at the enclaves really tense with the 9 BSF camps around the enclaves.

The BSF is trying to set up two more camps one at the west side Angorpota and another Napithpara.

Indian Police Barricade

Dhaka THE NEW NATION in English 26 Feb 86 p 1

[Text]

RANGPUR, Feb 25, : The Indian Border Security Force (BSF) continued its oppression on the Bangladesh people living in isolation in the two enclaves-Dahagram and Angorpota since 15 BSF camps were set up all around recently.

The BSF arrested 17 people of the enclaves on February 17 last while they were going to a nearby market Makligonj Bazar on the Indian side for buying essential goods and sent all of them to jail after 24 hours detention in the camps.

According to delayed reports reaching here from the enclaves, the 15,000 Bangladesh nationals of Dahagram and Angorpota have been confined there from all the four sides by the BSF and are not allowed to come to the Bangladesh mainland.

The enclaves people have been subjected to torture and harassment by the BSF since tight security barricade was put up by the BSF from all sides.

The reports say the helpless people in the enclaves have been facing 'almost starvation situation' in the two enclaves as they are not allowed to move

out for buying food, medicine and other essentials.

The Indian government has not yet handed over the 'Tin Bigha' corridor to Bangladesh despite clear provisions made in the 1974 Indo-Bangladesh Land Boundary Agreement signed by the two late prime ministers—Sheikh Mujibur Rahman and Mrs Indira Gandhi and again in 1982 agreement signed by President and CMLA Lt. General H. M. Ershad and late Mrs. Gandhi.

The Indian BSF also defied even the local agreement reached by the districts administrations of Rangpur in Bangladesh and of Coochbihar in India for providing marketing facilities and other emergencies to the enclaves' people in the nearby Indian markets.

The Indian side also did not pay heed to any requests made by the Bangladesh side for the use of the corridor facilities to either the administration or to the people living there in isolation.

It could not be confirmed when the arrested people would be released.

Implementation of Accord Urged

JPRS-NEA-86-040
31 March 1986

Dhaka THE NEW NATION in English 9 Feb 86 p 5

[Editorial]

[Text]

Signs of improvement in Indo-Bangladesh relations have been quite clear for some time now. Indeed, the process of an improved atmosphere for creating better understanding between these two neighbouring countries after having gone through considerable strains got a fresh momentum with Rajiv Gandhi's coming into power. Although the new prime minister had to concentrate most of his time and energy to more pressing domestic issues, he however did not neglect some outstanding matters that are bilateral in nature but come within the purview of his government's foreign policy. Some agreements with most of the neighbouring countries, including Bangladesh and Pakistan have been signed; a few of those providing scope for further discussions so that the problems can be addressed adequately for amicable solution.

While these are most welcome moves, the Indian government however gives us certain reasons for misgivings about its intention as to the future of Tin Bigha corridor. A series of incidents undermining the sovereign rights of the people of the two enclaves, Angarpota and Dahagram; and causing them and at least two survey teams of the country grave insults and sufferings (an incident of attack on a survey team took place only recently) bring forth the reality of a lack of insistence to honour an obligation that is long over due on the part of the administration of New Delhi.

Indian Press has also time and again drawn the government's attention to the issue suggesting the need to fulfil the commitment made by it under the Indo-Bangladesh border agreement entered into by Indira Gandhi with Mujibur Rahman in 1974 and renewed with H. M. Ershad in 1982.

Here we contribute to the considerate opinion expressed by our sister Press in India only by saying that happily the government there has at long last agreed to include Nepal in the Ganges talks which we had so long

been insisting upon and it was rejecting with equal insistence. In case of the corridor linking Dahagram and Angarpota with the mainland, there is perhaps no scope for reviewing the agreement since Bangladesh unilaterally implemented the same regarding Berubari more than a decade ago. The legal and other considerations that have so far held up the transfer of Tin Bigha to Bangladesh are moves quite ingenious though, they could certainly be avoided if only the central government chose to take up the matter as seriously as it needed. The stalemate is no doubt unfortunate.

The harassment, torture and sufferings Bangladeshi nationals—those living in the enclaves and others paying visit there for various purposes—are subjected to at different times now call for an immediate implementation of the accord by the side that has so long failed to oblige the same. Even if the fulfilment of the commitment was not mandatory, considerations other than purely political ones should have been enough to persuade the New Delhi government to come forward with a solution of the problem. Such problems do have a bearing on the overall relations between two states. This and other problems like the expulsion of so-called Bangladeshis from Assam, we believe, can be solved if only those are approached in a spirit that was noticed during the SAARC summit in Dhaka. The sooner such problems are addressed the better.

THE RAT MENACE

Rats, the tiny but immensely destructive species of the rodent family, are becoming a real challenge both in the international and our own national context. Interestingly, the ratio between the humans and the rats both in Bangladesh and in the world is almost at par. Total number of rats in Bangladesh is learnt to be seven crore, while the world's rat population is three hundred and fifty crore. According to expert opinion the ratio may further deteriorate, that is, if positive measures are not taken very soon rats may overtake human population. They have terrific power to multiply. It is heard a couple of rats can grow into one thousand a year.

The damage that is already being done by the present strength of rats is much too alarming as it is. Available statistics show that the quantum of food that is eaten away each year by rats in Bangladesh could satisfy the hunger of one crore humans. Vermins including rats, according to another source, destroy food crops worth six hundred and forty crore taka each year in our country. Rats alone eat wheat and paddy worth fifty crore taka. They destroy three-four times more than they eat. The food that is spoiled by rats all over the world, would have adequately met the need of one hundred crore people. Not only they eat food—they are a menace in many other ways including causing plague and jaundice.

It is inspiring that rat killing programme has once again been taken up at national level. The programme started on February 1 and will continue till March 15. We know last year too a programme of rat killing was taken up. It was indeed so grand a programme that it seemed Hamelin was going to be re-enacted. Under the Bangladesh-German Plant Protection Programme, instructional leaflets, posters and brochures were distributed among the farmers, and the zonal and upazila level staff and block supervisors. Besides, a rat-tail collection campaign was held nationwide with prize money involving about taka two lakh. Advertisements and special articles on rats and their control appeared in newspapers and journals. How many tails were collected after all this rod montade is not known. We see no visible change.

There is no point wasting money, energy and time on a programme not seriously carried out. We hope we have taken lesson from last year's experience and will behave accordingly this time. Although the problem has been taken at national level, the individuals have a lot to do. Last year an angry farmer in West Java had hanged one hundred and fifty rats one after another. This capital punishment he awarded to the rats because, in his judgement they had committed the worst kind of crime by bringing down his per hectare yield of paddy from eight to three

tons. The angry farmer in Java could kill one hundred and fifty rats all by himself. If each of us could have killed one on average, the country which is deplorably a food-deficit one could get rid of rats as well as hunger. Shouldn't we be emulating the Javanese farmer even if for sheer survival's sake?

/9274

CSO: 4600/1502

BANGLADESH

REPORTAGE ON JOINT COMMISSION MEETING WITH EGYPT

Special Trading Arrangement

Dhaka THE BANGLADESH OBSERVER in English 21 Feb 86 p 1

[Text] Bangladesh and Egypt are expected to attain a trade turnover of about 50 million U.S. dollars during 1986 under agreements reached in Dhaka on Thursday, says BSS.

The two countries which signed an agreement minutes at the end of the fifth session of joint commission on trade and concluded a Special Trading Arrangement (STA) hoped that the turnover will be over sixty per cent to the existing level of about 30 million dollars. Both sides identified potential items of exchange between them to boost two-way trade.

Under the STA, Trading Corporation of Bangladesh (TCB) and Misr Import and Export Company will exchange mutually identified commodities worth 10 million dollars each way during 1986. It was agreed that exchange of commodities under STA will be in addition to the existing volume of trade between the two countries. Egypt is the second country after Malaysia with whom Bangladesh has entered with such Trading Arrangement (STA).

Commerce Secretary A. B. M. Ghulam Mostafa and Dr Hassan Kamal Hassanein, First Under Secretary, Ministry of Economy and Foreign Trade and leader of the Egyptian trade delegation signed the agreed minutes on behalf of their respective governments Mr. Helmi Ata, Vice-Chairman of Misr Import and Export Co. and Mr A. S. A. Nur Director TCB initialled the STA.

Further Details, Significance

Dhaka THE BANGLADESH TIMES in English 20 Feb 86 p 5

[Editorial]

[Text]

Trade ties between Egypt and Bangladesh have got a new boost as senior officials of the two countries conducted a review of bilateral relations in the commercial sector. This review took place under the

auspices of the Bangladesh-Egypt joint commission which had its fifth session in Dhaka this week.

Bangladesh and Egypt are natural trading partners because of the nature of their economies and the kind of products the two countries traditionally export. Officials here in Dhaka have said that Egypt's total requirements of jute goods can be met by Bangladesh's jute industries. At the same time, Bangladesh can import raw cotton, cotton yarn and pig iron from Cairo. In effect, the visiting Assistant Minister of Trade Mr Hassan Kamal Hassanein said that Cairo was keen on expanding trade relation with Bangladesh. Currently, the two countries trade about 30 million dollars worth of goods each way, but a direct outcome of the bilateral talks is that the total imports would now increase to fifty million dollars.

New goods are to be added to the list of the exportables from Bangladesh apart from the traditional items like tea and leather. Some of the possibilities that have been discussed are electric cables and turmeric. A more significant aspect of the current joint commission talks is the new bridge that has been built between the trading and industrial communities in Bangladesh and Egyptian trade circles. This should lead to more heightened contacts both at the organisational level and on an individual scale. Undeniably, such contacts will act as catalysts for bolstering trade ties between the two friendly countries.

Mr Hassanein had talks with senior government officials in Dhaka including the Commerce Secretary and had also frank discussions with the leaders of the chambers of commerce and industry in both Dhaka and Chittagong. One of the issues that came up for discussion is the possibility of joint ventures between the private industrial entrepreneurs of the two countries. There is certainly a tremendous scope for setting up such joint ventures both in Egypt and Bangladesh. What has been lacking so far is a proper linkage between the interest groups in the two countries. One expects that a proper communication has now been set up through the bilateral talks in Dhaka.

The scope for expanding commercial and economic ties with Egypt stems from the traditional relations between the two ancient civilisations. There have been historical links, both economic and cultural, between Egypt and Bangladesh bringing the two peoples emotionally closer. It is upon the present day leaders of the two countries to fruitfully exploit the fund of goodwill that exist between the two peoples. The formation of an active joint commission which is meeting annually alternatively in Dhaka and Cairo is a manifestation of the desire of the two countries to do something meaningful with their historic bonds.

BANGLADESH

SRI LANKA TO GET DHAKA ASSISTANCE IN JUTE PROCESSING

Dhaka THE NEW NATION in English 21 Feb 86 pp 1, 8

[Text]

The agreed minutes of talks between Sri Lankan official jute delegation and Bangladesh delegation were signed at the Bangladesh Secretariat yesterday for the expansion of trade and strengthening of economic relations between the countries, reports BSS.

Mr S C Rajakaruna, Deputy Minister for Food Sri Lanka and Mr KM Rabbani Secretary Ministry of Jute and Textiles Bangladesh signed the minutes on behalf of their respective governments.

During the talks, the Bangladesh delegation offered to supply the total demand of jute goods of Sri Lanka and the latter agreed to consider the proposal.

Mr S C Rajakaruna expressed the desire to set up a mill in Sri Lanka for manufacturing jute bags with raw jute from Bangladesh. He also requested Bangladesh for technical assistance.

The Bangladesh delegation appreciated the idea and agreed to send a team of experts for feasibility study for the proposed mill

Both the delegations also agreed to explore newer avenues of trade between the two countries. Sri Lanka expressed her desire to import processed fish, potatoes, onions, stik yarn etc from Bangladesh. On the other hand, Bangladesh showed interest in importing various types of rubber products, quality tea and spices from Sri Lanka.

Mr S C Rajakaruna had a separate meeting with Agriculture Secretary Mr S A Mahmood at the Bangladesh Secretariat yesterday.

They discussed the developments achieved and the problems confronted by Bangladesh and Sri Lanka in the field of agriculture and forests.

The Sri Lankan High Commission in Bangladesh Mr Edwin Tillekeratne and Mr Mofazzal Karim Joint Secretary Ministry of Agriculture were also present on the occasion.

He also called on Minister for Local Government, Rural Development and Cooperatives Air Vice Marshal (Rtd) K M Aminul Islam at his secretariat office yesterday.

The discussed matters of bilateral interest.

/9274

CSO: 4600/1504

LABOR MINISTER MEETS WITH SAUDI VISITOR

Dhaka THE NEW NATION in English 21 Feb 86 pp 1, 8

[Text]

The visiting Saudi Arabian Deputy Minister for Labour, Mr. Ahmed H. Al-Yahya, yesterday concluded his talks with Bangladesh side over cooperation between two countries in the field of manpower import from this country.

"The visit will pave the way for strengthening the cooperation between the two countries," Labour Secretary Nurunnabi Chowdhury, who led the Bangladesh side in the talks told BSS yesterday.

The talks were intended to facilitate the migration of Bangladesh workers to Saudi Arabia. Two sides reviewed various problems that crop up time to time on both sides in the export of the manpower from Bangladesh.

"Both sides gave suggestions to further improve the procedures and the system so that the bottlenecks are removed", Mr. Chowdhury said.

Bangladesh expressed its willingness to send educated manpower in several fields like university teachers, particularly of English and science subjects, banking and insurance and shipping. The Saudi Minister said that there was no restriction on the import of different categories of manpower from Bangladesh although they have such restrictions about many other countries.

"Two sides also touched upon other issues and identified the areas to make the Bangladesh workers happy and comfortable in the places of working", said Mr Chowdhury.

The Saudi Minister, who arrived in Dhaka three days ago, leaves for home today at the end of his five-day visit.

Meanwhile, Mr Yahya yesterday morning called on DCMLA and Minister for Ports and Shipping Rear Admiral Sultan Ahmad at the naval headquarters. They discussed matters of mutual interest.

The DCMLA expressed the hope that the friendly ties between Bangladesh and Saudi Arabia would continue to be strengthened in the days ahead. He stressed the need for cooperation in the shipping and shipbuilding sectors between the two countries. The Saudi Ambassador to Bangladesh Mr Abdul Lateef Al-Maimanee was present.

Corazon

Contd. from page 1
nullifying the last one as a 'mockery of the high price people paid to produce a mandate for her.'

Marcos has appeared increasingly irritated with reports in the foreign media of alleged election fraud and at a barrage of accusations from the United States concerning himself and his family.

Salvador Britanico, Deputy Education Minister, told reporters today the United States was welcome to remove its military bases from the Philippines.

"The way these Americans have trampled on our dignity is insulting us all over the world. It is too much", he added.

The US Senate last night condemned the election as fraud and passed resolution by 81 to urging President Reagan to personally convey his concern to Marcos.

BANGLADESH

JOINT PIPE INDUSTRY VENTURE SIGNED WITH DENMARK.

Dhaka THE NEW NATION in English 7 Feb 86 pp 1, 8

[Text] A joint venture PVC (poly vinyl chloride) pipe industry in the private sector will be set up at Kanchpur near Dhaka under an agreement signed between Bangladesh and Denmark.

To be set up at an estimated cost of Taka 13.50 crore with a foreign exchange component of taka five crore, the project will be financed by the International Finance Corporation and the Danish Bank for Developing Countries. The PVC industry, a Joint entrepreneurship project of Associated Engineers and Drillers, Bangladesh Chemical Industries Corporation (BCIC) and the Industrial Promotion and Development Company will produce 3.5 thousand tons of PVC pipes of different sizes annually. Bangladesh's annual requirement of PVC pipes is five thousand tonnes while it can supply only one thousand tons. With the commissioning of the industry by the end of this year, an amount of taka six crore now being spent for import on such pipes will be saved annually.

The PVC pipes are used for water supply and sewage disposal, irrigation, water supply lines, shallow and hand tube-wells.

The agreement was signed by Danish Ambassador to Bangladesh Emo Clasen for the Danfs Development Bank for Developing Countries and Mr D. C. G. Per Plus, Managing Director, Wavin Overseas Limited and Mr Mosharraf Hussain, Chairman, Bangladesh Chemical Industries Corporation, Rashidul Hasan, Managing Director, IPDC and Mr Akbar Hossain, Managing Director, Associated Engineers and Drillers.

/9274
CSO: 4600/1492

31 March 1986

BANGLADESH

HASINA CHAIRS AWAMI LEAGUE WORKING COMMITTEE MEETING

Dhaka THE NEW NATION in English 11 Feb 86 pp 1, 8

[Text]

The two-day meeting of the Central Working Committee of Awami League concluded on Sunday alleging full implementation of the blue-print of a long-term design to alter the post-independence course of national economy by this government.

The meeting chaired by party chief Sheikh Hasina said that the banks and big industries were nationalised after independence of the country to pave the way for flourishing of non-capitalist economy, but the killing of the Bangabandhu on August 15 in 1975 had reversed his economic plans and programmes which had aimed at building an exploitation-free equilateral society in line with the pattern of a socialist economy.

The meeting further said that the process of disinvestment was initiated immediately after the killing of Bangabandhu, carried on subsequently and being completely implemented now under the present government.

It said that the governments after the August changeover of 1975 had created a capitalist class through consolidation of the bases of their "illegal power" and sold out the nationalised banks and big industries to this class at nominal values crippling the national economy of the country. On the other hand, scope had been created for the multi-national corporations to turn this land into their paradise at the prompting of the imperialist forces. Consequently, the nation-

nal economy has been facing complete bankruptcy, it added.

The meeting alleged that the donor agencies and countries had attempted to nakedly interfere in independence and sovereignty of the country in the name of aid.

In another resolution on the price-hike the meeting expressed concern at the 'unbridled' increase in prices of essentials. Dishonest businessmen and smugglers were active under the protective shield of those in power, it added.

The Working Committee of Awami League urged teachers, students, guardians, intellectuals and all conscious People to unitedly come forward to eradicate terrorism from the educational institutions.

Hailing the students of Dhaka University for their united efforts to free the campus from the grip of terrorists, it warned against any government move to close the university.

The meeting demanded release of student and political detainees and cancellation of the death sentence on noapara College Chhatra League leader Mohiuddin of Jessore.

It also demanded fair prices of agricultural produces and reduced prices of agricultural inputs for the sake of production.

It called for acceptance of the five-point demand of SKOP, 8-point demand of jute mill workers, 6-point demand of bank employees including reinstatement of the sacked bank employees and legitimate demands of other professional groups.

/9274

CSO: 4600/1494

BANGLADESH

SHEIKH HASINA ADDRESSES 15-PARTY RALLY

Dhaka THE BANGLADESH OBSERVER in English 25 Feb 86 pp 1, 14

[Text] Sheikh Hasina, chief of Bangladesh Awami League and leader of the 15-party alliance on Monday restated the alliance's firm determination to intensify the movement for the revival of the now dormant Jatiya Sangsad through an election under a neutral government.

She made it clear the alliance under no circumstances would join the elections under the present Government.

She called upon the donor countries to help restoration of an unalloyed and unfettered democracy in the country by stopping the flow of aid. [as published]

The 15-party alliance announced a month-long programme of action culminating in a country wide bundh, a political terminology used for the first time in the country, on March 24 next in order to press its demand for the withdrawal of Martial Law and holding of parliamentary polls under a non-party neutral government.

Sheikh Hasina said that on the Bundh day, March 24 the day on which Martial Law was imposed in 1982 there would be total stoppage of work in all sectors including river and road transports, banks, and industries.

She called upon the people to carry out the programme even if there were attempts by the Government to reimpose restrictions by defying its orders.

Sheikh Hasina said that the fruits of Liberation War were yet to reach the people. Criticising huge investment in the unproductive sectors since the change over of government in 1975, she said that the country had received foreign aid to the tune of Taka 35,000 crore between 1975-1985.

President over by Sheikh Hasina the 15-party's rally was addressed by alliance leaders Syed Altaf Hossain Abdur Razzak Shahjahan Siraj Saifuddin Ahmed Manik Professor Muzaffar Ahmed Dilip Barua A. F. M. Mahbubul Huq Nazrul Islam and Nurul Alam.

Khalequzzaman Bhuiyan conducted the meeting and Nirmal Sen read-out the resolutions.

Sheikh Hasina demanded commutation of death sentence of Chhattra League worker Mohaluddin.

Sheikh Hasina said that there was no trial of the killers of Bangabandhu Sheikh Mujibur Rahman, rather they were rewarded with diplomatic assignments.

Referring to the Philippines she said that the Army have sided with the people there against the unpopular government of Marcos. Whenever the movement is intensified the government by engaging their agents become active to create disunity among the oppositions, she said.

She called upon the people to punish the ministers who betrayed people's causes.

Criticising the government she said that the prices of agricultural inputs have been raised but the farmers were deprived of fair prices for their produce.

Anybody going to power through bullet cannot remain for long, she said. The country's economic condition has shattered and the law and order situation has deteriorated, she said.

She said that a state of anarchy had been created in the educational institutions.

Mr Abdur Razzak criticising disinvestment of heavy industries said that time would come when banks, insurance and heavy industries would be nationalised again Marcos style polls cannot be allowed here, he asserted.

Professor Mazaffar Ahmed stressed the need for integration of people of all spheres of life including students and workers for launching a united movement programme.

Mr Shahjahan Siraj said, "we will resist any conspiracy to hold Pakistani style polls here."

Mr Saifuddin Ahmed Manik posing a question wanted to know who were responsible for the killing of Selim, Delwar, Shahjahan Siraj, Moiz Uddin and others.

Mr A. F. M. Mahbubul Huq said that there could not be free and fair polls under a government which wanted to cling to power. There cannot be fair polls under this government which had created four political parties since taking over power, he said.

Mr Nazrul Islam said, "If there is fair polls we will honour the people's mandate."

People converged on the meeting venue in processions with banners in their hands from different parts of the country. They came to the meeting on foot, by buses and motor launches.

/9274

CSO: 4600/1507

BANGLADESH

ERSHAD SPEAKS AT COTTAGE INDUSTRY CONFERENCE

Dhaka THE BANGLADESH TIMES in English 16 Feb 86 pp 1, 8

[Text]

BOGRA, Feb. 15: President Hussain Muhammad Ershad today emphasised the need for setting up of more industries to strengthen the country's economy as well as to generate employment opportunities for the youths, reports BSS.

Inaugurating the first conference of the National Small and Cottage Industries Association, Bangladesh (NASCIB) at the Shaheed Tito auditorium here, the President said "we must ensure a happy future for our posterity by not only achieving self-reliance in agriculture, but also building a strong industrial base".

He commended the contributions of the small scale investors in the economic development of the nation and hoped that they will continue their endeavours for quick industrialisation of the country. The Government, he said, will see that the bottlenecks and impediments that are hindering the process of industrialisation are removed.

The inaugural function was also addressed by the DCMLA and Minister for Industries, Air Vice Marshal Sultan Mahmud, the Deputy Minister for Industries, Mr Mesbahuddin Ahmed and the President of the NASCIB, Mr Mostehuddin Bagmar, The ZMLA, Zone 'B', Maj Gen Mahmudul Hassan, was present.

President Ershad pointed out that there would not have been

any problem in any sector of development if everyone had discharged his responsibility properly and said, "If we abide by the existing laws of the land, we can save the people from many harassments".

He announced the formation of a committee to find out the ways to liberalising the process of setting up of small-scale and cottage industries and said industrial revolution in the country will take full shape by 1990. He said it is through industrialisation, the nation can meaningfully utilise its unemployed work forces.

The President called for changing the mental outlook of all and said the age-old political attitude of creating chaos and resorting to destruction of Government property must be changed to make it pragmatic and production-oriented. This kind of politics can never deliver any goods to the nation, he said adding instead it brings miseries for the people.

He said the nation has already lost huge amount of time because of negative political attitude of some political leaders. These elements, he said, have unnecessarily ruined the life of many innocent students for achieving their selfish ends.

President Ershad said the time has come for all including the politicians to take a realistic and positive attitude so that the efforts that are being made to improve the

condition of the toiling masses are accelerated.

The President said similarly, the policy makers should also change their present outlook of framing policies sitting in the capital. He said they must go to the people, may be peasants or industrialists, to make proper appraisal of the situation and formulate the policies so that they are really useful to them.

Referring to the achievements being made during the last four years as a result of the implementation of various reforms and programmes by his Government, he said the nation today is determined to continue its stride forward to build the country on a sound economic footing.

EKUSHEY MARTYRS

President Ershad said the month of February which is glorified with the memory of martyrs of the Language Movement must be observed with due solemnity. We can pay proper respect to the martyrs by maintaining peace and discipline and honouring democratic values and tolerance.

He said: 'we are a unique nation in the world because of our religious, cultural and linguistic unity. With this background in hand, if we can put in our united and disciplined efforts, we shall be able to establish ourselves as a dignified nation in the world community.'

PRIVATE INVESTORS

President Ershad assured the investors that their genuine problems will be looked into and hoped that the loan they have taken from various financing institutions will be re-

funded in time. Unless the credit money is returned in time, the industrialisation process will be hampered, he said.

Earlier, speaking on the occasion the DCMLA and Minister for Industries, Air Vice Marshal Sultan Mahmud, listed various facilities being offered to the small scale investors and hoped that they will make use of these opportunities and set up more industries in the country.

The President later visited an exhibition of various products manufactured by small and cottage industries.

On arrival at Bogra, President Ershad was given a rousing reception by people from all walks of life including women, students, freedom fighters and workers. They lined up on both sides of the road and greeted the President with welcome slogans and clappings.

BALANCED UPLIFT

On his way, the President told a cheering crowd that the policy of his Government is to achieve balanced development of all parts of the country. He said, peace and discipline must be maintained to achieve this objective.

President Ershad reiterated the determination of his Government to establish democracy and an elected people's representative Government and said we must put in our united efforts to reach this goal.

Referring to the construction of the Jamuna bridge, he said the bridge will not only help strengthen the national unity but also make positive contributions in development of the northern areas of the country.

19274

CSO: 4600/1499

BANGLADESH

MORE DETAILS ON 16 FEBRUARY CABINET CHANGES

Dhaka THE BANGLADESH OBSERVER in English 17 Feb 86 p 1

[Text]

Major General Abdul Mannan Siddiqui known as moderate has been shifted from the Ministry of Home Affairs and given the charge of Relief and Rehabilitation in the reallocation of portfolios announced by President H. M. Ershad on Sunday.

Major General Mahmudul Hasan a close aide of the President gets the important Ministry of Home Affairs. He also retains his position in the Dhaka Municipal Corporation of which he is the Administrator. Both are exacting assignments.

The change in the Ministry of Home Affairs with domestic politics warming up is being considered significant in the political circles.

Air Vice Marshal (Retd) aminul Islam who held the office of the Ministry of Religious Affairs gets the Ministry of Local Government and Rural Development.

Mr Shamsul Huda Chowdhury who has been ailing for sometime and is not attending office regularly has been shifted to the less demanding Ministry of Religious Affairs. Mr Huda's place in the Ministry of Education will be taken by Prof. M. A. Matin who is also Secretary General of Jatiya Party. Mr Salahuddin Quader Chowdhury will switch over to the Ministry of Works in place of Prof. Matin. Mr. Mostafa Jamil Helder has been made State Minister I-G-R-D Cooperatives.

/9274

CSO: 4600/1500

BANGLADESH

EDITORIAL REGRETS PROLIFERATION OF POLITICAL PARTIES

Dhaka THE BANGLADESH OBSERVER in English 18 Feb 85 p 5

[Editorial]

[Text]

A recent survey conducted by a local weekly has revealed that there are 161 political parties in the country. Irrespective of whether the party was formed before or after the liberation, today almost all the major political parties are divided and sub-divided into different factions. Thus there are two Muslim Leagues, two Democratic Leagues, two Bangladesh Nationalist Parties, and two Bangladesh Workers' Parties. The original Jatio Samajtantrik Dal has three factions now. Today Awami League and Bangladesh Krishak Sramik Awami League are two different parties, but once they belonged to a single party. There is also a number of parties based on Islamic ideology. Even in terms of alliances, there are a seven-party alliance, a fifteen-party alliance, an Oikya Jote etc. Democracy is not characterized by a single party system, no doubt, but it cannot handle a hundred party system either and thus cannot survive in such a situation.

One of the major pre-conditions for democracy is fair and free election in order to choose a government representing the people. The objective of the elected government is to identify the hopes and aspirations of the people and act accordingly to reach those objectives. Relevant atmospheres and opportunities to this end must be created by all the actors involved in the process. Thus a political party must present a concrete programme before the people. Its duty is to make issues clear and present them in such a way as can be readily understood by the common people. It must not confuse people by concentrating on trivial issues. Rather it should limit people's attention only to a few vital points and must make it clear to the people where it stands on these points.

If every political party does that, then these are the two obvious advantages; first, a minimum

number of socio-economic as well as political issues which are of critical importance to the people are identified in a crystal-clear manner, and second, it gives the people a chance to know where each party stands on these issues and thus they can identify parties with issues. But the most important advantage of it is that it gives all the parties a chance to unite on the basis of those minimum critical issues and work for the people from a common political platform. It then becomes easier to achieve what people really wants. Instead if there are hundreds of parties with hundreds of issues, there will be no consensus among the parties which issues to agree upon and thus people's hopes and aspirations will remain unfulfilled for years. In fact, under such circumstances, people get alienated and lose interest in the political process of the country. If they do so, that will be the end of democracy in the real sense.

Therefore, to run a proper democracy, there must be united fronts of political parties and the number of political parties in a country must be limited. Of course a one-party system like Zimbabwe is not advocated, because that is not democracy. What is being emphasized is that democracy can work most effectively in a 2-to-3-party system as in the United States or the United Kingdom. In the political arena, how too many cooks can spoil a broth is best manifested in the pre-De Gaullean era in France. Similarly with numerous political parties, Italy had more than 40 governments since the Second World War. The recent election in the Philippines drew unprecedented interest and importance because the opposition parties were united and the issues on which the election had been fought was crystal-clear; whether to retain the oppressive regime for another 6 years or to have a change. As a result of this definite issue, people cast their votes for Mrs. Corazon Aquino even though she does not have any political experience.

Thus to build a true democratic environment, one has to face the electorate in a united manner on the basis of issues. The issues must be clear, readily understandable and, most important, must be of critical importance to the people. The parties forming the front must be united, honest and sincere. Once elected, they can then implement the reforms they want to introduce. But even at that point, it must be remembered that forming a government does not solve all the problems. They are taken care of through well-planned, sincere, honest and committed efforts. People will have confidence in an administration only if it can prove its competence in running the affairs of the country.

Therefore, the need of the hour is the identification of issues which are fundamentally related to the welfare of the people, the society and the nation as a whole, and unity among the political parties on the basis of these issues. Once they do it, they can have a united move towards achieving the hopes and aspirations of the people. If, on the other hand, they remain divided and concentrate on trivial issues, not only will they lose their credibility, but they may also alienate the people from the democratic process. Let everyone concerned rise to the occasion and act accordingly.

/9274

CSO: 4600/1501

BANGLADESH

~~PAPERS REPORT NATIONAL DAY INCIDENTS, REACTION~~

Clashes on 20, 21 February

Dhaka THE NEW NATION in English 23 Feb 86 pp 1, 8

[Text]

One person died and over 100 other including 34 policemen, were injured, some of them seriously, in a series of clashes in and around the Central Shaheed Minar from Thursday evening to Friday afternoon. Police arrested six persons from the spots.

The clash ensued from a hitch over the hanging of portraits of party leaders on the minar 15 minutes before the zero hours of the Shaheed Day, the 21st February.

At this stage a section of rowdy elements created a reign of terror through chase and counter chase using bamboo poles, daggers, firearms and hand bombs. At least 40 persons were injured in the first wave of violence that continued for about two hours. Of them 10 were admitted to Dhaka Medical College Hospital while 25 others were released after first aid.

At about 3.00 pm the venue started gaining heat for the second time as bomb blasts and gunshots rocked the entire area and terrorised those who gathered there to pay homage to the language martyrs. One motorbike was also set on fire by them. Police arrested one for burning the motorbike.

At this stage two others were admitted to Dhaka Medical College Hospital. One

of them Sohrab, later succumbed to bullet injuries in the hospital yesterday morning.

The third wave of violence broke out as police on duty there stormed into the Shaheed Minar area to make necessary arrangements for the entry of the President. At this stage police forced the demonstrators to leave the area who later took shelter in the nearby Science Annexe Building, Dhaka Medical College Hospital, Jagannath Hall and Dhaka University Staff Quarter.

When the President left the place the students came out from the hide-outs and started brick-battling on the police who were at that time retreating to their headquarters.

Police resorted to baton charge but could not bring the situation under control. The clash that started at about 12.30 from all the sides continued through 2.30 pm. At one stage angry students chased the police to the National Security Coordination Council of the President. The students set the office shed afire, ransacked the office and damaged documents and finally Police resorted to lathicharge and several rounds of tear gas shelling.

Five persons were picked up from this place.

The injured policemen were all shifted to the Rajarbag Police Hospital where some of them were admitted.

More Details, Committee Head Comments

Dhaka THE BANGLADESH OBSERVER in English 23 Feb 86 pp 1, 8

[Text]

The sombre solemnity usually associated with the Shaheed Day observance was marred this

year by unsavoury incidents in which a medical college attendant died of injury and seven others are undergoing treatment for stab injuries at the Dhaka Medical College Hospital.

The incident came under scrutiny at the army commanders' meeting held in Dhaka on Saturday. The meeting was presided over by President and Chief Martial Law Administrator Mr. H.M. Ershad. The meeting expressed shock and concern at the outbreak of violence at the Central Shaheed Minar on the solemn occasion of Ekushey February. Army commanders feel it has tarnished the image of the country.

Professor M.A. Matin in an impromptu television appearance on Friday night in his capacity as the Chairman of the Ekushey Observance Committee apportioned the blame on the opposition political parties for the violence at the Central Shaheed Minar on Thursday-Friday midnight. Prof Matin who is the Secretary General of the Government backed Jatiya Party called for an inquiry to ascertain the cause of violence and to identify those responsible for it.

He feels that it should be prerogative of the President to be the first man to lay wreaths at the Central Shaheed Minar to acknowledge the sacrifice of the martyrs on behalf of the nation.

Prof Matin claimed no President since 1972 had been able to do this due to rivalry of the political parties.

Prof Matin went on to say that President Ershad, members of the cabinet leaders of the

Jatiya Party had deliberately refrained from visiting the Central Shaheed Minar on Thursday-Friday midnight to avoid occurrence of any unpleasant incident and to maintain the sanctity of the day.

President H.M. Ershad, two DCMLAs, members of the cabinet and leaders of Jatiya Party placed wreaths at the Central Shaheed Minar late Friday morning under elaborate security arrangements.

There were several clashes between the people and the law enforcing agencies. Police had to resort to lathi charge to prevent an angry crowd from attacking them. Police said 30 of their men including two officers were injured in the clash. Four persons were admitted to Dhaka Medical College Hospital. Home Minister Major General Mahmudul Hassan visited the injured policemen at the Police Hospital.

Promptings of vested group

The political observers firmly believe that the violence at the Central Shaheed Minar was at the promptings of a vested group to drive a wedge in the unity of the two alliances.

They feel that the hitch between the two alliances had not reached a point in which one group will assault the other.

The violence, however, could not deter the people who turned out in thousands both at the Azimpur graveyard and at the Shaheed Minar to pay their homage to the martyrs of the language Movement.

BNP chief Begum Khaleda Zia, Awami League chief Sheikh Hasina and leaders of the dif-

ferent political parties laid wreaths at the Central Shaheed Minar between 10 a.m. and 12 noon on Friday.

Diplomats laid wreaths at the Central Shaheed Minar between 9 and 10 a.m. on the day. National Flag flew at half-mast atop all public and private buildings as a mark of respect to the martyrs of Language Movement.

Radio and television put up special programmes highlighting the significance of the day.

The main function was held at the Bangla Academy. Begum Sufia Kamal presided over the first session of the programme in which an unbelievable number of 150 poets read out their self-composed poems.

It was followed by a detailed discussion on all branches of Bengali literature. The Bangla Academy function was rounded off with a session of songs in the evening.

Different organisations which observed the Shaheed Day are: Jatiya Janata Party Bangladesh National Awami Party (Unified) Ganatantrik Party Bangladesh Jatiya Sangram Committee, Bangladesh Lak Geeti Shilpi Gosthi Janadal Bangladesh Public Relations Association Bangladesh Railway Bangladesh Muslim League Bangladesh Chhatra League Bangladesh Hindu League Muktaadhara Ganatantrik Chhatra League Bangladesh Gono Azadi League Ganatantra Parishad Bangladesh Jatiya League Jatiya Samajtantrik Dal Bangladesh Krishak Samik Mukti Andolon Jahangir Nagar University Bangladesh Islami Jubo Shibir and Bangladesh Biman.

Reaction From Alliances

Dhaka THE BANGLADESH OBSERVER in English 23 Feb 86 pp 1, 8

[Text]

The 15-party alliance expressed profound shock and grave concern over the incident at the Central Shaheed Minar at small hours on Friday. The alliance in a meeting held with Sheikh Hasina in the chair condemned the incident and cautioned the democratic forces about the calculated move to create disunity among them.

The alliance held that the violence at the Central Shaheed Minar was created with the objective of creating misunderstanding and disunity among the

forces who were fighting against the Martial Law. The alliance felt that the cause of this incident should be investigated and its recurrence should be stopped. The alliance said the befitting reply to this heinous incident would forge greater unity to intensify movement for the realisation of the five-point demand.

The seven-party alliance in a meeting with Shah Alam Manik leader of the Communist League in the chair on Saturday condemned the incident at the Central Shaheed Minar and accused

the government backed forces for creating violence in the Shaheed Minar.

The alliance felt that the whole show was managed to create disunity among the democratic forces to prolong the Martial Law in the country. The alliance called for forging greater unity to resist any move to create disunity, close down the university and to tighten the Martial Law.

Killing deplored

Different political parties and student organisations condemned the incident at the Central Shaheed Minar at the small hours on February 21 in which Awami League leader Mofazzal Hussain Maya was stabbed and Mr. Sohrab succumbed to bullet injury. They also castigated those who created the violence at Central Shaheed Minar at the behest of an interested quarter.

Awami League Chief Sheikh Hasina in a statement on Saturday condemned the killing of Subrab and stabbing of Maya at the Shaheed Minar. She said the respected teacher of the Dhaka University students and members of the public were also injured in the violence created by the stooges of the anti-democratic forces. Sheikh Hasina called for united movement to resist the forces of violence and to end Martial Law in the country.

Sheikh Hasina alleged that the incident was pre-planned which is clear from the advice of a Minister who asked not to place portraits in the Shaheed Minar. She said the placing of portrait of national leaders was nothing but a plea. The whole incident was pre-planned, she alleged. Sheikh Hasina cau-

tioned that everyone should be careful about creating disunity among the forces who were fighting for ending Martial Law. Even someone may step into the trap laid by the rulers to break the unity of the progressive democratic forces, Sheikh Hasina apprehended.

She expressed her determination that the people of Bangladesh will resist all conspiracies and would establish a democratic society by forging total unity.

Sangrami Chhaitra Jote, in a separate statement condemned the incident and said the incident had marred the national image. The Jote stated that when the 15-party alliance seven-party combine and students-

forged unity to intensify the movement against Martial Law, the incident was a planned one to subvert the unity of the democratic forces. The Jote gave a call to form all party action committee to intensify the movement for ending Martial Law.

Bangladesh Workers' Party and Democratic League (Oli Ahad) also condemned the incident at the Shaheed Minar.

Mr. Oli Ahad who was one of the conveners of the Language Movement expressed his shock at the violence at the Shaheed Minar. He called for consensus among the political parties to keep the Shaheed Minar free from political feuds. He also deplored the unhealthy competition of placing portrait in the Shaheed Minar.

Acting V-C

Meanwhile Prof. Abdul Manan Acting Vice Chancellor of the Dhaka University in a statement condemned the violence created by armed miscreants at the Central Shaheed Minar on the night of Ekushev February.

He urged the people to remain alert against the designs to violate the sanctity of the Central Shaheed Minar. He demanded to identify the persons and forces who created violence on Ekushev February night.

CSAC

Central Students Action Committee in a statement expressed profound shock and anguish at the incident at the Central Shaheed Minar. The Action Committee statement alleged that the pro-government infiltrators instigated the incident at the Shaheed Minar and it was a part of the conspiracy to create disunity among the democratic forces, and to close down the university.

The Action Committee called upon the people to resist this move and to make the grand rally at Sher-e-Bangla Nagar on February 24.

JSD

BSS adds: The President and General Secretary of Jatiya Samajtantric Dal (JSD), Mohammed Shahjahan and ASM Abdur Rob on Saturday condemned the nefarious activities including setting fire at the Shaheed Minar and called for abandoning the practice of Shaheed Day like British and Pakistani days.

In a statement they said language Shaheed Minar and Ekushev February are not the property of any political party. They are national assets and everybody has the right of observing the Shaheed Day. But after independence a heinous attempt is being made to use the Shaheed Minar for group and party interest which resulted in undesirable incidents this time too they said.

Attack on Security Council

Dhaka THE BANGLADESH OBSERVER in English 23 Feb 86 p 1

[Text]

Police arrested five persons from Abdul Ghani Road on Friday afternoon when a group of processionists ransacked and set on fire some documents at the National Security Control Cell.

The arrested persons are Sohel Litan, Dulal, Bilal and Amjad. A case has been registered against them with Ramna police

According to police, a procession of about 2,000 people forcibly entered into the office of National Security Control Cell office at Abdul Ghani Road on Friday and ransacked the office and at one stage set on fire the valuable official documents.

Fire brigade personnel extinguished the fire and police arrested five persons from the spot.

Situation Breeds Panic

Dhaka THE BANGLADESH TIMES in English 23 Feb 86 p 5

[Editorial]

[Text]

The Central Shaheed Minar belongs to the whole nation as the memorial of martyrs for the language we all speak and love so much and also as the symbolic originator of our nationhood. It is our priceless possession and a place for natural pilgrimage every year on the Twentyfirst of February. On that day everybody, irrespective of caste, creed or political affiliation, has the right to visit the Minar without any hindrance and to pay respects to the martyrs. But for their sacrifice we could not have been what we are today. In that sense it unifies 100 million Bangladeshis in their common pride of belonging to the mooring and in their expectations and aspirations for looking forward with inspirations drawn from the same source.

A monument to martyrs is a sacrosanct edifice but Shaheed Minar with all its great attributes is undoubtedly more so. A place of such pristine glory cannot be even unwittingly sullied.

The pre-dawn midnight of Twentyfirst February, the time when homage is auspiciously heralded to the martyrs by placing the first floral wreaths in their memory, was regrettably marked by clashes between student rival groups over the fixing of portraits of leaders on the Minar. These took no time to aggravate into bombings and other forms of terrorism. The situation thus created sent panic waves through the area and the prime purpose of paying homage to the language martyrs was lost in the unfortunate anarchy. A university teacher, some students, a political worker and several others were injured in the free-for-all. Obviously, the early incidents cast a shadow over the proceedings of the day, but for which our obligations to the language heroes could have been carried out with a more orderly spontaneity.

By that sordid behaviour we neither could pay due respects to the martyrs nor did we give a good account of ourselves. Twentyfirst February presents an occasion of high merit to the outside world so that it should be our lookout to avoid any untoward

incident on that day.

The Language Movement in effect produced results for us that are synonymous with respects for democratic behaviour and tolerance of each other's views. But almost every year, one or the other incident occurred on the day which spoke of making a political capital out of a pure heritage for the whole nation. It is time we put an end to this rather recurring feature and came to observe the occasion with all the solemnity it deserved.

/9274

CSO: 4600/1505

BANGLADESH

PRESS REPORTS FACETS OF ECONOMIC DEVELOPMENT

Bangladesh Bank Report

Dhaka THE BANGLADESH OBSERVER in English 13 Feb 86 pp 1, 10

[Text]

The Gross Domestic Product (GDP) increased by 3.8 per cent during the last fiscal year (1984-85) against the target of 6 per cent and actual growth rate of 4.2 per cent in 1983-84 according to the Bangladesh Bank annual reports of the year 1984-85.

The sluggish growth in major sectors specially in agriculture and industry were mainly responsible for the shortfall in GDP growth rate.

The foodgrains production at 160.86 lakh tons in 1984-85 was 3.7 per cent lower than the target of 167.00 lakh tons and not much higher than the actual harvest of 157.19 lakh tons in 1983-84.

The growth in the agricultural sector declined from 3.6 per cent in 1983-84 to 2.8 per cent in 1984-85, the report said.

The growth of economy during 1984-85 was adversely affected to a significant extent by severe floods which kept agricultural production particularly the foodgrains production below the target. Apart from relatively unsatisfactory performance of agricultural sector the growth in industrial sector also slowed down.

The Bangladesh Bank report said substantial liquidity overhang in the economy worth off to the foreign sector and resulted in a significant increase in import. This combined with a marked decline with workers remittances from abroad, stagnant level of aid disbursements and increased repayment in respect of long term and medium term loans exerted substantial pres-

sure on balance of payment and reserves.

The Bangladesh Bank report said that the foreign exchange reserves stood at U.S. dollar 372.5 million at the end of June 1985 and this was only good to meet the import requirement for seven weeks.

Despite a cautious monetary and credit programme, monetary and credit expansion continued to be high during the last fiscal year. The rate of inflation, the Bangladesh Bank report said was much less than expected during the period under review. The Bank report however, did not quantify the extent of inflation during the period.

The appreciation of US dollar, our intervention currency and higher rate of inflation in Bangladesh vis a vis higher trading partners necessitated several adjustments in the exchange rates during the last fiscal year.

The Taka-Dollar rate depreciated from Taka 25.20 per U.S. dollar at the end of June 1984 to Taka 28.00 per US dollar at the end of June, 1985 or by 10 per cent.

Despite substantial support operation the exchange rate of Taka in the secondary market also depreciated by 11.29 per cent to Taka 31.27 per US dollar at the end of June 1985 as against Taka 27.74 per US dollar at the end of June 1984.

The industrial sector which has shown encouraging performance with a growth rate of 6.9 per cent in 1983-84 also recorded a lower growth rate of 5.1 per cent in 1984-85.

The growth in power and gas sector also declined from 20.1 per cent in 1983-84 to 17.6 per cent in 1984-85.

The growth in power and gas sector also declined from 20.1 per cent in 1983-84 to 17.6 per cent in 1984-85.

A marked increase also occurred in import of sugar and edible oil during the last fiscal year. This imports stood at US dollar 65 million and U.S. dollar 53 million during 1984-85 as compared to US dollar one million and U.S. dollar 76 million respectively in the year 1983-84.

The balance of payment recorded a substantial deficit of US dollar 99 million in 1984-85 in sharp contrast to a surplus of US dollar 234 million in 1983-84 and of US dollar 295 million in 1982-83.

The marked deterioration in payment position as compared to preceding years was due to substantial increase in import payment, a marked decline in private transfers consisting mainly of remittances by workers abroad, a significant increase in debt repayment, some increase in the deficit on services account and stagnant level of aid and loan disbursements.

The Bangladesh Bank predicts that the national economy during the current fiscal year (1985-86) shows no sign of improvement. The report said the terms of trade are likely to deteriorate on account of a fall in export prices.

Although remittances by Bangladeshi workers have started to pick up it is not yet certain whether this will persist.

The deficit on services account is expected to increase to some extent on account of a decline in investment income receipts due to low level of reserves.

There may not also be a signi-

ficant increase in aid and loan disbursement while substantial repayment in food credit is due in 1985-86.

The repayment of long term and medium term loans may also be higher during the current fiscal year compared to the last fiscal year.

The balance of payment prospects do not thus appear to be favourable, the report observed.

Further Details Given

Dhaka THE BANGLADESH TIMES in English 14 Feb 86 pp 1, 8

[Text]

Investment in private sector industries declined by about 57 per cent during the fiscal 1984-85 compared to that of the preceding year, according to the annual report of the Bangladesh Bank for 1984-85.

A total of 918 industrial units were sanctioned and registered during 1984-85 with a total investment of Taka 479.18 crore, including a foreign exchange component of Taka 241.09 crore. During 1983-84, a total of 2,505 industrial units were sanctioned for a total investment of Taka 1,118.99 crore including a foreign exchange component of Taka 473.05 crore.

According to the Bangladesh Bank report, the major industries which shared the investment during 1984-85 were: textile (Tk. 235.57 crore), engineering industries (Tk. 93.03 crore), food and allied products (Tk. 55.83 crore), chemicals, pharmaceuticals and allied industries (Tk. 35.35 crore), glass, ceramic and other non-metallic mineral products (Tk. 14.99 crore), paper, board, painting and publishing (Tk. 10.80 crore), tannery, leather and rubber products (Tk. 8.6t crore) forest products and industries (Tk. 8.16 crore) service industries (Tk. 3.90 crore) and industries not elsewhere classified (Tk. 5.39 crore).

According to the report, Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha handled fewer number of new applications for industrial loans during the fiscal 1984-85.

It appears from the report that despite all efforts by the concerned development financial institutions recovery of overdue loans did not improve during 1984-85 and maintained more or less the same level of recovery during the preceding year.

In the year 1984-85, the BSB received a total of 65 applications as against 203 applications received during 1983-84. During the year under review, the bank sanctioned loans amounting to Taka 66.27 crore including a foreign exchange component of Taka 63.51 crore. During the preceding year, total loans sanctioned by the BSB had amounted to Taka 22.46 crore including foreign exchange component of Taka 19.31 crore.

All loans, as in the past year, were sanctioned in the private sector.

The BSB recovered loans amounting to Taka 36.70 crore in 1984-85.

The bank disbursed Taka 28.81 crore in 1984-85 as against the disbursement of Taka 36.94 crore during preceding year.

The PSRS received 16 loan applications in 1984-85 compared to 29 applications received during the preceding year. The bank sanctioned loans amounting to Taka 16.90 crore in the private sector during the period under review as against Taka 128.93 crore sanctioned during 1983-84. The bank recovered loans totalling Taka 26.12 crore in 1984-85 compared to the recovery of Taka 27.51 crore during the preceding year.

Dhaka THE NEW NATION in English 19 Feb 86 p 3

[Text]

A total of 918 industrial unit were sanctioned and registered during the fiscal 1984-85 in the private sector with a total investment of taka 479.18 crore including a foreign exchange component of Taka 241.09 crore, official sources told ENA on Monday.

The sources said textile industries shared the major investment during the fiscal year a total investment of Taka 235.57 crore.

During the period engineering industries received the second highest allocation of Taka 93.03 crore followed by food and allied products of Taka 55.83 crore. Investment in the chemical, pharmaceutical and allied industries stood at Taka 35.35 crore, glass, ceramic and other non-metallic mineral products at Taka 14.99 crore, paper, board, printing and publishing at Taka 10.80 crore, tannery, leather and rubber products at Taka 8.66 crore, service industries at Taka 3.90 crore and other unclassified industries Taka 5.39 crore.

The sources pointed out that the industrial production as a whole grew by 5.1 per cent during the fiscal 1984-85 as compared to 5.9 per cent in the previous year.

The sluggish growth of the industrial sector was attributed partly to the set-back in production on account of irregular power supply and also long closure of some of the major industrial units for overhauling and renovation.

The sources said despite slow down in the overall rate of growth the contribution of the industrial sector to the Gross Domestic Products (GDP) increased marginally from 8.5 per cent in 1983-84 to 8.7 per cent in 1984-85.

/9274

CSO: 4600/1496

BANGLADESH

BUSINESS LEADERS STATE CONCERN OVER LABOR SITUATION

Dhaka THE BANGLADESH OBSERVER in English 20 Feb 86 p 8

[Text]

The chiefs of leading chambers of commerce and industry associations and Bangladesh Employers Association have expressed their grave concern over the fast deteriorating labour situation in the industrial areas.

In a statement issued to the Press on Wednesday, they observed that the repeated incidents of illegal strikes, gherao, assault on management personnel and damage to factory premises in the face of 'indifference' of the police and other law enforcing agencies caused a severe crisis.

They said that the deteriorating labour situation would adversely affect the investment climate and would thereby negate all efforts to quicken the pace of industrialisation and to create increased employment opportunities. They suggested that special police force should be raised in the industrial areas if the existing police was not enough. A broad-based industry wise Committee of Action should

be created for restoration and maintenance of peace in the industrial areas, they added.

They however suggested that nothing should be done to stop lawful trade union activities in the country.

The signatories to the statement included the presidents of Bangladesh Federation of Chambers of Commerce and Industry, Dhaka Chamber of Commerce and Industries, Metropolitan Chamber, Chamber of Industries Bangladesh Employers Association, Bangladesh Cold Storage Association, Bangladesh Rolling Mills, Bangladesh Brick Manufacturing Owners Association, Bangladesh Frozen Food Exporters Association, Bangladesh Aushed Shilpa Samity, Bangladesh Jute Mills Association, Bangladesh Garments manufacturers and exporters association, Bangladesh Jute Spinners Association, Bangladesh Major and Compact Flour Mills Association and Bangladesh Coaster Owners Association.

/9274

CSO: 4600/1514

BANGLADESH

FOOD PLANNING COMMITTEE DISCUSSES SUPPLY POSITION

Dhaka THE BANGLADESH OBSERVER in English 24 Feb 86 p 10

[Text]

The target fixed for Aman production of the current fiscal year is expected to be exceeded. The target was fixed at 81.50 lakh tons, says a PID handout.

This was stated in a meeting of Food Planning and Monitoring Committee held in Dhaka on Sunday morning with Food Minister Major General Mahabhat Jan Choudhury in the chair. Major General M A Munim, Minister for Agriculture and Forest, and Mr M Syeduzzaman, Finance Adviser to the President were also present at the meeting.

The meeting discussed the country's overall food situation. The food distribution and procurement programmes figured prominently in the discussion. It was disclosed in the meeting that two lakh tons of foodgrains in terms of rice have been procured under the Internal procurement drive during the last seven months. The meeting also discussed the possibility of wheat production in the country stressed the need of early steps for Wheat Procurement Programme.

Regarding food import requirement of the country the meeting was told that the import requirement had been reduced to 17.50 lakh tons from 27 lakh tons of the last year. Meanwhile the government had imported 5.35 lakh tons from abroad during the first half of the fiscal year. Arrangements have also been made for the rest which are expected to arrive by June.

Explaining the distribution position, the Food Minister told the meeting that government had distributed only 7.13 lakh tons of foodgrains during the first half of the current fiscal year compared to 15.42 lakh tons during the corresponding period of the last year. The decrease of off take is due to good food situation prevailing in the country he said.

The meeting expressed satisfaction on the overall food situation and food stock position of the country and underscored the need of constant review of the food situation.

/9274

CSO: 4600/1506

BANGLADESH

NEW SCIENCE AND TECHNOLOGY POLICY ANNOUNCED

Summary of Content

Dhaka THE NEW NATION in English 26 Feb 86 pp 1, 8

[Text]

The government has announced a new Science and Technology Policy aimed at attaining scientific and technological competence and self-reliance to help increase production and employment in various sectors of national economy, reports BSS.

The formula of a comprehensive and coherent National Science and Technology policy has become imperative for effective application of science and technology for national development, according to an official document released in Dhaka yesterday.

It said the government felt the necessity of formulating a new policy in place of the old one adopted in 1980 which however could not be implemented even partially due to lack of effective mechanism and definite guiding principles. The last policy did not form a part of the overall development plan of the country, the document added.

The new policy which is in consonance with the socio-economic, cultural, educational, agricultural and industrial policy of the nation, is aimed at contributing to the world-wide pool of scientific and technological knowledge. The policy which has been designed to seek out and recognise high talents in various areas of science and technology, will assist to strengthen cooperation in science and technology between developed and developing countries, particularly among the developing countries. It will provide guide-

line for institutional arrangements in research and development.

The policy in its preamble said Bangladesh must harness science and technology to keep pace with rest of the world and meet the basic needs of its people. Technological progress is the crucial determinant in the realization of the twin objectives of eradication of poverty and promotion of rapid socio-economic development of the country.

The mounting problems of providing the basic needs of the people, ensuring reasonable standard of living and accelerating the pace of economic development cannot be tackled without the help of science and technology. Scientific and technological matters should be provided high national priority in the overall development strategy of the country, the document said.

Explaining the major element of the new policy the document said the solution of the problems of the national economy called for a multi-disciplinary application of science and technology because of resource limitation. An integrated approach was essential for evolving a comprehensive and coherent national science and technology policy which will among others organise and coordinate all research and development work in respective fields.

To ensure that policy formulation in science and technology sector proceeded in a coordinated manner, the government in 1983

constituted a centrally institutionalised mechanism called National Committee on Science and Technology (NCST). The committee will perform a number of functions which inter-alia will recommend national policies on science and technology and give approval to research plans and programmes.

The NCST headed by the president of the country with ministers, concerned secretaries and prominent scientists and technologists as members, has an executive committee to oversee the implementation of its NCST directives and decision.

Aims, Major Elements

Dhaka THE NEW NATION in English 17 Feb 86 p 5

[Text]

We publish here an excerpt from the Science and Technology Policy of Bangladesh supplied by the PID.

Science has been described as "the means of understanding the natural environment", while technology is "the means of controlling and managing it." Hence Science and Technology together cover the gathering and generation of information about the material world and the application of that information for the welfare of mankind.

The advanced countries of the world are today advanced primarily because of their ability to use science and technology as effective tools for achieving their national objectives. These countries have changed the lifestyles of their peoples through the cultivation and application of science and technology. The developing countries have fallen behind primarily because of their backwardness in this respect.

Bangladesh has been struggling to meet the basic needs of its people, viz. food, clothing, shelter, health, education and the like and substantially raise the living standards throughout the country. In order to achieve these goals and to keep up with the world, Bangladesh also must harness science and technology to reach its national goals. It is only through the use of science and technology as an instrument of change that a happy future for the people of Bangladesh can be ensured.

Scientific research and development is a vast field where various Ministries, Government and Semi-Government agencies, universities and private enterprises participate. Coordination of scientific research in the research institutions and universities is extremely important. Owing to a low base and poor infrastructure, we have been able to undertake research work in only a relatively small number of areas. In these areas also, progress of research and development activities has not been very satisfactory so far. There were other constraints including the lack of a rational, coherent and comprehensive National Science and Technology Policy to guide decision-making

on the quantum and distribution of resources for scientific and technological research and the lack of a clear perception of the very special nature of R. & D institutions and their management. The limitation of resources, shortage of skilled manpower in many areas, inadequate research facilities and skill development programmes, lack of coordination among scientific organisations, outmoded science curricula in the educational institutions, dependence on foreign technology, brain drain and emigration of trained manpower and poor social consciousness of the role of science and technology in national development have conspired to keep us backward.

Bangladesh, now recognizes that given the limitations of her factor endowments, the mounting problems of providing for the basic needs of the people, ensuring a reasonable standard of living and accelerating the pace of economic development cannot be tackled without the help of science and technology. It is therefore essential to provide high national priority to scientific and technological considerations in the over-all development strategy of the country.

With this end in view, a National Science and Technology Policy was formulated in 1980. However, it consisted mostly of broad objectives without definite guiding principles and did not form a part of the over-all national development plan. In the absence of any effective mechanism, no concerted effort could be made even for partial implementation of the policy.

AIMS AND STRATEGY

In recognition of the fact that the formulation of a comprehensive and coherent national science and technology policy, designed to contribute to the achievement of the country's development objectives, is necessary for the effective application of science and technology for development, the Government of Bangladesh considers it appropriate to formulate a new National Science and Technology Policy. The Policy is designed to fulfil the primary aims as follows:

(a) to attain scientific and tech-

nological competence and self-reliance, to help increase production and employment in various sectors and sub-sectors of the economy;

(b) To be in consonance with the socio-economic, cultural, educational, agricultural and industrial policies of the nation;

(c) To contribute to the world-wide pool of scientific and technological knowledge;

(d) To seek out and recognize high talents in various areas of science and technology.

(e) To strengthen cooperation in science and technology between developed and developing countries, and particularly among developing countries themselves.

(f) To provide guideline for institutional arrangements or rearrangements in the RSD structure (including education and training) for attainment of the above objectives.

With a view to ensuring that policy formulation in science and technology and their cultivation and application in various sectors will proceed in a coordinated manner, the Government of Bangladesh constituted on May 16, 1983, a centrally institutionalized mechanism called the National Committee on Science and Technology (NCST) to perform the following functions:

(a) Recommend national policies on Science and Technology;

(b) Recommend priorities to specific research programmes, evaluate the quality and effectiveness of research programmes undertaken by various agencies and the extent to which results are put to actual use;

(c) Suggest measures for coordination of scientific research and development activities;

(d) Recommend approval to research plans and programmes;

(e) Such other matters as may be considered relevant by the Government.

The NCST, headed by the President of the People's Republic of Bangladesh, has a Vice-Chairman, six concerned Ministers, eight concerned Secretaries and seven prominent scientists/technologists as members. The composition of the NCST, with its terms of reference, is shown in Annexure-A.

There is also an Executive Committee of the NCST to oversee the implementation of its directives and decisions. The NCST may be assisted by Sub-Committees, Technical committees, Advisory Panels, Expert Panels and consultants, as required.

MAJOR ELEMENTS OF SCIENCE AND TECHNOLOGY POLICY

Solution of the problems of the national economy calls for multidisciplinary application of science and technology. Given the limitation of resources, an integrated approach is essential for evolving a comprehensive and coherent national science and technology policy, which will serve, inter alia the following purposes.

Organizing and coordinating all research and development work in science and technology in the country. Bangladesh now has more than sixty research and development institutions and supporting facilities administered by Research Councils Development Agencies, Government Departments and Non-Government organisations. There is, however little coordination among them. Often no specific targets are set, monitoring and control measures exist and not enough thought is given to the development of marketable products from these endeavours. The net result is fragmentation of research activity with little returns accruing from the effort.

In view of this, the role of the NCST as the central coordinating agency assumes critical importance. The NCST would

advise the Government on selected areas of research and development which would help realize the stated objectives meant to accelerate economic recovery and then assign these areas of research and development to the specific agencies best equipped to carry them to a successful completion and ensure their performance. The NCST will also evolve a mechanism for establishing linkages of research and development institutions horizontally amongst themselves and vertically with the Ministries dealing with science and technology activities.

In view of the above, it is considered appropriate that the NCST should also serve the following functions :

(a) Recommend measures for technology assessment, development, adaptation, adoption and diffusion in the country.

(b) Suggest measures to integrate a Science and Technology Plan with the Development Plans prepared by the Planning Commission.

(c) Introduce effective institutional arrangements in the various organs of the Government to help promote and monitor the implementation of the Science and Technology Plan.

(d) Secure funds and allocate them to the various R&D institutions in the light of national development priorities.

(e) Recommend to Government on science and technology related policies in the areas of taxation, import, export and industrialisation to create appropriate infrastructure for maximising technology transfer and economic growth and development.

(f) To suggest measures to strengthen environmental pollution monitoring and control.

(g) Take adequate steps to popularize science and technology among the people in general.

(h) Promote regional and international cooperation in science and technology on bilateral and multilateral basis.

It is generally recognized that engineering research is needed to provide the vital link in the commercialization of research results and in adoption, adaptation and digestion of imported technology. However, in Bangladesh although research in agricultural and medical sciences have been organized through the aegis of the Bangladesh Agricultural Research Council (BARC) and the Bangladesh Medical Research Council (BMRC) respectively, institutions engaged in engineering research in such areas as water resources, housing, transport, etc. have not yet been able to develop any well-coordinated dynamic research programme.

An Engineering Research Council may, therefore, be created in line with the Medical Research Council. Its prime objectives will be to

(a) identify thrust areas for research in engineering sciences;

(b) promote inhouse research and design capability in both public and private sector industries;

(c) coordinate and develop research in the existing engineering research organizations;

(d) provide facilities for interagency consultation for adoption, adaptation and digestion of foreign technology, and

(e) offer other related services to different organizations.

/9274

CSO: 4600/1502

BANGLADESH

BRIEFS

AMBASSADOR TO UN--Bangladesh's new Permanent representative to the United Nations B. A. Siddiky has presented his credentials to Secretary General Javier Perez de Cueller a Foreign Office Press release said on Saturday reports BSS. Bangladesh Ambassador Siddiky said would make its best endeavour to uphold the principles and objectives of the UN Charter and continue to play its moderate and constructive role in the promotion of world peace security and economic and social development. Secretary General Cueller expressed appreciation of the "important role" Bangladesh had been playing at UN. [Text] [Dhaka THE BANGLADESH TIMES in English 10 Feb 86 p 3] /9274

ENVOY TO LUXEMBOURG --The Government have decided to concurrently accredit Mr Mohammed Mohsin, at present Ambassador of Bangladesh to Belgium as Ambassador of Bangladesh to the Grand Duchy of Luxembourg, a Foreign Office announcement on Wednesday, reports BSS. [Text] [Dhaka THE BANGLADESH TIMES in English 27 Feb 86 p 8] /9274

GRANT FROM NETHERLANDS--The Netherlands will provide Bangladesh with 130 million Dutch guilders (about Taka 180 crore) during 1986 as development and commodity assistance. An agreed minutes to this effect was signed between the two countries yesterday (Tuesday). The amount is 6.4 per cent higher than the assistance provided last year. Decision about balance of payment, support would be taken later, says a press release of the Netherlands Embassy in Dhaka. More than half of the current year's assistance will be spent on commodities mainly for the procurement of fertilizer, raw cotton, black plain sheets and caustic sods. The agreed minutes were signed by Dr. S. A. Samad, Joint Secretary ERD and Ambassador of the Netherlands H. J. Du Marchie Sarvaas on behalf of their respective governments. The press release noted that disbursement performance of Dutch aid during past year had been "highly satisfactory" as it surpassed the jointly set targets. Both countries agreed that continued attention is to be given in this calendar year to on going activities with special emphasis on implementation aspects. Bangladesh is the third largest recipient of Dutch aid. Since independence Bangladesh has received Dutch assistance to the tune of Taka 1,408 crore. [Text] [Dhaka THE BANGLADESH TIMES in English 19 Feb 86 p 1] /9274

NEW STUDENT FRONT--Jatiya Chhatra Oikhya Front, a new alliance of ten student organisations, was formed at a meeting of the representatives of the component student groups in the city on Wednesday. Mr Abdur Razzak Hiru, President,

Ganotantrik Chhatra League, was announced the Convener of a ten-member convening committee of the newly formed alliance, according to a Press release. The component organisations of the alliance are: Ganotantrik Chhatra League, Jatiyatabadi Chhatra Union, Bangladesh Chhatra Council, Bangladesh Chhatra Shakti, Islami Chhatra Federation, Islami Chhatra Parishad, Islami Chhatra League, Islami chhatra Sangha, Hindu Chhatra Front and Republican Chhatra Dal. The alliance expressed its support to the four-point programme of Jatiya Oikkya Front headed by Khondaker Mostaq Ahmed. [Text] [Dhaka THE BANGLADESH TIMES in English 15 Feb 86 p 3] /9274

AMBASSADOR TO SUDAN--The government has decided to concurrently accredit Mr Mohammad Siddiquer Rhaman, at present Ambassador of Bangladesh to the Arab Republic of Egypt, as Ambassador of Bangladesh to Democratic Republic of Sudan, it was officially announced in Dhaka yesterday, reports ENA. [Text] [Dhaka THE NEW NATION in English 20 Feb 86 p 3] /9274

NEW KAMPUCHEAN ENVOY--Democratic Kampuchea has appointed Chan Youran its Ambassador to Bangladesh with residence in Beijing, the Foreign Office has announced in Dhaka reports BSS. Born in Phnom Penh on January 7, 1934, Mr Chan graduated from the Faculty of Law and the Royal Institute Administration in Phnom Penh and joined the Ministry of Foreign Affairs and held various important positions under that ministry. Mr Chan is Kampuchea's Ambassador to China since April 1984. Mr Chan is married and has five children. [Text] [Dhaka THE NEW NATION in English 15 Feb 86 p 1] /9274

BURMA BOUNDARY TALKS--Bangladesh-Burma technical level talks on the delimitation of maritime boundary were held in Dhaka yesterday, reports BSS. At the talks Bangladesh Ambassador to Burma Mustafizur Rahman led the Bangladesh side while Burmese Foreign Ministry Director Kyaw Min led his country's delegation. The two sides agreed to resume the technical level talks in Rangoon at an agreed date in April. The Burmese delegation left Dhaka yesterday. [Text] [Dhaka THE NEW NATION in English 14 Feb 86 p 1] /9274

AMBASSADOR TO HOLLAND--Bangladesh envoy to the Netherland Ambassador Mohammad Mohsin presented his credentials to Queen Beatrix Wednesday last in the Hague, a Foreign Office press release said, reports BSS. The Queen spoke of traditional and excellent friendly relations between Bangladesh and the Netherlands. She also discussed with the envoy different aspects of development cooperation between the two countries. Later the Bangladesh envoy met Foreign Minister Hans Van Den Broek. [Text] [Dhaka THE NEW NATION in English 9 Feb 86 p 3] /9274

ENVOY TO SRI LANKA--The government has decided to appoint A. S. Noor Mohammad, as Bangladesh High Commissioner to Sri Lanka a foreign office announcement said on Wednesday, reports BSS. Born on March 1, 1930, Mr Noor Mohammad graduated with honours, in History in 1949 from the University of Dhaka. He entered Civil Service of Pakistan in 1954 and received training at Lahore Civil Service Academy (Pakistan) in England under Columbo Plan Programme at University of Southern California (USA) and at the Royal College of Defence Studies (London). He served as Deputy Commissioner, Kushtia, Joint Director, Bureau of National Research, Ministry of Information (Rawalpindi

Pakistan), controller of Imports and Exports, East Pakistan, Economic Counsellor, Pakistan Mission, Geneva and Finance Director, East Pakistan Industrial Development Corporation. After being promoted as Secretary to the Government of Bangladesh in 1972, he held office as Commerce Secretary, Education Secretary and then Establishment Secretary. Mr. Noor Mohammad was the First Principal of Bangladesh Administrative Staff College and was Secretary to the President since 1978. Reading and travelling are among High Commissioner designate Noor Mohammad's hobbies. He is a widely travelled person. He is married and has two daughters and two sons are well settled. [Text] [Dhaka THE NEW NATION in English 7 Feb 86 p 3] /9274

NORWEGIAN AMBASSADOR NAMED--Mr. Kaare Daehlin has been appointed Ambassador of Norway to Bangladesh with residence in New Delhi, according to a Foreign Office press release here yesterday reports ENA. Born on October 23, 1926 Mr Daehlen graduated in Humanistics in 1954 and joined the foreign service in 1954. Prior to his present assignment he was Ambassador of Norway to the Police People's Republic since 1981. [Text] [Dhaka THE NEW NATION in English 7 Feb 86 p 3] /9274

IRANIAN VISITOR--Foreign Minister [name indistinct] Rasheed Chowdhury on Wednesday said Bangladesh was keen to see the cessation of hostilities between fraternal Iran and Iraq, says BSS. Iranian Deputy Minister Abd-Al-Vahed Mousavi Lari and Mr Chowdhury were discussing matters of mutual interest and the steps for further development of bilateral relations between the two countries a Foreign Office Press release said. During the meeting Mr Chowdhury evinced keen interest in developments in Iran and explained Bangladesh's position on the Iran-Iraq war. The Foreign Minister explained that the war was doing immense harm to the cause of Islam and in the process was directly helping the enemies of Ummah. The Iranian Deputy Minister is on an unofficial visit to Bangladesh at the head of a parliamentary delegation of his country. Mr Mahdi Shamloo Mahmoodi member Foreign Relations Committee of Iranian Parliament, Mr Mohammad Mehdi Akhund Zahdeh Basti Iranian Ambassador to Bangladesh, Mr Asghar Ghoreishi Director General Cultural Division Ministry of Foreign Affairs accompanied the Iranian Deputy Minister. [Text] [Dhaka THE BANGLADESH OBSERVER in English 13 Feb 86 p 1] /9274

CSO: 4600/1496

INDIA

IMPORTANCE OF INDO-U.S. COMPUTER HOOKUP NOTED

Bombay THE TIMES OF INDIA in English 28 Jan 86 p 1

[Article by J. N. Parimoo]

[Text]

WASHINGTON, January 27.

THE government has cleared the multi-million dollar project for making main frame computers in collaboration with the American company, Computer Data Corporation (CDC).

The U.S. firm had stiff competition from the French corporation, Bull (known formerly as Honeywell Bull). The government's decision to award the contract to Americans is expected to be announced soon.

The Americans see the decision to award the contract to CDC as a "major watershed" in Indo-U.S. industrial collaboration, marking a new phase of trust and confidence. They believe that the way has now been cleared for the U.S. to sell supercomputers to India.

The Reagan administration's

clearance of the sale and the actual sale of supercomputers is expected before the end of this year.

Some of the objections raised unnecessarily to the sale of supercomputers to India still persist and may have to be cleared by the White House. These objections come mostly from pro-Pakistani segments in the middle-level U.S. bureaucracy in the two important departments of state and defence.

The U.S. has not so far sold a supercomputer to any foreign country. In fact, in the world today, the U.S. and Japan are the only two countries that can make supercomputers.

A supercomputer can take millions of instructions in just one second. For instance, the supercomputer called 810 Cyber made by the CDC can take nearly a million instructions in one second while 830 cyber can take almost three million instructions per second. The latest supercomputer can take

sixty million instructions per second.

For India, extensive use of supercomputers could make weather forecasting near-perfect and help agriculture which helplessly depends on monsoons. But some elements that have been traditionally hostile to India have expressed the fear that India might use these to make a hydrogen bomb.

The clearance of the CDC collaboration project will make most of these fear and suspicions meaningless because many of the things that can be done by a supercomputer can be done by a series of main frame computers. Even the calculations for a thermonuclear explosion (hydrogen bomb) can be made by a couple of main frame computers networked together.

If the U.S. has agreed to transfer the technology for making main frame computers to India there is no point, it is argued, in refusing to sell supercomputers.

Soon after the government of India announces its decision to accept the collaboration, a contract will be signed between CDC and the public sector Electronics Corporation of India Ltd (ECIL). The terms of the contract have already been agreed upon.

According to these terms, 600 main frame computers will be produced in eight years. In the first phase a team of Indian computer engineers will receive training in the U.S.

Through a phased programme, CDC will confine itself mainly to sending to ECIL components and sub-assemblies. The scheduled 600 main frame computers will cost nearly \$ 250 million which is less than half of their import cost.

The ECIL plant will be in production in two years from the day of signing of the contract. The location of the plant has not yet been decided.

INDIA

REPORTAGE, COMMENT ON RAM SWARUP SPY CASE

Political Leaders Named

Bombay THE TIMES OF INDIA in English 29 Jan 86 p 1

[Text] NEW DELHI, January 28 (PTI).

THE alleged spy, Ram Swarup Sabharwal, is alleged to have passed on official secrets to the U.S., West Germany, Taiwan and Israel.

The 53-year-old Swarup, a Delhi-based representative of the business promotion council of Taiwan, is alleged to have passed on classified documents relating to defence, nuclear technology, details of meetings of foreign ministers of non-aligned countries, proceedings of Parliament and on Punjab.

The chargesheet filed by the police in the court of the additional chief metropolitan magistrate, Mr. Bharat Bhushan, said the accused got these documents through his contacts after he started liaison with an Israeli diplomat in 1954.

The leaders mentioned in the charge-sheet are Mr. K. P. Singh Deo, Mr. Chandulal Chandrakar, Mr. P. Upendra, Mr. Khushwant Singh, Mr. M. S. Gurupadaswamy, Mr. Arvind Netam, Mr. D. S. Jadeja and Mr. M. S. Sanjeevi Rao.

The notable opposition leaders mentioned are Mr. A. B. Vajpayee, Mr. P. K. Deo, Mr. Kanti Desai, Mr. Balraj Madhok, Mr. M. K. Shejwalkar, Mr. S. P. Malviya and others.

The 218-page documents including the charge-sheet given to the accused today mentioned Mr. Y. K. Bhatnagar, editor of "Dainik Bhaskar," whom the accused allegedly used for anti-Soviet articles published in newspapers.

It also said that Swarup had befriended Mr. Kanti Desai, son of the former prime minister, Mr. Morarji Desai, and used to collect "happenings at the top" from him.

The charge-sheet said Swarup gathered information "from his contacts among the members of Parlia-

ment and then passed on to U.S. diplomat."

Swarup and his co-accused Javed Siddiqui had been charged under sections 3, 5 and 9 of the Official Secrets Act.

The information gathered by Mr. Kanti Desai included notes on talks between Mr. Morarji Desai and Mr. Leonid Brezhnev during the former's visit to Russia. It was passed on to American diplomats.

The alleged spy was also instructed by his American 'handler' to collect information on the Indira Gandhi assassination case from the proceedings of the Thakkar commission.

The charge-sheet said Swarup had disclosed that he had asked one of his contacts, P. N. Laxmanan, of the PTI, to be on the look-out for material connected with the Thakkar commission as well as the Indira Gandhi assassination case.

Swarup had first got in touch with Laxmanan when the latter returned from Moscow, and with his help filed a case in the Press Council of India against PTI, alleging Russian infiltration there, the charge-sheet said.

"As a result Laxmanan was obliged to Ram Swarup. Accordingly, Laxmanan collected some material on the above mentioned subjects through one D. V. Desai of PTI, Bombay, in May, 1985, and gave it to Ram Swarup, the charge-sheet said.

It said Swarup had provided detailed notes and profiles of various

cabinet ministers, aides and advisers of the Prime Minister and the relationships of various chief ministers with Mrs. Indira Gandhi and Mr. Rajiv Gandhi to a counsellor of the West German embassy, Mr. Rolf Breitenstein.

According to the charge-sheet, while the FRG embassy was helping Swarup in "picking up the right members of Parliament", the Taiwan government was helpful in providing a free trip to such MPs as well as to retired senior officers of the armed forces.

The more important among the MPs were made convenors of the Indo-FRG parliamentary group, in consultation with West German officials, it said.

Swarup, after resigning as a field inspector in Bharat Insurance Society Limited in 1954, came in touch with an Israeli diplomat, named Caspi, who was working in Bombay.

The alleged spy started working for him at a salary of Rs. 200 per month and his assignment involved introducing MPs and journalists to Caspi and fixing up appointments at Delhi, the charge-sheet said.

To provide a cover to his activities, Swarup joined the Assam People's Anti-Communist League (APACL), a Taiwan-based organisation, the charge-sheet said.

As a member of the APACL and a lobbyist of Israel, he started getting friendly with MPs. In 1964, he took a ten-member parliamentary delegation, comprising among others, Mr. Vajpayee, Mr. K. Manoharan, Mr. K. Raja Ram, Mr. Balraj Madhok to Taiwan.

"In 1974, in recognition of his ability to introduce and cultivate members of Parliament", he was appointed honorary representative of Far-East Trade Service (FETS), Taiwan. He started getting \$100 per month in the beginning which was later increased to \$500 to run his establishment.

Involvement Denied

Bombay THE TIMES OF INDIA in English 29 Jan 86 p 1

[Text]

NEW DELHI, January 28.

MMR. K. P. Singh Deo, Mr. Chandulal Chandrakar and Mr. Sanjeevi Rao will be given an early opportunity to clear themselves of the shadow cast by the alleged link with Ram Swaroop, who is facing charges of espionage.

Papers relating to all the three men are to be referred to a supreme court judge for examination.

They can avail themselves of the opportunity to explain the circumstances in which they had at some point of time in the past come into contact with Ram Swaroop.

In any event, none of the three is accused in the case. Both Mr. Singh Deo and Mr. Chandrakar resigned as ministers and Mr. Sanjeevi Rao as chairman of the electronic commission only for the reason of upholding high tradition in public life.

Indications are that the process of reference to the supreme court judge would be completed in a short period. Competent circles in the government are not unduly exercised over the extent of their involvement.

Meanwhile, two members of the Rajya Sabha, Mr. M. S. Gurupadaswamy (Janata) and Mr. P. Upendra (Telugu Desam) repudiated attempts to link their names with the activities of Ram Swaroop.

In separate statements the two MPs explained that as politicians they meet several persons in public life but this has little to do with the activities of the men they meet.

Mr. Upendra said: "I had no connection with any of Ram Swaroop's activities. In public life, we come in touch with several people on various occasions. To give an impression that we were 'sympathetic' to Ram Swaroop is a motivated and mischievous effort to malign me and my party, which happens to be the main opposition group

in Parliament. I strongly protest against this insinuation.

"We are second to none in upholding the nation's security and integrity. In fact, myself and other members of my party have been stressing, on the floor of Parliament, the urgent need for plugging all leakages of vital information in sensitive areas and have been urging the government to take stern measures against those indulging in anti-national activities.

"This is an issue on which the whole nation is united and none should try to politicalise a sordid affair."

Mr. Gurupadaswamy said: "I emphatically repudiate the insinuation made in the report, and deplore the devious methods in dragging our names in the whole affair. I want to make it clear that I can never show any sympathy to any person who indulges in anti-patriotic activities.

"I have always been fighting both in Parliament and outside for maintaining and safeguarding the security and integrity of our land.... I wish to reiterate that those who indulge in anti-social and anti-national activities in any form can never have my sympathy at any stage.

"I am second to none in upholding the best interests of the country and its stability and security."

PTI adds: Mr. Chandrakar, Mr. Singh Deo, Dr. Sanjeevi Rao had accepted invitations from Ram Swaroop to visit Taiwan.

Mr. Chandrakar had visited Taiwan, along with a party of Indian journalists (Mr. Chandrakar is a journalist by profession) when he was not a member of Parliament on the occasion of the coronation of the son of Chiang-Kai-Shek.

Asked about his resignation, Mr. Chandrakar said: "Since my name was mentioned by Ram Swaroop, propriety demanded that I should not remain in ministerial office."

Ram Swaroop is also learnt to have organised the trip of Mr. Singh Deo and Dr. Rao to Taiwan.

Meanwhile, Mr. Arjun Singh, Congress vice-president, said it was for the

leader of the Congress party in Parliament to take action against the party MPs whose names figure in the charge sheet filed in the Ram Swaroop espionage case.

"It is the leader's domain," he said when asked what action would be taken against the MPs who visited Taiwan on the invitation of Ram Swaroop.

The chairman of the Press Trust of India (PTI), Mr. Ramnath Goenka, today issued the following statement:

"I am concerned that names of two employees of PTI occur in the charge-sheet filed in a spy case in the court of an additional chief metropolitan magistrate in Delhi.

"It is not for me to pre-judge the case but as chairman of PTI, I should like to state categorically that we would not permit the commitments of PTI as a national news agency to be eroded in any manner. We would in every possible way help unearth truth and deal with offences as prescribed by law".

LEKHI CONNECTION

The charge-sheet also said Ram Swaroop had a "special relationship" with Mr. P. N. Lekhi, counsel for Satwant Singh in the Indira Gandhi assassination case.

Documents seized from Swaroop showed that he utilised the services of Mr. Lekhi in filing a case in the Delhi high court against the posting of four Soviet diplomats who were alleged to have been declared persona non grata in other countries on charges of spying, it said.

Besides, Mr. Lekhi also availed of the hospitality of Swaroop and had been to many foreign countries at his expense. The alleged spy, according to the charge-sheet, had disclosed that the Americans had provided through him to Mr. Lekhi a sum of Rs. 20,000 to organise a three-day meeting of the Afghan legal committee in 1981.

Mr. Lekhi was also sponsored on a visit to Bangkok in 1982 at the instance of the Americans, it said.

More on Denials

Calcutta THE STATESMAN in English 31 Jan 86 p 1

[Text]

NEW DELHI, Jan. 30.—Mr Satya Prakash Malaviya, M.P. and general secretary of the Lok Dal, and Mr P. Upendra, leader of the Telugu Desam in Parliament, today denied the allegations made against them in the Rama Swarup case.

Mr Malaviya, offered to face prosecution in a court of law if the charge that he raised questions in Parliament on being approached by the alleged spy, Rama Swarup, was proved to be true. The allegation, he added, was malicious.

He demanded that the trial of the espionage case to be held in an open court and a judicial inquiry headed by a Supreme Court judge to probe the alleged involvement of M.P.s with the accused in that case.

Mr Malaviya said he expected the authorities to have the courage to prosecute him.

In a statement to the Press soon after returning to Delhi after his release from Allahabad where he was detained during the party's agitation he said: "The allegation is not only a white lie but mischievous and mala fide. I do not know Rama Swarup nor has he

ever met me. Nobody ever met me on behalf of Rama Swarup and the entire story about me is a complete fabrication and concoction".

"As a member of Parliament and also as a functionary of the Lok Dal a large number of people approach me every day for the redressal of their grievances. But I always use my discretion in performing my duties both on the floor of the House and also outside.

"Before submitting the charge-sheet in the court of the Delhi Additional Chief Metropolitan Magistrate it was the elementary duty of the police officers investigating the case against Rama Swarup to record my statement. But the police authorities failed in their basic duty to have my version. This supports my view that the story is malicious".

Mr Malaviya claimed that a "conspiracy has been hatched" by those in authority to "malign me and a few other important Opposition leaders who do not need a certificate of patriotism".

In a letter to the Prime Minister, Mr Upendra today offered to "resign my membership of the Parliament and retire from pub-

lic life" if "it is proved that I had made a trip to (Taiwan) or indulged in any activity detrimental to the nation's interest. If not, decency, fair play and political propriety demand that immediate steps be taken to clear doubts from the minds of the public".

As the charge-sheet mentioned several political leaders, journalists and others, whose "patriotism cannot be questioned, my party demands that the trial of Rama Swarup be conducted publicly and expeditiously".

He reiterated that it was a "blatant lie" that he "visited Taiwan on a trip sponsored by Rama Swarup and had enjoyed his hospitality".

Mr Upendra had "categorically told the investigating officials when they called on me, that I had never visited Taiwan". He described it as "political blackmail and a smear campaign".

PTI adds: The CPI(M) today expressed concern at the revelations made in connexion with the alleged espionage activities of a Taiwan-based firm, and urged the Government to take stringent measures to "save the political administrative set-up of the country from the activities of imperialist agencies."

Comment From Vajpayee

Bombay THE TIMES OF INDIA in English 3 Feb 86 p 1

[Text]

PUNE, February 2.

MR. A. B. Vajpayee, BJP president, today asserted that the dragging in of his name in the Rama Swarup espionage case was "patently dishonest and motivated." He had nothing to do with the case, even as a witness, although his name had been mentioned twice in the charge-sheet.

Mr. Vajpayee said in a statement here that involving names of innocents in such affairs was "more in the nature of a political stunt than any solicitude for national security."

The BJP chief said the way the case had been publicised and the manner in

which his own and his colleagues' names had been dragged in were "most objectionable and defamatory."

He noted: "First, on page 11, it has been stated that in 1964, he (Rama Swarup) had taken a delegation of ten members to Taiwan, in which, in addition to myself, Mr. K. Manoharan, Mr. K. Raja Ram, Mr. Balraj Madhok and others were included."

"The second time my name occurs on Page 21, in which it has been stated that I was also among those persons during the Janata regime on whom Rama Swarup had 'concentrated'."

Taking up the second reference first, Mr. Vajpayee wondered about the meaning of "concentrated." So far as he remembered, Rama Swarup had

perhaps not seen him even for once during those days. In any case, Rama Swarup was working for the trade agency of Taiwan and the Janata government had decided to normalise its relations with communist China.

So far as the 1964 trip was concerned, a group of MPs (rather a parliamentary delegation) visited Taiwan that year at the invitation of nationalist China's government and with the full knowledge of the government of India.

The delegation, on return, had briefed, the government on its talks with the Taiwanese regime. There was nothing wrong with that visit.

Madras THE HINDU in English 29 Jan 86 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, Jan. 28.

The Prime Minister's decision to drop two Ministers of State, Mr. K. P. Singh Deo and Mr. Chandulal Chandrakar, and call for the resignation of a former Deputy Minister, Dr. S. Sanjeevi Rao, from the Chairmanship of the Electronics Commission, is being interpreted in party circles as part of his determination to lay down a stricter code of conduct for those in power as part of his recent Congress centenary pledge to clean up public life.

The three have been asked to resign because their names figure in the charge-sheet that has been filed against Ram Swarup, who as head of a Taiwanese trade agency and a representative of the world anti-communist league is accused of engaging in espionage activity on behalf of some foreign intelligence organisation.

During his interrogation by the police, Ram Swarup is reported to have disclosed the names of several politicians and others who had visited Taiwan and other countries on his invitation. As he intends to summon some of them including Mr. Singh Deo, Mr. Chandrakar and Dr. Sanjeevi Rao, as witnesses in this sensational case, the Prime Minister felt that it would be more appropriate for them to give up their official positions before appearing in the court.

No evidence

It is being stressed in high Government circles that these three are not involved in the alleged espionage activity and, apart from the impropriety of unwittingly accepting the invitations of such a dubious character to visit Taiwan and other places, the police investigators have not come across any incriminating evidence against them. They had availed themselves of the hospitality of Ram Swarup some years ago, when they were ordinary MPs before being appointed junior Ministers for the first time in Indira Gandhi's last Cabinet.

There are many friendship societies and other front organisations in India which are financed or patronised by various foreign embassies in Delhi. Many members of Parliament belonging to both the ruling Congress and the opposition parties continue to be actively associated with these bodies along with other politicians, publicists and professional men. The lure for lending their names to such organisations was the prospect of free trips to foreign countries on goodwill visits.

At no time did the Government forbid or dis-

courage its members from serving on such friendship societies and front organisations. In the absence of a proper policy on the subject, many Congress (I) MPs along with Opposition members of Parliament continue to be associated with them.

In this permissive atmosphere, an average politician, whether he belonged to the ruling party or the Opposition, felt free to lend his name to such organisations or avail himself of their invitations. The Foreign Contributions' Act merely prescribed that Government's permission was necessary for these foreign jaunts, but otherwise no restrictions were placed on accepting these invitations.

Tightening up procedures

It is only now the Prime Minister, Mr. Rajiv Gandhi, has started tightening up the procedures. He asked the two Ministers of State and the Chairman of the Electronics Commission to resign before the charge-sheet against Ram Swarup was filed in the court, because he wanted to avoid embarrassment to his Government.

The Intelligence Bureau has been inquiring into all aspects of this case, since the accused has named many prominent politicians and others either as the beneficiaries of free foreign trips arranged by him or as contact men through whom he was carrying on anti-communist propaganda or gathering information. But in all such probes the Government has to maintain a proper distinction between what could be deemed to be undesirable activity that has no deeper ramifications and what amounts to an infringement of laws harming the country's interests.

In the present case, the Government appears to be reasonably satisfied that Mr. Singh Deo, Mr. Chandrakar and Dr. Sanjeevi Rao, had accepted Ram Swarup's invitations and lent their names in one form or the other to his activities without realising the consequences. After they have been honourably cleared of any involvement, the Prime Minister might consider reinstating them.

The Congress (I) Vice-President, Mr. Arjun Singh, has been asked to draw up a stricter code of conduct for members of the ruling party to provide for better standards of probity in public life. Hereafter, there will be tougher curbs on party fund collections by individual ministers, ostentatious life-styles, acceptance of hospitality from businessmen and foreign trips at the invitations of other Governments.

New Delhi PATRIOT in English 5 Feb 86 p 4

[Article by Mohit Sen]

[Text]

The charge-sheet against the alleged spy Ram Swarup has naturally evoked tremendous interest throughout the country and, indeed, in the world. But a deliberate attempt seems to be underway to distort the meaning of the charge-sheet itself.

Attention has been focussed on the more sensational aspects. The manner in which the alleged spy is supposed to have passed on the secrets, the code words used and the places fixed for the rendezvous, have been given pride of places in the press reporting of the issue.

There has, naturally, been great curiosity about the prominent personalities named. Denials of association have come from some while others have resigned in order not to embarrass the Government of which they were a part.

But there seems to be a somewhat intriguing silence about the chief accused; that is, the intelligence agencies of the US, the Federal Republic of Germany and the so-called government of Taiwan. And the chief of the chief accused is obviously the intelligence agency of the US.

This silence cannot be the result of any reticence on the part of those who have prepared the charge-sheet. As a matter of fact all those who have the slightest concern about the security of our country would feel grateful to and would congratulate those who have prepared the charge-sheet, i.e., the Government of India.

It is stated therein that "the facts and circumstances of this case confirmatively disclosed that the US intelligence agency and their functionaries have hatched and implemented a general conspiracy in respect of India aimed at obtaining through clandestine and illegal missions/methods classified information/documents connected with the defence of the country.

"Intelligence agencies of the Federal Republic of Germany and Taiwan have actively connived with the US intelligence agencies and their functionaries. They also aimed to subvert the political system and affect friendly relations with foreign powers".

The charge-sheet said Ram Swarup in 1979 was assigned to take up a major propaganda campaign in favour of the US and against the USSR and make attempts to 'influence the opinion and thinking of the government wherever possible.' (Newstime, Hyderabad, 30 January).

What is stated in the charge-sheet is of utmost importance and gravity. It is not a matter of the employment of a particular person and his accomplice to ferret out secret documents and other sources of classified information. The US intelligence agency has been charged with "hatching and implementing a general conspiracy in respect of India". Together with the intelligence agencies of the Federal Republic of Germany and Taiwan, the US intelligence agencies "aimed to subvert the political system and affect friendly relations with foreign powers".

This is of far greater significance than whether particular individuals, however prominent, did or did not go to Taiwan or wherever else they were invited or inveigled into going. It can scarcely be claimed that the US intelligence agency was acting independently of the US government. Much less can it be said that it was doing the opposite of what the US government wanted.

It should also be noted that while this operation had been going for quite some time, it received a bit of setback during the Emergency, picked up steam when the Janata Party was in power and went merrily on its course even after Rajiv Gandhi became the Prime Minister.

There appears also to be a con-

nection with the Indira Gandhi assassination case through the alleged activities of lawyer Lekhi as well as the anxiety to collect material connected with the Thakkar Commission which is probing the ramifications of that assassination.

While more material will obviously come to light when the charge-sheet is further substantiated, enough has been stated therein to point to some rather obvious conclusions as to the Government of India's perceptions regarding the intentions of US intelligence as well as the government of which it is an important arm.

The inescapable conclusion is that the Government of India has reason to believe that a general conspiracy has been hatched and implemented against our country by the US intelligence agency and their functionaries. The aim of the conspiracy was to subvert the political system and damage friendly relations with foreign powers.

In other words, the destabilisation drive of the US imperialists, to which pointed attention was drawn by a large section of Left and patriotic opinion in our country, has been officially accepted as a reality.

The 'foreign hand' about which Mrs Indira Gandhi spoke so often, and which was pooh-poohed by many who ought to have known better, is now brought before the general public on the basis of investigation and scrutiny.

The critics, who justifiably used to raise the point that while talking about the 'foreign hand' it is never clarified as to which foreign power's hand it is, should now applaud the frankness and courage of the Government of India, in particular those who led and conducted the investigations and came to the conclusion that

their results should be made public.

Now is not the time to score debating points but to act with utmost responsibility and urgency. Once again the ugly reality has been revealed that the US imperialists are waging and have for years been waging an undeclared war against the freedom of India. That war reached a peak-point with the assassination of Mrs Gandhi but it did not stop with it.

Praise may have been showered on Rajiv Gandhi for being 'different' from, or having the potential to be 'different' from, his mother and to be more "reasonable and conciliatory" than the 'imperious confrontationist lady'. But he has not been and will never be forgiven for not having shirked his responsibility when destabilisation was staring us all in the face following Mrs Gandhi's murder.

The present Prime Minister will also not be forgiven for having recognised and for expressing his recognition of the reality that the Soviet Union is a true and tested friend of India.

Since he remains an obstacle in the way of the destabilisation of India and acknowledges the Soviet Union as a trusted friend, the war that was waged against the Government headed by his mother would continue to be waged against the Government headed by him.

Some of the signals that were and are still coming from the Government of India have led well-wishers of the Prime Minister to wonder at times as to whether the previous Government's assessment and appraisal of US imperialism's stance vis-a-vis our country was being reconsidered. It may well be that these well-wishers were unduly apprehensive. It could also be that there is not yet a totally unified comprehensive understanding among all the official decision-makers.

But the charge-sheet is also a significant signal which should not and cannot be ignored. Obviously, those who have prepared it are not only willing to name the enemy but also to lay bare his purpose. The purpose, as stated in the charge-sheet, goes beyond the illicit collection of classified infor-

mation to that of conspiracy and subversion.

It is clear, however, that this conspiracy has ramifications which either the Government has not been able to discover or about which it is not prepared to take all of us into confidence. It would be not just peurile but anti-national to believe that the US intelligence agency, along with its West German and Taiwanese collaborators, have contented themselves with allegedly just employing Ram Swarup. It is, surely, the duty of the Government to relentlessly follow up whatever clues are in their possession but with the understanding that the danger to the nation requires the unearthing of all the conspiratorial time bombs.

The accusations made in this case as well as in the earlier Coomaz Narain case also pinpoint the vulnerability of the ruling class and the ruling apparatus as a whole. Certainly, not all sections of the class nor of the apparatus are either vulnerable or penetrated. If this were so there would be no need for any conspiracy by the US intelligence agency. Or such a conspiracy could never have been exposed in the way that it has been. It is not one's contention that the Indian State, taking the term in its broadest sense, is already a neocolonialist or a taken over state.

But, as was pointed out long ago by a former CIA employee Philip Agee in his celebrated exposure entitled *In the Company*, many or even most of the newly independent countries are particularly vulnerable to any kind of efforts at penetration. Our country may not be as vulnerable as many other such states. But the manner in which Mrs Gandhi was assassinated shows that we are not all that much of an exception as we may have arrogantly imagined ourselves to be.

One, at least, of the major reasons why we are so penetrable is the nature and inclinations of the upper crust of the intelligentsia from whom most of the ruling apparatus comes. It would be, perhaps, too strong to call this section of the intelligentsia as neocompradore. It would be utter-

ly wrong to believe that all of them, much less the intelligentsia as a whole, are neocompradore. Certainly not. The Indian intelligentsia in the overwhelming majority, including a good part of its upper crust, are patriotic.

But if there is any section of the ruling apparatus that is penetrable, if not penetrated, it is the upper crust of the intelligentsia. Their upbringing, their manner of living, their aspirations and their make-up generally turn them out as, to turn around a phrase in vogue, non-Indians resident in India! They scarcely need to be corrupted since they are already so willing, as a defendant in a rape case once said about an accusing lady of somewhat easy virtue!

A nexus seems to be forming between them and the somewhat more recent entrants into the charmed circle, i.e., the members of Parliament and State Assemblies. Once again, it has to be emphatically stated that this certainly does not apply to all MPs and MLAs. Very far from it. Most of them are, whatever else may be their failings, patriotic Indians. Running down of politicians is a popular pastime with many who are themselves a part of "Operation Destabilise". It is the way by which politics as a whole is to be discredited, paving the way to the partyless 'democracy' of Ayub Khan and favoured by the proponents of the "total revolution" of the late Jaya Prakash Narayan.

Nevertheless, there is a certain nexus developing between, at least, some MPs, MLAs, and the neocompradore bureaucrats and big-business firms' employees mentioned above. It is not the bureaucrats and the big-business executives who are trying to ape the politicians when it comes to ambitions and way of life. It is the other way around. An odd case of what the sociologist M N Srinivas called "Sanskritisation" in reference to the changes in modes and

mores of the upper crust Harijans.

It is, in this context, not without significance that one of the alleged activities which the US intelligence agency made Ram Swarup engage in was anti-Sovietism and anti-Communism. It is also significant that despite knowing this, as his Taiwan connection so loudly proclaimed, he was able to catch so many fish, as it were, from both ruling and opposition non-Left parties.

Perhaps, it would not be wrong to say that anti-Communism and anti-Sovietism could well have been the basis on which the alleged operator brought some into his web.

Persons are, of course, fully entitled to their personal views regarding Communism and the Soviet Union. But this does not mean that they should not review these views on the basis of the common ground of patriotism. In the present situation of national danger everybody, surely, who loves India has to ask himself as to whom anti-Sovietism and anti-Communism serve.

This is no longer a theoretical question. The charge-sheet itself makes it clear that an integral part of the design for subversion of India by the US intelligence agency was damaging Soviet-Indian relations. And the alleged spy was himself a part of the Anti-Communism League. Anti-Communist, after all, is the main plank of anti-Sovietism, however much the "Russian national interest" card is also played.

At the same time it has to be emphasised that considering what the charge-sheet has revealed and emphasised once again, prejudices and wrongly understood narrow party interests should not come in the way of consensus and common endeavour on the part of all Left, democratic and patriotic forces on the issue of national sovereignty and security.

/9274

CSO: 4600/1434

INDIA

INDIA CONDEMNS ISRAEL FOR MOSQUE DESECRATION

Calcutta THE TELEGRAPH in English 29 Jan 86 p 3

[Text]

United Nations, Jan. 28 (UNI): Voicing "shock" at the desecration of the al-Aqsa mosque in Jerusalem, India last night charged Israel with trying to consolidate its domination over Arab territories by "encouraging" the Arabs to leave.

Addressing the United Nations Security Council, the Indian delegate, Ms Savitri Kunadi, said the al-Aqsa incident "represents, a much wider malaise and is a direct consequence of the illegal occupation by Israel" of the holy city of Jerusalem and the Arab lands.

The Arabs have complained that twice this month Israeli securitymen escorting some Knesset (Parliament) members entered the mosque and used violence against the worshippers. The Israelis have claimed that the visitors were provoked to violence.

The 15-nation council, meeting at Arab request, has no formal proposal before it but a working paper being circulated "strongly deplores the violation of sanctity of al-Hara al-Harif."

It "recognises that any destruction or profanation of the holy shrines...in Jerusalem or any encouragement of, or connivance at, any such act may

seriously endanger international peace and security."

It asks Israel to observe scrupulously the norms of international law governing military occupation, specially the Geneva convention, and prevent any hindrance to the discharge of the function of the supreme Islamic council in Jerusalem.

Those functions include any cooperation the Islamic council may seek from nations with predominantly Muslim populations and from Muslim communities for repair of Islamic holy places.

According to diplomats, the proposal, if put to vote, is likely to be vetoed by the United States.

Ms Kunadi warned that West Asia will have no just and lasting peace without Israeli withdrawal from all Palestinian and Arab territories it has occupied since 1967.

The Council has heard many Arab speakers assail Israel since the debate began more than a week ago.

Those "terribly agitated" by the profanity of Zionists entering the mosque should consider doing something to liberate the holy land instead of resorting to "routine rhetoric" in the Security Council, he said.

/9274
CSO: 4600/1436

INDIA

DELHI PLANS EXPANSION OF BORDER POLICE FORCE

Calcutta THE STATESMAN in English 29 Jan 86 p 9

[Text] New Delhi, 28 Jan--The Border Security Force has intensified surveillance and patrolling of the western and the eastern frontiers to check infiltration, smuggling and other anti-national activities, it was officially stated yesterday.

Senior officers of the force are making frequent visits to the borders to monitor and supervise the functioning of the BSF with a view to improving its morale and efficiency.

~~An official note said that the Minister of State for Internal Security, Mr Arun Nehru, at the BSF raising day function recently had expressed the Government's resolve to increase the strength of the force and provide it with sophisticated equipment so that it could perform duties effectively.~~

In accordance with the decision, the Government has sanctioned a five-year scheme for expansion of the BSF as also for its modernization. This will strengthen the surveillance on India's borders with Pakistan and Bangladesh.

After taking over office Mr Nehru visited the borders and training centres and held discussions with officials to assess the situation. It was felt that the border has become porous and is not secure because of movement of smugglers and illegal migrants. The new scheme has been evolved in the light of the assessment.

As part of the scheme, it is proposed to construct observation towers and equip the border outposts with long-range binoculars and night vision devices along Punjab, Rajasthan, Gujarat, West Bengal, Assam, Meghalaya and Tripura borders.

The proposals sanctioned by the Government also envisage development of border tracts both on the eastern and western frontiers and provision of adequate number of motor cycles and jeeps to the BSF personnel for effective patrolling.

/9274
CSO: 4600/1435

31 March 1986

INDIA

BANGLADESH INFILTRATORS SAID TO HEAD FOR DELHI

Calcutta THE STATESMAN in English 20 Feb 86 p 9

[Test] Patna, Feb. 19--After Assam, West Bengal and Bihar, the Muslim infiltrators from Bangladesh, who are entering India in large numbers every day, are setting their eyes on New Delhi.

Fifty-five such infiltrators who were apprehended in Barharwa railway station in Santhal Parganas on Sunday and Monday said the agents who helped them cross the Indian border had promised to get them settled in India or take them further to Pakistan. The head travelling ticket collector, Mr K. M. Singh, apprehended one group of 33 infiltrators at Barharwa station on Sunday. One of the infiltrators, Nur Ahmed, (35), said that they were to board the 13 Up Howrah-Delhi Express from Kiul station the same night but were caught at Barharwa station.

Nur Ahmed and most of his accomplices, many of them teenagers, hailed from Pheni district in Bangladesh. According to them the agents took 3,000-5,000 takas for a contract that said they would be taken across the border. At Pheni the infiltrators were kept in a camp for one week where they were trained in preparation for crossing the border. The training included introduction to the geography of West Bengal, Bihar and New Delhi. They were asked to remember some of the names of some important places and personalities of the areas through which they were to travel.

After the training period they were taken to nhaka and then to Nawabganj in Rajshahi district. From there they crossed the Padma River on boat to enter Murshidabad district in West Bengal and then boarded the Howrah-Gaya Passenger at Sujnipara station. If the infiltrators, version is to be believed, they left Bangladesh because they lost everything in the floods four months ago. They had to work on daily wages for eight takas. The agents charge each infiltrator anything between 3,000 and 5,000 takas and fixed amount is paid to Bangladesh Vahini, the BSF personnel on the Indian border, and the Government Railway Police in India. The railway routes taken by the infiltrators are invariably 345 Up Howrah-Barharwa Passenger and 331 Up Howrah-Gaya Passenger. Some of the infiltrators also arrive in trucks. A group of 22 infiltrators were caught in Barharwa bazar a week ago arriving in trucks.

According to official records nearly 200 Bangladeshi infiltrators were apprehended in Barharwa alone between last October and February 17. There is no

estimate of those who manage to cross Bihar, settle here, or go to New Delhi. Hundreds of such infiltrators must be crossing the border every day from different routes. If some of them are apprehended it is partly because of a group of young people who help the railway staff in nabbing the infiltrators. According to Mr Uma Shankar Sharma, a college teacher of Barharwa and Mr Kamal Bhagat, lately the infiltrators are settling in the hills of Santhal Parganas in the midst of the Adivasi population and more are settling in the "diara" of Sahepganj and Dumka districts in Santhal Parganas.

The railway ticket collectors who have been instrumental in nabbing the infiltrators are being threatened by the Government railway police and the Bihar police. The allegation against the police is that they are not only lenient but callous in apprehending the infiltrators. For instance, on February 16 the railway ticket collectors apprehended some Bangladeshis at eight in the morning and immediately informed the railway police. It took the police eight hours to arrive on the scene.

/9274

CSO: 4600/1473

31 March 1986

INDIA

ANALYST NOTES ISSUES, PROBLEMS BETWEEN INDIA AND ROK

Madras THE HINDU in English 22 Feb 86 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, Feb. 21.

The technological cooperation of South Korea is being sought by India for modernisation of some of its steel plants to increase their output and bring down the costs of production.

Another area where India is interested in obtaining South Korean assistance is the automobile industry, especially in the manufacture of ancillaries under licence for its new motorcar and truck plants.

The Government of India has told South Korea that in addition to expanding their trade relations the two countries should try to cooperate in the technological sphere to share their experience. As South Korea has done exceedingly well in building up an impressive industrial base in less than three decades, it is in a position to transfer technology to India in some selective spheres.

Industrial team: A 30-member team of South Korean industrialists, representing some of the big corporations engaged in ship-building, steel production, manufacture of heavy machinery, automobiles, chemicals, construction equipment, electronics and communications systems, will be arriving in India early next month on the occasion of the official visit of their Prime Minister, Mr. Shinyong Lho, who will be in Delhi for three days from March 3 to 5 for talks with Mr. Rajiv Gandhi on both bilateral and international issues.

The South Korean Prime Minister is no stranger to India, since he served in Delhi during the 1970s, first as Consul-General and then as the first Ambassador of his country when India decided to elevate its diplomatic relations with both the Korean States. He visited India a few years back as Foreign Minister and now he is coming as Prime Minister, paying his very first official visit abroad to a country with which he has had such close personal associations.

The South Korean Ambassador in Delhi, Mr. Dong Won Shin, who had served earlier as an Assistant Minister for Economic Affairs in his country, has been having a series of preparatory talks with the Government of India on the possibilities of wide-ranging economic and

technological cooperation between the two countries on the eve of his Prime Minister's visit. The two sides are anxious to take all possible measures to step up the two-way trade which hit the \$1-billion level in 1984 but slumped to \$500 millions last year.

Adverse trade balance: One of India's major complaints has been that the trade continues to be heavily in favour of South Korea, which was almost of eight-to-one proportion when it reached the \$1-billion mark in 1984 following the purchase of many cargo vessels from that country by Indian shipping corporations. But ever after the trade fell to half that level last year, the South Korean exports to India were four times as large as its imports from this country.

An attempt will be made during Mr. Lho's visit to explore the possibilities of stepping up Indian exports to South Korea to redress this heavy imbalance. The South Korean industrialists who are visiting India on this occasion have been briefed in advance by their Government to come forward with concrete suggestions for intensifying the two-way trade with India, besides formulating proposals for technology transfer in areas where South Korea is able to assist India in its industrial development on attractive terms.

Sharing freight traffic: The two Governments are also discussing a proposal to share the freight traffic between India and South Korea which at present is confined to the export of iron ore from India and import of machinery, chemicals, cement and such other items from South Korea. The shipping traffic between the two countries in regard to both bulk items and linear cargo would increase if the two-way trade gets stepped up through new agreements.

The big South Korean industrial corporations will be breaking new ground if they respond to India's request for transfer of appropriate technology which Indian industry would be able to absorb readily without going through a long period of gestation. It would also help to set the tone for increased South-South cooperation, thereby reducing the excessive dependence of the developing countries on the big industrial powers to meet even their basic technological requirements.

INDIA

IMPORTANCE OF CPSU CONGRESS TO INDIA DESCRIBED

New Delhi PATRIOT in English 25 Feb 86 p 4

[Article by Tapan Das]

[Text]

The 27th Congress of the Communist Party of the Soviet Union (CPSU) being held in Moscow from 25 February to 6 March has generated a lot of interest in India and abroad. Many are keenly watching how the new Soviet leader and CPSU General Secretary Mikhail Sergeyvich Gorbachyov is able to get confirmation of his authority and endorsement of the new policies that he has already initiated, at the Party Congress. Interestingly, just as Prime Minister Rajiv Gandhi has introduced his new style of work to impart a new dimension to his government's functioning, Mr Gorbachyov, too, has attracted worldwide attention with his attempts to tone up the party and governmental bureaucracy.

India's interest in the deliberations of the CPSU's 27th Congress is evidenced, above all, by the fact that for the first time an official four-member high-level delegation of the Indian National Congress headed by the party's vice-president Mr Arjun Singh is attending the meet.

Significantly, unlike in the past, the 27th Congress of the CPSU will be attended by the representatives of many non-Communist parties also. The decision to invite parties outside the Communist fraternity also gives a broad indication of Mr Gorbachyov's new style of leadership, which has been marked by flexibility, pragmatism and liberalism, without perhaps any ideological deviation on his part.

What would be significant from India's point of view is that the CPSU just like the Indian National Congress is the ruling party in the USSR. Therefore, what the CPSU decides at the 27th Congress merits closer attention.

The CPSU Congress will discuss and adopt many important documents and resolutions, including the guidelines for the USSR's economic and social development for 1986-90 and for the period ending in the year 2000 and the programme of the party. The drafts of all these are already available. As has been the practice of the Soviet communists, it is at the Party's Congress, held once in every five years, that the main directions of the country's domestic and foreign policies are laid down.

The CPSU decisions will be important for India not only because these would bear the stamp of a super power, which the USSR undoubtedly is, but also due to the fact that these would concern a country, which accounts for over 20 per cent of the world's total industrial output. If in the foreign policy sphere the Soviet endeavours for East-West detente would help reduce international tension and halt the cynical arms race — which are also the objectives of the non-aligned movement and India in particular — USSR's economic progress will certainly open up new vistas for cooperation with such an important partner as India.

It is worthwhile to note here that Mr Rajiv Gandhi has said in

one of his recent speeches that the Soviet Union's constructive policy of peace constituted, under the present-day international conditions, one of the most important factors of ensuring peace and security for the peoples. Thus, the decisions of the 27th Congress in the foreign policy spheres will be of great interest as far as the goals of the two countries and the imperatives of Indo-Soviet friendship are concerned. There is no denying the fact that in the multicoloured fabric of Indo-Soviet friendship, nothing is perhaps more enduring and attractive as their common concern for peace and their common antipathy to all that militates against it, such as imperialism, neo-colonialism, racism and apartheid.

India and the Soviet Union will have much to do with each other in future too. The formulations made in the Draft Programme of the CPSU are worth mentioning. Reaffirming the USSR's traditional policy, the CPSU Programme says that the Party and the Government will continue to be on the side of the non-aligned states in their struggle against the forces of aggression and hegemonism and for overcoming disputes that arise and conflicts through negotiations and peaceful means. The Programme further reiterates the party's support to the developing countries' demand for a new international economic order, demilitarisation of the Indian Ocean, halt to arms race and nuclear disarmament.

In the field of bilateral trade and economic cooperation also, the decisions of the 27th Congress will have immediate relevance and impact. The finalisation and adoption of the USSR's 12th plan for 1986-90 and the perspectives for the period up to the year 2000 is closely interlinked with the successful implementation of the long-term Indo-Soviet agreement on economic, trade, scientific, and technological cooperation, which was signed during Prime Minister Gandhi's visit to the USSR in May 1985. This agreement providing for Soviet financial and technical assistance in many industrial projects will play a very important role in facilitating not only India's efforts to march to the 21st century but also in substantially aiding the USSR's bid to achieve a 200 per cent increase in the national income by the year 2000.

Some of the major projects that will be taken up under the agreement include an export-oriented bauxite plant in Andhra Pradesh, a thermal power plant of 850 megawatt-capacity in Kahalgaon, four open-cast mines of 10 million tonne-capacity each at Jharia, Moher, Khadia and Singrauli, modernisation of Bhilai and Bokaro steel plants, expansion of Korba aluminium plant and renovation and modernisation of 26 thermal power stations already set up with Soviet assistance. The agreement also provides for further expansion of production and export of equipment, machines etc on the basis of production cooperation and on ensuring Indian organisations' participation in the construction of civil and industrial projects in the USSR. This is for the first time that an industrially advanced country like the USSR has invited India to undertake such

projects.

The fulfilment of the aforementioned tasks will also depend on meeting the targets set by the Trade Protocol concluded by the two countries recently for the period of 1986-90. The Protocol envisages a turnover of over Rs 9,000 crore i.e. almost double the previous 1981-85 five-year figure. The dynamic growth of Indo-Soviet trade starting from a paltry sum of Rs 13 million in 1953 illustrates how amidst increasing imbalances in the country's foreign trade, cooperation between the two countries has brought about the balance between exports and imports. For instance, in 1985, India had a favourable trade balance of Rs 200 crore with the Soviet Union. Moreover, India has now become the largest trade partner of the Soviet Union among the developing countries accounting for more than two per cent of the latter's total annual exports and imports.

The rapid growth in trade and economic ties is, of course, attributable to the two countries' long-standing policies, whose hallmark has been both unambiguity and consistency towards each other. While Indian leaders like Mahatma Gandhi, Jawaharlal Nehru, Mrs Indira Gandhi and others laid and nurtured the foundation of Indo-Soviet cooperation, it was none else than V I Lenin, the founder of the CPSU and the new Soviet State who enunciated the USSR's policy of friendship towards India. It was he who first gave the call, "India to the Indians" as far back as in 1918.

As would be recalled, the documents of several CPSU Congresses attest to the unswerving adherence of the Soviet communists to Lenin's ideas in regard to friendship and cooperation with India. The 20th Congress of the CPSU, held in February 1956, declared the USSR's resolve to "consolidate

untiringly the bonds of friendship and cooperation with India". The 21st Congress in 1959 expressed the confidence that the joint Indo-Soviet struggle for peace and for the principles of the Panchsheel would go on. The 22nd Congress in 1961 further reaffirmed their resolve to strengthen the bonds of Indo-Soviet friendship and cooperation. While the 23rd Congress in 1966 expressed deep satisfaction over the growing friendship and cooperation between the two countries, the 24th and 25th Congresses were held in the background of the signing of the 20-year friendship treaty, which was, to quote the joint Indo-Soviet statement issued in August 1971, "A vivid embodiment of high level of their dynamically developing multifaceted relations and traditional friendship between the peoples of the two countries that constitute an important factor for peace and stability in Asia and the world".

To crown it all, the 26th Congress held in February-March 1981 declared that "friendship with India has become a popular tradition in the Soviet Union", and that, "joint action with peaceful and independent India will continue to be one of the important areas of Soviet foreign relations". It may not be out of context to mention that Prime Minister Rajiv Gandhi has also stated that, "friendship and cooperation with the Soviet Union is an integral part of our foreign policy".

It is in this background that the 27th Congress of the CPSU has assumed larger significance. Its decisions will definitely have far-reaching implications for future Indo-Soviet relations as also for the global developments and world peace.

/9274

CSO: 4600/1782

INDIA

BHAGAT SAYS TALKS WITH PAKISTAN POSTPONED UNTIL MAY

Bombay THE TIMES OF INDIA in English 24 Feb 86 p 9

[Text]

PATNA, February 23 (PTI).

THE external affairs minister, Mr. Bali Ram Bhagat, today said that India was engaged in the process of evaluating the talks held so far with Pakistan.

He also indicated that the next foreign ministers-level meeting scheduled for March, would be held after May due to the budget session of parliament.

Replying to questions, Mr. Bhagat said that India's relation with the U.S. was "good and improving" within the areas of co-operation decided by the leadership in both the countries.

Mr. Bhagat said there was greater understanding and appreciation of each others' position on different issues though differences still existed.

NO PACT LIKELY

Referring to the Sri Lankan ethnic issue Mr. Bhagat said that the process of political settlement had been obstructed as a result of continued emphasis by the Sri Lankan authorities on a military solution. Apart from vitiating the climate for peaceful negotiation, it had resulted in increased violence.

Islamabad (PTI): The Pakistan President, Gen. Zia-ul-Haq, said that it is too early to say anything on a possible agreement with India on a

comprehensive friendship treaty or a non-aggression pact.

"If there is some outcome, it will emerge before us," Gen. Zia said in Sibi (Baluchistan) yesterday.

In the Pakistan national assembly today the minister of state for foreign affairs, Mr. Zain Noorani said that the government was conscious the possible implications of the Indo-American agreement on the supply of advanced computers and related technology to be used in India's nuclear programme.

/9274

CSO: 4600/1477

INDIA

BHAGAT: INDIA, PAKISTAN DIFFER ON TREATY PERSPECTIVE

New Delhi PATRIOT in English 27 Feb 86 p 5

[Text]

Differences have persisted between India and Pakistan on certain important aspects of a comprehensive treaty of peace and friendship as well as the question of not attacking each other's nuclear installations. External Affairs Minister B R Bhagat told the Lok Sabha on Wednesday.

Replying to a supplementary raised in the House by Mr C Madhav Reddy during question hour, Mr Bhagat said the question of an agreement on not attacking each other's nuclear installations was pursued during foreign secretary Romesh Bhandari's visit to Islamabad last month. But there were differences in perceptions of the two sides, and the issue "will be followed up", Mr Bhagat said. Mr Reddy had sought to know the progress achieved so far on the oral agreement between Prime Minister Rajiv Gandhi and President Ziaul Haq reached during Mr Zia's visit to New Delhi in December.

Answering main questions of Mr Chitta Mahata, Mr Chintamani Panigrahi and Mr Mohammed Mahfooz Ali Khan, Mr Bhagat reiterated that the Prime Minister's proposed visit to Pakistan was designed to be the culmination of the peace process of normalisation of relations between the two countries.

The point "has not reached yet", Mr Bhagat added, and told the members that Mr Gandhi's visit would depend on satisfactory progress in trade matters

and negotiations at various levels of defence secretaries, foreign secretaries and the joint commission.

Mr Panigrahi drew the Minister's attention to President Zia's reported statement that the Prime Minister's visit would come off in a few months. Mr Bhagat said India had always sought and worked for durable peace between the two countries. The Simla Agreement should be the basis of solving outstanding bilateral problems.

But, Mr Bhagat said, factors like Pakistan's involvement in training extremists and continuing arms build-up were stalling the process in the direction of peace and normalisation of relations.

Pakistan had maintained that it had neither allowed third country military bases on its soil nor it intended to do so, but that was the matter concerning its "sovereignty", Mr Bhagat told members.

Answering another supplementary, the Minister said India had neither sought military assistance from the US nor did it intend to do so. Regarding Pakistan's acquisition of Fire-finder radar system from the US, Mr Bhagat said induction of sophisticated weaponry was a matter of concern for India.

The issue of Siachen Glacier dispute also figured in the Lok Sabha during question time. Minister of State for Defence Arun Singh told the House that Pakistan was laying claims to the area without any basis. The area was integral part of India.

/9274
CSO: 4600/1788

INDIA

PAKISTAN SAID TO WHIP UP ANTI-INDIAN TERROR

Madras THE HINDU in English 25 Feb 86 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, Feb. 24.

Once again the Indo-Pakistani moves for better relations have suffered a setback following virulent attacks on India by some fanatical elements in Pakistan.

A new wave of anti-India hysteria has been whipped up in Pakistan by publicising highly exaggerated accounts of the communal incidents in Jammu and Kashmir, Uttar Pradesh, Madhya Pradesh and Delhi.

The External Affairs Minister, Mr. B. R. Bhagat, who was due to visit Islamabad next month to attend the ministerial meeting of the Joint Commission, has put off his visit till May to voice India's strong resentment over this well-orchestrated propaganda campaign.

The reason given for this postponement is that Mr. Bhagat will be busy with the budget session till the middle of May, although it was known that Parliament would be in session from late February to mid-May when the Government of India agreed to have the meeting of the Joint Commission in Islamabad in March during the Pakistani President, General Zia-ul-Haq's visit to Delhi. The decision to defer the Minister's trip till May is thus intended in diplomatic terms to be an expression of India's severe indignation over this calumnious campaign.

Rajiv visit may be put off: Consequently, the projected visit of the Prime Minister, Mr. Rajiv Gandhi, to Pakistan by the middle of this year, which was intended to be a happy culmination of the process of normalisation, will get delayed in the wake of these unfortunate developments which have impeded the process of normalisation. The timing of the Prime Minister's visit can be decided only after Mr. Bhagat visits Islamabad and assesses the political climate in Pakistan.

Envoy called to Delhi: The Indian Ambassador in Islamabad, Mr. S. K. Singh, has been called to Delhi for consultations for reviewing the current mood in Pakistan and identifying the political and communal forces behind the latest anti-Indian outbursts. He would be able to give the Government a detailed analysis of how Pakistani Generals, politicians, religious heads, media men and others in public life have been reacting to the moves under way for improving Indo-Pakistani relations.

The communal incidents in some of the northern States, sparked by the judgment of a munsiff in Ayodhya, restoring the right of access to Hindu worshippers to the disputed birthplace of Rama that is claimed by Muslims to be a mosque, have been grossly misrepresented by some fanatical elements in Pakistan to spread the lie that Muslims were being persecuted in India with the active connivance of the Government. The Minister of State for Foreign Affairs, Mr. Zain Noorani, gave a totally tendentious account of these incidents on February 20 to an excited Parliament.

Call for sanctions: The members of the Lahore Bar Association adopted a resolution appealing to other Islamic countries to impose sanctions against India for the alleged atrocities on its Muslim population. One of the leading Pakistani newspapers went to the shocking extent of accusing India of playing Holi with the blood of Muslims.

The Government of India has come to the conclusion that no useful purpose would be served in persevering with its policy of normalising relations in this atmosphere of vilification now prevailing in Pakistan. It has, therefore, decided to go slow with the process and wait for a few months till the political climate is conducive to resuming the threads of the stalled dialogue.

/9274

CSO: 4600/1781

INDIA

TWO ADVISORY BODIES URGE CENTER TO SEAL PAKISTAN BORDER

Bombay THE TIMES OF INDIA in English 27 Feb 86 p 9

[Text]

CHANDIGARH, Feb. 26:
THE Punjab communal harmony committee and the national integration council today urged the Centre to take immediate steps to effectively seal international borders with Pakistan.

The committee which met today, was presided over by the chief minister, Mr. Surjit Singh Barnala. It expressed deep concern at the activities of disruptionist elements operating inside and outside the country.

It appealed to the people and the government to identify and isolate forces responsible for attempts to destabilise the social and political situation in Punjab.

The high-powered committee-cum-national integration council includes Mr. Barnala's cabinet colleagues, top government officials, representatives of various political parties, legislators, university vice-chancellors, retired members of the judiciary and the armed forces and newspapers editors.

PLEA FOR PEACE

A resolution adopted today said peace in Punjab was not an "isolated administrative issue". If the social and political aspects of the issues were

neglected, it could pose a serious threat to national integration.

"It is time everyone realised that the nation has a vested interest in a stable peaceful and prosperous Punjab", said the resolution.

The committee decided to send a deputation to the Prime Minister, Mr. Rajiv Gandhi, to urge him to implement the Punjab accord without any further delay.

Mr. Barnala, in his address, said the delay in implementing the first phase of the accord on transfer of Chandigarh to Punjab on January 26 "has sparked off new suspicions, tensions and uncertainty in the region".

He added: "If Punjab and the country have to be saved from another trauma, the accord must be saved immediately.

Later the chief minister was asked how he could link the worsening law and order situation to the issue of non-implementation of the accord, considering that extremists had never accepted the accord.

Mr. Barnala stated that the elements that did not agree with the accord nonetheless they sought to exploit the situation in which doubts were being raised in many quarters about the implementation of the accord.

The proposed joint meeting of senior leaders of the ruling Akali Dal (L) and the SGPC for discussing and finalising

follow-up measures on decisions taken at the "Sarbat Khalsa" held at Anandpur Sahib on February 16 would be held some time next month.

Punjab: One person was shot dead, a constable injured and a bank looted of Rs. 62,000 in separate incidents today reports UNI.

According to official reports, a dismissed police constable was shot dead when four people in a car opened fire in a market at Khadur Sahib in Amritsar district.

Four armed persons looted Punjab and Sind Bank branch at Nathuwal Faridkot district, this afternoon. They robbed the bank at gun-point.

/9274

CSO: 4600/1786

INDIA

GANDHI, PANEL DISCUSS PROBLEMS OF PUBLIC SECTOR

Bombay THE TIMES OF INDIA in English 13 Feb 86 p 1

[Text]

NEW DELHI, February 12.

THE Prime Minister, Mr. Rajiv Gandhi, has said that some "hard decisions" regarding the public sector undertakings to step up their internal generation will have to be taken.

Addressing the parliamentary consultative committee for planning last night, Mr. Gandhi admitted that the government was left with only one area to concentrate on to raise more resources: public sector undertakings, which must become more efficient, and generate "higher margins" for investment.

The Prime Minister referred to the resource crunch and said money could be raised either by taxation or by borrowings or by improving efficiency of public sector units. While the tax revenues had increased substantially public borrowings were also high. The interest burden of borrowings increasingly pre-empted revenues raised by government from tax and non-tax sources. This left only the public sector units for raising resources for investment to sustain the desired growth rate.

Mr. Gandhi said the question of granting autonomy to chief executives of public sector undertakings was a dilemma which had to be resolved.

Some members advocated granting absolute autonomy to public sector undertakings. Others felt that since the administrative ministries were responsible for the performance of their respective public sector units, the ministries had to keep a close watch on the working of the units. This diluted the autonomous working of public sector undertakings.

Taking note of members' views Mr. Gandhi said some solution could be found to resolve the issue after discussions with a representative group of parliament as also with the speaker of the Lok Sabha and chairman of the Rajya Sabha.

Referring to vocational education, the Prime Minister suggested that the planning commission should organise a seminar to acquaint consultative committee members with the progress made and problems faced in this field.

Introducing the subject of human resource development Prof. M. G. K. Menon, member of planning commission, said the seventh plan accorded due priority to this sector.

He said the standard of vocational training was poor relatively and only two per cent of the students completing class two stage joined the vocational institutions. The competency of stu-

dents taking up vocational courses had not been found adequate for getting even reasonable employment opportunities.

One member referred to a survey conducted by him in 1,100 villages and said that either the school buildings were not there or the teachers were averse to taking classes in earnest. He said the teachers should be subjected to efficiency tests every five years.

The subject was discussed inconclusively and would be taken up for detailed discussion at the next meeting of the consultative committee.

The meeting was attended by Dr. Manmohan Singh, deputy chairman, planning commission, Mr. Ajit Kumar Panja, minister of state for planning, and Mr. Sita Ram Kesari, minister of state for parliamentary affairs. The members of the commission present at the meeting were Dr. Raja Chelliah, Dr. C. H. Hanumantha Rao and Mr. Abid Hussain.

Among the members of the consultative committee, attending the meeting were Mr. D. P. Yadav, Mr. Chandra Mohan Negi, Mr. Virdhi Chander Jain, Mr. Uttam Rahod, Mr. Murli Deora, Mr. Hanman Mollah, Mr. Ghulam Rasool Matto and Dr. Shanti Patel.

/9317

CSO: 4600/1458

INDIA

RAJIV REPORTEDLY WANTS CLOSER TIES WITH CONGRESS MP'S

Madras THE HINDU in English 20 Feb 86 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, Feb. 19.

As the Opposition parties intensify their attacks on the Government over the price increases, the Prime Minister, Mr. Rajiv Gandhi, is taking steps to establish closer personal contact and better political rapport with the Congress (I) Members of Parliament to ensure that they are not unduly influenced by this campaign.

He has decided to have informal talks with at least 10 Congress (I) MPs individually every day to have the benefit of their views on various issues, besides meeting them socially in groups along with Opposition members from their respective States.

Directive to Ministers: The Prime Minister has taken due note of the criticism in his party circles that he has made himself increasingly inaccessible to his own party colleagues, making no effort at all to elicit their views on policy matters before important decisions are reached by the Government. He has also directed other Ministers to keep in close touch with MPs, especially those from their States, to give them a feeling of closer association with the Government.

The Congress (I) MPs who had better access to Indira Gandhi in her time feel not only ag-

grieved that they are unable to meet Mr. Rajiv Gandhi more often, but are even more resentful that his close confidants have been ignoring them. It was not, therefore, surprising that many of them did not let go the opportunity to express themselves more freely over the price increases unmindful of the embarrassment they were causing to the Government.

The Prime Minister, who has been justifying the latest price increases, has directed all his Cabinet colleagues to meet the party MPs in groups and explain to them personally why the Government was obliged to take such harsh decisions. They have been asked to brief the more articulate members adequately so that they could rebut the Opposition criticism in Parliament, before the threatened strikes and demonstrations.

Beginning of new phase: But one cannot jump to the conclusion that this new sop to mollify the Congress (I) MPs amounts to restoration of inner-party democracy, since the general style of functioning of those in power remains much the same as before, offering no scope at all for the assertion of informed opinion on important issues. Nevertheless, it is seen as the beginning of a new phase of better contact and communication between the Prime Minister and members of his party in Parliament.

/9274

CSO: 4600/1474

INDIA

PAPERS REPORT, COMMENT ON SINGH SPEECH TO PARLIAMENT

Text of Speech

New Delhi PATRIOT in English 21 Feb 86 p 5

[Text]

The following is the text of the President's address to the joint session of Parliament.

Honourable members,

It gives me great pleasure to welcome you to this first session of Parliament in 1986. I felicitate the new members.

The year has seen Parliament transact its business in a purposeful manner and in an atmosphere of cooperation. I extend to you all my best wishes for the successful completion of the budgetary and legislative business that lies ahead.

In July, 1985, the Government took a major initiative to resolve the complex and difficult problems in Punjab. Our prime concern was to strengthen the forces of unity and integrity. Policy was governed by the perspective of serving the highest national interest. The democratic process triumphed over terrorism. The peaceful elections in Punjab testified to the desire of the overwhelming majority of the people for peace and normalcy in the State.

A great responsibility rests on those who have secured the mandate of the people. Their supreme task is to isolate those who are resorting to violence to disturb communal harmony and peace. In this task they will have the support of all political forces committed to the unity and integrity of India. There cannot be, and must not be, any compromise with the

forces of disintegration. It is imperative that all secular and democratic forces join hands in a mass campaign to safeguard the values enshrined in our Constitution, nationalism, secularism, democracy and socialism as the bedrock of India's unity.

The Assam settlement was followed by elections to the Legislative Assembly and the Lok Sabha. New Government has taken office.

Government is committed to the fullest implementation of the Punjab and Assam accords.

Government expresses its deepest sympathy with the fami-

Communalism

lies of all those who lost their lives or were injured, or suffered loss of property in violent incidents in different parts of the country. Violence in public life is the very antithesis of the ethos of our civilisation. The frequent resort to violence to settle what are perceived as grievances of one group or another should deeply disturb those who uphold democratic values. While Governments must firmly put down violence wherever it may occur, it is essential that political parties committed to democratic values should deal with the root causes of violence through purposive and sustained work among the people. The temptation to seek short-term advantages from communal and

other types of violence must be eschewed.

Communalism continues to pose a serious threat to national unity. It is being reinforced by religious fundamentalism and fanaticism. These trends represent a reactionary social outlook, directed against the struggle of the poor and the underprivileged against the vested interests. The reconstituted National Integration Council will have to act decisively and systematically to strengthen secularism.

Major tasks

In my address on 17 January I had outlined the major policies and programmes of the Government. I recapitulate the main points.

- (1) Commitment to a clean public life;
- (2) Administrative reforms;
- (3) Judicial reforms;
- (4) A new national education policy;
- (5) A new national programme for women;
- (6) Participation of youth in programmes for promoting national integration and achieving excellence;
- (7) Establishment of a waste-land development board;
- (8) Formation of a Central Ganga Authority;
- (9) A new textile policy and
- (10) Thorough examination of

safety measures for industrial establishments.

My Government has fulfilled in substantial measure the tasks they had set for themselves for the past year.

The Anti-Defection Act is now on the statute book. Contributions to political parties by the companies have been permitted by law. Government has endeavoured to set a new tone in public life. This has strengthened national confidence. A strong sense of involvement in public affairs among all sections of the people and a buoyant spirit have characterised the year that has gone by. We have to build on these assets to raise the standards of public life.

Vigorous steps have been taken to combat corruption and to improve the performance of the public services. Strong emphasis has been laid on sound personnel management and training of personnel at all levels. Machinery for redressal of public grievances is in place. Its results are being continuously evaluated.

A new ministry has been set up to monitor the implementation of various programmes. All departments of Government have been directed to formulate detailed action plans for the coming financial year, against which their progress will be judged. Administrative reform is a continuous process. Detailed exercises are underway to reorient the system to speedier decision making and better implementation.

Government is determined to eliminate delays in dispensation of justice. The experiment of Lok Adalats has proved that an innovative approach is required to cure this malady. The establishment of administrative tribunals will also lighten the burden of the courts, enabling them to devote more time to the liquidation of arrears. However, these are just the first steps in tackling the basic problem of making justice inexpensive and easily accessible to the poor. Drastic changes are needed. Government has entrusted to the Law Commission the task of recommending such changes.

Government published in August 1985 a status paper entitled

"The Challenge of Education". This was intended to stimulate wide and intensive national debate on issues and alternatives. Government notes with satisfaction that the debate has involved all sections of the people and many useful ideas and approaches have emerged. A draft of the new education policy will be presented shortly to Parliament.

Government has set up a new department to look after the development of women. A comprehensive national programme for women is being worked out. It will aim at enabling women to play their full part in developing a strong and modern nation.

Programmes for youth development have made considerable headway but much more has to be done in this area.

The Wasteland Development Board has been set up and has started work on an ambitious programme of afforestation. In a recent meeting, all the State governments endorsed an integrated approach to a national land use policy as well as the strategies and policies for wasteland development.

The Central Ganga Authority has come into existence. With the cooperation of the concerned State Governments, work has started in full swing on stopping the pollution of the Ganga.

A new textile policy was announced in June 1985. It aims at production of cheaper cloth for the people. An equally important objective of the policy is to protect the interests of handloom weavers. It is envisaged that in the seventh Plan the entire production of 700 million sq. metres of controlled and Janata cloth will be transferred to the handloom sector. The Handlooms (Reservation of Articles for Production) Act, 1985 has been passed to strengthen this vital sector which provides livelihood to millions. Steps are being taken to ensure full and efficient implementation of the policy.

The Government has completed examination of issues relating to industrial safety and management of hazardous substances and legislation will be introduced in this session of Parliament.

The Government will estab-

lish seven zonal cultural centres—three have already been set up—to promote a sense of cultural cohesion. These centres, cutting across territorial and linguistic boundaries, would project the rich diversity of regional cultural traditions and their underlying unity. They would take the best of our culture to the masses, harmonising it with their lives and struggles. Their essential thrust would be to break the artificial barriers created during the colonial rule in all its forms. The centres will also aim at revitalising folk art which has enriched the country's cultural life.

I would now refer to the major trends in our economy. The seventh five year Plan was approved by the National Development Council. The basic strategy of the Plan is cast in a longer term perspective of eradication of poverty and building a strong, self-reliant and modern economy.

The Plan sharpens the focus on the anti-poverty programmes which will have an expanded coverage. It also envisages investments in the core sectors to strengthen the growth potential of the national economy.

The fulfilment of the Plan requires total commitment and determination to mobilise adequate resources for investment. To translate the vision of a strong, prosperous, self-reliant India into reality requires unremitting toil and capacity to sacrifice and to bear hardship. Adequate savings have to be mobilised to pursue a non-inflationary path of development. More importantly, these savings have to be used effectively, the challenge has to be met. There are no short cuts to development, no alternatives to hard work.

Major trends

Vigorous implementation of anti-poverty programmes yielded significant results. The sixth five year Plan aimed at assisting 15 million families under the Integrated Rural Development Programme: 15.6 million families were actually covered, of which 6.4 million belonged to the scheduled castes and scheduled tribes. These programmes are being strengthened and surplus

foodgrains stocks will be used in 1986-87 to expand the National Rural Employment Programme and the Rural Landless Employment Guarantee Programme to cover one million additional families. An amount of Rs 100 crore has been provided annually during the seventh five-year Plan for the construction of housing for the scheduled castes/scheduled tribes and freed bonded labour.

By the end of March 1985, of a total of 2.31 lakh problem villages lacking safe drinking water supply, 1.92 lakh villages had been provided with at least one source of water supply. During 1985-86 the programme was further accelerated.

In 1985-86, agriculture continued to make steady progress. In November, 1985, foodgrains stocks with the Government were higher by nearly 15 per cent over 1984. This has enabled the Government to launch a scheme for distributing wheat and rice at specially subsidised rates in tribal areas and to other vulnerable sections, especially the scheduled castes, expectant mothers, children, etc. A comprehensive crop insurance scheme has been introduced in specified areas for the kharif crop. The Government is considering further expansion of such schemes.

During the first seven months of 1985-86, industrial production grew at the rate of 6.3 per cent. The policy initiatives of the Government have created a buoyant investment climate. The infrastructural industries have performed well. Compared with the first nine months of the last year, power generation was up by 8.2 per cent, saleable steel production by 12.9 per cent, fertiliser production by more than 10 per cent. Our ports handled 13.2 per cent more cargo and the railways created an all-time record in freight traffic movement.

In 1985-86, the Central plan outlays were stepped up by 15 per cent over 1984-85, specially on anti-poverty programmes, human resource development and infrastructure. There was considerable increase in the outlays of State plans. The Government will have spent in 1985-86 Rs 1650 crore on food subsidy and Rs 2050 crore on fertiliser subsidy. Public distribution system was strengthened

and prudent management of supplies prevented shortages. It is gratifying that a significant increase in public investment was achieved.

Tax collections have been buoyant, belying gloomy forebodings. The collection of direct taxes is up by about 23 per cent compared to the corresponding period last year. Indirect tax collection has increased by 22 per cent. Total tax collections have increased by 22 per cent which is the highest in the last decade. An effective drive was launched against tax evaders, smugglers and blackmarketeers. Action has also been taken against personnel found guilty of colluding with economic offenders. Government is determined to cleanse the economic life and to fight the evil of black money.

Self-reliance

For the first time, a long-term fiscal policy coterminous with the five-year Plan has been announced. A long-term direction to economic policy has been provided. The Government is confident that the policy will ensure economic growth and speedier expansion of productive investment and employment opportunities.

It is necessary to focus attention on the structural problems of the economy to further our basic objective of growth with social justice. India's development depends upon steadily rising levels of public investment. How are these investments to be financed? Massive investments made in the previous Plans must yield adequate returns. Costs of production have to be reduced. Every paisa of national savings has to be put to the most productive use. Otherwise it will be difficult to find real resources for the larger and larger investments required for maintaining the tempo of self-reliant growth, for enlarging our anti-poverty programmes and for preserving our economic independence. Sooner or later, sooner rather than later, we have to face the realities of the situation. No one should be under the delusion that growth, social justice, price stability and self-reliance are achievable without efficiency, discipline and sharing of burdens.

Contemporary history warns us of such pitfalls.

We must reduce the costs of our input and prices of final products and services. We cannot afford the luxury of pricing ourselves out of both the domestic and the export markets. A modern industrial society cannot rise on the basis of continuing low levels of productivity and high costs of production. New jobs cannot be created if existing enterprises incur losses year after year. Operational inefficiency increases the cost of production and is inevitably reflected in increased prices which are a burden on the people. It raises costs all round, reducing real investment.

The future of the planning process depends on our capacity to face up to difficult questions and to take hard decisions, decisions that may involve sacrifices but without which forward movement will not be possible. Growth is absolutely vital to raise the standards of living of the poor. Can we evade decisions that protect and strengthen this development process? Nations are built by generations that sacrifice for a better tomorrow.

The balance of payments position poses a similar challenge. Our exports have remained sluggish in 1985-86 but our imports have in-

Food for thought!

Our Special Correspondent

What was that delectable stuff that Prime Minister Rajiv Gandhi partook of during President Zail Singh's address to the joint session of Parliament held in the Central Hall on Thursday?

People in the galleries kept guessing as Minister of State Sushila Rohtagi passed on something to Finance Minister V P Singh who shared it with Home Minister S B Chavan sitting next to him. Mr Chavan in turn offered it to Mr Gandhi who too accepted it.

Was it 'elaichi'? It could not have been 'paan masala' because Mr V P Singh also consumed it.

creased. The imports of petroleum products and edible oils are well above the limits the country can afford. The question basically is whether we want to stand on

our own feet or not. If we do, there is no question that we have to curb the growth of consumption of petroleum products and we have to be self-sufficient in oilseeds.

We also have to have a fresh look at our imports of capital goods. We do not want to shut out new technology because that will harm us, but we have to make sure that such technology meets the rigorous criteria of essentiality. External financial flows are needed but Government is determined that India is never at the mercy of foreign banks and institutions. Economic independence and self-reliance are central to our philosophy of development. We shall pay whatever price is required to maintain our economic independence.

The primary objectives of our foreign policy continue to be the promotion of non-alignment, advocacy of peace and nuclear disarmament, enlarging the area of friendship and cooperation and building of a just world order.

We welcome the resumption of high level dialogue between the USSR and USA. It is imperative to take urgent steps to bring about a freeze in the nuclear arms race and a comprehensive nuclear weapon test ban treaty. The six-nation initiative has called for these measures. The Delhi declaration of January, 1985 has had a good impact on public opinion throughout the world. The leaders of the six countries are in touch with one another about further steps.

During the last one year the atmosphere in the sub-continent has distinctly improved. We have succeeded in making progress with our neighbours in many fields. But we remain concerned about the ethnic situation in Sri Lanka and Pakistan's continued pursuit of a nuclear weapon capability. We remain convinced that the situation in Sri Lanka can be settled only through political means: attempts to seek a military solution will fail and will only result in the loss of large number of innocent lives.

The Government welcomes the establishment of South Asian Association for Regional Cooperation (SAARC) launched in Dhaka in December, 1985. We expect that it will help strengthen

forces of friendship and cooperation in our region.

The Government has made untiring efforts towards the resolution of the major areas of tension. At the Commonwealth meeting in the Bahamas in October, in which the Prime Minister participated, our delegation played a leading role in the adoption of the Commonwealth accord on South Africa. We continue to demand comprehensive mandatory sanctions against the racist regime in South Africa. If the authorities there, and other governments in a position to influence South Africa, do not act in time, violence on large scale will become unavoidable.

The Prime Minister also attended the 40th anniversary of the United Nations. The Nassau declaration on world order, adopted by Commonwealth leaders, contained a strong plea for adherence to international norms and principles and the strengthening of the United Nations. Support for the United Nations system is one of the corner-stones of our foreign policy. We are concerned at the growing threat to the multilateral institutions and the increasing tendency to resort to unilateral action. The Government supports international efforts to combat international terrorism, while recognising the rights of people under colonial occupation to use all means to attain their just objectives.

Foreign visits

The Government deplors the fact that the Palestinian people continue to be denied their inalienable rights, including the right to an independent homeland of their own. Until this basic problem is tackled, West Asia will not see a lasting peace.

The Prime Minister paid official visits to the USSR, Egypt, France, Algeria, the US, Bhutan, the UK, Cuba, the Netherlands, Vietnam, Japan, Oman and Maldives. Our traditionally close and friendly relations with the USSR have been further strengthened following the Prime Minister's discussions with Soviet leaders in Moscow. The visit to the US has significantly enlarged the content of our bilateral relations with the US. The Prime Minister visited Dhaka to express

our solidarity with the people of Bangladesh during the cyclone disaster and participated in the meeting of heads of State and Government for launching the Southasian Association for Regional Cooperation. The Prime Minister addressed the UNESCO during the visit to France. He addressed the annual conference of the ILO in Geneva.

We had the privilege to host visits by the kings of Nepal and Bhutan, the queen of the Netherlands, the Presidents of Mexico, Maldives, Swazo, Sri Lanka, Tanzania, Indonesia and Pakistan, the Chairman of PLO, the Head of State of Ethiopia and the Prime Ministers of Poland, Yugoslavia, Mauritius, Britain, New Zealand, People's Democratic Republic of Yemen and Trinidad and Tobago. The crown prince and princess of Norway and the Pope also visited India.

Let me now outline some priority areas for 1986-87 and beyond. The need of the hour is to enable the poor to better their lives, science and technology have to support this fundamental objective, to this end, the Government is mounting technology missions in the following areas:-

(i) drinking water for all villages, (ii) eradication of illiteracy, (iii) vaccination and immunisation of children, (iv) production of oilseeds and manufacture of edible oils, (v) improved communications.

In the course of the year more thrust areas will be identified with the object of using technology for improving productivity in industry and agriculture. In selected areas science and technology missions will endeavour to place India in the front rank of scientific activity.

A comprehensive agriculture policy will be formulated to promote an optimal cropping pattern, to improve water and soil management to increase productivity of all crops, to enhance the incomes of small and marginal farmers and to enlarge our hard-won self-sufficiency in foodgrains through higher production of oilseeds and pulses, a time-bound action plan will be drawn up to take the green revolution to the eastern region.

It is gratifying that a national consensus has emerged on treat-

ing water as a national resource. The Government attaches high priority to the evolution of a national water policy which would optimise the use of water for agricultural, industrial and other social needs.

FP programmes

The Government has carried out an indepth analysis of our family planning programmes. Profiting from the experience of the past, a more effective strategy for family planning is being worked out and will be announced shortly.

The focus on anti-poverty programmes will be sharpened. A new programme, which builds on the success achieved by the revised 20-point programme, is being formulated and will be announced soon. It will bring together all the elements, policies and programmes for a major national effort to tackle the problem of mass poverty in all its manifestations, specifically the problems of scheduled castes and scheduled tribes. Programmes for the social, economic, educational and cultural development for the scheduled castes, scheduled tribes and other weaker sections will be vigorously implemented, the implementation of the 15-point programme for the development of minorities, with special emphasis on increasing economic opportunities, will be closely monitored.

To rapidly increase employment, to stimulate development in backward areas and to enhance the efficiency of Indian industry to serve the masses better, a more comprehensive framework of industrial policy is required. Many changes have already been made in our industrial policy which now reflects the new thrust for modernisation, absorption of new technologies and promotion of indigenous technologies.

High cost and inefficient industry hurts the poor, because it absorbs resources that are needed to create new jobs for them. A vast increase in the production of goods and services for the masses in rural and urban areas is central to our strategy for the removal of poverty. This necessitates a fresh look at policies governing scale of production, capacity utilisation, the role of indigenous technology, labour productivity, the detailed

regulatory mechanism, the future perspective for small and medium industry and the existing administrative and management apparatus. Industry must serve the large masses.

To meet the challenge of maintaining

To rapidly increase employment, to stimulate development in backward areas and to enhance the efficiency of Indian industry to serve the masses better, a more comprehensive framework of industrial policy is required. Many changes have already been made in our industrial policy which now reflects the new thrust for modernisation, absorption of new technologies and promotion of indigenous technologies.

High cost and inefficient industry hurts the poor, because it absorbs resources that are needed to create new jobs for them. A vast increase in the production of goods and services for the masses in rural and urban areas is central to our strategy for the removal of poverty. This necessitates a fresh look at policies governing scale of production, capacity utilisation the role of indigenous technology, labour productivity, the detailed regulatory mechanism, the future perspectives for small and medium industry and the existing administrative and management apparatus, industry must serve the large masses.

To meet the challenge of maintaining a viable balance of payments position, a major thrust for promotion of exports and tourism is called for, any slackening of progress on this front will jeopardise our overall development strategy. The Government will take new initiatives in this critical area.

It is imperative to effect changes in our administrative system to bring it in tune with the objective of growth with social justice. Management in the Government has to be imbued with a new social outlook, it is not a question of imposing something from above, the impetus to reform must come from within, the national community as a whole must debate issues affecting the working of the administrative system. A concrete agenda of action will thus emerge for implementation, our watchwords must be improvement of efficiency and enforcement of accountability.

Electoral laws

To safeguard the health and vitality of our basic political institutions, changes will be needed in our electoral and other laws. The Government will hold wide-ranging consultations with the leaders of political parties with a view to formulating concrete proposals to ensure clearer public life.

The vision of a mighty India will be realised only in the actual lives of men and women who have strength of character, tenacity of purpose and commitment to excellence. The Government's strategy for human resource development aims at developing these qualities in our national life. The new education policy will be an integral part of this strategy. It will aim at the physical, intellectual, cultural and moral development of society in a harmonious fashion.

It is not enough to state objectives, a national mobilisation is essential to ensure that the resources required to implement the education policy are forthcoming. Even more important is the involvement of the youth, students, teachers, the intelligentsia, workers and farmers in giving a new direction to the national effort in this area.

Education has to be transformed from an activity in the classroom to a social process for building the India of our dreams. It has to be integrated more closely, both with production and our commitment to conserve and enhance our cultural heritage — to make us proud to be India.

The years ahead are years of challenge. The Government has taken a number of measures to accelerate growth, to modernise the economy and to give new content to our programmes for achieving social justice, it is imperative to impart a sense of urgency to the task of implementation.

Much has been achieved this past year, and the hopes and expectations of our people are high. As their representatives, you have the onerous duty to fulfil their aspirations, above all people's representatives and organisations of all political persuasions should work together to strengthen the secular and democratic foundations of our society.

The forces of violence and fanaticism have to be fought. The

economic capabilities we have built up since independence have brought us to a point where determined and concerted efforts to take us forward and to remove poverty are feasible, now is the time to ensure greater political cohesion so that the battle against poverty and backwardness can be won. I wish you all success in the tasks ahead.

MP's Reaction Reported

Madras THE HINDU in English 21 Feb 86 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, Feb. 20.

The President, Mr. Zail Singh, announced today in his address to the joint session of both Houses of Parliament that the Government would hold wide-ranging consultations with leaders of political parties to formulate concrete proposals to ensure cleaner public life". He said: "Changes would be needed in our electoral and other laws to safeguard the health and vitality of the country's basic political institutions".

As the President's address is a policy statement approved by the Cabinet, the reference to the need for changes in "electoral and other laws" to safeguard the country's "basic political institutions" led to considerable speculation in parliamentary circles as to what exactly the Government proposed to do—whether it was contemplating changes in the Constitution itself or merely tightening the loopholes in the existing laws to prevent malpractices in the political system.

The Government, he said, proposed to make a "major national effort" to tackle the problems of mass poverty in all its manifestations, especially to end the plight of the weaker sections. A new plan of action, based on the success already achieved through the revised 20-point programme, was being formulated and would be announced soon.

Agricultural policy

Apart from working out a comprehensive agricultural policy to promote an optimal cropping pattern, improve water and soil management and increase the production of oilseeds and pulses, the Government intended to draw up a time-bound plan for extending the benefits of the green revolution to the eastern region. At the social level, a simultaneous effort would be made during 1986-87 to provide drinking water for all villages, eradicate illiteracy, encourage family planning, improve public health with better medical facilities and extend rural communications by mounting appropriate "technology missions".

The ruling party members were significantly silent when the President sought to justify indirectly the price increases by stressing that larger investments were required for maintaining the tempo of development and that growth, price stability, self-reliance and social justice could not be achieved unless the people were prepared to share the burdens. There were no cheers when he said that "we shall pay whatever price is required to maintain our economic independence" which would have normally attracted thunderous applause from the ruling party members in demonstrative support for the policies of the Government. The Opposition leaders who boycotted the President's address courted arrest later along with hundreds of their supporters in a symbolic defiance of the prohibitory orders in the vicinity of Parliament House.

UNI PTI report:

The Presidential entourage entered the high-domed Central Hall exactly at 11 a.m. It was led by the presiding officers of both the Houses, the Vice-President and Chairman of the Rajya Sabha, Mr. R. Venkataraman and the Lok Sabha Speaker, Mr. Balram Jakhar. The Prime Minister, Mr. Rajiv Gandhi, walked behind the President.

Mr. Venkataraman, who read the English version of the address, took 34 minutes.

The Opposition members who attended the session belonged to the AIADMK, Kerala Congress and the Asom Gana Parishad.

Muslim League MPs joined the boycott. In a press release, the president of the Indian Union Muslim League, Mr. Ebrahim Sulaiman Sait, said the members stayed away protesting against the Government's failure to intervene in the incidents at Ayodhya and the police firing.

The seven newly elected AGP members wearing "gamocho"—traditional Assamese scarf—were sitting next to the lone Naga National Democratic Party (NNDP) member of the Rajya Sabha, Mr. T. Aliba Imti.

A parallel drive on the industrial front would be aimed at increased production through a fuller utilisation of installed capacity, updating of technology, better labour output and improved management systems to generate more employment and meet the needs of the people. The President also stressed the need for promoting exports and encouraging tourism to increase foreign exchange earnings for sustaining the balance of payments.

In reiterating the Government's commitment to the "fullest implementation" of the Punjab and Assam accords, the President hailed them as a triumph of the democratic process over terrorism. He appealed for the support of all political parties who believe in the unity and integrity of the country in fighting the forces of disintegration and upholding the secular and democratic values enshrined in the Constitution.

'Years of challenge'

The years ahead, the President said, were going to be "years of challenge", while maintaining that the Government had, by and large, fulfilled the promises made in his last address to Parliament. It enacted the anti-defection law, combated corruption, initiated a new education policy, introduced a new national programme for women, encouraged more active participation of the youth in national development, taken steps to establish zonal cultural centres and mobilised resources for translating the vision of a strong, prosperous and self-reliant India into a reality for ensuring better social justice through orderly economic development.

Almost all the Opposition groups boycotted the joint session as a protest against the recent price increases. But the Congress (I) members and their associates who attended the session did not appear to be particularly inspired by the high rhetoric of the President's address since they hardly cheered even once as he read the lengthy text for 52 minutes.

/9274

CSO: 4600/1475

INDIA

CPI DEBATES PARTICIPATION IN PRICE RISE AGITATION

Calcutta THE STATESMAN in English 22 Feb 86 p 13

[Text]

NEW DELHI, Feb. 21.—The decision of almost all Opposition parties to launch mass movements in the country on the issue of the escalation in the prices of petroleum products, foodgrain and fertilizer has reportedly led to a serious debate among the high echelons of the Communist Party of India.

The CPI joined the Opposition boycott of the President's address to the joint session of Parliament yesterday. It was also with the other Opposition parties on their decision to stay away from a meeting called by Mr. Rajiv Gandhi on Wednesday.

It has been pointed out within the CPI that the party cannot isolate itself from other Opposition parties on the issue of prices. This is because the recent increases in the prices of petroleum products and other essential commodities have only shown that the Government is following "anti-people" policies.

However, what is being debated by the central leadership of the CPI is whether the party's rank and file in the States should participate in mass struggles to be launched by the rival CPI(M), the BJP, the Janata, the Lok Dal, Telugu Desam and other regional parties.

One view in the central leadership is that the Opposition parties particularly the CPI(M), intended to arouse popular discontent only with the aim of seeking the ouster of the Government at the Centre. It is being pointed out that the CPI(M) general secretary, Mr E. M. S. Namboodiripad, the Lok Dal leader, Mr H. N. Bahuguna, and the Janata leaders, Mr George Fernandes and Mr Karpoori Thakur in a joint statement in Patna last week announced their decision to launch mass movements in May to demand the dissolution of the Lok Sabha.

There are others in the central CPI leadership, notably Mr A. B.

Bardhan, Mr Jagannath Sarkar and Mr Rajeshkhar Reddy, who want the party to join with the CPI(M) and other Opposition parties in the proposed mass movements.

However, the CPI general secretary, Mr G. Rajeswara Rao and others point out that the party's political line is against the replacement of the Rajiv Gandhi Government by a "bourgeois combination of parties dominated by a rightist force like the BJP". It is also argued that in the proposed mass movements to be launched by Opposition parties in the country, the BJP will emerge as the biggest gainer in the Hindi-speaking northern States. "The CPI cannot be a party to the possible re-emergence of the BJP in the proposed struggles against the Rajiv Gandhi Government".

More importantly, Mr Rajeswara Rao has already committed to the Communist Party of Soviet Union that the CPI will oppose the Rajiv Government on its "anti-people" policies but will not join "bourgeois and rightist forces" in the country. Indeed, the Soviet Communist leaders have asked the CPI to develop "deeper relationship" with the Rajiv Gandhi Government.

Meanwhile, the three-member CPI delegation in the CPSLU Congress to be held in Moscow from February 25, led by Mr Rajeswara Rao, consists of Mr M. Farouqi and Mrs Geeta Mukherjee. Mr Rajeswara Rao has deliberately not included Mr Jagannath Sarkar one of "left" hardliners in the central secretariat in the delegation to Moscow.

The CPI congress will be held in Patna from March 2 to 17. A sizable section of the Bihar CPI unit has demanded that Mr Jagannath Sarkar should replace Mr Rajeswara Rao as general secretary after the Patna congress. Mr Rajeswara Rao is holding the post since 1964.

INDIA

REPORT ON RAJIV GANDHI INTERVIEW WITH BLITZ

Bombay THE TIMES OF INDIA in English 26 Feb 86 p 7

[Text]

BOMBAY, February 25 (UNI): The Prime Minister, Mr. Rajiv Gandhi, has attributed the rise in prices of essential commodities to the fact that the country's trade gap has widened substantially at a time when the balance of payments was coming under pressure owing to the IMF loan repayments.

In an interview given to Mr. R. K. Karnjia, Editor of "Blitz" weekly recently, the Prime Minister said that because of the balance of payments the government had to send a "price signal" to conserve energy.

"Much of our imports are accounted for by petroleum products, fertilizer, edible oils and sugar. We cannot fritter away foreign exchange on consumption goods. Our resources must be channelled to give development a thrust."

The Prime Minister said that it would take another couple of years before things in Punjab settled down. "Some people thought that the accord was an end to all the problems in Punjab, while I didn't think so."

GOLDEN TEMPLE

Dwelling on the take-over of the Golden Temple by Sikh militants, the Prime Minister said: "I am confident that the Barnala ministry will face up to the extremists. We have to give them all the flexibility and elbow room to do so. I read that

the chief minister made quite strong statements in the papers. So I hope he will follow them up."

About India's policy towards Pakistan, the Prime Minister said "I am not sure that the policy that we are following, of taking a hard line, has worked. It has led to a sort of deadlock which has neither helped Pakistan nor us. It has forced us to spend thousands of crores on defence compromising our development process.

"How long are we going to do this. It's wasting precious resources. Other routes have to be found. But other routes not compromising our basic integrity, our basic positions. We have not done that."

PARTY SHAKE-UP

Speaking at length on the Congress Party and its functioning in the light of its defeat in the Punjab and Assam elections as well as the by-elections to the Lok Sabha and the state assembly, the Prime Minister said: "The basic message is very clear—the organisation needs to be rejuvenated.

"This is one of the reasons why we changed the general secretaries and appointed a vice-president. One of the key factors in this rejuvenation process is going to be the party elections which we hope to complete by the middle of this year."

/9274

CSO: 4600/1783

INDIA

MINISTER QUILTS CABINET OVER MUSLIM BILL

Calcutta THE TELEGRAPH in English 27 Feb 86 p 1

[Text]

New Delhi, Feb. 26: The minister of state for power, Mr Arif Mohammad Khan, has submitted his resignation from the Council of Ministers in protest against the introduction of the Muslim Women (Protection of Rights on Divorce) Bill in the Lok Sabha yesterday. His resignation was accepted by the Prime Minister, Mr Rajiv Gandhi, this morning.

Mr Arif Mohammad Khan, who was the only Congress(I) leader to have taken a consistent stand in opposing the Bill which puts divorced Muslim women beyond the scope of section 125 of the CrPC, submitted his resignation to the Prime Minister at 5.30 pm yesterday.

He resigned immediately after the Union law minister, Mr Asoke Sen, defended the introduction of the Bill in the Lok Sabha on the ground that it was the "bounden duty" of the government to take into consideration the views of the Muslim "leaders." Mr Khan, sources said, was upset that the Centre had accommodated only the more conservative view in the community.

Mr Khan had been placed in an extremely embarrassing posi-

tion by his own government as earlier he was given the sanction to support the Supreme Court judgment in the Shah Bano case in the Lok Sabha only to find that the Congress(I) had decided to field another minister, Mr Z.R. Ansari, to contradict his assertions on the floor of the House. The Bill showed that the Central leadership had decided to reject his views and support Mr Ansari and Mr G.M. Banaatwala of the Muslim League.

It became clear this morning that something was wrong when Mr Khan was seen sitting right at the back in the Lok Sabha instead of his usual seat in the ministerial rows. Later, as the news of his resignation spread, Congress(I) members were heard applauding the young minister's principled stand.

The Congress(I) Parliamentary Party has convened a general body meeting to discuss the Bill entirely at the initiative of the members. The Prime Minister has been informed of the decision and asked to send the Union home minister, Mr S.B. Chavan, and Mr Asoke Sen to witness for themselves the "strong resentment" of the members to the Bill. A senior party leader observed, "Arif has given us the courage we needed.

He has finally got us going." Another asserted, "We will see to it that the Bill is referred to a select committee."

Mr Khan, it is learnt, wanted to submit his resignation on Friday when the government was trying to introduce the Bill. He was prevented from doing so by the Prime Minister.

Mr Khan, while speaking on the private member's Bill introduced by Mr Banaatwala in the Lok Sabha last year, had quoted extensively from the Quran and the Hadees to prove that maintenance rights as interpreted by the Supreme Court were available to Muslim divorced women even under the Muslim Personal Law. The speech had been taken as a reflection of the Centre's views at that time, particularly as Mr Khan was then the minister of state for home affairs. But he was contradicted later by Mr Ansari who opposed the Supreme Court judgment.

The general body meeting tomorrow has been postponed to Friday. If the present mood of the Congress(I) MPs can be taken as an indication, the meeting might well set the stage for the government to refer the Bill to a select committee, as was demanded by several Opposition leaders yesterday.

/9274

CSO: 4600/1787

INDIA

PAPERS REPORT ON APPEALS BY CONVICTED GANDHI ASSASSINS

Report on Content

Bombay THE TIMES OF INDIA in English 20 Feb 86 p 12

[Text]

NEW DELHI, February 19
(PTI).

SATWANT Singh, Kehar Singh and Balbir Singh, all sentenced to death for conspiracy and the murder of Mrs. Indira Gandhi, today filed their appeals in the Delhi high court, challenging their sentence.

The appeals sought quashing of the January 22 order of the special judge, Mr. Mahesh Chandra, and the acquittal of the convicts.

Satwant Singh's appeal was filed by his counsel, Mr. R. S. Sodhi, while Balbir Singh's and Kehar Singh's appeals were filed by Mr. P. P. Burman and Mr. Rajesh Harnal.

Satwant, 23, was sentenced to death for assassinating Mrs. Gandhi while Kehar, 53, and Balbir, 42, were awarded capital punishment for conspiring to kill the former Prime Minister.

All the three appeals alleged that the sessions court judgment suffered from various "irregularities and illegalities" and that they were given no opportunity to address the court on the question of sentence.

Satwant said in his petition that no post-mortem had been conducted and that he could not be held guilty of the offence he was charged with because the proof that such a post mortem was actually conducted was basic for sustaining the case of the prosecution.

Kehar Singh and Balbir Singh said in their appeals that "if there was a conspiracy (to kill Mrs. Indira Gandhi) it fails one's imagination as to why Kehar did not meet Balbir and vice-versa." They said they had been made "scapegoats" by the special investigation team.

Noting that he had been denied natural justice, the convict said that Mr. Mahesh Chandra in his order of December 3, last year, had dismissed a list of defence witnesses submitted to the court.

Satwant's defence witnesses included the President, Mr. Zail Singh, the Prime Minister, Mr. Rajiv Gandhi, Mrs. Sonia Gandhi, other political leaders, journalists and officials as well as the generals who commanded "Operation Blue Star".

"This said order is nothing but the open exhibition of bias and prejudice against the accused which worked in the mind of the trial court", the appeal said.

"There is not even an iota of legally admissible or any evidence to prove the appellant (Satwant) had any prior knowledge of the change in the scheduled programme of the deceased (Mrs. Gandhi), as alleged in the charge sheet, or that he had, with such prior knowledge requested for change of his duty from beat number four to TMC gate (in the former Prime Minister's house)."

The appeal said "some persons, who are the real conspirations and responsible for the death of the deceased and who obviously master-minded the two killings (including Beant's) had managed to decoy the appellant to the TMC gate".

The appeal also said there was no evidence that Satwant had fired with the carbine alleged to have been issued to him. The carbine also did not bear any finger prints.

The Delhi high court meanwhile, adjourned till tomorrow a contempt of court petition moved against Mr. P. N. Lekhi for allegedly making "scurrilous" remarks against Mr. Mahesh Chandra.

Appeals Admitted

Bombay THE TIMES OF INDIA in English 25 Feb 86 p 14

[Text]

NEW DELHI, Feb. 24 (PTI):

THE Delhi high court today admitted appeals moved by Satwant Singh, Kehar Singh and Balbir Singh, challenging their convictions and sentences of death awarded by a sessions court for the conspiracy and murder of Indira Gandhi.

A division bench comprising Mr. Justice R. N. Aggarwal and Mr. Justice Malik Sharief-ud-Din directed that the appeals be heard along with the murder references made to the high court by the special trial judge, Mr. Mahesh Chandra, for confirmation of the death penalties.

During arguments, Mr. P. P. Grover,

counsel for Kehar and Balbir, alleged that some advocates had filed contempt petitions against the lawyers defending the convicts in the Indira murder case. "This was being done to overawe them so that they do not pursue the case," Mr. Grover added.

Mr. P. N. Lekhi, who appeared for 23-year-old Satwant along with Mr. R. S. Sodhi, supported Mr. Grover in his contention and said that "the trial court judgment was rich in qualitative and quantitative injustice."

Asked about the constitution of a special bench to hear the appeals and references, Mr. Justice Aggarwal and Mr. Justice Sharief-ud-Din told Mr. Grover to place his contentions before the chief justice.

All three appeals, moved by the convicts, have alleged that the judgment suffered from various "irregularities and illegalities" and that they were given no opportunity to address the court on the question of sentence.

Satwant, lodged in the Tihar jail along with Kehar and Balbir, said that no post-mortem was conducted on Mrs. Gandhi's body and that he could not be held guilty for the murder as autopsy was basic for sustaining the case of the prosecution.

Kehar and Balbir said in their appeals that "if there was a conspiracy (to kill Mrs. Gandhi), it fails one's imagination as to why Kehar did not meet Balbir and vice-versa."

/9274

CSO: 4600/1472

INDIA

TRIBUNAL ON RAVI-BEAS WATERS CLAIMS FORMED

Calcutta THE SUNDAY STATESMAN in English 26 Jan 86 p 1

[Text] New Delhi, 25 Jan--Simultaneously with the completion of the Mathew Commission's work, the Centre today announced the constitution of a tribunal that would verify the quantum of usage of water claimed by the farmers of Punjab, Haryana and Rajasthan from the Ravi-Beas system as on July 1, 1985.

The constitution of such a tribunal is envisaged in paragraph 9 of the Punjab memorandum of settlement signed by the Prime Minister and the late Sant Harchand Singh Longowal.

Presided over by the Mr Justice V. Balakrishna Eradi, a judge of the Supreme Court, the tribunal will also verify the quantum of water used for consumption purposes and for the adjudication of the claims of Punjab and Haryana regarding the shares in their remaining waters.

Ordinance

The appointment of the tribunal was done through a Presidential Ordinance promulgated yesterday. The tribunal has been asked to give its decision in six months.

An official notification issued today said that "in pursuance of Section 4 of the Ravi and Beas Waters Tribunal Ordinance, 1986, the Central Government hereby refers the following matters specified in paragraph 9 of the Punjab settlement to the said tribunal for verification and adjudication, namely:

- (1) "The farmers of Punjab, Haryana and Rajasthan will continue to get water not less than what they were using from the Ravi-Beas system as on July 1, 1985. Water used for consumptive purposes will also remain unaffected. The quantum of usage claimed shall be verified by the tribunal.
- (2) "The claim of Punjab and Haryana regarding the shares in their remaining waters will be adjudicated by the tribunal."

/9274
CSO: 4600/1432

INDIA

STATISTICAL OFFICE ESTIMATES 1984-85 NATIONAL INCOME

Calcutta THE TELEGRAPH in English 29 Jan 86 p 12

[Text]

New Delhi, Jan. 28: The quick estimates of national income for 1984-85 at constant prices (1970-71 base), showed that the total national income was Rs 57,014 crores against Rs 55,100 crores in 1983-84, marking a rise of 3.5 per cent which is lower than the Sixth Plan annual average. The growth rate during the previous year was 7.8 per cent.

The average annual growth in real national income during the Sixth Plan works out to 5.3 per cent. At current prices, the national income in 1984-85 worked out to Rs 1,73,207 crores against Rs 1,57,830 crores in 1983-84. This increase of 9.7 per cent at current prices takes into account the implicit price rise of about 6.1 per cent during 1984-85.

The estimates were prepared by the Central Statistical Organisation.

Sector wise growth: The overall growth of 3.5 per cent during the year has been achieved despite a shortfall in agricultural production during 1984-85. The production of foodgrains recorded a fall of about four per cent and was 146.2 million tonnes during 1984-85 compared with the record production of 152.4 million tonnes in 1983-84. The production of kapas and oilseeds on the other hand touched the record level of 4.3

million tonnes and 13.1 million tonnes respectively in 1984-85. Jute, potato and sugarcane production also registered increases of 5.5 per cent, 3.5 per cent and 0.3 per cent respectively during the year. The increases however, did not offset the decline in foodgrains production and as a result the net domestic product from agriculture fell by 1.5 per cent during the year.

The growth in the mining sector is significant, being 9.1 per cent during the year. The higher growth rate in this sector is due to increased production of crude oil and coal, which went up by 12.4 per cent and 8.3 per cent respectively. The manufacturing sector registered a slightly higher growth of 5.1 per cent in 1984-85 compared with 4.7 per cent in the previous year. Electricity, gas and water supply also registered a higher growth rate of 10.8 per cent compared with 6.8 per cent in the previous year. The services sectors also contributed towards the rise in the real income.

Per capita income: The per capita income in real terms is estimated at Rs 772 for 1984-85 against Rs 761 in 1983-84, registering an increase of 1.4 per cent during 1984-85. The per capita income at current prices works out to Rs 2,344 in 1984-85 against Rs 2,180 during the previous year.

Consumption expenditure: Private final consumption ex-

penditure at current prices works out to Rs 1,44,108 crores in 1984-85 forming 67.6 per cent of the gross domestic product at market prices. The per capita expenditure in 1984-85 works out to Rs 1,950 at current prices and Rs 650 at 1970-71 prices. Over the years, the share of consumption expenditure on food in total private consumption has been decreasing except in 1983-84, which incidentally had a record production of food-grains. However, in 1984-85, this share came down to the same level as in 1982-83. The share of clothing and footwear, fuel and power and transport and communication, which had declined marginally in 1983-84, also increased in 1984-85.

Saving: Net domestic saving during 1984-85 amounts to Rs 31,954 crores against Rs 29,453 crores in 1983-84 constituting 16.1 per cent of net domestic product at market prices against 16.3 per cent in the previous year. The saving of the household sector has gone up by 13.3 per cent from Rs 25,299 crores in 1983-84 to Rs 28,674 crores in 1984-85.

Saving of the private corporate sector has also increased by 23.4 per cent from Rs 943 crores in 1983-84 to Rs 1,164 crores in 1984-85. In the public sector, however, the net saving has gone down considerably by 34.1 per cent that is from Rs 3,211 crores in 1983-84 to Rs 2,116 crores in

1984-85. This fall is mainly due to substantial decline of Rs 1,849 crores in the saving of administrative departments (including departmental enterprises), which could not be offset by an increase of Rs 754 crores in the saving of non-departmental enterprises.

Investment: The rate of net investment or net capital formation works out to 17.4 per cent during the year against 17.7 per cent in 1983-84. Thus, the rate of capital formation has been higher than the rate of saving. The higher rate of capital formation over that of saving is due to the inflow of capital from abroad. However, the inflow of capital from abroad during 1984-85 remained almost at the same level as in the previous year. Following the trend at current prices, the rate of net capital formation at 1970-71 prices fell from 15.5 per cent in 1983-84 to 14.9 per cent in 1984-85.

The net additions to the stocks in the public sector during 1984-85 (Rs 2,503 crores) were more than double of the previous year (Rs 1,124 crores) due to increased level of stocks of food-grains and of manufacturing establishments engaged in the manufacture of transport equipments. However, net additions to the stocks in the private sector showed a decline from Rs 5,279 crores in 1983-84 to Rs 4,770 crores in 1984-85 resulting in the net decrease of Rs 509 crores.

/9274

CSO: 4600/1436

INDIA

PAPER REPORTS CONTENTS OF TNV CHARTER FOR NEGOTIATIONS

Calcutta THE STATESMAN in English 30 Jan 86 p 11

[Text] Agartala, Jan 29--The underground Tribal National Volunteers want to negotiate with the Centre on the basis of a five point charter of demands, which includes promulgation of inner line permit system in Tripura and Union Territory status for the State Tribal Autonomous District Council, reports PTI.

Highly-placed official sources said that the three other points in the TNV charter of demands are detection of foreigners with October 15, 1949 as the cut-off date, appropriate rehabilitation benefits at par with those accorded to other insurgent groups in the Northeastern region and grant of general amnesty to TNV guerrillas, besides, restoration of all alienated tribal lands taken possession by non-tribal settlers since 1960.

The sources said that the charter of demands was drawn up by the TNV at their underground "capital" in Singlum in Bangladesh's Chittagong Hill Tracts on November 10.

They said that the TNV is, however, prepared to settle the cut-off date for determination of "foreigners" in negotiation with the Centre. The charter of demand said, "the TNV wants to ensure detection of foreigners entering Tripura after 15th October, 1949 or any other mutually acceptable date".

The sources said the tribal underground leadership might agree to stretch the cut-off date to 1962 to ensure that Bangali speaking immigrants from erstwhile East Pakistan entering Tripura in the aftermath of the 1963-64 communal riots can be eased out of the State.

The TNV leadership have alleged "great interference" in the workings of the Tribal Areas Autonomous District Council from the "refugee State Government", and decided to urge the Centre to accord Union Territory status to the Council.

For preserving "at least the existing demographic balance in the Council area and the State", the TNV leadership have demanded the promulgation of the inner line permit system applicable in some of the other Northeastern States like Nagaland.

The sources said that the TNV envisages the five-point charter of demand to form the "core of dialogue" with the Centre. The TNV leadership have decided that they would not respond to the repeated appeals of the State Left Front Government for "honourable surrender".

INDIA

EXODUS OF TRIBALS REPORTED AS TRIPURA CROPS FAIL

Bombay THE TIMES OF INDIA in English 14 Feb 86 p 17

[Text] Agartala, February 23: Starvation conditions resulting from a complete failure of the "jhum" crop and lack of government support has triggered off an unending exodus of poor tribal cultivators from South Tripura's backward Raima Valley area to Assam and Mizoram in the past one month.

Over 150 tribal families have already migrated to the filemara forest near Hailakandi in Assam's Cachar district and the Tripuribari area of Mizoram, according to reliable reports.

The Tripura Upajati Samity (TUJS) MLA from Raima Valley, Mr Rabindra Debbarma, has given a list of 106 tribal families who have migrated from Raima valley due to acute food crisis in this area. Mr Debbarma told newsmen that the TUJS has already started an agitation in this area demanding immediate declaration of the Raima Valley as a "food crisis zone" and urgent government support to the starving families to prevent further exodus.

The failure of the "jhum" crop in the valley has been compounded by poor prices tribals got this year for jute produce. As against about Rs. 300 per month last year, they secured only Rs. 30 to Rs. 35 this year with "Mahajans" cornering the market by taking advantage of the valley's remoteness and failure of the government's large-scale agricultural multi-purpose societies to purchase more than 25 per cent of the crops in the area.

The "Mahajans" had cornered the jute growers' card at Gandachhera and Mandirghat; two major markets in the area, and were reaping the benefits of the government's support price which stands at Rs. 72.50 per maund.

The co-operatives do not make immediate payments due to "low cash availability" thus forcing the tribals to hand over their crops to "Mahajans" as the poor hillmen need immediate cash to purchase essential commodities.

The Tripura's grain bank branch at Gandachhera, the only bank branch in Raima Valley, has been compelled to stop crop loan advances following reports that the previous tribal loan beneficiaries in the area had migrated to Assam and Mizoram without repaying the loans. Though senior government officials have confirmed the tremendous food scarcity in the areas, the ruling CPM organ, "Daily Desher Katha" has blamed extremist activities in the area for the exodus of tribal families from the Raima Valley.

INDIA

TRADE, ECONOMIC RELATIONS DISCUSSED WITH INDONESIA

New Delhi PATRIOT in English 24 Feb 86 p 5

[Text]

India has agreed to increase its investment in joint ventures in Indonesia and enter into closer cooperation in the field of small-scale industry and technical training in that country, reports UNI.

This was decided at high-level official talks held in Jakarta last week on trade and economic relations between the two countries. The Indian side at the talks was represented by Commerce Secretary Prem Kumar and the Indonesian side by Director General of Foreign and Economic Relations Atomono Survo.

The meeting, preparatory to the ministerial-level talks likely to be held shortly in India, also agreed to consider long-term trade arrangements in respect of some bulk items.

Commercial deals between the two countries were also discussed by the Indian delegation, which was accompanied by representatives of Hindustan Machine Tools (HMT), Bharat Heavy Electricals Limited (BHEL), the State Trading Corporation (STC), and the Minerals and

Metals Trading Corporation (MMTC) according to an official release.

Both sides offered 10 fellowships to each other for training in designated areas of expertise.

The Indonesian side showed particular interest in the areas of small-scale industry, manpower development, machine-tools, telecommunication, tea culture, engineering industry and sericulture.

A wide range of cooperation and a mode of continuous consultations in the technical field was agreed upon. To strengthen economic and commercial relations over a wide front, the establishment of an institutional mechanism was discussed and organisations in areas holding the greatest potential were identified on both sides to interact with each other.

A series of promotional measures were also envisaged in the fields of railways, chemicals, aluminium production, supply of iron-ore pellets from India and trade fair participation to promote cooperation in the identified sectors.

/9274
CSO: 4600/1780

INDIA

TRADE AND PAYMENTS AGREEMENT SIGNED WITH POLAND

Calcutta THE TELEGRAPH in English 24 Feb 86 p 5

[Text]

New Delhi, Feb. 23: India and Poland have signed a bilateral agreement on trade and payments for 1986-90.

The bilateral agreement provides for all commercial and noncommercial transactions to be paid in non convertible Indian Rupees. A trade turnover of Rs 450 crores has been targeted this year. This is six per cent higher than last year.

Another important feature of the agreement is the provision for invoicing imports from Poland in Indian Rupees, instead of US Dollars.

The exports from India would continue to be in Indian Rupees, as in the past. This provision will facilitate imports from Poland and raise the volume of exports from India.

The new pact will also include

a long-term trade plan for 1986 to 1990, cover major items of import and export. This kind of advance indication will promote the growth of trade between the two countries.

The agreement, which was signed yesterday "paves the way for further development of trade and economic contacts between Poland and India," Tass said.

The first trade agreement between India and Poland was concluded in November 1959. The trade turnover between the two countries has since increased from Rs 2 crores to Rs 220 crores last year.

The two countries also signed a protocol on reciprocal deliveries of goods in 1986-1990. Under the terms of the agreement Polish-Indian trade is to double by the year 1990 compared with 1985.

/9274

CSO: 4600/1479

INDIA

PAPERS REPORT DETAILS OF PRE-BUDGET ECONOMIC SURVEY

Price Increases, Importance of Industry

Calcutta THE STATESMAN in English 26 Feb 86 pp 1, 9

[Text] New Delhi, Feb. 25.--The pre-Budget economic survey, presented to Parliament today by the Finance Minister, Mr V. P. Singh, has highlighted the importance of avoiding much larger increases of foodgrain, sugar and other important consumer items and in industrial inputs of power, coal and steel to prevent the nation's economy becoming high-cost.

The survey has succinctly pointed out that when these prices change, there is an immediate impact on household budgets as well as in the input costs of industry which can lead to further increases in the prices of final products.

It says that if costs escalate due to wage increase or a rise in procurement prices or international prices, nothing is gained by postponing an increase in the relevant administered price. The alternative to such periodic adjustment is either to increase the Government Budget deficit in perpetuity or increase prices by a much larger amount later. Both these courses are likely to have a far greater adverse impact on prices and inflationary expectations than in gradual adjustment.

The 180-page survey document has asked the Government to initiate urgent measures to ensure protection to domestic industrial production from unfair competition and price-cutting by overseas producers operating in the prevailing recessionary conditions abroad.

This problem has been compounded by the availability of cheaper credit in industrialized countries. "Our tariff and import policies would have to be carefully structured to ensure that legitimate protection is provided to domestic industry, while, at the same time, controlling the cost of investments," it has said.

Warning

The economic survey has warned against increasing imports of petroleum which, it has said simply cannot be sustained. Net import of petroleum in 1985-86 has sharply risen by over Rs 1,000 crores. The net foreign exchange cost of import is likely to be as high as Rs 4,600 crores in 1985-86 against Rs 3,500 crores in 1984-85.

At the same time a further massive increase in crude production cannot be expected in the Seventh Plan period. In the medium term, the focus of policy will have to be on the management of petroleum demands, calling for utmost economy the use of energy in industry, commerce and transport. Secondly, the production and use of non-petroleum energy sources has to be greatly improved. The nation cannot afford the luxury of putting up large power plants and providing for high-cost captive generation-based diesel.

The survey has pointed out that the Government has introduced a large number of policy changes aimed at increasing industrial production and investment. Such an evolution in the charter of economic management has been necessitated by the growing complexities of the Indian economy and fast-changing technology. It is, therefore, important that the nation's industry gears itself to the task of lowering costs, reducing wasteful consumption of scarce material inputs and improving its international competitiveness.

The movement from physical to financial controls does not necessarily imply lowering the degree of protection to Indian industry from imports. A more rational system should, in fact, promote larger domestic value-added manufacturing and prevent a pattern of industrialization based on heavy imports of components.

"Our past experience has been that in several areas capacities have been set up which add little domestic value. It is imperative that we do not encourage the establishment of high-cost units which save little or no foreign exchange and also add little to employment or value added in the economy", it says.

The document has stressed the imperative need for increasing productivity in public agencies and for cutting down waste. Public sector pricing has no reflection on normative costs at acceptable levels of efficiency so that unreasonably high costs are not transmitted down the line to the rest of the economy. Otherwise, the nation has to pay for, inefficiency and waste, one way or the other.

It has pointed out that the key to greater self-reliance, sustained growth and "manageable balance of payments" lies in improved export performance. Of course, India cannot depend on export-led growth. However, no country can afford to give low priority to exports. The alternatives to faster export growth are clear. Either the country's import bill for essential items will have to be sharply compressed thus jeopardizing economic growth, or India will have to resort to much larger levels of external commercial borrowings, thus sacrificing the objective of self-reliance and running the risk of unsustainable debt service obligations. Neither alternative is acceptable. Hence, measures to accelerate export growth must rank high on the agenda for policy attention. It is also necessary to effect much larger savings in the imports of key agriculture-based items such as sugar and edible oils. Such saving is feasible.

The heavy recourse to imports of sugar and edible oils juxtaposed with the growing stocks of foodgrain in the country indicates the need for a comprehensive and well-coordinated approach to the cropping pattern in the country.

Such a strategy will have to combine a systematic and long-term approach to agricultural pricing with the development of the necessary agricultural infrastructure in the relevant regions and for concerned crops. Any attempt to redress imbalances in the cropping pattern will have to take into account regional differences in yields and costs of production. Studies suggest that the cropping pattern within individual States is often not optimally geared to agronomic conditions and resources endowments of the States.

Over the next few years, it will be necessary to implement a phased programme under which the overall national supply-demand position is brought into better balance with respect to important crops patterns adjusted to allow for more productive use of available resources.

Fiscal Policy

The survey says the Government's long-term fiscal policy has outlined the Government's priorities with regard to fiscal policy. In addition to spelling out the direction of further tax reforms, it has emphasized the importance of increasing public sector surpluses to finance the Seventh Plan. This will mean maintenance of the present fiscal strategy for increasing revenues. Above all, non-inflationary funding of the Seventh Plan will require fulfilment of the targetted levels of surplus generation by the public sector enterprises. These undertakings represent enormous social investments, undertaken over decades at great cost. It is imperative that they generate sufficient returns to finance future expansions. This calls for a multi-faceted strategy to improve organizations and procedures, to cut costs and increase production, to bring about better coordination among key infrastructure producing units, and ensure appropriate economic pricing. The attainment of the Seventh Plan targets for public sector surpluses is also important for ensuring a gradual reduction in the relative significance of domestically borrowed funds in financing the Plan. This, in turn, is necessary for keeping inflationary pressures in the economic under check.

An important task of the fiscal policy is to grapple with the problem of parallel economy. Recent studies have emphasized the scale and pervasiveness of this phenomenon. Over the past year the Government has launched a series of initiatives to reduce the underlying economic causes of parallel economy, while simulatenously strengthening the administration and enforcing fiscal and economic laws. This two-pronged strategy must be sustained to reduce tax evasion and reduce the scale of parallel economy.

The survey has predicted that the Gross National Product is likely to range between 4.5% and 5% which "is a significant improvement over the growth rate of 3.7% in 1984-85" and would be close to the Seventh Plan target of 5%.

However, the survey described the deterioration in the balance of payments position over the year as a disturbing feature of the economy. "Provisional data indicate that imports increased by nearly 25 % in the first six months of 1985-86 over the first half of the previous year. Total exports showed a marginal decline of 0.7%, mainly on account of tapering off crude oil exports in 1985-86, following an increase in domestic refining capacity. Exports,

net of crude oil, grew by about 7.6%. Nonetheless, the trade deficit for the first six months exceed Rs 4,000 crores".

The survey noted that most of the increase in import growth in the first half of the year was on account of bulk commodities--oil, fertilizers and sugar--and equipment and materials for public sector projects and programmes. It predicted that the overall growth in imports should be substantially lower for the year than initial trends had suggested.

Agriculture

The survey observed that despite drought in several regions, agricultural production was expected to show a marked recovery from the decline in 1984-85. The erratic and inadequate rainfall during the monsoon had been somewhat compensated for by the excellent pre-sowing and early rabi season rains. Consequently, while the kharif output was not likely to increase, rabi production was expected to show a sharp rise. As a result, the survey expected the overall growth in agricultural production to be about 3% in 1985-86 (in contrast to a decline of 0.9% in 1984-85), with the foodgrain output in the order of 150 million tons as compared to 146 million tons in the previous year. Food stocks reached a record level of 29 million tons in June 1985 and with a good rabi harvest, stocks are expected to remain high.

The rising stocks of wheat and rice might reflect some imbalance in the cropping pattern, with the growth in wheat and rice acreage occurring at the expense of some other crops, notably oilseeds, sugarcane, and pulses, in which production had fallen short of demand. In view of the high imports of edible oils and sugar during 1985-86, the survey emphasized the need to improve incentives for indigenous production of oilseeds and sugarcane.

Referring to infrastructure, the survey said that the growth rates in most of the key sectors were higher in 1985-86 than in the previous year and substantially higher than the average annual growth rate recorded in the Sixth Plan. Thermal (including nuclear) power generation increased by 15.5% in April-December 1985 over the same period of 1984. This was even better than the impressive increase of 14.2% recorded in 1984-85. Railway movement had shown an exceptionally strong performance this year, with revenue earning goods traffic increasing by 9.1% in April-December 1985 over the corresponding period of 1984.

But hydel power generation had been disappointing, showing a decline of 4.8% in the first nine months of the year over the corresponding period of the previous year. As expected, the growth in crude oil production had slowed to about 4.3% in the first nine months of this year. A disturbing feature of the petroleum sector was the rapid rise in imports of crude oil and petroleum products in 1985-86. This had placed substantial pressure on the balance of payments. The survey cautioned that the current rate of growth in petroleum imports "is not sustainable".

As regards the industrial sector, the survey described the series of important industrial policy measures taken during the current year to generate higher

growth in output and employment. While the impact of the measures would take some time to take effect, early indicators pointed to a favourable response to the recent industrial policy initiatives. The indicators included the spurt in registration in de-licensed industries, significant recourse to the new broad-banding facilities, a sharp increase in the letters of intent granted, a marked rise in consents for capital issues and an unprecedented boom in the stock market. Industrial production also showed signs of acceleration in recent months.

Manufacturing Sector

During April-November 1985, the manufacturing sector, with a weight of 81% in the industrial production index, recorded an acceleration growth of 6.8% from 6.0% in the same period the previous year. "However, there was slow growth in mining and quarrying sectors, partly reflecting the deliberate policy to stabilize coal production, while pithead stocks were reduced from the peak levels attained in 1984-85," the survey said.

On prices, the survey said the Wholesale Price Index increased by 3.1% between end-March 1985 and January 25, 1986, the lowest increase for the period for the past seven years. During January and February 1986, certain administered prices were raised. The prices of manufactured items had remained fairly stable in 1985-86. Agricultural prices had been volatile with the prices of some items rising and of others falling (in particular, jute, cotton, tea and coconut). The agricultural commodities for which prices increased were mainly wheat, vegetables and sugar. Prices of a large number of items, however, either remained stable or somewhat declined. "Domestic edible oils are important items of the food basket whose prices remained stable over the year. While the rise in the price of wheat has occurred after a substantial decline in its price last year, vegetable prices have recorded a continuous increase. Sugar prices increased as a result of a fall in sugarcane output, as area under cane decreased sharply over the last few years," it said.

The impact of a rise in the prices of agricultural commodities, particularly food items, was much greater in the Consumer Price Index where these items were given a higher weight. Consequently, the CPI had risen faster than the WPI, recording an increase of 7.5% between March and November 1985. Much of the increase could be attributed to the usual sharp seasonal increase in the CPI that occurred between April and October and a downward seasonal pressure on the CPI for the remaining months of 1985-86 would normally be expected.

Successful Start to Plan

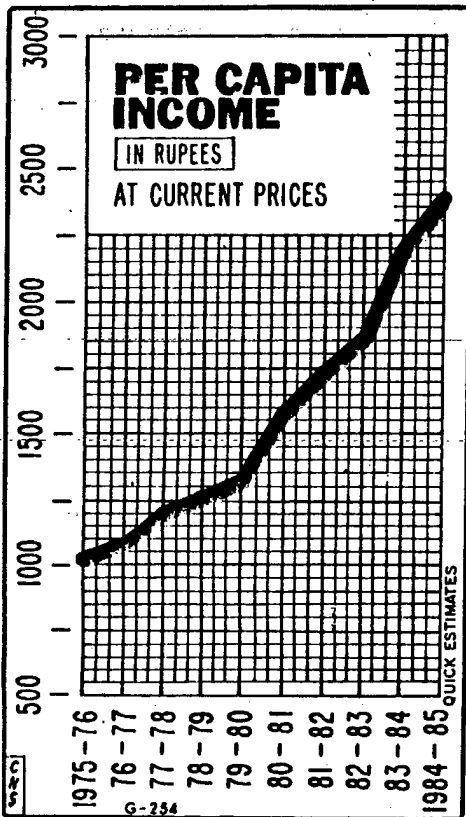
Madras THE HINDU in English 26 Feb 86 p 7

[Text]

NEW DELHI, Feb. 25.

The pre-budget economic survey for 1985-86, presented to Parliament today, notes that the year 1985-86 has seen a successful start to the Seventh Five Year Plan. The survey highlights the major policy initiatives that have been taken to boost economic growth, reinforce anti-poverty programmes, revitalise industry and provide a new direction to fiscal policy.

Growth in gross national product (GNP), is likely to range between 4.5 and 5 per cent. This would mean a significant improvement over the growth rate of 3.7 per cent in 1984-85 and would be close to the Seventh Plan target of 5 per cent. Particular attention



has been drawn to the buoyancy in tax revenues and the decline in the rate of inflation recorded in the first 10 months of the year.

The survey observes that despite drought in several regions, agricultural production is expected to show a marked recovery from the decline in 1984-85. The erratic and inadequate rainfall during the monsoon has been somewhat compensated for by the excellent pre-sowing and early rabi season rains. Consequently, while kharif output is not likely to increase, rabi production is expected to show a sharp rise. As a result, the survey expects the overall growth in agricultural production to be about 3 per cent in 1985-86 (in contrast to a decline of 0.9 per cent in 1984-85), with foodgrains output in the order of 150 million tonnes as compared to 146 million tonnes in the previous year.

Record stocks: Food stocks reached a record level of 29 million tonnes in June, 1985 and with a good rabi harvest, stock are expected to remain high. A major effort was made during the year to improve distribution by supplying wheat at heavily subsidised prices to the poorest sections as well as by improving effective demand through enhancement of the Rural Landless Employment Guarantee Programme (RLEGP) and the National Rural Employment Programme (NREP).

On the supply side, the rising stocks of wheat and rice may reflect some imbalance in the cropping pattern, with the growth in wheat and rice acreage occurring at the expense of some other crops, notably oilseeds, sugarcane, and pulses, in which production

has fallen short of demand. In view of the high imports of edible oils and sugar during 1985-86, there is need to improve incentives for indigenous production of oilseeds and sugarcane. Important measures in this regard have already been taken with the announcement of the two-year sugar policy and several measures to boost oilseeds production. Aside from improving the overall cropping pattern and strengthening the country's balance of payments, these measures should also help to increase income-earning opportunities for poorer farmers.

The growth rates in most of the key infrastructure sectors were higher in 1985-86 than in the previous year and substantially higher than the average annual growth rate recorded in the Sixth Five Year Plan. Thermal (including nuclear) power generation increased by 15.5 per cent in April-December 1985 over the same period of 1984. This was even better than the impressive increase of 14.2 per cent recorded in 1984-85. Railway movement has shown an exceptionally strong performance this year with revenue earning and goods traffic increasing by 9.1 per cent in April-December, 1985 over the corresponding period of 1984.

Disappointing: Hydel power generation has been disappointing, showing a decline of 4.8 per cent in the first nine months of the year over the corresponding period of the previous year. As expected, the growth in crude oil production has slowed to about 4.3 per cent in the first nine months of this year, though refinery throughput has increased substantially by about 22 per cent. The survey observes that a disturbing feature of the oil sector is the rapid rise in imports of crude oil and petroleum products in 1985-86.

This has placed substantial pressure on the balance of payments. The survey cautions that the current rate of growth in petroleum imports is not sustainable.

Industrial policy and performance: The survey describes the series of important industrial policy measures taken during the current year to generate higher growth in industrial output and employment. The main thrust of these policies has been the removal of unnecessary delay and procedural constraints, and to encourage investment and more economic scales of production.

According to the survey, while the impact of these measures will take some time to take effect, early indicators point to a favourable response to the recent industrial policy initiatives. These indicators include the spurt in registration in delicensed industries, significant recourse to the new broad-banding facilities, a sharp increase in the letters of intent granted, a marked rise in consents for capital issues and an unprecedented boom in the stock market. Industrial production also shows signs of acceleration in recent months.

The survey observes that during April-November 1985, the manufacturing sector, with a weight of 81 per cent in the industrial production index, recorded an acceleration of growth to 6.8 per cent as compared to 6.0 per cent in the same period of the previous year. However, there was slow growth in mining and quarrying sectors, partly reflecting the deliberate policy to stabilise coal production, while pithead stocks were reduced from the peak levels attained in 1984-85.

Wholesale price index: The survey notes that the wholesale price index increased by 3.1 per cent between end-March, 1985 and January 25, 1986, the lowest increase for this period for the last seven years. During January and February 1986, certain administered prices were raised.

While prices of manufactured items have remained fairly stable in 1985-86, agricultural prices have been volatile, with the prices of some items rising and of others falling (in particular, jute, cotton, tea and

coconut). The agricultural commodities for which prices increased were mainly wheat, vegetables and sugar.

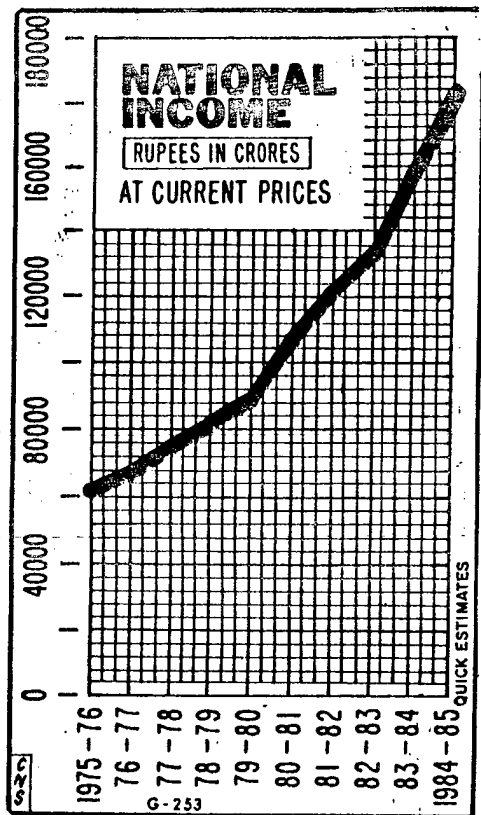
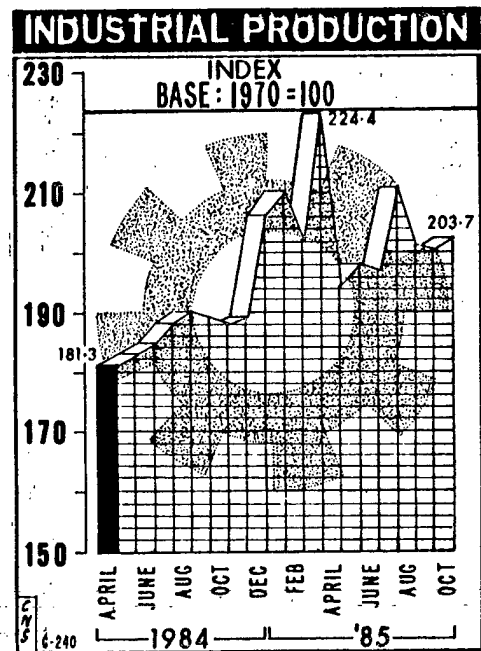
Prices of a large number of food items, however, either remained stable or declined somewhat. Domestic edible oils are important items of the food basket whose prices remained stable over the year. While the rise in the price of wheat has occurred after a substantial decline in its price last year, vegetable prices have recorded a continuous increase. Sugar prices increased as a result of a fall in sugarcane output, as the area under cane decreased sharply over the last few years. The recent two-year sugar policy aims to encourage sugarcane production.

The impact of a rise in prices of agricultural commodities, particularly food items, is much greater in the consumer price index, where these items are given a higher weightage. Consequently, the index has risen faster than the wholesale price index, recording an increase of 7.5 per cent between March and November 1985. Much of this rise can be attributed to the usual sharp seasonal increase in the consumer price index that occurs between April and October and a downward seasonal pressure on the index for the remaining month of 1985-86 would normally be expected.

Fiscal and monetary policy: The survey states that 1985-86 has been characterised by major short and long-term policy initiatives on the fiscal front. The 1985-86 budget ushered in substantial reforms in direct taxes. The budget was followed up by strong measures to improve the administration and enforcement of tax laws. The strategy of combining reasonable rates and simplified procedures with improved tax administration and enforcement has already yielded substantial dividends. The Centre's collections from direct taxes in the first 10 months of this financial year recorded a remarkable increase of about 23 per cent over collections in the corresponding period of the previous year. Total tax collections by the Centre also turned in an impressive growth of 22 per cent over the same period.

To further promote stability in the economic environment and thereby encourage savings, investment and growth, the Government announced its long term fiscal policy on December 19, 1985. This gives clear indications of the policy direction on direct and indirect taxes. It also presents the medium term financial framework within which tax reforms have to be pursued. The policy lays particular emphasis on meeting the Seventh Plan targets for resources generation by public sector enterprises to meet the financial needs of the Seventh Plan.

According to the survey, a distinct decline in the rate of growth of money supply is a significant development in the monetary sector. From the beginning of the financial year to January 3, 1986, money



supply increased by 13.3 per cent compared to a growth of 14.5 per cent over the same period of 1984-85. The survey attributes the lower growth in money supply mainly to a deceleration in the increase in reserve money.

Balance of payments: The survey observes that the deterioration in the balance of payments position over the year has been a disturbing feature of the

economy. Provisional data indicate that imports increased by nearly 25 per cent in the first six months of 1985-86 over the first half of the previous year. Total exports showed a marginal decline of 0.7 per cent mainly on account of tapering off of crude oil exports in 1985-86, following an increase in domestic refining capacity. Exports, net of crude oil, grew by about 7.6 per cent. Nonetheless, the trade deficit for the first six months exceeds Rs. 4,000 crores.

Most of the increase in import growth in the first half of the year was on account of bulk commodities (such as oil, fertilizers and sugar) and equipment and materials for public sector projects and programmes. The survey states that import of bulk commodities appears to have been bunched in the first half of the financial year with advance information pointing to a marked slackening in the growth of bulk imports in subsequent months. Therefore, the survey predicts that for the year as a whole the overall growth in imports should be substantially lower than the initial trends suggested.

The survey indicates that the balance of payments continues to benefit from larger remittances from Indian workers abroad and substantial capital inflows including accretions to non-resident deposit accounts. The overall foreign exchange reserves have shown a decline of Rs. 324 crores in the current financial year up to the end of January, 1985.

Problems and prospects: Looking ahead, the survey notes that the Seventh Plan's development strategy emphasises the creation of employment opportunities and reduction in the poverty ratio in the country. The Plan's development strategy is expected to lead to a reduction in the poverty ratio from 37 per cent in 1984-85 to less than 26 per cent in 1989-90.

The survey observes that three quarters of the population still lives in the rural areas, and the quality of agricultural performance is a key determinant of their conditions of living. It is essential to improve agricultural yields in lagging regions of the country, not only in the interest of overall production but also to maintain regional balance in development and to tackle the deep-seated problems of rural poverty, which are especially acute in those areas which have yet to reap significant benefit from the green revolution.

The survey calls for vigorous efforts to accelerate the spread of new high-yielding varieties of rice and wheat (and the necessary supporting infrastructure) to the eastern region of the country, where yields are now well below those enjoyed in the north and north-west. It will also be necessary to pursue technological breakthroughs in pulses and oilseeds. The survey notes that increased production of these crops can also be encouraged through better pricing policies.

While broad-based agricultural growth provides the key to the alleviation of rural poverty, it needs to be complemented by a vigorous implementation of the major anti-poverty programmes. Since foodgrain stocks are expected to remain well in excess of buffer stock requirements, the survey points to further scope for strengthening of food-for-work components of the existing anti-poverty programme.

In the manufacturing sector, the survey expects the recent industrial policy initiatives to lead to higher growth and employment. It cautions that some adjustment in costs is inevitable and the policies will have to be carefully designed in order to minimise these costs and give sufficient time to industry to adjust to the new challenges. The survey draws particular attention to the development needs of the capital goods industry.

The survey draws attention to the fact that rapid growth of agriculture and industry is crucially dependent on satisfactory performance in the infrastructure sector. It stresses the importance of better performance in the power sector. It notes that a one per

cent increase in the national plant load factor average is roughly equivalent to adding 500 MW of new installed capacity costing about Rs. 500 crores. Similarly a one percentage point reduction in transmission and distribution losses would yield about Rs. 450 crores of extra revenue each year.

The survey reiterates the cautionary note of the two preceding Economic Surveys regarding the difficult balance of payments situation in the latter half of the current decade. This expectation is based on a combination of factors, including the anticipated declaration in indigenous oil production, the protectionist trend in international trade, the bunching of repayment obligations from past external borrowing, the diminished prospects for concessional assistance and the uncertainty about the flow of remittances from abroad.

The survey emphasises that the key to greater self-reliance, sustained growth and manageable balance of payments lies in efficient import substitution and improved export performance. The alternatives to higher export growth are compression of the country's import bill for essential items, which would jeopardise economic growth, or a resort to much higher levels of external borrowing, which could lead to unsustainable debt service obligations. In the survey's view neither alternative is acceptable.

The survey also stresses the importance of selected import substitution of key bulk imports. According to the survey, net imports of petroleum products have to be contained, in the long run, through higher indigenous production. In the medium-term, the survey favours a two-pronged approach to the management of petroleum demand, involving vigorous measures to economise on energy use coupled with improved production and use of non-petroleum energy resources. It calls for measures to encourage the production of key agriculture-based bulk items such as sugar and edible oils, which figure heavily in imports.

This will have to combine a systematic and long-term approach to agricultural pricing with the development of necessary agricultural infrastructure in the relevant regions and for the crops concerned.

With regard to fiscal issues, the survey calls for careful control of non-Plan revenue expenditure and the maintenance of present fiscal strategy for increasing revenues. An important task of fiscal policy, the survey observes, is to grapple with the problem of the parallel economy. This will require continuation of the present strategy of reducing the underlying economic causes of the parallel economy, while simultaneously strengthening the administration and enforcement of fiscal and economic laws.

The survey stresses that non-inflationary funding of

Key sectors do well

NEW DELHI, Feb. 25.

The key infrastructure sectors have performed well during the first nine months of the current financial year, according to the economic survey presented to Parliament today.

Coal despatches, electricity generation by thermal stations, revenue-earning goods traffic carried by the railways and cargo handled at major ports, in particular, showed considerable growth during April-December 1985, it says.

The coal despatches increased by 10.4 per cent as against an annual growth rate of 6.3 per cent achieved during the Sixth Plan. Consequently, the accumulation of pithead stocks has been checked.

Thermal, including nuclear power generation, showed an increase of 15.5 per cent compared with an annual growth rate of 11.8 per cent during the Sixth Plan.

Revenue-earning originating goods traffic showed a high increase of 9.1 per cent as against a growth rate of 4.1 per cent during the Sixth Plan.

Cargo handled at major ports registered an increase of 14.2 per cent as against an annual increase of 6.3 per cent achieved during the Sixth Plan.

Crude oil production and coal production have shown moderate increases of 4.3 per cent and 2.3 per cent respectively. However, hydel generation registered a fall of 4.8 per cent, the survey says.—PTI.

the Seventh Plan will require fulfilment of the targeted levels of surplus generation by the public sector enterprises. The public sector pricing has to reflect normative costs at acceptable levels of efficiency. There are no short cuts to the urgent task of improving efficiency in the use of the resources in the public sector, as indeed elsewhere in the economy.

/9274

CSO: 4600/1784

INDIA

BRIEFS

JAPANESE ASSISTANCE AGREEMENT--New Delhi, Feb 18--Japan has agreed to extend a loan of Yen 32 billion (Rs 175 crores). This followed the signing of Indo-Japanese assistance agreement by Japan's Ambassador in India, Mr Takunmi Hosaki, and the Union Finance Secretary, Mr S. Venkitaraman, here today. The loan of Yen 30 billion (Rs 167 crores) has been allocated for the Assam turbine power plant and transmission line project. A small part of the loan of Yen 1.58 billion (Rs 8.8 crores) has been sanctioned for debt relief grant aid for 1985-86 and Yen 43 million (Rs 24 lakhs) as cultural grant aid to Visva-Bharati University for 1985-86. The loan assistance of Yen 30 billion for the Assam gas turbine power plant and transmission line project is a follow-up of the special loan assistance announced by the Government of Japan for this project on the eve of the visit of Mr Rajiv Gandhi to Japan in November last. This loan assistance is repayable over a period of 30 years, including a grace period of 10 years, and carries an interest rate of 4.25% per annum. The cultural grant aid of Yen 43 million to Visva-Bharati University is available for import of equipment from Japan for promotion of fine arts, agricultural and adult education programmes in India. [Text] [Calcutta THE STATESMAN in English 19 Feb 86 p 9] /9317

RAJ NARAIN ILL--Lucknow, Feb 13--Mercurial and ebullient chief of the All-India Socialist Party Raj Narain, now convalescing in local Balrampur Hospital, today gave a seemingly bizarre explanation for his current illness. Mr Narain firmly believes that one Gumnami Baba who died at Faizabad was none other than Netaji Subhas Chandra Bose, and according to a local evening paper, the erstwhile "Hanuman" has sufficient proof of this fact. The sad demise of the Baba, the report quoting the leader says, has "shell-shocked" Mr Raj Narain to the extent that he had to be hospitalised. However, the report fails to shed some light on the delayed shell-shocking as the death of Gumnami Baba occurred in September last which has affected Mr Narain now, some six months later. Meanwhile, Miss Lalita Bose, the niece of late Netaji, filed a writ petition before the Lucknow bench of the Allahabad High Court which has since directed the district magistrate of Faizabad to prepare an inventory of the belongings of the said Baba. [Text] [New Delhi PATRIOT in English 14 Feb 86 p 6] /9317

JAGNIVAN RAM ILLNESS--London, Feb 11 (PTI)--Congress-J president Jagjivan Ram was admitted a London hospital for treatment of bronchial asthma immediately after his arrival from New Delhi today. The veteran politician was driven in an ambulance to the Brompton hospital straight from Heathrow Airport where he was received by India's Deputy High Commissioner R.C. Arora and a doctor. He walked from his seat in the plane to the ambulance. Mr Ram, aged 78, is accompanied by his wife and daughter, Mrs Meera Kumar, Congress MP. [Text] [New Delhi PATRIOT in English 12 Feb 86 p 1] /9317

CPI SECRETARIAT MEETING--The CPI has expressed its grave concern over the developments in Punjab, particularly the renewed and dangerous activities of the extremist elements who have taken physical possession of the Golden Temple complex. In a resolution at its two-day meeting in the Capital, which concluded on Tuesday, the CPI Central Secretariat urged the Akali Dal Ministry to take firm steps to deal with the situation. The party also took a serious view of the situation arising out of the failure of the Mathew Commission and said "What is at stake today is the Punjab Accord itself." A wait and watch attitude or shilly-shallying and dithering on the issue any longer would undo whatever good was achieved by the accord, the resolution said, and urged the Prime Minister to take initiative and confer with the Punjab and Haryana Chief Ministers to arrive at a political settlement. Meanwhile, the CPI has decided to send a three-member delegation, led by party general secretary C. Rajeshwara Rao, to attend the 27th Congress of the Communist Party of the Soviet Union. The delegation, which is due to leave for Moscow on 22 February at the invitation of the CPSU, will have CPI National Council secretary M. Farooqi and Mrs Geeta Mukherjee, MP, as members. [Text] [New Delhi PATRIOT in English 5 Feb 86 p 6] /9317

INDO-SOVIET ACADEMIC COOPERATION--Madras, Feb 11--Anna University will be collaborating with institutions in the Soviet Union for research purposes in the areas of control systems, crystal growth and semi-conducting crystals. This is a sequel to the University Grants Commission (UGC), New Delhi, identifying the University after consultation with the Soviet Academy of Sciences and the Soviet Ministry of Higher and Specialised Secondary Education. The programme involves exchange of faculty, organisation of joint seminars, implementation of joint research schemes, and publishing joint research papers, according to the Registrar of the University. It is a part of the Indo-USSR Cultural Exchange Programme which provides for the development of bilateral academic links in specific fields. [Text] [Madras THE HINDU in English 12 Feb 86 p 12] /9317

MEGHALAYA PARTY DISSOLVED--Shillong, February 9 (PTI)--The All-Party Hill Leaders Conference (APHLC), a major regional party in Meghalaya, has been dissolved, according to a party release here. The release, issued here today, said the dissolution of the party followed its formation of a new party, Hill People Union, with another regional party the Hill State Peoples Democratic Party (HSPDF) on November 16 last. The decision to dissolve the party was taken at a special session at Dilma in east Garo hills on last Friday. [Text] [Bombay THE TIMES OF INDIA in English 10 Feb 86 p 7] /9317

31 March 1986

RAJASTHAN MINISTERS RESIGN--Jaipur, Feb 7 (UNI)--The governor, Mr Vasant Rao Patil, tonight accepted the resignation of the minister for the Indira Gandhi canal, Mr Narendra Singh Bhati and the minister of state for animal husbandry, Mr Ramsingh Bishnoi, on the advice of chief minister Mr Harideo Joshi. An official release said the departments held by Mr Bhati had been entrusted to the revenue minister and Mr Bishnoi's departments had been given to minister for cooperatives, Mr Ramdeo Singh. No reason was given for the resignation of the two ministers. [Text] [Calcutta THE TELEGRAPH in English 8 Feb 86 p 1p /9317

NAVY LEADERSHIP RESHUFFLED--New Delhi, Feb 3 (PTI)--A major reshuffle has been effected in the higher ranks of the Navy with Vice-Admiral J.G. Nadkarni, flag officer commanding-in-chief, Eastern Naval Command, being appointed the new vice-chief of naval staff. He will succeed Vice-Admiral K.K. Nayar, who is retiring. Vice-Admiral S. Jain, currently deputy chief of naval staff, has been appointed the new flag officer commanding-in-chief, Western Naval Command. He succeeds Vice-Admiral S. Mookerjee, who is also due to retire. [Text] [Calcutta THE TELEGRAPH in English 4 Feb 86 p 4] /9317

HIGHER INDUSTRIAL OUTPUT--New Delhi, Feb 4 (UNI)--There has been an increase of 6.3 percent in the industrial production during the first seven months--April to October--of the current financial year over the output in the same period of 1984-85. The average monthly index for the first 10 months of 1985--January to October--rose by 6.2 percent compared to the same period of 1984. The index of industrial production for October 1985 (base 1970-100), released by the Central Statistical Organisation, stood at 203.7, an increase of 8.1 percent over the index of October 1984. [Text] [Calcutta THE TELEGRAPH in English 5 Feb 86 p 8] /9317

INDO-SOVIET JOINT VENTURES--Bombay, February 20: Future Indo-Soviet trade will be based more on technology and less on raw materials. Simultaneously, there is good scope for joint projects between the two countries for making items exclusively for each other's markets and for export to third countries, Dr. S. A. Pavlov, head of the Institute of Marketing Research, USSR, said on Wednesday. Speaking at a meeting with Bombay Union of Journalist (BUJ), he stressed that there was good scope for cooperation in the manufacturing industry, specially engineering goods. Dr. Pavlov said the Soviet market was now more quality conscious and Indian exporters should plan carefully while entering the Soviet market. He said mutuality of interests in trade between the two countries will continue to hold good including the rupee trade. He urged both sides to narrow the information gap in trade. For a balanced trade, Indian companies should buy more from the Soviet Union, he said. Dr Pavlov is presently in India for talks with Indian industrialists for increasing trade with the private sector. [Text] [Bombay THE TIMES OF INDIA in English 21 Feb 86 p 13] /9274

NAGALAND MINISTER DIES--Kohima, February 23 (UNI): The Nagaland co-operative minister, Mr Mohammad Hussain Anwar, died at the Jaslok hospital, Bombay, yesterday after a protracted illness, reports received here today said. He was 60. His body will be brought here tomorrow for burial. [Text] [Bombay THE TIMES OF INDIA in English 24 Feb 86 p 9] /9274

NEW AMBASSADORS NAMED--New Delhi, Feb. 25--Mr Krishnan Raghunath, Joint Secretary in the Ministry of External Affairs, was today appointed India's Ambassador to the Philippines, reports UNI. An official announcement said he was expected to take up his assignment shortly. Mr Raghunath succeeds Mr R. N. Mulye. The announcement also said that Mr Prem Shunker, Additional Secretary in the Ministry, had been appointed India's Ambassador to Ireland. [Text] [Calcutta THE STATESMAN in English 26 Feb 86 p 1] /9274

TRADE UNION'S PLEA--New Delhi, February 19: The Congress-led Indian National Trade Union Congress (INTUC) today urged the government to take a closer look at the increase in prices of petroleum products. The plea showed that elements in the ruling party were also disturbed by the economic policies of the government. The working committee of the INTUC meeting here under the presidency of Mr G. Ramanujam, pointed out that the increase in the levy of petroleum products along with the earlier rise in the administered prices of wheat, rice, fertilisers and coal would further aggravate the sufferings of the working and the middle classes. It observed that while the hike in the price of kerosene and cooking gas would affect almost every household, the additional levies would inflict considerable damage on the economy. The committee said one of the factors causing increased industrial sickness was the absence of adequate purchasing power left with the people. It urged the government to view the demand for increase in the floor level of exemption from income tax, not only as being in the interest of the middle classes but also as in the interest of the national economy. It also wanted the prices of essential commodities to be kept stable throughout the seventh plan period by administering appropriate remedies and eliminating middlemen. [Text] [Bombay THE TIMES OF INDIA in English 20 Feb 86 p 9] /9274

SUPPORT FOR AQUINO--After careful consideration, the Government of India instructed the Indian Ambassador to the Philippines, Mr Romesh Mulye, to pay a courtesy call on Mrs Corazon Aquino in Manila much to the consternation of the Marcos Government. The decision to extend this moral support to Mrs Aquino, the "defeated" candidate in the rigged presidential election, became all the more significant in the absence of the customary congratulatory message to the President, Mr Ferdinand Marcos on his "re-election." The Government of India has been wondering, after taking this unprecedented step of establishing contact with Mrs Aquino, whether it should ask the Indian Ambassador in Manila to attend the swearing-in ceremony of Mr Marcos on Tuesday, when he plans to assume office for another six-year term. Government relieved: But much to the relief of the Government of India there are reports that Mr Marcos has decided not to invite any foreign dignitaries or Manila-based envoys to his inauguration in the prevailing atmosphere of great tension. It would save India the embarrassment of asking its Ambassador to refrain from attending the swearing-in ceremony to indicate the country's sympathy for the Filipino people's struggle for restoration of democracy. The Indian decision to establish contact with Mrs Aquino was taken after the Japanese Ambassador in Manila called on her and the envoys of the European Economic Community issued a joint statement which Mrs Aquino interpreted as an expression of moral support. [Text] [By G. K. Reddy] [Madras THE HINDU in English 24 Feb 86 p 1] /9274

EASTERN NAVAL COMMAND--New Delhi, Feb. 23. Vice-Admiral, S. C. Chopra, has been appointed Flag Officer Commanding-in-Chief, Eastern Naval Command, Visakhapatnam. Earlier, he was commanding the western fleet. A graduate of the National Defense Staff College, Wellington, Admiral Chopra is one of the

31 March 1986

senior-most naval aviator. A qualified flying instructor, he commanded a squadron of fighters on board INS Vikrant in 1964 and later commanded the frigate INS Beas and the fleet tanker, INS Deepak. He was awarded the Nao Sena Medal in 1972 and the Ati Vishisht Seva Medal in 1985. [Text] [Madras THE HINDU in English 24 Feb 86 p 7] /9274

CONSULATES IN UK--India, disappointed at the British authorities' handling of the situation created by the anti-Indian extremists, has closed down two of its consulates. The consulates were located in Liverpool and Glasgow, and headed by Assistant High Commissioners Yogendra Kumar and H D K Kakkar. The closure was ordered by the Indian Government last month. India has another consulate in Birmingham. Both Liverpool and Glasgow have a fairly large community of Indian settlers, where anti-Indian separatists have sought to spread disaffection. It was in Liverpool that Indian diplomat Ashok Mhatre was murdered two years ago by a gang of extremists, following the execution in India of notorious terrorist Maqbool Butt. The Government of India, which has been in close and constant touch with the British authorities since the rise in anti-Indian activities of separatist groups in Britain, has conveyed its disappointment at lack of effective action by the Conservative Government. Despite repeated assurances by Premier Markaret Thatcher, the British authorities' actions have been far from adequate, India has felt. [Text] [New Delhi PATRIOT in English 21 Feb 86 p 1] /9274

DEFICIT WITH EEC--New Delhi, Feb. 19 (PTI) India has run into a massive trade deficit of Rs 1,869 crores with the European Economic Community (EEC) during the first eight months of 1985. Disclosing this, an analysis in the latest issue of the Eurostat, published by EEC, said that India's adverse trade balance with the EEC was 1.79 billion European currency units (ECU) during the period in question. While the Community imported goods worth 1.97 billion ECU from India during the first eight months of 1985, its aggregate exports to India for the same period amounted to a huge 3.76 billion ECU. (One ECU was roughly equal to Rs 10.50). Commodity, wise, trade between India and the EEC available till the first half of 1985 (January-June), show a big surplus for EEC from exports of chemicals, machinery and transport equipment. [Text] [Calcutta THE TELEGRAPH in English 20 Feb 86 p 9] /9274

CSO: 4600/1790

- END -